Registration number: 00027883

Hemscott Limited

Annual Report and Financial Statements

for the Year Ended 30 November 2019

Hemscott Limited

Contents

Hemscott Limited

Company Information

Directors	K A Owen C McLoughlin
Registered office	The Capitol Building Oldbury Bracknell Berkshire RG12 8FZ
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

Hemscott Limited

Strategic Report for the Year Ended 30 November 2019

The directors present their strategic report for the year ended 30 November 2019.

Principal activities and review of the business
Hemscott Limited is a subsidiary of IHS Markit Ltd. The principal activity of the Company is that of a holding company for certain subsidiaries of the group.

IHS Markit is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The IHS Markit group delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

Principal risks and uncertainties
Due to the nature of its business, the directors consider that the Company's principal risks and uncertainties are limited to the COVID-19 risk, as described below. No changes are planned in the activities of the Company in the foreseeable future.

COVID-19 Risk
In December 2019 there was an outbreak of COVID-19 or coronavirus, which the World Health Organization declared a pandemic on 11 March 2020. The IHS Markit group's business and operations could be materially and adversely affected by the effects of COVID-19. Governments, public institutions, and other organisations in countries and localities where cases of COVID-19 have been detected are taking certain emergency measures to combat its spread, including implementation of travel bans and closures of factories, schools, public buildings, and businesses. While the full impact of this outbreak is not yet known, the group are closely monitoring the spread of COVID-19 and continually assessing its potential effects on the business. The group has had to close most of its offices, and the majority of employees are working from home. These effects could also include impact to the impairment and recoverability of assets.

The IHS Markit group are carefully monitoring the COVID-19 pandemic and the resulting length and depth of the economic impacts on the group's financial condition and ways to mitigate this risk globally throughout the group. As a result of the anticipated adverse revenue impacts, the IHS Markit group are implementing cost reduction efforts to partially offset the revenue decline. Such cost reduction efforts will include both fixed and variable costs across all areas of the business.

The group anticipates a decline in revenue and net income impacts from COVID-19. There may also be lower activity levels in the end markets the group services or declining financial performance of customers, which could result in lower demand, cancellations, reductions or delays for the group's products and services. The extent to which the Company's and group's results are affected by COVID-19 will largely depend on future developments which cannot be accurately predicted and are uncertain, but the COVID-19 pandemic or the perception of its effects could have a material adverse effect on our business, financial condition, results of operations, or cash flows.

Results
The loss for the year ended 30 November 2019 is £1k. (11 months to 30 November 2018: £Nil).

Approved by the Board on 11 September 2020 and signed on its behalf by:

DocuSigned by:
Katy Owen
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K A Owen
Director

Hemscott Limited

Directors' Report for the Year Ended 30 November 2019

The directors present their report and the financial statements for the year ended 30 November 2019.

Information included in the Strategic Report
The following information as required by the Companies Act 2006 has been disclosed in the Strategic Report:
• Details of the principal activities of the Company.
• A review of the business, including developments in the year, it's performance and current position.
• A summary of the principal risks and uncertainties affecting the position.

Directors' of the Company
The directors, who held office during the year, were as follows:

K A Owen

C McLoughlin

Dividends
The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 30 November 2019. (11 months to 30 November 2018: £Nil).

Events after the end of the reporting period
Post balance sheet events are disclosed in note 14 of these financial statements.

Going concern
In December 2019 there was an outbreak of COVID-19, or coronavirus, which the World Health Organization declared a pandemic on 11 March 2020. As discussed in the risks section of the Strategic Report, the extent to which the Company's results are affected by COVID-19 will largely depend on future developments which cannot be accurately predicted and are uncertain, but the COVID-19 pandemic or the perception of its effects could have a material adverse effect on our business, financial condition, results of operations, or cash flow.

The Company has net current assets and positive shareholder's funds as at 30 November 2019. IHS Markit Ltd, the ultimate parent undertaking, has provided a letter of support committing to ensure the provision of sufficient funds to enable the Company to meet its liabilities for a period of not less than twelve months from the approval of these financial statements. The IHS Markit Ltd group has sufficient cash and liquidity to meet ongoing working capital and capital expenditure needs of the group. Given current market conditions as a result of COVID-19, the group are focused on maintaining high levels of liquidity and capital structure flexibility. The group has prepared financial forecasts under various scenarios, with the worst case revenue scenario of 0% to 1% organic growth in FY20, recovering in FY21, partially offset by various cost optimisation measures that are being implemented to maintain margins. This includes minimum $50 million of permanent expense reductions. The group's three year forward scenario, taking into consideration the current environment and worst case potential impact of COVID-19, show that the group is expected to remain profitable and generate positive cash flows for the foreseeable future. On-the basis of their assessment of the Company's financial position and of the enquiries made of and letter of support received from the directors of IHS Markit Ltd, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Independent Auditors

KPMG LLP resigned as auditors during the year and Ernst & Young LLP were appointed in their place. Pursuant to section 487(2) of the Companies Act 2016, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Approved by the Board on 11 September 2020 and signed on its behalf by:

DocuSigned by:

Katy Owen

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K A Owen

Director

Hemscott Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 the financial statements in accordance with United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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.

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.

Hemscott Limited

Independent Auditor's Report to the Members of Hemscott Limited

Opinion

We have audited the financial statements of Hemscott Limited (the 'Company') for the year ended 30 November 2019, which comprise the Profit and Loss Account, 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 state of the Company's affairs as at 30 November 2019 and of its loss 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 - Effects of COVID-19

We draw attention to Note 2 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 which is impacting customer demand. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Hemscott Limited

Independent Auditor's Report to the Members of Hemscott Limited (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 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.

Matters on which we are required to report by exception
In the light of our 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 the Directors' Report.

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.

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.

Hemscott Limited

Independent Auditor's Report to the Members of Hemscott Limited (continued)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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.

Ernst & Young LLP

....
Naresh Alimchandani (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

1 More London Place
London
SE1 2AF

Date: 11 September 2020

Hemscott Limited

Profit and Loss Account for the Year Ended 30 November 2019

	Note	Year ended 30 November 2019 £ 000	11 months to 30 November 2018 £ 000
Turnover		-	-
Administrative expenses		(1)	-
Operating loss/result	4	(1)	-
Loss/result before tax		(1)	-
Tax on (loss)/profit on ordinary activities	7	-	-
Loss/result for the year/period		(1)	-

The above results were derived from continuing operations.

The Company has no other comprehensive income other than as stated above and, therefore, no separate statement of comprehensive income has been included.

Hemscott Limited

(Registration number: 00027883)
Balance Sheet as at 30 November 2019

	Note	30 November 2019 £ 000	30 November 2018 £ 000
Fixed assets			
Investments	8	6,751	6,751
Current assets			
Debtors	9	450	450
Creditors: Amounts falling due within one year		(1)	-
Net current assets		449	450
Net assets		7,200	7,201
Capital and reserves			
Retained earnings		7,200	7,201
Total equity		7,200	7,201

Approved by the Board on 11 September 2020 and signed on its behalf by:

DocuSigned by:
Katy Owen
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K A Owen
Director

The notes on pages 13 to 23 form an integral part of these financial statements.

Hemscott Limited

Statement of Changes in Equity for the Year Ended 30 November 2019

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	-	7,201	7,201
Result for the year	-	-	-
At 30 November 2018	-	7,201	7,201

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 December 2018	-	7,201	7,201
Loss for the year	-	(1)	(1)
At 30 November 2019	-	7,200	7,200

Hemscott Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

1 General information and authorisation of financial statements

Hemscott Limited (the 'Company') is a private Company limited by shares, incorporated and domiciled in England and Wales. The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise indicated.

The financial statements present information about Hemscott Limited as an individual undertaking and not about its group. The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of IHS Markit Ltd., in whose consolidated financial statements the Company and its subsidiaries are included, and which are publicly available (see note 13).

The financial statements of Hemscott Limited for the year ended 30 November 2019 were authorised for issue by the board of directors on 11 September 2020 and the balance sheet was signed on the board's behalf by K A Owen.

2 Significant accounting policies

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Summary of disclosure exemptions
The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
(c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
(d) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
(e) the requirements of IAS 7 Statement of Cash Flows;
(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
(g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
(h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2 Significant accounting policies (continued)

Going concern

In December 2019 there was an outbreak of COVID-19 or coronavirus, which the World Health Organization declared a pandemic on 11 March 2020. As discussed in the risks section of the Strategic Report, the extent to which the Company's results are affected by COVID-19 will largely depend on future developments which cannot be accurately predicted and are uncertain, but the COVID-19 pandemic or the perception of its effects could have a material adverse effect on our business, financial condition, results of operations, or cash flow.

The Company has net current assets and positive shareholder's funds as at 30 November 2019. IHS Markit Ltd, the ultimate parent undertaking, has provided a letter of support committing to ensure the provision of sufficient funds to enable the Company to meet its liabilities for a period of not less than twelve months from the approval of these financial statements. The IHS Markit Ltd group has sufficient cash and liquidity to meet ongoing working capital and capital expenditure needs of the group. Given current market conditions as a result of COVID-19, the group are focused on maintaining high levels of liquidity and capital structure flexibility. The group has prepared financial forecasts under various scenarios, with the worst case revenue scenario of 0% to 1% organic growth in FY20, recovering in FY21, partially offset by various cost optimisation measures that are being implemented to maintain margins. This includes minimum $50 million of permanent expense reductions. The group's three year forward scenario, taking into consideration the current environment and worst case potential impact of COVID-19, show that the group is expected to remain profitable and generate positive cash flows for the foreseeable future. On the basis of their assessment of the Company's financial position and of the enquiries made of and letter of support received from the directors of IHS Markit Ltd, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2 Significant accounting policies (continued)

Changes in accounting policy

New standards, interpretations and amendments effective
The following have been applied for the first time from 1 December 2018 and have had an effect on the financial statements:

IFRS 9
IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. With the exception of hedge accounting, which the Company applied prospectively, the Company has applied IFRS 9 retrospectively, with the initial application date of 1 December 2018. There has been no restatement to the comparative balances for the period beginning 1 December 2017 as there are no requirements under the standard to restate comparatives.

IFRS 9 new impairment models requires the recognition of impairment provisions based on the 'expected credit loss' (ECL) model which replaces the 'incurred loss' model IAS 39. Under the new loss allowance method, it can be measured on either of the following bases:
• 12 month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
• Lifetime ECLs: these ECLs that result from all possible default events over the expected life of the financial instrument.

The Company has performed an assessment to understand the requirements of IFRS 9 and how these differ from IAS 39 and has concluded there is no significant impact on the financial statements from the date of adoption. There were no differences between previous carrying amounts and consequently no adjustment has been made to opening retained earnings. The updated accounting policy is set out in the Financial Instruments note below.

Operating loss/result
Operating loss is the loss arising from the normal, recurring operations of the business and excludes any exceptional items.

Foreign currency transactions and balances
The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2 Significant accounting policies (continued)

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in profit and loss.

Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Retained earnings

Net profits or losses kept to accumulate in the Company after dividends are paid.

2 Significant accounting policies (continued)

Financial instruments

Initial recognition
Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefit plan.

The Company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement
Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-
· financial assets at amortised cost;
· financial assets at fair value through other comprehensive income (FVTOCI); or
· financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-
· financial liabilities at amortised cost; or
· financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: (1) the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (2) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL). If a financial asset meets the amortised cost criteria, the company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

2 Significant accounting policies (continued)

Financial assets at fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVPTL: (1) the asset is held within a business model whose objective is achieved by both collecting on contractual cash flows and selling financial assets; and (2) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through the profit or loss (FVTPL)
Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities at amortised cost
All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss
Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

Derecognition
A financial asset is derecognised when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset including transferring substantially all the risks and rewards of the asset.

Modification of financial assets and financial liabilities
If the terms of a financial asset or liability are modified, the company evaluates whether the cash flows of the modified asset or liability are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset or liability are deemed to expire. In this case the original financial asset or liability is derecognised and a new financial asset or liability is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset or liability. In this case, the company recalculates the gross carrying amount of the financial asset or liability and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

Hemscott Limited

Notes to the Financial Statements for the Year Ended 30 November 2019 (continued)

2 Significant accounting policies (continued)

Impairment of financial assets

Measurement of Expected Credit Losses

The Company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVPTL, namely:

- Financial assets that are debt instruments

The Company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the Company recognises the lifetime ECL.
The Company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The Company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company.

Hemscott Limited

Notes to the Financial Statements for the Year Ended 30 November 2019 (continued)

2 Significant accounting policies (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Impairment of investments
The Company makes judgments about whether any potential impairment events have occurred and reviews investment in subsidiaries at least annually for indicators of impairment. Where there are indicators of impairment, the carrying value is compared to the recoverable amount. The recoverable amount is based on the value in use which requires a number of significant assumptions and judgments, including future economic conditions, future cash flows and discount rates. The use of different estimates or assumptions within the projected future cash flows model, or the use of a methodology other than a projected future cash flow model, could result in significantly different fair values for the subsidiary.

4 Operating loss/result

Arrived at after charging/(crediting):

	Year ended 30 November 2019 £ 000	11 months to 30 November 2018 £ 000
Audit of the financial statements	-	-

The audit fees in 2018 were paid to the previous auditors KPMG LLP, and the costs were borne by its fellow subsidiary Ipreo Limited.

The audit fees in 2019 were paid by a fellow subsidiary Ipreo Ltd and amounted to £12,000.

5 Staff costs

The Company has no employees.

6 Directors' remuneration

The directors' of the Company are also directors or officers of a number of the Companies within the IHS Markit group. The directors' services to the Company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company for the year ended 30 November 2019.

Hemscott Limited

Notes to the Financial Statements for the Year Ended 30 November 2019 (continued)

7 Income tax

Tax in the profit and loss account

	Year ended 30 November 2019 £ 000	11 months to 30 November 2018 £ 000
Current taxation		
UK corporation tax	-	-

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	Year ended 30 November 2019 £ 000	11 months to 30 November 2018 £ 000
Loss before tax	(1)	-
Corporation tax at standard rate	-	-
Total tax charge/(credit)	-	-

8 Investments

Subsidiaries	**£ 000**
Cost	
At 1 December 2019 and 30 November 2019	6,751

The investment in subsidiaries is a 90% shareholding of Hemscott Americas and it's group of companies. No impairment of the investment was considered to as at 30 November 2019. Details of the subsidiaries as at 30 November are shown below.

	Country of Incorporation	**Class of shares held**	**Ownership 2019**	**2018**
Hemscott Americas Inc	US	Ordinary	90%	90%
Ipreo Data Inc *	US	Ordinary	90%	90%
Ipreo InSite Inc*	US	Ordinary	90%	90%
Hemscott Holdings Limited *	UK	Ordinary	90%	90%
H Woodward & Son Plc *	UK	Ordinary	90%	90%
Stocks Hotel and Country Club Ltd*	UK	Ordinary	90%	90%
Hemscott Investment Analysis Limited**	UK	Ordinary	90%	90%

* owned subsidiary of Hemscott Americas Inc
** owned subsidiary of Hemscott Holdings Limited

9 Loans to group undertakings

	30 November 2019 £ 000	**30 November 2018 £ 000**
Amounts due from group undertakings	450	450

10 Cash at bank and in hand

11 Creditors: amounts falling due within one year

	30 November 2019 £ 000	**30 November 2018 £ 000**
Amounts due to group undertakings	1	-

12 Share capital

Allotted, called up and fully paid shares

		30 November 2019		30 November 2018
	No. 000	£ 000	No. 000	£ 000
1 Ordinary shares of £0.05 each	-	-	-	-

The holders of the 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.

13 Parent and ultimate parent undertaking

The Company's immediate parent is Centerpoint Data LLC, a Company incorporated in the United States of America.

The ultimate parent is IHS Markit Ltd, a Company registered in Bermuda. IHS Markit Ltd prepares group financial statements and copies can be obtained from its registered office, Ropemaker Place, 25 Ropemaker street, London EC2Y 9LY or on its website at http://investor.ihsmarkit.com. This is the smallest and largest group to consolidate these financial statements.

14 Post balance sheet events

COVID-19 represents a non-adjusting post balance sheet event. The Company continues to monitor and assess the impact of COVID-19 on the business and the carrying value of assets subsequent to year end. The recoverability of intercompany balances is supported by an assessment of ability to repay and support provided by the ultimate parent. The recoverability of the carrying value of investments is supported by management's assessment and the long term sustainable nature of the underlying business.