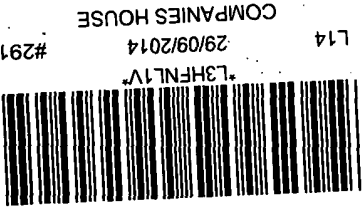


# Financial Statements

**BBA Trent Limited**  
(formerly BBA LIBOR Limited)

For the Year ended 31 December 2013

MONDAY



Company No: 7064847

## Company information

<b>Company registration number</b>	7064847
<b>Registered office</b>	Pinner's Hall 105-108 Old Broad Street London EC2N 1EX
<b>Directors</b>	A Browne S Scutt D Poyser (resigned 31 March 2013) G Pell (resigned 31 March 2013) L Powers-Freeling (resigned 31 March 2013) J Wood (resigned 31 March 2013)
<b>Auditors</b>	Grant Thornton UK LLP Chartered Accountants 30 Finsbury Square London EC2P 2YU
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS

## Strategic report

### Strategic management

The principal activity of the company during the year was that of distributing the LIBOR licence.

With effect from 2 April 2013, BBA Trent Limited was authorised and regulated by the Financial Conduct Authority in the United Kingdom (FCA Firm No. 598088) as a specified benchmark administrator solely in respect of the LIBOR benchmark rates. In undertaking its benchmark administration activities BBA Trent Limited continued to engage Reuters Limited to calculate the LIBOR benchmark rates.

### Business environment

Reuters Limited is separately regulated by the FCA. Further information about Reuters Limited activities can be found on their website at <http://www.thomsonreuters.com>. Please note that BBA, BBA Enterprises Ltd and BBA Trent Limited do not regulate Reuters Limited nor any of the contributor banks that made LIBOR submissions for the purpose of BBA Trent Limited and Reuters Limited calculating and publishing LIBOR rates.

On 14 March 2013, 1 August 2013, 31 October 2013, 14 March 2014 and 31 March 2014, civil proceedings were commenced in the United States against the BBA and various other parties, including certain contributor banks, BBA Enterprises Limited and BBA Trent Limited, by The Federal Home Loans Mortgage Corporation, the Principal Financial Group, the Federal National Mortgage Association, the Federal Deposit Insurance Corporation and the Bay Area Toll Authority respectively, claiming damages in respect of the alleged manipulation and suppression of US\$ LIBOR. The amount of damages claimed in each of these six actions is not quantified and is not quantifiable at this stage and as a result it is not practicable to provide an estimate of any financial impact.

Warranties have been given to Intercontinental Exchange Benchmark Administration Ltd by the BBA and BBA Trent Limited in relation to the sale of the business and assets of BBA Trent Limited. The BBA has also given an indemnity to the Hogg Committee under which the BBA has indemnified the Committee, HMT and the FCA in respect of the remuneration, costs and expenses of each incurred in connection with the sale. The total aggregate liability of the BBA and BBA Trent Limited to the Hogg Committee, HMT, the FCA and Intercontinental Exchange Benchmark Administration Ltd is limited to £1.5 million. The liability to Intercontinental Exchange Benchmark Administration Ltd ceases on 31st January 2015 except in respect of a claim of which the purchaser gives notice before that date. The liability to the Hogg Committee, HMT and FCA is not time limited, but the indemnity is only in connection with costs incurred from January 2013 until completion of the transfer of the operation of LIBOR on 31st January 2014.

**Business performance**

Responsibility for the administration of LIBOR was handed over to Intercontinental Exchange Benchmark Administration Ltd on 31st January 2014 and from this date BBA Trent Limited discontinued its operations.

The Strategic Report was approved by the Board on 26 September 2014 and signed on its behalf by:

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'S Scutt', written over a horizontal line.

S Scutt  
Director

Date: 26 September 2014

## Report of the directors

The directors present their report and the audited financial statements of the company for the year to 31 December 2013.

### Going concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

### Directors

The directors who served the company during the period were as follows:

A Browne  
S Scutt  
D Poyser (resigned 31<sup>st</sup> March 2013)  
G Pell (resigned 31<sup>st</sup> March 2013)  
L Powers-Freeling (resigned 31<sup>st</sup> March 2013)  
J Wood (resigned 31<sup>st</sup> March 2013)

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent
- ensure 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Auditors**

A resolution to reappoint Grant Thornton UK LLP as auditor of the company will be proposed at the next Board meeting.

The report of the directors was approved by the Board on 26 September 2014 and signed on its behalf by:

ON BEHALF OF THE BOARD



S Scutt  
Director

Date: 26 September 2014

## Independent auditor's report to the members of BBA Trent Limited

We have audited the financial statements of BBA Trent Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet, cash flow statement and the related notes. 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).

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 auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 5, 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 Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://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 2013 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and 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 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.



David Pearson  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

26 September 2014



## Profit and loss account

		<b>Year to 31 December 2013 £</b>	<b>Year to 31 December 2012 £</b>
	<b>Note</b>		
Turnover		2,357,340	1,776,733
		<hr/>	<hr/>
		2,357,340	1,776,733
Other operating charges	2	(2,071,714)	(1,292,605)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>285,626</b>	<b>484,128</b>
Tax on profit on ordinary activities	4	(65,064)	(250)
		<hr/>	<hr/>
<b>Profit for the year</b>	11	<b>220,562</b>	<b>483,878</b>
		<hr/>	<hr/>

Operations are now discontinued.

The company has no recognised gains or losses other than its profit for the period.

The notes on pages 11 to 15 form part of these financial statements.

## Balance sheet

		<b>As at 31 December 2013 £</b>	<b>As at 31 December 2012 £</b>
<b>Current assets</b>	<b>Note</b>		
Debtors	5	529,043	449,978
Cash at bank		1,774,195	1,085,094
		<hr/> 2,303,238	<hr/> 1,535,072
<b>Creditors: amounts falling due within one year</b>	6	(1,279,735)	(732,131)
		<hr/>	<hr/>
<b>Net current assets</b>		1,023,503	802,941
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,023,503	802,941
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called-up equity share capital	8	1	1
Profit and loss account		1,023,502	802,940
		<hr/>	<hr/>
<b>Shareholders' funds</b>	11	1,023,503	802,941
		<hr/>	<hr/>

These financial statements were approved and signed by the director and authorised for issue on 26 September 2014.

ON BEHALF OF THE BOARD



S Scutt  
Director

Date: 26 September 2014

Company Registration Number 7064847

The notes on pages 11 to 15 form part of these financial statements.

## Cash flow statement

	Note	Year to 31 December 2013 £	Year to 31 December 2012 £
<b>Net cash inflow from operating activities</b>	12	687,517	52,074
<b>Returns on investments and servicing of finance</b>			
Interest received		1,584	10,899
<b>Net cash inflow from returns on investments and servicing of finance</b>		1,584	10,899
<b>Taxation</b>			
Corporation tax paid		-	(39,343)
<b>Net cash inflow/(outflow) before financing and management of liquid resources</b>		689,101	23,630
<b>Increase in cash</b>	13,14	689,101	23,630

## Notes to the financial statements

### 1 Accounting policies

#### a) Basis of accounting

During the year, the company became regulated by the Financial Conduct Authority (FCA) and therefore no longer qualified for the small company exemptions of the Financial Reporting Standard for Smaller Entities (FRSSE). The financial statements have therefore been prepared in accordance with UK Generally Accepted Accounting Principles (GAAP). The accounting policies adopted are described below.

#### b) Going concern basis

Although trade was transferred to Intercontinental Exchange (ICE) Benchmark Association Ltd on 31 January 2014, the company will continue to exist with the support of those members of the British Bankers' Association who paid the licence fee to the company.

#### c) Turnover

Turnover recognised in the profit and loss account relates to income earned in the distribution of the London Interbank Offered Rate (LIBOR) licence, which was a charge for the administration of the rates.

#### d) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### e) Deferred tax

The company has adopted FRS19 to account for deferred tax.

## 2 Other operating charges

	Year to 31 December 2013 £	Year to 31 December 2012 £
Auditors' remuneration - audit services	13,100	6,450
taxation services	1,900	1,900
Management charges from the British Bankers' Association	131,780	95,355

### 3 Directors

None of the Directors receive emoluments with respect to their positions as directors of BBA Trent Limited

## 4 Taxation

### Analysis of charge in period

	Year to 31 December 2013 £'000	Year to 31 December 2012 £'000
<b>Analysis of charge in period</b>		
Current tax		
UK Corporation Tax at 23.3% (24.5%)	68,314	-
Deferred tax		
Origination and reversal of timing differences	(3,250)	230
Effect of tax rate change on opening balance	-	20
<b>Tax on profit on ordinary activities</b>	<b>65,064</b>	<b>250</b>

### Tax on profit on ordinary activities

### Reconciliation of the tax charge for period

	Year to 31 December 2013 £	Year to 31 December 2012 £
Profit on ordinary activities before taxation	285,626	484,128
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.3% (2012: 24.5%)	66,153	118,598
Effects of:		
- Group relief	-	(118,530)
- Expenses not deductible	-	176
- Other short term timing differences	3,778	(245)
- Marginal relief	(1,617)	-
- Difference in tax rates	-	1
Current tax charge	68,314	-

5	Debtors	2013 £	2012 £
	Trade debtors	267,494	93,803
	Amounts owed by related undertakings	-	241,651
	Other debtors	258,049	114,524
	Deferred tax	3,500	-
		<hr/> 529,043	<hr/> 449,978

6	Creditors: amounts falling due within one year	2013 £	2012 £
	Trade creditors	29,337	32,712
	Deferred income	860,443	645,953
	Taxation	68,313	-
	Amounts owed to related undertakings	261,096	35,572
	Other creditors	60,546	17,894
		<hr/> 1,279,735	<hr/> 732,131

#### 7 Related party transactions

The company is wholly owned by the British Bankers' Association (BBA), a trade association in respect of the banking industry, representing over 200 member banks from more than 50 countries.

In the period the BBA charged the company a licence fee of £1,011,311 (2012: £882,626) and a management fee of £131,780 (2012: £95,355) for services provided. At the year end, BBA Trent Limited owed the British Bankers' Association £99,722 (2012: was owed £239,666).

#### 8 Share capital

Allotted and called up

	2013 £	2012 £
1 ordinary share of £1	<hr/> 1	<hr/> 1

#### 9 Post balance sheet events

Responsibility for the administration of LIBOR was handed over to Intercontinental Exchange Benchmark Administration Ltd on 31 January 2014 and from this date, BBA Trent Limited discontinued its operations.

Subsequent to the year end, the name of the company changed from BBA Trent Limited to BBA Trent Limited.

## 10 Contingent liabilities

On 14 March 2013, 1 August 2013, 31 October 2013, 14 March 2014 and 31 March 2014, civil proceedings were commenced in the United States against the BBA and various other parties, including certain contributor banks, BBA Enterprises Limited and BBA Trent Limited, by The Federal Home Loans Mortgage Corporation, the Principal Financial Group, the Federal National Mortgage Association, the Federal Deposit Insurance Corporation and the Bay Area Toll Authority respectively, claiming damages in respect of the alleged manipulation and suppression of US\$ LIBOR. The amount of damages claimed in each of these six actions is not quantified and is not quantifiable at this stage and as a result it is not practicable to provide an estimate of any financial impact.

Warranties have been given to Intercontinental Exchange Benchmark Administration Ltd by the BBA and BBA Trent Limited in relation to the sale of the business and assets of BBA Trent Limited. The BBA has also given an indemnity to the Hogg Committee under which the BBA has indemnified the Committee, HMT and the FCA in respect of the remuneration, costs and expenses of each incurred in connection with the sale. The total aggregate liability of the BBA and BBA Trent Limited to the Hogg Committee, HMT, the FCA and Intercontinental Exchange Benchmark Administration Ltd is limited to £1.5 million. The liability to Intercontinental Exchange Benchmark Administration Ltd ceases on 31st January 2015 except in respect of a claim of which the purchaser gives notice before that date. The liability to the Hogg Committee, HMT and FCA is not time limited, but the indemnity is only in connection with costs incurred from January 2013 until completion of the transfer of the operation of LIBOR on 31st January 2014.

## 11 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the period	220,562	483,878
Opening shareholders' funds	802,941	319,063
Closing shareholders' funds	1,023,503	802,941

## 12 Reconciliation of profit on ordinary activities before taxation to net cash flow from operating activities

	Year to 31 December 2013 £	Year to 31 December 2012 £
Profit on ordinary activities before taxation	285,626	484,128
Interest received	(1,584)	(10,899)
Increase in debtors	(75,565)	(225,651)
Increase/(decrease) in creditors	479,040	(195,504)
Net cash inflow from operating activities	687,517	52,074

**13 Reconciliation of net cash flow to movement in funds**

	Year to 31 December 2013	Year to 31 December 2012
	£	£
Cash inflow to short term deposits	689,101	23,630
Movement in net cash in the period	689,101	23,630
Net funds at 1 January 2013	1,085,094	1,061,464
Net funds at 31 December 2013	1,774,195	1,085,094

**14 Analysis of changes in net funds**

	At 1 January 2013	Cash flow	At 31 December 2013
	£	£	£
Cash in hand	-	-	-
Short term deposits	1,085,094	689,101	1,774,195
	1,085,094	689,101	1,774,195