

Registered no 4006718

Moody's Holdings Limited
Annual Report for the year ended
31 December 2011

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Moody's Holdings Limited

Annual Report

For the year ended 31 December 2011

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Moody's Holdings Limited**Directors and advisers****Directors**

Mr Fredenc Drevon
Mr Ian Glover

Registered Office

Moody's Holdings Limited
One Canada Square
London
E14 5FA

Registered Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Banker

Bank of America N A
5 Canada Square
London
E14 5AQ

Moody's Holdings Limited

Directors' report

The directors present their report and audited financial statements of Moody's Holdings Limited (the Company) for the year ended 31 December 2011

Business review and principal activities

Moody's Holdings Limited acts as a holding company. It does not trade and there is no intention for it to trade in the foreseeable future.

The Company is the holding company for Moody's Investors Service Limited which is a provider of credit ratings and related research in domestic and international markets, including various corporate and governmental obligations, structured finance securities as well as rating opinions on issuers of credit obligations.

The Company is also the holding company for Moody's Analytics UK Limited which provide the provision of research, data, analytical services and training to institutional investors, credit professionals, and other capital market participants. Moody's Analytics UK Limited also provides support and delivery services to users of software products sold by Moody's Analytics Inc and identifies potential customers for licenses and subscriptions to the full range of Moody's Analytics software products.

In addition the Company is the holding company of Moody's Dubai BVI Limited which acts as another holding company.

Future outlook

The directors remain confident that Moody's Holdings Limited will maintain a good level of performance in the future.

Profit for the year

The Company made a profit for the year of £63,688,000 mostly relating to dividends received (2010: £105,000,000).

Dividends

As disclosed in notes 6 and 8, the Company received dividends of £67,251,000 (2010: £105,000,000) and paid dividends of £63,000,000 (2010: £105,000,000) during the year.

Directors

The directors who held office during the year are given below:

Mr Fredenc Drevon
Mr Ian Glover

None of the directors have an interest in the shares of the Company or its immediate holding company and fellow subsidiaries.

Post balance sheet events

On 12 July 2012, a total dividend of £4,041,384 was received from Moody's Analytics UK Limited.
On 13 July 2012, the Company paid a dividend of £4,041,384 to Moody's Group UK Limited.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Employees

The Company had no employees during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board on 28TH AUGUST 2012



Frederic Drevon
Director

Moody's Holdings Limited**Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud or other irregularities.



Independent auditor's report to the members of Moody's Holdings Limited

We have audited the financial statements of Moody's Holdings Limited (the Company) for the year ended 31 December 2011 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities in respect of the Directors' report and the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of the profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

W Southwood, Senior Statutory Auditor
for and behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

28 August 2012

Moody's Holdings Limited
**Profit and loss account
for the year ended 31 December 2011**

	Note	2011 £'000	2010 £'000
TURNOVER		-	-
Administrative expenses		-	-
OPERATING PROFIT		-	-
Interest receivable and similar income	5	209	-
Income from fixed asset investments	6	67,251	105,000
Loss on disposal of investments	9	(3,772)	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		63,688	105,000
Taxation on profit on ordinary activities	7	-	-
PROFIT FOR THE FINANCIAL YEAR		63,688	105,000

The Company's results all relate to continuing operations

The Company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of total recognised gains and losses has been presented

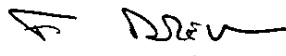
There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

The notes on pages 7 to 10 form an integral part of these financial statements

Moody's Holdings Limited
**Balance sheet
as at 31 December 2011**

	Note	2011 £'000	2010 £'000
FIXED ASSETS			
Investments	9	3,797	7,569
CURRENT ASSETS			
Debtors amounts falling due within one year	10	4,460	-
Creditors amounts falling due within one year	11	-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		8,257	7,569
NET ASSETS		8,257	7,569
CAPITAL AND RESERVES			
Called up share capital	12	3,772	3,772
Profit and loss account	13	4,485	3,797
EQUITY SHAREHOLDERS' FUNDS		8,257	7,569

The financial statements on pages 5 to 10 were approved by the Board of Directors on and were signed on its behalf by:

 28TH AUGUST 2012
Mr Frederic Drevon
Director

Company registered no 4006718

Moody's Holdings Limited

Notes to the financial statements - 31 December 2011

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below and have been applied consistently.

Basis of accounting

The investments held by the Company have suitable financial resources together with long term relationships with a number of customers and suppliers across different geographic areas and institutions. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

The financial statements contain information about Moody's Holdings Limited as an individual company and do not contain consolidated financial information as a parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group accounts as the Company's subsidiary undertakings are included in the consolidated financial statements of a larger group headed by Moody's Corporation, a parent undertaking established under the law of the United States of America.

Cash flow

The Company has taken advantage of the exemption in Financial Reporting Standard (FRS) No1(Revised 1996), "Cash Flow Statement", from the requirement to produce a cash flow statement on the grounds that the ultimate parent company, Moody's Corporation, has prepared a consolidated cash flow including the cash flows of this Company for the year ended 31 December 2011.

Foreign currencies

Transactions in foreign currencies during the year are translated into Sterling at the rates ruling at the time of the transactions.

Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Sterling at the rates ruling on that date. Exchange differences are charged or credited to the profit and loss account.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

2 Employee information

There were no employees during the year (2010: nil).

3 Directors' emoluments

None of the directors received any remuneration in respect of their services to the Company during the year (2010: £nil), nor for loss of office. Emoluments of the directors were borne by one of the Company's subsidiaries, Moody's Investors Service Limited.

4 Auditor's remuneration

Auditor's remuneration of £4,000 (2010: £4,000) was borne by the Company's immediate holding company, Moody's Group UK Limited.

5 Interest receivable and similar income

	2011 £'000	2010 £'000
Receivable from group undertakings	209	-

6 Income from fixed asset investments

	2011 £'000	2010 £'000
Dividends received	67,251	105,000

On 12 January 2011, Moody's Wall Street Analytics UK Unlimited paid a dividend of £7,251,000 to the Company.
On 28 April 2011, Moody's Analytics UK Limited paid a dividend of £10,000,000 to the Company.
On 15 July 2011, Moody's Investors Service Limited paid a dividend of £50,000,000 to the Company.

Moody's Holdings Limited

Notes to the financial statements - 31 December 2011 (continued)

7 Taxation

	2011 £'000	2010 £'000
UK Corporation tax at 26.5% (2010: 28%)		
UK corporation tax on profits of the year	-	-
Deferred tax at 25% (2010: 27%)	-	-
Taxation	-	-
	2011 £'000	2010 £'000
Profit on ordinary activities before tax	63,688	105,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28%)	16,877	29,400
Effect of Disallowed expenses	1,000	-
Non-taxable income	(17,877)	(29,400)
Total current tax	-	-

8 Dividends paid

	2011 £'000	2010 £'000
Dividends paid	63,000	105,000

On 28 April 2011, the Company paid a dividend of £10,000,000
On 26 July 2011, the Company paid a dividend of £53,000,000

9 Investments

Subsidiary undertakings

Company	2010 Total £'000	2011 Transfers £'000	2011 Disposals £'000	2011 Total £'000
Moody's Investors Service Limited	-	3,607	-	3,607
Moody's Analytics UK Limited	190	-	-	190
Moody's Dubai BVI Limited	3,607	(3,607)	-	-
Moody's Wall Street Analytics Unlimited	3,772	-	(3,772)	-
TOTAL	7,569	-	(3,772)	3,797

Details of the Company's investments are as follows

Company	Country of incorporation	Percentage Held	Shares	Value
Moody's Investors Service Limited	United Kingdom	100%	2	£1
Moody's Analytics UK Limited	United Kingdom	100%	189,553	£1
Moody's Dubai BVI Limited	British Virgin Islands	100%	100	\$1

On 7th June 2011, the Dubai branch of Moody's Investors Service Limited acquired the trade and assets of Moody's Middle East Limited, a subsidiary undertaking of Moody's Dubai BVI Limited

On 26 June 2011, Moody's Wall Street Analytics Unlimited was dissolved

Moody's Holdings Limited
**Notes to the financial statements - 31 December 2011
(continued)**
10 Debtors amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed by group undertakings	4,460	-

Amounts owed by the group undertakings is due for repayment on 14th July 2012 and has a fixed interest rate of 3.58% per annum

11 Creditors amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed to group undertakings	-	-

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment

12 Called up share capital

	2011 £'000	2010 £'000
Authorised		
3,771,859 ordinary shares of £1 each	3,772	3,772
Allotted, called up and fully paid		
3,771,859 ordinary shares of £1 each	3,772	3,772

13 Profit and loss account and reconciliation of shareholders' funds

	Share capital £'000	Profit and loss account £'000	Other gains £'000	Total shareholder's funds £'000
Balance at 1 January 2010	3,772	190	3,607	7,569
Profit for the year	-	105,000	-	105,000
Dividend paid in 2010	-	(105,000)	-	(105,000)
Balance at 31 December 2010	3,772	190	3,607	7,569
Balance at 1 January 2011	3,772	190	3,607	7,569
Profit for the year	-	63,688	-	63,688
Dividend paid in 2011	-	(63,000)	-	(63,000)
Balance at 31 December 2011	3,772	878	3,607	8,257

Moody's Holdings Limited**Notes to the financial statements - 31 December 2011
(continued)****14 Related party transactions**

The Company has taken advantage of the exceptions conferred by FRS No 8, "Related Party Disclosures", paragraph 3c not to make disclosures concerning transactions with entities that are part of the Moody's Corporation group. The parent undertaking prepares consolidated financial statements which include the Company and which are publicly available.

15 Post balance sheet events

On 12 July 2012, a total dividend of £4,041,384 was received from Moody's Analytics UK Limited.
On 13 July 2012, the Company paid a dividend of £4,041,384 to Moody's Group UK Limited.

16 Ultimate parent undertaking and controlling party

The Company's ultimate parent undertaking and controlling party is Moody's Corporation, incorporated in the United States of America. The immediate holding company is Moody's Group UK Limited. Moody's Corporation is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Moody's Corporation consolidated financial statements can be obtained from the Secretary, Moody's Corporation, 7 World Trade Center, 250 Greenwich Street, New York, NY 10007, USA.