

## Jefferies International (Holdings) Limited

### Country by Country reporting

The Capital Requirements Directive IV (Article 89 of the EU Directive 2013/36/EU) requires qualifying institutions to publish annually certain tax and financial data for each country in which they operate. Two subsidiaries of Jefferies International (Holdings) Limited (JIHL), Jefferies International Limited and Jefferies Bache Limited, are both qualifying institutions under the terms of the Capital Requirements Directive IV.

In tables 1 and 2, on pages 5 and 6 respectively, stipulated information is provided on a consolidated basis for the JIHL group for the financial year ended 30 November 2014. The audited consolidated statutory financial statements of JIHL for the year ended 30 November 2014 can be obtained from Vintners Place, 68 Upper Thames Street, London EC4V 3BJ.

### Note (1) - Basis of preparation and explanatory notes

- Accounting framework:** The figures disclosed in the schedules are prepared under United Kingdom Generally Accepted Accounting Practice (UK GAAP), as for the consolidated statutory financial statements of JIHL.
- Jurisdiction:** The jurisdiction in each case has been taken as the country of tax residence.
- Number of employees:** The number of employees has been calculated as the average number of employees, on a monthly full time basis, who were permanently employed by JIHL during the financial year to 30 November 2014.
- Turnover:** As defined in note 2 to the consolidated statutory financial statements for JIHL for the financial year ended 30 November 2014.
- Profit before tax:** As per the consolidated Profit and Loss Account included in the consolidated statutory financial statements for JIHL for the year ended 30 November 2014.
- Corporation tax paid:** This represents the corporation tax actually paid in each country in the year ended 30 November 2014. It should be noted that the corporation tax paid in a given period does not always relate directly to the tax charge in that period. Below is commentary in relation to the jurisdictions where corporation tax was paid or refunds received.
- **United Kingdom:** no corporation tax was paid in the United Kingdom due to losses brought forward from previous years. There was also a repayment of tax in relation to a prior year group relief claim.

Note (1) - Basis of preparation and explanatory notes (continued)

Corporation tax paid (continued):

- **Germany:** the relatively high level of corporation tax paid reflects that activities are taxed at a rate in excess of the UK corporation tax rate.
- **Italy:** the relatively high level of corporation tax paid reflects tax payments calculated based on profits made in the prior period. In addition, the activities are taxed at a rate in excess of the UK corporation tax rate.
- **France:** the relatively low level of corporation tax paid reflects losses brought forward from previous years.

Intra- group eliminations: These include adjustments that relate principally to transactions between JIHL's businesses in different countries that are included in the individual country turnover, but are then eliminated in determining the overall results to avoid double counting.

## **Independent auditors' report to the Directors of Jefferies International (Holdings) Limited**

We have audited the accompanying schedules of Jefferies International (Holdings) Limited for the year ended 30 November 2014 ("the schedules"). The schedules have been prepared by the directors based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

### **Directors' Responsibility for the schedules**

The directors are responsible for the preparation of the schedules in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedules, and for such internal control as the directors determine is necessary to enable the preparation of the schedules that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the schedules based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedules.

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

### **Opinion**

In our opinion, the country-by-country information in the schedules for the year ended 30 November 2014 is prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

### **Basis of Preparation and Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 1 to the schedules, which describes the basis of preparation. The schedules are prepared to assist the directors to meet the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the schedules may not be suitable for another purpose.

**Independent auditors' report to the Directors of Jefferies International (Holdings) Limited (continued)**

Our report is intended solely for the benefit of the directors of Jefferies International (Holdings) Limited. We do not accept or assume any responsibility or liability to any other party save where terms are agreed between us in writing.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP

Chartered Accountants

31 July 2015

London

Disclosure schedule 1

Jurisdiction	Number of Employees	Turnover £'000	Profit / (loss) before tax £'000	Corporation tax paid / (received) £'000	Public subsidies received £'000
United Kingdom	894	425,595	1,014	(411)	-
Germany	26	12,424	1,155	489	-
Italy	4	4,775	3,275	3,685	-
France	6	4,496	974	84	-
Switzerland	8	4,005	(415)	-	-
United Arab Emirates	7	1,435	119	-	-
Russia	4	533	(534)	-	-
Sweden	-	-	(65)	-	-
United States	-	(293)	-	-	-
<b>Sub-total</b>	<b>949</b>	<b>452,970</b>	<b>5,523</b>	<b>3,847</b>	<b>-</b>
Intra-group eliminations	-	(542)	-	-	-
<b>Total</b>	<b>949</b>	<b>452,428</b>	<b>5,523</b>	<b>3,847</b>	<b>-</b>

Disclosure schedule 2

Jurisdiction	Description of activities	List of entities
United Kingdom	Investment banking, broker / dealer Broker / dealer	Jefferies International Limited Jefferies Bache Limited Jefferies International (Holdings) Limited (company level) LongAcre Partners Limited
Germany	Investment banking, broker / dealer Broker / dealer	Jefferies International Limited Jefferies Bache Limited
Italy	Broker / dealer	Jefferies International Limited
France	Investment banking, broker / dealer	Jefferies International Limited
Switzerland	Asset management	Jefferies (Switzerland) Limited
United Arab Emirates	Broker / dealer	Jefferies International Limited
Russia	Investment banking	Jefferies International Limited
Sweden	Investment banking	Jefferies International Limited
United States	Securitisation vehicle	Station Place Securitization Trust