

State Street Managed Accounts Services Limited

Registered No. 07365745

Annual Report and Financial Statements

31 December 2022



State Street Managed Accounts Services Limited

Registered No. 07365745

Directors

A Allright

B Allis

V Muir (Chairman and Non-executive Director)

T Bartlett

Auditor

Ernst & Young LLP

25 Churchill Place

London

E14 5EY

Registered Office

20 Churchill Place

London

E14 5HJ

Strategic Report

The directors present their Strategic Report for State Street Managed Accounts Services 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 Managed Accounts Services Limited was incorporated in the UK on 03 September 2010 as InfraHedge Limited. The Company has one subsidiary, StateStreet Managed Accounts Services India Private Limited, “the Subsidiary”, which is registered in India. The Subsidiary, which provided client operational support services to the Company’s business, is in the process of voluntary liquidation.

The Company’s key financial and other performance indicators during the period were as follows:

	2022 US \$	2021 US \$
Turnover	1,001,741	6,316,145
Profit for the financial year after tax	668,306	238,697
Shareholders’ funds	8,264,538	7,596,233
Current assets as a % of current liabilities	6,744%	600%
Average number of employees	2	4

The turnover decreased by 84%, while expenses decreased by 72%, resulting in operating loss for the year of -\$677,124 (2021: \$238,568). As part of the State Street group entities realignment plan, the Company ceased its operations on 31 May 2022 after novating the client agreements to other State Street group entities and the termination of other client relationships. The Company also transferred employment of all remaining employees to another State Street group entity on the same date. Due to dividend income the Company reported a profit before taxation of \$819,701 (2021: \$238,697).

Restructuring of the Company

A strategic review of the operations in EMEA has highlighted the need to simplify State Street Corporation’s (“the Group”) regional operating model by focusing on large operations centers. As part of this restructuring plan, the Company ceased operations on 31 May 2022. The Financial Conduct Authority (“FCA”) granted the cancellation of the Company’s regulatory permissions on 8 February 2023. The directors have approved the plan to voluntarily liquidate the company which involves settlement of liabilities and realisation of its assets.

Principal risks and uncertainties

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 US Dollars. The foreign exchange exposure arising from the mismatch of assets and liabilities is managed according to global policies.

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.

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Principal risks and uncertainties (continued)

Liquidity risk

The Company maintains sufficient cash balances to ensure it has adequate funds to meet liabilities as part of its winddown process.

Operational risk

Procedures and controls to manage operational risk are formally documented. Any losses or significant control failures are reported to the directors. The Company has ceased its operations during the year.

Regulatory risk

The Company was authorised and regulated by the Financial Conduct Authority (FCA) in the year ending 31 December 2022. The Company's regulatory permissions were cancelled by the FCA on 8 February 2023.

This risk is mitigated through compliance with FCA requirements, active monitoring and adherence to regulatory policies as implemented by State Street Corporation's compliance and risk functions.

Geopolitical

The ongoing Russia – Ukraine conflict has affected the global markets and economies at large, following the economic sanctions imposed on Russia and Belarus. The Company does not have any direct exposure to Russian securities or assets. The Group policies and procedures in place include reviewing compliance with internal sanctions and have not identified any non-compliance during the period.

Climate

The Company does not consider its physical and transitional climate risks to be material. The Group publishes an annual environmental, social and governance ("ESG") report which can be found at: <http://www.statestreet.com/values/corporate-responsibility.html>

By order of the Board



A Allright, Director

18 September 2023

Registered No. 07365745

Directors' Report

The directors present their report and 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 Company's principal activities during the year were the provision of legal, operational oversight, investment compliance and analytics platforms for large institutional investors and institutional asset managers, owning or managing investments in alternative assets, especially hedge funds. The asset management sector was the largest segment for the Company. The Company's differentiated model of providing an infrastructure-only platform, as opposed to the more traditional model of a full asset management based platform, is being recognised in the industry. The Company ceased its operations on 31 May 2022 after novating the client agreements to other State Street group entities and the termination of other client relationships. The Company also transferred employment of all remaining employees to another State Street group entity on the same date.

Results and dividends

The profit for the year after taxation amounted to \$668,306 (2021: \$238,697). The directors do not recommend a final dividend in respect of the year ended 31 December 2022 (2021: \$nil).

Going concern

The Company ceased trading in May 2022 and its regulatory authorisation was cancelled by the FCA in 2023. The directors have approved the plan to voluntarily liquidate the Company once all statutory and governance requirements have been complied with. FRS 101 requires that the financial statements should not be prepared on a going concern basis if the management either intend to liquidate the entity or to cease trading.

The directors have considered an alternative basis of preparation but believe that a break-up basis for preparation best reflects the financial position and performance of the entity.

The assets are carried at realisable value in accordance with the accounting policies, and any possible impairment to the value since the year end was considered. The assessment was done to identify any liability that may occur as part of the Company's wind down and strike off from the UK Companies House register.

Directors

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

A Allright

B Allis

V Muir (Chairman and Non-executive)

T Bartlett (appointed on 01 June 2023)

Directors' indemnification

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.

Future developments

A strategic review of the operations in EMEA has highlighted the need to simplify the Group's regional operating model by focusing on large operations centers. Please refer to going concern disclosures, as well as the disclosure made in the Strategic Report for more details.

Directors' Report (continued)

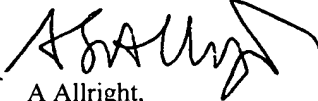
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

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



A Allright,
Director

18 September 2023

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the 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 Managed Accounts Services Limited have been prepared on a break-up basis as the Company is not a going concern.

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.

Independent auditor's report to the members of State Street Managed Accounts Services Limited

Opinion

We have audited the financial statements of State Street Managed Accounts Services Limited for the year ended 31 December 2022 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, 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 101 "Reduced Disclosure Framework" (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 break-up basis

We draw attention to Note 1 to the financial statements which explains that the directors intend to liquidate 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 a break-up 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.

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.

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Independent auditor's report to the members of State Street Managed Accounts Services Limited (continued)

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 Statement of Directors' Responsibilities set out on page 6, 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 liquidate 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.

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 101, the Companies Act 2006 and the regulations and supervisory requirements of the Financial Conduct Authority (FCA).
- We understood how State Street Managed Accounts Services 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 the Board of Directors and the UK Risk and Compliance Committees and gained an understanding of the Company's governance framework.

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Independent auditor's report to the members of State Street Managed Accounts Services Limited (continued)

- 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 the 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.
- The Company was regulated under the supervision of the FCA for the year ended 31 December 2022. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities

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:

Ernst & Young LLP

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Keith Wood (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Income statement

for the year ended 31 December 2022

	Notes	2022 US \$	2021 US \$
Turnover	2	1,001,741	6,316,145
Gross profit		<u>1,001,741</u>	<u>6,316,145</u>
Administrative expenses		(1,678,865)	(6,077,578)
Operating profit	3	<u>(677,124)</u>	<u>238,568</u>
Other income		1,513,948	-
Impairment of investment in subsidiary	7	(22,151)	-
Interest receivable and similar income		5,028	130
Profit on ordinary activities before taxation		<u>819,701</u>	<u>238,697</u>
Tax charge recognised during the year	6	<u>(151,395)</u>	<u>-</u>
Profit on ordinary activities after taxation		<u><u>668,306</u></u>	<u><u>238,697</u></u>

The Company has not recognised gains or losses in current or preceding financial years other than those shown above. The Company does not have any other comprehensive income. The net profit for the year disclosed above represents the Company's total comprehensive income.

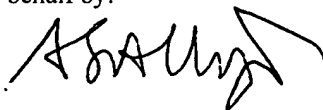
The accompanying notes are an integral part of the financial statements.

Balance sheet

As at 31 December 2022

	Notes	2022 US \$	2021 US \$
Non-current assets			
Investments in subsidiaries	7	180,015	202,166
		<u>180,015</u>	<u>202,166</u>
Current assets			
Debtors	8	883,380	1,863,617
Cash at bank	9	7,322,828	7,009,634
		<u>8,206,208</u>	<u>8,873,251</u>
Current liabilities			
Creditors	10	121,685	1,479,185
		<u>121,685</u>	<u>1,479,185</u>
Net current assets		<u>8,084,523</u>	<u>7,394,067</u>
Total assets less current liabilities		<u>8,264,538</u>	<u>7,596,233</u>
Net assets		<u>8,264,538</u>	<u>7,596,233</u>
Capital and reserves			
Called-up share capital	11	8,020,712	8,020,712
Share premium		6,471,438	6,471,438
Capital contribution		7,000,000	7,000,000
Profit and loss account		(13,227,612)	(13,895,918)
Shareholder's funds		<u>8,264,538</u>	<u>7,596,233</u>

The financial statements on pages 10 to 19 were approved by the Board of directors and are signed on its behalf by:



A Allright,
Director

18 September 2023

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Equity

As at 31 December 2022

	<i>Called-up share capital (Note 12) US \$</i>	<i>Share premium US \$</i>	<i>Capital contribution US \$</i>	<i>Profit and loss account US \$</i>	<i>Shareholder's funds US \$</i>
At 1 January 2021	8,020,712	6,471,438	7,000,000	(14,134,615)	7,357,535
Profit for the financial year	-	-	-	238,697	238,697
Total comprehensive income for the period	-	-	-	238,697	238,697
At 31 December 2021	8,020,712	6,471,438	7,000,000	(13,895,918)	7,596,232
Profit for the financial year	-	-	-	668,306	668,306
Total comprehensive income for the period	-	-	-	668,306	668,306
At 31 December 2022	<u>8,020,712</u>	<u>6,471,438</u>	<u>7,000,000</u>	<u>(13,227,612)</u>	<u>8,264,538</u>

Notes to the financial statements

at 31 December 2022

1. Accounting policies

State Street Managed Accounts Services Limited (the “Company”) is a company, limited by shares, incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”).

The Company’s ultimate parent undertaking, State Street Corporation, includes the Company in its consolidated financial statements. The consolidated financial statements of State Street Corporation are prepared in accordance with US Generally Accepted Accounting Principles (“US GAAP”) and are available to the public and may be obtained from State Street Corporation, 1 Congress Street, , Boston Commonwealth of Massachusetts, 02114-2016, United States of America.

Basis of preparation

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries of the ultimate parent company;
- disclosures in respect of capital management; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 of the following disclosures:

- requirements of paragraphs 45(a), 45(b) and 46-52 of IFRS 2 ‘Share based Payment’, because the share based payment arrangement concerns the instruments of another group entity; and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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.

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards. As stated in the Directors’ Report, the annual report and accounts are prepared on a break up basis.

The directors have considered an alternative basis of preparation but believe that a break up 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 and wind down the company. 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 Company had applied to remove its regulatory permissions in 2022, and the Financial Conduct Authority (“FCA”) cancelled the Company’s authorisation from 8th February 2023. The directors have approved the plan to voluntarily liquidate the company.

The functional currency and presentation currency of these financial statements is United States Dollars. All amounts in the financial statements have been rounded to the nearest United States Dollar (USD).

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, and trade and other creditors.

Notes to the financial statements (continued)

at 31 December 2022

1. Accounting policies (continued)

Trade and other creditors

Given the financial statements are prepared on a break-up basis, the trade and other creditors are measured at settlement value.

Trade and other debtors

Given the financial statements are prepared on a break-up basis, the trade and other debtors are measured at net realisable value.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances with bank that are repayable on demand.

Fixed assets

Given the financial statements are prepared on a break-up basis, all assets are stated at net realisable value.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Tax credits may be recognised in respect of taxable losses when sufficient taxable profits are available for offset within other group undertakings in the same tax group.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency, United States Dollar, at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Income Statement.

Interest receivable and similar income

Interest receivable and similar income comprises interest and is recognised on an accruals basis.

Notes to the financial statements (continued)

at 31 December 2022

1. Accounting policies (continued)

Investments

Investments in subsidiaries are stated at the lower of cost less provision for any permanent diminution in the value of the investments and net realisable value. These investments are subject to an annual impairment review.

Revenue recognition

Revenue from contracts with customers: The amount of revenue that we recognise is measured based on the consideration specified in contracts with our customers, and excludes taxes collected from customers subsequently remitted to government authorities. We recognise revenue when a performance obligation is satisfied over time as the services are performed or at a point in time depending on the nature of the services provided as further discussed below.

As of 31 December 2022, nil (2021: \$668,706) net receivables were included in trade and other receivables, representing amounts billed to or due from our customers related to revenue from contracts with customers. As performance obligations are satisfied, the Company has an unconditional right to payment following which billing is generally performed monthly and therefore does not give rise to significant contract assets or liabilities.

No adjustments are made to the promised amount of consideration for the effects of a significant financing component as the period between when we transfer a promised service to a customer and when the customer pays for that service is expected to be one year or less.

Pension

The Company operates a defined contribution pension scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Financial statements

The financial statements contain information about State Street Managed Accounts Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Company's Act 2006 from the requirements to prepare consolidated financial statements as the Company and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, State Street Corporation, a company registered in the United States of America.

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:

- Amendment to IAS 8 – Definition of accounting estimates [Effective date: 01 January 2023]
- Amendment to IAS 1 and IFRS practice statement 2 – Disclosure of accounting policies [Effective date: 01 January 2023]
- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction [Effective date: 01 January 2023]
- Amendment to IAS 1 – Classification of liabilities as current or non-current [Effective date: 01 January 2024]

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.

Notes to the financial statements (continued)

at 31 December 2022

2. Turnover

Turnover represents Platform Infrastructure fees charged on the basis of Assets Under Management ('AUM') for the funds on the Company's platform.

3. Operating profit

This is stated after charging / (crediting):

	2022	2021
	US \$	US \$
Auditor's remuneration		
- audit of the financial statements	22,011	23,992
- other assurance-related services	26,464	30,255
Net loss / (gain) on foreign currency translation	<u>(393,723)</u>	<u>43,711</u>

4. Staff costs

	2022	2021
	US \$	US \$
Wages and salaries	204,878	1,042,955
Social security costs	36,127	138,172
Pension costs	<u>11,790</u>	<u>57,764</u>
	<u>252,795</u>	<u>1,238,891</u>

The pension charge of \$11,790 (2021: \$57,764) for the year ended 31 December 2022 represents contributions payable by the Company to the defined contribution scheme.

The monthly average number of employees during the year was 2 (2021: 4).

5. Directors' remuneration

Directors' emoluments paid by the Company during the year were \$ 224,280 (2021: \$476,467).

The remaining directors' remuneration was paid by other Group companies. These directors were employed and remunerated in respect to their service to the Group as a whole. It is estimated that the remuneration for their services to the Company in the year totalled \$7,420 (2021: \$9,900).

The amount paid in respect of the highest paid director is as follows:

	2022	2021
	US \$	US \$
Remuneration	<u>171,099</u>	<u>418,224</u>

Notes to the financial statements (continued)

at 31 December 2022

6. Tax

(a) Analysis of charge in period	2022	2021
	US\$	US\$
<i>Current tax:</i>		
UK corporation tax on profit for the period	-	-
Withholding tax expense	151,395	-
Total current tax	151,395	-
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Total tax on profit / loss on ordinary activities	151,395	-

(b) Factors affecting tax charge for period

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the United Kingdom of 19% (2021: 19%). The differences are explained below:

Profit / (loss) on ordinary activities before tax	819,701	238,697
Profit / (loss) on ordinary activities multiplied by the rate of corporation tax in the United Kingdom of 19% (2021: 19%)	155,743	45,352
<i>Effect of:</i>		
Income not taxable	(288,913)	(353)
Movement in unrecognised deferred tax	133,170	(44,999)
Withholding tax expense	151,395	-
Total tax recognised during the year	151,395	-

Unrecognised deferred tax

The Company has unrelieved trading losses carried forward of \$14,459,531 (2021: \$13,309,716) and other temporary differences carried forward of \$ 28,865 (2021: \$475,066). No deferred tax has been recognised in respect of the losses and other temporary differences as their utilisation is uncertain.

Tax rate changes

The main rate of corporation tax for the current financial year is 19%. At the balance sheet date, an increase in the main rate to 25% as from 1 April 2023 had been enacted in the Finance Act 2021.

Notes to the financial statements (continued)

at 31 December 2022

7. Investments in subsidiaries

	2022	2021
Cost:	US \$	US \$
At 31 December	<u>180,015</u>	<u>202,166</u>

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
StateStreet Managed Accounts Services India Pvt Ltd	Ordinary shares	99.99%	IT Enabled Services	India

In 2022, the value of investment was impaired by \$22,151 after reviewing the net asset position of the sole subsidiary and its recoverability.

8. Debtors

	2022	2021
	US \$	US \$
Amounts owed from group companies	883,380	1,194,911
Trade debtors	<u>-</u>	<u>668,706</u>
	<u>883,380</u>	<u>1,863,617</u>

The amounts owed from group undertakings are unsecured, interest free and repayable on demand.

9. Cash at bank

	2022	2021
	US \$	US \$
Cash held with group companies	1,600,496	1,513,830
Cash held with unrelated counterparties	<u>5,722,332</u>	<u>5,495,804</u>
	<u>7,322,828</u>	<u>7,009,634</u>

10. Creditors: amounts falling due within one year

	2022	2021
	US \$	US \$
Trade creditors	-	41,975
Accruals and other creditors	64,939	517,984
Amounts owed to group companies	<u>56,746</u>	<u>919,226</u>
	<u>121,685</u>	<u>1,479,185</u>

Notes to the financial statements (continued)

at 31 December 2022

11. Called-up share capital

	<i>Authorised shares</i>	<i>Allotted called and fully paid</i>	<i>GBP</i>	<i>US \$</i>
2012 Ordinary shares of £0.023 each	95,000,000	95,000,000	2,185,000	3,528,562
2013 Ordinary shares of £0.023 each	41,619,260	41,619,260	957,243	1,492,150
2013 Ordinary shares of £0.023 each	<u>78,760,281</u>	<u>78,760,281</u>	1,811,486	<u>3,000,000</u>
	<u>215,379,541</u>	<u>215,379,541</u>		<u>8,020,712</u>

There have been no changes in share capital in the period.

The amount of each shares of £0.01 authorised, allotted and fully paid were converted into USD amounts at the historic rates available on the date of each transaction to the Company's basis of a USD functional currency.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12. Related party transactions

In accordance with accounting standards the Company has taken advantage of reduced disclosure requirements per IAS 24 in relation to related party transactions, due to the fact that it is wholly owned and its ultimate parent company produces publicly available consolidated financial statements.

13. Ultimate parent undertaking and controlling party

AGH Company, LLC, incorporated in Delaware, in the United States of America, holds a 100% ownership interest in State Street Managed Accounts Services Limited. AGH Company, LLC is a wholly-owned subsidiary of State Street Corporation, which is 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 Group financial statements can be obtained from 1 Congress Street, Boston Commonwealth of Massachusetts, 02114-2016, United States of America. State Street Corporation is regarded by the directors as being the Company's ultimate parent company.

14. Events after the balance sheet date

No subsequent to report.