

Registered number 7988721

MOODY'S GROUP FINANCE LIMITED

Annual Report

From incorporation on 13 March 2012 to 31 December 2012



MOODY'S GROUP FINANCE LIMITED

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MOODY'S GROUP FINANCE LIMITED**COMPANY INFORMATION**

Directors	Timothy Herring Ian Glover
Registered office	One Canada Square Canary Wharf London E14 5FA
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	Bank of America N A 5 Canada Square London E14 5AQ

MOODY'S GROUP FINANCE LIMITED

DIRECTORS' REPORT

for the period ended 31 December 2012

The board of directors of Moody's Group Finance Limited (the Company) present their annual report, which includes the audited financial statements of the Company for the period ended 31 December 2012

Principal activity

The Company was incorporated and commenced activity on 13 March 2012. The principal activity of the Company is that of a financing company.

Principal risks and uncertainties

The Company's operations are with fellow subsidiaries within the Moody's Corporation group ("the group").

Details of the general global risks attributable to Moody's Corporation, can be found in the Moody's Corporation annual financial statements which are available from the Secretary, Moody's Corporation, 7 World Trade Center, 250 Greenwich Street, New York, NY 10007, USA.

Financial results

The Company made a profit for the period of \$12,509,000.

Significant events during the period

There were no significant events during the current period.

Dividends

The Company did not make any dividend payments during the year.

Post balance sheet events

There have been no significant post balance sheet events.

Future outlook

The directors remain confident that the Company will maintain a good level of performance in the future.

Going concern

The directors are satisfied at the time of submitting the financial statements that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Board of directors

The directors who held office during the period and up to the date of signing the financial statements are given below:

Timothy Heming (appointed on 13 March 2012)

Ian Glover (appointed on 13 March 2012)

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

Disclosure of information to the auditor

The directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and they have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

Independent auditor

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

By order of the board of directors on 23 May 2013



Ian Glover
Director

MOODY'S GROUP FINANCE LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS****for the period ended 31 December 2012**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulation

Company law requires the directors to prepare the financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and the requirements of the Companies Act 2006, and
- prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

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

The financial statements were approved by the board of directors and are signed on their behalf by



Ian Glover
Director

Date 23 May 2013



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOODY'S GROUP FINANCE LIMITED

We have audited the financial statements of Moody's Group Finance Limited ("the Company") from the date of incorporation 13 March 2012 to 31 December 2012 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 web-site at www.frc.org.uk/auditscopeukprivate.

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 2012 and of the profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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

23 May 2013

MOODY'S GROUP FINANCE LIMITED
PROFIT AND LOSS ACCOUNT
for the period ended 31 December 2012

	Note	Period from 13 March 2012 to 31 December 2012 \$'000
Turnover		-
Administrative expenses		(11)
Operating loss		(11)
Interest receivable and similar income	4	12,520
Profit on ordinary activities before taxation		12,509
Taxation on profit on ordinary activities	8	-
Profit for the financial period		12,509

The Company's results are derived from continuing operations

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

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

The accompanying notes on pages 7 to 9 form an integral part of these financial statements

MOODY'S GROUP FINANCE LIMITED
BALANCE SHEET
as at 31 December 2012

	Note	2012 \$'000
Current assets		
Debtors amounts falling due after more than one year	9	512,911
Cash at bank and in hand		<u>1</u>
Net current assets		512,912
Creditors amounts falling due within one year	10	<u>(11)</u>
Total assets less current liabilities		512,901
Net assets		<u>512,901</u>
Capital and reserves		
Called up share capital	11	-
Share premium	12	500,392
Profit and loss account	12	<u>12,509</u>
Shareholders' funds	12	<u>512,901</u>

The financial statements on pages 5 to 9 were approved by the board of directors on 23 May 2013 and were signed on its behalf by



Ian Glover
Director

Registered number 7988721

The accompanying notes on pages 7 to 9 form an integral part of these financial statements

MOODY'S GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2012

1 THE COMPANY AND ITS OPERATIONS

Moody's Group Finance Limited was established on 13 March, 2012 and is incorporated in the United Kingdom as a private limited company. The principal activity of the Company is that of a financing company. The Company is a wholly-owned subsidiary of Moody's International (UK) Limited, a company incorporated in the United Kingdom.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) and in accordance with the Companies Act 2006.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis. The Company has used the following exemptions available under the Companies Act 2006:

Cash flow statement

The Company has taken advantage of the exemption in FRS 1, 'Cash Flow Statement', from the requirement to produce a cash flow statement on the grounds that the ultimate parent company, Moody's Corporation, has prepared a consolidated cash flow including the cash flows of this Company for the period ended 31 December 2012.

Related party transactions

The Company has taken advantage of the exceptions in FRS 8 'Related Party Disclosures' paragraph 3(c), which does not require disclosure of transactions entered into between two or more members of the Moody's Corporation group, provided that any subsidiary undertaking that is a party to the transaction is a wholly-owned subsidiary undertaking of Moody's Corporation. The ultimate parent undertaking prepares consolidated financial statements, which include the Company and all group subsidiaries, and are publicly available.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks with an original maturity of three months or less.

3.2 Foreign currencies

The Company's financial statements are presented in US dollars ('\$'), which is the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. All foreign exchange differences are recognised in the Profit and loss account.

3.3 Share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Taxation

Current income tax

Current income tax for the period is provided at the amount expected to be paid (or recovered) using the tax rates or laws that have been enacted or substantively enacted by the balance sheet date.

MOODY'S GROUP FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2012
3 SIGNIFICANT ACCOUNTING POLICIES (continued)
3.4 Taxation (continued)
Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at rates expected to apply when the timing differences reverse based on tax rates or tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is considered probable that they will be recovered. Deferred tax assets and liabilities are not discounted.

3.5 Interest receivable and similar income

Interest receivable and similar income is recognised on an accrual basis and includes interest income from cash and cash equivalents and on other financial assets. Interest receivable and similar income is disclosed on the Profit and loss account.

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 13 March 2012 to 31 December 2012 \$'000
Receivable from group undertakings	<u>12,520</u>

5 DIRECTORS' EMOLUMENTS

None of the directors received remuneration in respect of their services to the Company during the period, nor for loss of office. Emoluments of the directors were borne by one of the group companies, Moody's Shared Services UK Limited.

6 EMPLOYEE INFORMATION

There were no employees during the period.

7 AUDITOR'S REMUNERATION

Auditor's remuneration in respect of the audit of these financial statements amounted to \$10,000.

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Period from 13 March 2012 to 31 December 2012 \$'000
UK Corporation tax at 24.12%	
UK corporation tax on profits of the period	-
Deferred tax at 23%	
Originating and reversal of timing differences	-
Taxation	<u>-</u>
Factors affecting current taxation	
The taxation assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 24.12%. The differences are reconciled below:	
	2012 \$'000
Profit on ordinary activities before tax	<u>12,509</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.12%	3,017
Effect of:	
Group relief claimed	<u>(3,017)</u>
Total current tax	<u>-</u>

MOODY'S GROUP FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2012
9 DEBTORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2012 \$'000
Amounts due from group undertakings	512,911
	<u>512,911</u>

Amounts due from undertakings are unsecured, due for repayment on 9 March 2015 and have a fixed interest rate of 3.13% per annum. The outstanding interest balance is included in the carrying amount.

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 \$'000
Accruals and deferred income	<u>11</u>

11 CALLED UP SHARE CAPITAL

	2012 \$
Allotted, called up and fully paid 101 ordinary shares of \$1 each	<u>101</u>

1 ordinary share of \$1 was issued on incorporation for a consideration of \$1,000.

On 19 March 2012, the Company issued a further 100 ordinary shares of \$1 each for a consideration of \$500,391,250.

The subscription amount over and above nominal value of \$1 per share is recognised as share premium.

12 PROFIT AND LOSS ACCOUNT AND RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share capital \$'000	Share premium \$'000	Profit and loss account \$'000	Total \$'000
Issue of shares	-	500,392	-	500,392
Profit for the period	-	-	12,509	12,509
Balance at 31 December 2012	<u>-</u>	<u>500,392</u>	<u>12,509</u>	<u>512,901</u>

13 POST BALANCE SHEET EVENTS

There are no significant post balance sheet events after the reporting date that require adjustments to or disclosure in the financial statements.

14 ULTIMATE CONTROLLING PARTY

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