

COMPANY REGISTRATION NUMBER
06097517

SECURITIES LENDING SERVICES GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2014



SECURITIES LENDING SERVICES GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

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SECURITIES LENDING SERVICES GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2014

The board of directors	Lance Uggle Jeff Gooch
Registered office	4th Floor Ropemaker Place 25 Ropemaker Street London EC2Y 9LY
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
Solicitors	Ashurst Broadwalk House 5 Appold Street London EC2A 2HA
Registered number	06097517

SECURITIES LENDING SERVICES GROUP LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2014

The directors have pleasure in presenting their Strategic report, Directors' report and the audited financial statements of the Company for the year ended 31 December 2014. A strategic report has not been prepared as the company is entitled to the small companies exemption under Part 15 of the Companies Act, 2006.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were that of an investment holding company and the Company is expected to continue as an investment holding company.

These financial statements have been prepared in Sterling, as it is the currency of the primary economic environment in which the Company operates and generates cash flows.

RESULTS AND DIVIDENDS

The Company's profit for the financial year amounted to £6,341k (2013: profit of £14,780k).

Dividends totalling £6,100k (2013: £9,462k) were paid during the year.

RESEARCH AND DEVELOPMENT

The Company continues to invest in research and development in order to continue expansion and enhancement of its product offering.

FOREIGN CURRENCY

The exchange rate between US Dollar and Sterling as at 31 December 2014 was 1.55925.

PAYMENT OF CREDITORS

It is the Company's policy in respect of all suppliers to agree payment terms in advance of the supply of goods and services and to adhere to those payment terms.

PRINCIPAL RISKS, UNCERTAINTIES AND RISK MANAGEMENT POLICY

The Company is a non trading Company and therefore its operational exposure to risk is limited. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, hence the Directors continue to adopt the going concern basis in preparing the financial statements.

THE DIRECTORS

The directors who served the Company during the year and up to the date of signing the financial statements were as follows:

Lance Uggle
Jeff Gooch

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently;
- make judgements and accounting 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 the 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 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.

SECURITIES LENDING SERVICES GROUP LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2014

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

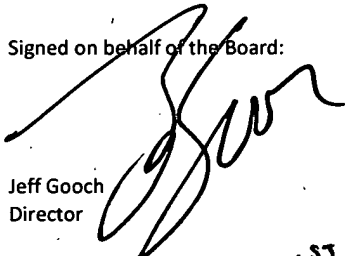
DONATIONS

No donations were made during the current year (2013: £0k).

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Signed on behalf of the Board:



Jeff Gooch
Director

Approved by the directors on 1st APRIL 2015

Registered office:
4th Floor
Ropemaker Place
25 Ropemaker Street
London
EC2Y 9LY

SECURITIES LENDING SERVICES GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SECURITIES LENDING SERVICES GROUP LIMITED

YEAR ENDED 31 DECEMBER 2014

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Securities Lending Services Group Limited, comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of the Directors' Responsibilities 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Duncan McNab (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

1 April 2015

SECURITIES LENDING SERVICES GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
TURNOVER	1	-	-
Administrative expenses		(11)	(48)
OPERATING LOSS	2	<u>(11)</u>	<u>(48)</u>
Income from shares in group undertakings		6,100	14,462
Interest receivable and similar income	4	312	416
Interest payable and similar charges	5	-	(149)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>6,401</u>	<u>14,681</u>
Tax on profit on ordinary activities	6	(60)	99
PROFIT FOR THE FINANCIAL YEAR		<u>6,341</u>	<u>14,780</u>

All of the activities of the Company are classed as continuing.

The Company has no recognised gains or losses other than the results for the years as set out above and hence no statement of recognised gains and losses has been prepared.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical costs equivalents.

The notes on pages 9 to 12 form part of these financial statements.

SECURITIES LENDING SERVICES GROUP LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Investments	8	<u>48,133</u>	<u>48,133</u>
		<u>48,133</u>	<u>48,133</u>
CURRENT ASSETS			
Debtors	9	12,906	12,665
Cash at bank and in hand		<u>6</u>	<u>3</u>
		<u>12,912</u>	<u>12,668</u>
CREDITORS : Amounts falling due within one year	11	(15)	(12)
NET CURRENT ASSETS		<u>12,897</u>	<u>12,656</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>61,030</u>	<u>60,789</u>
NET ASSETS		<u>61,030</u>	<u>60,789</u>
CAPITAL AND RESERVES			
Called-up share capital	12	1,610	1,610
Capital redemption reserve	13	49	49
Profit and loss account	13	<u>59,371</u>	<u>59,130</u>
TOTAL SHAREHOLDERS' FUNDS	14	<u>61,030</u>	<u>60,789</u>

The financial statements on pages 7 to 12 were approved by the Board of Directors and authorised for issue on 1st APRIL 2015 and are signed on their behalf by:

Jeff Gooch
Director

Company Registration Number: 06097517

The notes on pages 9 to 12 form part of these financial statements.

SECURITIES LENDING SERVICES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

1 ACCOUNTING POLICIES

Financial Reporting Standard 18 requires that the Company selects accounting policies that are the most appropriate to its particular circumstances for the purpose of ensuring that the financial statements give a true and fair view. The following policies have been selected by the directors against the objectives of relevance, reliability, comparability and understandability and have been applied consistently in the preparation of these financial statements.

Securities Lending Services Group Limited is a limited company incorporated and domiciled in England and Wales.

Basis of preparation

The functional and presentational currency of the Company is Sterling and the financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is over 90% owned and its ultimate parent publishes a consolidated cash flow statement.

Group financial statements

The financial statements present information about the Company as an individual undertaking and not about its group.

The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Markit Limited, a company incorporated in Bermuda, and is included in the consolidated financial statements of that company.

Investments

Investments are shown at cost less provision for any impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are, however, recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods to which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Dividends paid and received

Dividends paid and received are included in the company financial statements in the period in which the related dividends are actually paid or received. All dividends paid or received concern other members of the group into which this company is consolidated.

2 OPERATING LOSS

Operating profit is stated after charging:

	2014	2013
	£'000	£'000
- Fees payable to the Company's auditors for the audit of the Company's annual financial statements	10	8

SECURITIES LENDING SERVICES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2014

3 DIRECTORS' EMOLUMENTS

The directors are directors of, or act on behalf of, the ultimate parent company as well as a number of fellow subsidiaries, including the Company. The total emoluments of these directors are recharged as part of a management charge which includes a recharge of administration costs. It is not possible to separately identify the amount of the directors' emoluments attributable to the Company.

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £'000	2013 £'000
Group interest receivable	312	416
	<u>312</u>	<u>416</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Group interest payable	-	149
	<u>-</u>	<u>149</u>

6 TAXATION ON ORDINARY ACTIVITIES

a) Analysis of charge in the year

	2014 £'000	2013 £'000
Current tax:		
- UK corporation tax based on the results for the year at 21.49% (2013: 23.25%)	-	-
Total current tax credit	<u>-</u>	<u>-</u>
Deferred tax:		
- Effect of change in rate of taxation	(5)	16
- Current year movement	65	(115)
Total deferred tax charge / (credit) (see note 10)	<u>60</u>	<u>(99)</u>
Total taxation charge / (credit)	<u>60</u>	<u>(99)</u>

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities before taxation for the year is different than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	6,401	14,681
Taxation charge at standard rate of taxation	1,376	3,413
Adjustments in respect of prior years	-	-
Non-taxable income	(1,311)	(3,362)
Utilisation of bought forward tax losses	(65)	(51)
Total current tax (see note 6a))	<u>-</u>	<u>-</u>

7 DIVIDENDS

The Company paid a dividend in respect of the financial year ending 31 December 2014 of £6,100k (2013: £9,462k).

SECURITIES LENDING SERVICES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2014

8 INVESTMENTS

	£'000
At 1 January 2014	48,133
At 31 December 2014	<u>48,133</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company has investments in the following undertakings:

Entity name	Holding	Country of incorporation	Principal activity
Markit Securities Finance Analytics Limited	100%	England and Wales	Provision of securities financing data
Securities Finance Systems Limited	100%	England and Wales	Corporate Trustee
Markit Securities Finance Analytics Consulting Limited	100%	England and Wales	Provision of consultancy services
Markit Securities Finance Analytics Incorporated	100%	USA	Provision of securities financing data
Markit Group (Hong Kong) Limited	100%	Hong Kong	Non-trading; Office in Hong Kong

9 DEBTORS

	2014 £'000	2013 £'000
Amounts owed by group undertakings	12,867	12,566
Deferred tax (see note 10)	<u>39</u>	<u>99</u>
	<u>12,906</u>	<u>12,665</u>

10 DEFERRED TAXATION

The deferred taxation included in the Company balance sheet is as follows:

	2014 £'000	2013 £'000
Included in debtors (see note 9)	<u>39</u>	<u>99</u>

The movement in the deferred taxation balance during the year was:

	2014 £'000	2013 £'000
Balance brought forward	99	-
Other timing differences	<u>(60)</u>	<u>99</u>
Balance carried forward	<u>39</u>	<u>99</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2014 £'000	2013 £'000
Other timing differences	<u>39</u>	<u>99</u>
	<u>39</u>	<u>99</u>

11 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Amounts owed to group undertakings	1	-
Accruals and deferred income	<u>14</u>	<u>12</u>
	<u>15</u>	<u>12</u>

SECURITIES LENDING SERVICES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2014

12 CALLED-UP SHARE CAPITAL

	2014		2013	
Allotted, called up and fully paid	Number	£	Number	£
Ordinary Shares £0.10 each	16,100,010	1,610,001	16,100,010	1,610,001
	16,100,010	1,610,001	16,100,010	1,610,001
Allotted, called up but not yet paid	Number	£	Number	£
Total allotted and called up shares	16,100,010	1,610,001	16,100,010	1,610,001

The rights relating to each class of shares in issue at 31 December 2014 are as follows:

- a) One vote per share.
- b) Equal rights to dividends if declared.
- c) Equal distribution of capitalised sums to those who would have been entitled to such sum had it been declared by way of dividend.

13 STATEMENT OF MOVEMENTS ON RESERVES

	Capital redemption reserve £'000	Profit and loss account £'000
As at 1 January 2014	49	59,130
Dividends received	-	6,100
Dividends paid and declared	-	(6,100)
Retained profit for the year	-	241
As at 31 December 2014	49	59,371

Within the year ended 31 December 2014 a share based payment charge of £0k (2013: £0k) has been recognised in the profit and loss account in relation to share schemes for employees.

Please refer to the financial statements of Markit Ltd (the ultimate parent company) for further information regarding these share option schemes.

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit for the financial year	6,341	14,780
Dividends paid and declared	(6,100)	(9,462)
Net additions to shareholders' funds	241	5,318
Opening shareholders' funds	60,789	55,471
Closing shareholders' funds	61,030	60,789

15 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company and the Company is wholly owned.

16 ULTIMATE PARENT COMPANY

The immediate parent company is Markit Group Limited. The ultimate parent company, which is the smallest and largest group to consolidate these financial statements, is considered to be Markit Ltd, a company registered in Bermuda.

Markit Ltd prepares group financial statements and copies can be obtained from its registered office, Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.