

State Street Administration Services (UK) Limited

Registered no. 04092438

Annual Report and Financial Statements

For the year ended 31 December 2022

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COMPANIES HOUSE

State Street Administration Services (UK) Limited

Registered no. 04092438

Directors

T. Bartlett (chairman)

M. Spain

Auditor

Ernst & Young LLP

25 Churchill Place

London

E14 5EY

Registered office

20 Churchill Place

London

E14 5HJ

Bankers

Citibank N.A.

Citigroup Centre

33 Canada Square,

London

E14 5LB

State Street Administration Services (UK) Limited

STRATEGIC REPORT

The directors present their Strategic Report for State Street Administration Services (UK) Limited ("the Company") for the year ended 31 December 2022.

The purpose of the Strategic Report is to inform members of the Company and help them assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the Company).

REVIEW OF THE BUSINESS

State Street Administration Services (UK) Limited was incorporated in the UK on 18 October 2000. It is a wholly owned subsidiary of State Street Investment Holdings (Jersey) Limited and is ultimately owned by State Street Corporation.

The Company receives its strategy from the State Street Alternative Investment Solutions management team. The strategy was broadly defined to operate and deliver the business of unregulated onshore fund administration in the markets of private equity and real estate in a controlled manner, albeit whilst identifying opportunities for efficiency within the wider State Street group.

The principal costs of the business are its staff and operating costs. Costs for the year have declined due to lower headcount and a transfer of operations from the Company, to £717,001 (2021: £1,164,716), and revenue declined due to the anticipated end of a temporary servicing arrangement provided in the previous year to £673,082 (2021: £886,366). This resulted in a profit before tax for the Company for the year ended 31 December 2022 of £213,929 (2021: £86,760).

At 31 December 2022 the Company had net current assets of £6,137,009 (2021: £5,544,713) and total net assets of £6,137,009 (2021: £5,544,713).

RESTRUCTURING OF THE COMPANY

A strategic review of the operations in EMEA has highlighted the need to simplify the State Street Corporation's ("the Group") regional operating model by focusing on large operations centres. In light of this, the Company ceased its operations on 1 October 2022, and all the employees were transferred to other group companies. The directors have approved the plan to voluntarily liquidate the company which involves settlement of liabilities and realisation of its assets. Please refer to note 1 to the financial statements for additional information related to the decision.

PRINCIPAL RISKS AND UNCERTAINTIES

Members of the executive management are responsible for identifying and evaluating the key risks facing their areas of the business and for ensuring that any necessary mitigating actions take place.

Business risk

The Company has ceased its operations in October 2022. The Company is in process of recovering the Billed Debtors as at 31 December 2022. The management is actively involved in timely recovery of debtors and ensure the irrecoverability does not impact the Capital position of the entity.

Financial risk management

The Company's activities expose it to limited financial risks that include foreign exchange and liquidity risk. The Company limits the adverse effects of these risks on its financial performance by complying with risk management policies laid down by its ultimate parent undertaking, State Street Corporation.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from trading balances in currencies other than GBP. The foreign exchange exposure arising from the mismatch of assets and liabilities is managed according to global policies.

State Street Administration Services (UK) Limited

STRATEGIC REPORT - CONTINUED

Credit risk

The Company manages its counterparty credit risk centrally to optimise the use of credit availability and to avoid excessive risk concentration. Non-bank counterparty credit risk is managed locally. The directors receive and monitor regular reports on any credit limit exceptions.

Liquidity risk

The Company maintains a mixture of currency accounts that is designed to ensure it has sufficient available funds for its operations.

Operational risk

The Company's main operational risks are related to the outsourcing of services to fellow group companies. These risks are managed on a day to day basis by internal control procedures and rigorous oversight of the outsourcing arrangements.

BY ORDER OF THE BOARD



T. Bartlett, Director

Date: 26 September 2023

State Street Administration Services (UK) Limited

DIRECTORS' REPORT

The directors present their annual report to the members together with the audited financial statements for the year ended 31 December 2022. In accordance with section 414C(11) of the Companies Act 2006, the directors have set out the review of the business and principal risks and uncertainties within the Company's Strategic Report.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of administration services. During the year, the Company has transferred its operations to other group companies and intends to cease trading.

RESULTS AND DIVIDEND

The result for the year is shown on page 9. The directors do not recommend a final dividend in respect of the year ended 31 December 2022 (2021: £ Nil).

GOING CONCERN

The Company intends to cease trading. The directors will proceed with the dissolution once all statutory requirements have been complied with. FRS 102 requires that the financial statements should not be prepared on a going concern basis if management either intend to liquidate the entity or to have cease(d) trading.

The directors have considered an alternative basis of preparation but believe that other than going concern basis for preparation best reflects the financial position and performance of the entity. The carrying value of the assets, which were determined in accordance with the accounting policies, have been reviewed for possible impairment and changes of value which have occurred since the year end and consideration has been given to whether any additional provisions are necessary as a result of the decision to cease trading. It is expected that all assets will realise at least at the amounts at which they are included in the statement of financial position and there will be no material additional liabilities.

FUTURE DEVELOPMENTS

A strategic review of the operations in EMEA has highlighted the need to simplify the Group's regional operating model in favour of large operations centres. As such, the business operations of the Company were transferred to other group companies. Please refer to going concern disclosures, as well as the disclosure made in the Strategic Report for more details.

DIRECTORS

The directors who held office during the year and subsequently were as follows:

T. Bartlett (chairman)
V. Fernando (resigned on 27 April 2023)
M. Spain (appointed on 27 April 2023)

None of the directors had a disclosable interest in the shares of the Company during the year, however the directors may hold interest in the shares of the ultimate parent company, State Street Corporation.

DIRECTORS' LIABILITIES

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force at the date of approving the Directors' report.

The Company's ultimate parent, State Street Corporation, maintains external insurance in respect of claims brought by third parties against the Company's directors and this insurance remains in force at the date of approving the Directors' Report.

State Street Administration Services (UK) Limited

DIRECTORS' REPORT - CONTINUED

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no disclosable political or charitable donations or incurred any political expenditure 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.

RE-APPOINTMENT OF AUDITOR

In accordance with sections 485 and 487 of the Companies Act 2006, Ernst & Young LLP are re-appointed as the auditor of the Company.

BY ORDER OF THE BOARD



T. Bartlett, Director

Date: 26 September 2023

State Street Administration Services (UK) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

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 or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which 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; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. For the reasons stated in the Directors' Report and note 1, the financial statements of State Street Administration Services (UK) Limited have not been prepared on a going concern basis.

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

State Street Administration Services (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STATE STREET ADMINISTRATION SERVICES (UK) LIMITED

Opinion

We have audited the financial statements of State Street Administration Services (UK) Limited for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on other than going concern basis

We draw attention to Note 1 to the financial statements which explains that the directors intend to dissolve the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on other than going basis as described in Note 1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

State Street Administration Services (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STATE STREET ADMINISTRATION SERVICES (UK) LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to dissolve the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

State Street Administration Services (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STATE STREET ADMINISTRATION SERVICES (UK) LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

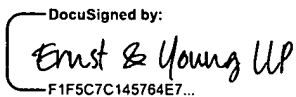
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102 and the Companies Act 2006.
- We understood how State Street Administration Services (UK) Limited is complying with those frameworks by making inquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed correspondence between the Company and regulatory bodies, reviewed minutes of meetings of the Board of Directors and the UK Risk and Compliance Committees and gained an understanding of the Company's governance framework.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and considering the controls established to address risks identified to prevent or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making inquiries of legal counsel, executive management, and internal audit, reviewing reporting to the Directors with respect to the application of the documented policies and procedures and reviewing the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

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Keith Wood (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
27 September 2023

State Street Administration Services (UK) Limited**INCOME STATEMENT****For the year ended 31 December 2022**

	Notes	<u>2022</u> £	<u>2021</u> £
REVENUE	2	673,082	886,366
OPERATING EXPENDITURE			
Staff costs	4	333,704	856,462
Other costs	3	383,297	308,254
		717,001	1,164,716
OPERATING (LOSS) / PROFIT		(43,919)	(278,350)
OTHER INCOME	5	258,636	366,255
INTEREST CHARGE	6	(788)	(1,145)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		213,929	86,760
TAXATION	12	(378,367)	(1,088)
PROFIT FOR THE YEAR		592,296	87,848

The Company has not recognised gains or losses in current or preceding financial years other than those shown above. The Company had no other comprehensive income and accordingly no Statement of Comprehensive Income has been prepared. The net profit for the year disclosed above represents the Company's total comprehensive income.

The notes on pages 12 to 19 form an integral part of these financial statements.

State Street Administration Services (UK) Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<u>Notes</u>	<u>2022</u> £	<u>2021</u> £
CURRENT ASSETS			
Debtors - amounts falling due within one year	7	449,391	625,060
Cash at bank		5,805,519	5,292,628
Tax receivable		16,260	-
		<u>6,271,170</u>	<u>5,917,688</u>
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	8	(134,161)	(372,975)
NET CURRENT ASSETS		<u>6,137,009</u>	<u>5,544,713</u>
NET ASSETS		<u>6,137,009</u>	<u>5,544,713</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Share premium account	10	2,499,999	2,499,999
Capital contribution	10	3,995,308	3,995,308
Retained earnings		(358,300)	(950,596)
SHAREHOLDER'S FUNDS		<u>6,137,009</u>	<u>5,544,713</u>

The notes on pages 12 to 19 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



T. Bartlett, Director
Date: 26 September 2023

Registered Number: 04092438

State Street Administration Services (UK) Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

Notes	Share Capital 9 £	Share Premium 10 £	Capital Contribution 10 £	Retained Earnings £	Total £
2021					
At 1 January 2021	2	2,499,999	3,995,308	(1,038,444)	5,456,865
Profit for the year	-	-	-	87,848	87,848
Total comprehensive income for the year	-	-	-	87,848	87,848
At 31 December 2021	2	2,499,999	3,995,308	(950,596)	5,544,713
2022					
At 1 January 2022	2	2,499,999	3,995,308	(950,596)	5,544,713
Profit for the year	-	-	-	592,296	592,296
Total comprehensive income for the year	-	-	-	592,296	592,296
At 31 December 2022	2	2,499,999	3,995,308	(358,300)	6,137,009

The notes on pages 12 to 19 form an integral part of these financial statements.

State Street Administration Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

Basis of Preparation

State Street Administration Services (UK) Limited is a private company, limited by shares, incorporated in England and Wales. The Company's registered number is 04092438 and its Registered Office is 20 Churchill Place, London E14 5HJ.

These financial statements have been prepared under the historical cost convention and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law. As stated in the Directors' Report, the directors intend to dissolve the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements are prepared on other than going concern basis.

The Company has taken advantage of certain disclosure exemptions available under FRS 102.1.12 due to the consolidated financial statements of its ultimate controlling party, State Street Corporation, being publicly available. The applicable exemptions are as follows:

- The requirement of Section 4 *Statement of Financial Position* paragraph 4.12(a)(iv).
- The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to
- The requirements of Section 26 *Share-based Payment* paragraphs 26.18(b), 26.19 to 26.21 and
- The requirement of Section 33 *Related Party Disclosures* paragraph 33.7.

The financial statements have been prepared in British pound sterling which is the functional currency of Company and all amounts in the financial statements have been rounded off to the nearest pound sterling (£).

The directors have considered an alternative basis of preparation but believe that other than going concern basis for preparation best reflects the financial position and performance of the entity. The carrying value of the assets, which were determined in accordance with the accounting policies, have been reviewed for possible impairment and changes of value which have occurred since the year end and consideration has been given to whether any additional provisions are necessary as a result of the decision to cease trading. It is expected that all assets will realise at least at the amounts at which they are included in the statement of financial position and there will be no material additional liabilities.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Judgements made by the directors, in the application of these accounting policies had no significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year have not been observed in the period.

State Street Administration Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2022

1. ACCOUNTING POLICIES - CONTINUED

Foreign currency

Transactions in foreign currencies are initially recorded in sterling by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Accrued income

Accrued income is recognised as time, transactions or fixed fees in arrears charged at selling value less a provision for non-recovery where a right to consideration arises through the performance of administration related services. The right to consideration for time based fees is determined by the assessment of time recording data to determine the stage of completion.

Revenue recognition

Fees are recognised when invoiced and adjusted for accrued income movements during the year.

Fixed fees are recognised as income in the profit & loss account during the year to which they relate, with the deferred element recognised in the balance sheet as fee income received in advance.

Interest received and paid

Interest is recognised on an accruals basis, using the effective interest rate method.

Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

Severance provision

A provision for severance costs is recognised when the Company has a detailed, formal severance plan. Measurement of the obligation will take into account an individual's employment level, monthly salary and number of years of service.

Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the profit or loss. Immediately after recognition, an expected credit loss ("ECL") is recognised for financial assets measured at amortised cost, which may result in an accounting loss being recognised when an asset is newly originated.

Financial assets – classification

Trade and other debtors previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments continue to be measured at amortised cost.

State Street Administration Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2022

1. ACCOUNTING POLICIES - CONTINUED

Financial Instruments - continued

Financial assets – impairment

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised costs. The Company recognises a loss allowance for such losses at each reporting date. The Company measures ECL on each balance sheet date according to a three stage ECL impairment model:

- Stage 1 – from initial recognition of the financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is equal to the credit loss expected to result from default occurring over 12 months following the reporting date;
- Stage 2 – following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognised equal to the credit losses expected over the remaining lifetime of the asset;
- Stage 3 – when the financial asset is considered to be credit impaired, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset. Interest and revenue is calculated based on the gross carrying amount of the asset, net of the loss allowance.

The measurement of the ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets – derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

Financial liabilities – classification and measurement

Financial liabilities are measured at settlement value. Financial liabilities are derecognised when they are extinguished.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at the initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. When the Company revises the estimated cash flows, the carrying amount of the respective financial assets or liabilities is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits that are repayable on demand.

Trade and other debtors

Given the financial statements are prepared on other than going concern basis, the trade and other debtors are measured at net realisable value.

State Street Administration Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2022

1. ACCOUNTING POLICIES - CONTINUED

Trade and other creditors

Given the financial statements are prepared on other than going concern basis, the trade and other creditors are measured at settlement value.

Expenditure

Expenditure is recognised on an accruals basis.

Fiduciary assets and liabilities

The financial statements do not include any assets and liabilities of clients held in a fiduciary or nominee capacity.

Taxation

The charge for taxation is based on taxable profits for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.29. Deferred tax assets are recognised to the extent that the directors deem them to be recoverable in the near future.

Share based payments

From time to time, employees are awarded deferred stock under the ultimate parent company's (State Street Corporation "Parent") Equity-Based Compensation Plan. Deferred stock awards issued under the plan vest over zero to five year periods. The Company does not have an obligation to settle the Parent's awards with its employees and therefore recognises the arrangement in accordance with the requirements applicable to equity-settled share-based payment transactions.

In accordance with FRS 102.26 the cost of equity-settled share-based awards to employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense on a straight-line basis over the period in which employees perform services to which the awards relate, or over the period of the tranches for those awards delivered in tranches. For awards delivered in tranches, each tranche is considered a separate award and the related expense is amortised separately. Fair value is determined by reference to the market price at grant date, adjusted to take account of the fact that awards are not eligible for dividends during the vesting period. Estimates of expected forfeitures are periodically adjusted in the event of actual forfeitures or for changes in expectations.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

Deferred Value Awards

The Company participates in the deferred awards scheme of the group, via the issuance of deferred value awards to eligible employees. This scheme was introduced in 2014. These deferred awards are tied to the performance of an SSGA managed money market fund. The awards vest quarterly over 4 years. Employees receive dividend equivalents paid by the underlying funds in the form of increased total awards granted.

The company records compensation expense based on the NAV of the underlying funds as well as dividends paid. Upon vesting, employees are paid in cash. The expense is recognised in the income statement of the Company on a straight line basis of the vesting period of the awards.

State Street Administration Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2022

1. ACCOUNTING POLICIES - CONTINUED

Recent accounting developments

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS standards that have been issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- Fees in the '10 per cent' test for derecognition of financial liabilities – Amendments to IFRS 9

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company.

2. REVENUE	31 Dec 22	31 Dec 21
	£	£
Revenue from administration services	673,082	886,366
Intercompany revenue	-	-
	<u>673,082</u>	<u>886,366</u>
3. OTHER COSTS	31 Dec 22	31 Dec 21
	£	£
Rent and rates incurred directly	139,731	205,451
(Release of severance provision) / Severance costs	-	(173,046)
Other direct expenditure	110,134	74,605
Net foreign exchange losses	0	16,607
State Street Bank & Trust Company - other costs recharge	133,432	184,637
	<u>383,297</u>	<u>308,254</u>
4. STAFF COSTS	31 Dec 22	31 Dec 21
	£	£
Wages and salaries	239,067	609,797
Social security	34,630	89,229
Personnel costs	8,679	44,361
Pension costs	31,890	69,579
Staff bonus	19,438	43,496
	<u>333,704</u>	<u>856,462</u>

The pension charge of £31,890 (2021: £69,579) for the year ended 31 December 2022 represents contributions payable by the Company to the defined contribution scheme.

Employees

As at 31 December 2022 State Street Administration Services (UK) Limited had 0 employees (2021: 6).

The average monthly number of employees during the year was:
Administration

	31 Dec 22	31 Dec 21
	4	9
5. OTHER INCOME	31 Dec 22	31 Dec 21
	£	£
State Street Bank & Trust Company - transfer pricing reimbursement	220,858	366,255
Net foreign exchange gains	37,778	-
	<u>258,636</u>	<u>366,255</u>

State Street Administration Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2022

6. INTEREST CHARGE	31 Dec 22	31 Dec 21
	£	£
Bank interest charged	788	1,145
	<u>788</u>	<u>1,145</u>
7. DEBTORS - amounts falling due within one year	31 Dec 22	31 Dec 21
	£	£
Amount due from group undertakings	220,861	458,323
Trade debtors	137,419	144,803
Accrued income	-	21,934
Sundry debtors	91,111	-
	<u>449,391</u>	<u>625,060</u>

Operating balances due from related parties are cash settled in the ordinary course of business and are therefore deemed to be short term assets.

8. CREDITORS

CREDITORS - amounts falling due within one year	31 Dec 22	31 Dec 21
	£	£
Trade creditors	507	3,410
Deferred income	-	1,630
Staff incentive scheme	-	44,955
Corporate tax payable	-	275,455
Other taxation and social security	63,585	12,024
Severance provision	-	-
Other creditors	70,069	35,501
	<u>134,161</u>	<u>372,975</u>

Severance

The Company recognised a provision for expected severance costs in relation to employee headcount reductions as part of a restructuring initiative. This provision reversed in full during the course of 2021. No new provision was established during the year to recognise any future expected employee restructuring and severance costs.

9. CALLED UP SHARE CAPITAL	31 Dec 22	31 Dec 21
	£	£
AUTHORISED:		
1,000 ordinary shares of £1 each	1,000	1,000
ISSUED AND FULLY PAID:		
2 ordinary shares of £1	2	2

Each ordinary share entitles the holder to one vote at a meeting of the shareholders and to an equal share of any dividends declared or any residual net assets on wind-up.

10. RESERVES

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital contribution

This reserve records additional capital contributions received for which no shares have been issued.

State Street Administration Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2022

11. PENSION FUND

State Street Administration Services (UK) Limited operates a defined contribution, money purchase, scheme that is open to eligible employees. Contributions to the scheme are charged to the income statement on an accruals basis and classified within staff costs.

12. TAXATION

Analysis of charge in period	31 Dec 22 £	31 Dec 21 £
<i>Current tax:</i>		
UK corporation tax on profits of the period	34,045	-
Adjustments in respect of previous periods	(412,412)	(1,088)
	<u>(378,367)</u>	<u>(1,088)</u>
<i>Deferred tax:</i>		
Impact of tax rate change	-	-
Adjustments in respect of previous periods	-	-
	<u>0</u>	<u>0</u>
Total tax on profit on ordinary activities	<u>(378,367)</u>	<u>(1,088)</u>
Factors affecting tax charge for period		
Profit on ordinary activities before taxation	213,929	86,760
Tax on profit on ordinary activities at the standard rate of corporation tax of 19% (2021: 19%)	40,647	16,484
Expenses not deductible for tax purposes	1,375	(231)
Adjustments in respect of prior years	(412,412)	(1,088)
Movement in unrecognised deferred tax	(10,495)	(16,253)
Impact of tax rate change	2,519	-
Current tax charge for the year	<u>(378,367)</u>	<u>(1,088)</u>
Deferred tax:		
Deferred tax asset at start of year	-	-
Deferred tax (charge) in profit and loss account for the	-	-
Deferred tax asset at end of year	<u>-</u>	<u>-</u>
<i>The balance at the year end comprises:</i>		
Decelerated capital allowances	-	9,752
Other timing differences	1,574	52,475
Derecognition of deferred tax asset	(1,574)	(62,227)
	<u>0</u>	<u>-</u>
Unrecognised deferred tax:		
Timing differences	1,574	62,227
	<u>1,574</u>	<u>62,227</u>
Factors that may affect future tax charges		

The main rate of corporation tax for the current financial year is 19%. During 2021, legislation to increase the main rate of UK corporation tax from 19% to 25% from 1 April 2023 was enacted. The increase in tax rate is applied in the measurement of the Company's deferred tax assets and liabilities at 31 December 2022. All deferred tax assets and liabilities were recognized at the rate of 25% as at 31 December 2022.

State Street Administration Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2022

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption to provide full related party transaction disclosures under FRS 102, as disclosures need not be given of transactions entered into between members of a group where any subsidiary that is party to the transaction is wholly owned by such a member.

14. DIRECTORS' REMUNERATION

	<u>31 Dec 22</u>	<u>31 Dec 21</u>
	£	£
Directors' remuneration	-	152,313
Company contribution to money purchase pension plans	-	10,743
Payments under long term incentive schemes	-	-
	<u>-</u>	<u>163,056</u>

The aggregate directors' remuneration of the highest paid director was £Nil (2021: £141,182). During the year, the highest paid director did not receive shares under a long term incentive scheme.

Certain directors were employed and remunerated as director or executive of State Street Corporation and its subsidiaries ("the Group"), in respect of their services to the Group as a whole, and their remuneration has been paid by other Group entities. It is estimated that the remuneration for their services to the company in the year totalled £1,000 (2021: £1,000).

15. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The Company is wholly owned by State Street Investment Holdings (Jersey) Limited, a Jersey company. In the directors' opinion, the Company's parent undertaking and ultimate controlling party is State Street Corporation, incorporated in the Commonwealth of Massachusetts, in the United States of America. State Street Corporation is the smallest and largest company in which the Company's results are consolidated. Copies of State Street Corporation's consolidated financial statements can be obtained from 1 Congress Street, Boston, Commonwealth of Massachusetts, 02114-2016, United States of America.

16. AUDITORS' REMUNERATION

The Company's auditor remuneration for the year to 31 December 2022 was:

	<u>31 Dec 22</u>	<u>31 Dec 21</u>
	£	£
Audit of the financial statements	19,120	19,120
Taxation compliance services	-	1,278
	<u>19,120</u>	<u>20,398</u>

17. EVENTS AFTER THE BALANCE SHEET DATE

No post balance sheet date event to report.