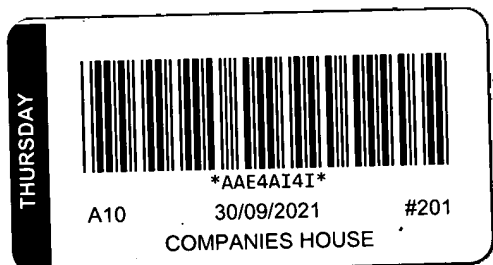


Registration number: 00145516

Refinitiv Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2020



Refinitiv Limited

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Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020

The Directors present their strategic report and the audited financial statements for the year ended 31 December 2020.

Definitions

As used in this annual report, the "Group" and "Refinitiv" refer to York Parent Limited (formerly Refinitiv Holdings Limited) and its subsidiary undertakings, including joint ventures and associates. The "Company" refers to Refinitiv Limited. "LSEG" refers to London Stock Exchange Group plc.

Review of the business

The Company is a provider of critical news, information, and analytics, enabling transactions and connecting communities of trading, investment, financial, and corporate professionals.

As part of its financial products the Company provides a broad range of offerings to financial market professionals. It delivers global content sets, including fundamentals, estimates, and primary and secondary research. The Company also provides customers with tools, venues, and services to enable decision-making. Its flagship financial markets' desktop offering is Eikon.

As part of its risk products offering the Company provides solutions to help customers address third-party risk (customer, supplier, and partner), regulatory compliance, corporate governance, operational risk controls. Its risk solutions combine technology with regulatory and risk intelligence to deliver integrated offerings to financial services and multinational institutions for financial crime prevention, anti-bribery, anti-money laundering and anticorruption, know your customer and other due diligence, compliance management, internal audit, and risk management services.

The majority of the Company's operations are located in the United Kingdom, but the Company also has operations in Continental Europe, Africa, Asia and Latin America.

The Company's key financial performance indicators during the year were as follows:

- The Company's turnover decreased from £1,856 million to £1,781 million. The driver for the decrease in revenue was a result of decreased services from other Refinitiv Group companies.
- Operating costs have decreased from £1,861 million to £1,777 million. The decrease in operating cost is predominantly due to decrease in the volume of services provided to other Refinitiv Group companies.
- The loss for the financial year amounted to £32 million (2019: loss of £57 million).
- As at 31 December 2020, the Company has a net asset position of £5,807 million (2019: £5,830 million).

The Company's key non-financial performance indicators during the year were as follows:

- Increase in customer base by 4.17% (2019: 5.35%).
- Maintaining high global customer retention rates for 2020 at 90% (2019: 90%).

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Principal risks and uncertainties

(i) Factors which might impact future Group business and operations

In 2020, the economic environment for the Group's core businesses continued to be challenging, which was similar to that experienced in recent years. The momentum and pace of growth continued to be unequal around the world, as advances in some regions were offset by weaknesses in others. Uncertainty in global economic and market conditions continued to cause disruptions and volatility worldwide, particularly in the financial services industry.

The financial services industry is undergoing rapid transformation and remains challenged with heightened regulatory scrutiny, consolidation among firms, trading venues and data providers, increasing capital requirements, lower transaction volumes in certain markets and asset classes, and relatively low overall anticipated market growth. In the wake of the financial crisis of 2008 and 2009, regulators have continued to implement new frameworks for financial services companies globally. Many of these rules relate to financial advisor compensation, fees and expenses, investor disclosure, and the use of hedge funds and alternative investments. Complex regulations including GDPR, MiFID II, the European Union Benchmarks Regulation, as well as increasing pressures from anti-money laundering, financial crime and data protection regulations are driving profound and structural change and increased cost burdens for the Group's customers. This environment creates opportunities for the Group's Elektron Data Platform and risk products, which address the increasing demand by banks and buy-side firms to reduce risk while lowering costs.

Furthermore, recent shifts in the financial services industry, such as a greater emphasis on serving investors' interests and lowering fees, are fundamental changes that will continue. The Group has introduced several new product offerings and solutions to help financial advisors determine, demonstrate, and document that their advice is in the best interest of the investor.

Cost-cutting, reduced spending or reduced activity by any of its customer segments may decrease demand for, and usage of, some of the Company's products and services. This could adversely affect the Company's financial results by reducing revenues, which could in turn reduce the profitability of some of the Company's products and services. Cost-cutting by customers has also caused the Group to further simplify the Group's organization and take additional steps beyond those that might otherwise be taken to optimize the Group's own cost structure as a means to maintain or improve profitability.

Some of the Company's competitors are also aggressively marketing their products as a lower cost alternative and offering price incentives to acquire new business, although many of its customers continue to see the value reflected in the Company's offerings that sometimes results in a higher price. As some of the Company's competitors are able to offer products and services that may be viewed as more cost effective or which may be seen as having greater functionality or performance, the relative value of some of the Company's products or services could be diminished.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Principal risks and uncertainties (continued)

The Company's business is subject to intense competition across all markets for its products, with competitors ranging in size from smaller, highly specialized, single-product businesses to multi-billion-dollar companies. While the directors believe the breadth and depth of the Company suite of products and applications offer benefits to its customers that provide a competitive advantage, the Company's competitors are making investments to improve existing, and develop new, products, services and technology. The Company's business has been impacted by commercial pricing adjustments that were made in connection with the migration of remaining foreign exchange and buy-side customers onto new product.

In addition, some of the Company's customers have in the past and may decide again to develop independently certain products and services that they obtain from the Company's, including through the formation of partnerships or consortia. In the financial services industry, some firms have also invested in the Company's competitors, in part due to increasing regulatory and cost considerations or to pursue their own business models. If more of the Company's customers become self-sufficient, demand for its products and services may be reduced. If the Company fails to compete effectively, its revenues, profitability and cash flows could be adversely affected.

Most of the Company's products and services are delivered electronically and its customers depend on the Company's ability to receive, store, process, transmit and otherwise rapidly handle very substantial quantities of data and transactions on computer-based networks. The Company's customers also depend on the continued capacity, reliability and security of its telecommunications, data centers, networks and other electronic delivery systems, including websites and the internet. The Company's employees also depend on these systems for their internal use.

Historically, the Company's customers accessed its web-based products and services primarily through desktop computers and laptops. Over the last few years, Internet use through smartphones, tablets and other mobile devices has increased significantly. Applications or "apps" have also experienced significant growth and popularity. As a result of this shift, the Company has been focused on developing, supporting and maintaining various products and services on different platforms and devices (some of which complement traditional forms of delivery). If the Company's competitors are able to release alternative device products, services or apps more quickly than the Company's able to, or if its customers do not adopt the Company's offerings in this area, its revenues and retention rates could be adversely affected.

Mitigation

To better serve the needs of its existing customers and to attract new customers, the Company continues to:

- enhance and improve its products and services (such as by adding new content and functionalities);
- develop new products and services;
- invest in technology, including in artificial intelligence and analytical capabilities;
- acquire additional businesses and partner with other businesses in key sectors that will allow the Company to offer a broader array of products and services; and
- furthermore, competition may require the Company to reduce prices and/or, increase the capital spend on some of the products /services for future.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

(ii) Status of Brexit and potential impact

The transition period provided by the withdrawal agreement ended on 31 December 2020. The EU-UK Trade and Cooperation Agreement (TCA) was agreed on 24 December 2020. The EU-UK Trade and Cooperation Agreement entered into force on 1 May 2021, marking the formal end of the EU's ratification process. Both the UK and the EU conducted assessments of regulatory equivalence of their respective regimes throughout 2020. Few aspects of the UK regulatory framework have been deemed equivalent by the EU at this stage - only central counterparties and central securities depositories. The UK and EU finalised and agreed their Memorandum of Understanding (MoU) establishing a framework for voluntary regulatory cooperation in financial services between the UK and the EU. The MoU will establish the Joint UK-EU Financial Regulatory Forum, which will serve as a platform to facilitate dialogue on financial services issues.

In October 2019, Refinitiv migrated its FX MTF to Ireland from the UK in anticipation of Brexit and obtained relevant licensing throughout the EEA, UK and rest of world jurisdictions in which the MTF operates. The migration allowed for a seamless continuation of service to our clients from 31 December 2020 when the withdrawal agreement ended. While some isolated cases have seen UK participants unable to trade with their EU counterparts because of their own licensing issues, trading has generally continued uninterrupted. We continue to maintain an ongoing dialogue with UK, EU and other international authorities.

(iii) Exchange rate fluctuation

The financial statements are expressed in GBP and are, therefore, subject to movements in exchange rates on the translation of the financial information of businesses whose functional currencies are not GBP. The Company receives revenues and incurs expenses in many currencies and is thereby exposed to the impact of fluctuations in various currency rates. Foreign currency movements have been unusually volatile over the last three years and volatility in foreign currencies is expected to continue as the UK negotiates its exit from the European Union.

The Company monitors the financial stability of the foreign countries in which it operates. The Company has historically, and may in the future, hedge some of its foreign currency exposure if it believes that it may be material to its financial results.

(iv) Covid-19

On 11 March 2020 the World Health Organization labelled the public health emergency situation caused by the coronavirus (Covid-19) outbreak a global pandemic. The rapid escalation of events, in both the United Kingdom and worldwide, is resulting in an unprecedented health crisis that has had an impact on the macroeconomic environment and business evolution. To tackle the issue, the United Kingdom issued orders to stay at home, closed certain businesses and venues, prohibited public gatherings, and other guidelines.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

(iv) Covid-19 (continued)

To support our people we developed a Covid-19 microsite, on measures that the Group were taking to support them. We launched a series of video updates from our senior leaders, bringing together all related resources and making it easier to access information on their wellbeing, learning and development and to stay connected across the Group. Parts of the Group have been running an initiative called "Connect" days and "me" hours where in there is a 'no meeting zone', colleagues can use this time for their own development or wellbeing. We recognise that we continue to operate in a challenging environment and for some colleagues this can take a toll on their wellbeing. We are encouraging colleagues to speak with their line managers to arrange flexible working solutions to suit them. We've provided regular communications through various channels and internal support networks to ensure all colleagues understand what resources are available to them to manage their wellbeing and who they can talk to if they need support.

The Company's revenue base is highly predictable, with 92% and 90% of revenue derived from Subscriptions and 7% and 8% of revenues derived from Support services in 2020 and 2019, respectively. A major driver of this predictability is the high renewal rates of the Company's subscription services, as these services are important to operators in the capital markets. From 2016 to 2019, the Group achieved average annual customer retention rates of approximately 90%, based on the dollar value of revenues from product renewals. The other portion of revenue comes from transactions, which generally increases in times of market volatility.

It is that predictability and resiliency in the Company's revenue base that provided Management with the confidence in March to continue to implement annual merit increases for staff to take effect in April, which is the standard annual cycle. Labour costs are the largest expense incurred in the business. No reduction in force actions were taken in Q1 or Q2 2020. In July 2020, Management did announce a reduction in force in Sales (to move to regional propositions and market development and simplify structure) and Technology (to move services to partners and reduce number of locations). Most of which took place with immediate impact. The size of these actions were not related to Covid-19 - and instead related to the cost savings goals set out at the separation of Refinitiv from Thomson Reuters in 2018. The implementation of them was delayed due to the uncertainty surrounding the Covid-19 pandemic.

Management identified no indicators of goodwill impairment as of 31 December 2020 due to the Covid-19 pandemic. However, as part of yearly assessment an impairment of £10 million was recognised for the investment held in Global World-Check (Holdings) Limited.

The Covid-19 pandemic has resulted in significant challenges in the global economy. Many observers point out that the balance sheets of banks are stronger entering this crisis than the financial crisis of 2008. But many observers mention that unemployment is reaching very high levels. It is difficult to forecast what will occur. The short-term impact has brought Refinitiv increases in Transaction revenue. Perhaps, the medium-term impact may bring net cancellations within our recurring business. However, we do not see any reduction in customer base.

The Group transitioned to a work-from-home or virtual operating environment in March 2020 and has continued to do so through September 2021. Essential staff are able to go into the office on an as needed basis. There was no material operational disruption for our customers when the move to work-from-home environment was made. Indeed, service to customers was uninterrupted by this change, despite very significant volume increases on the Group's various platforms.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

(v) Section 172 (1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172(1) requires a director to have regard, amongst other matters, to the:

- a) likely consequences of any decisions in the long-term;
- b) interests of the company's employees;
- c) need to foster the company's business relationships with suppliers, customers and others;
- d) impact of the company's operations on the community and environment;
- e) desirability of the company maintaining a reputation for high standards of business conduct; and;
- f) need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the matters set out above. We also have regard to other factors which we consider relevant to the decision being made. These factors include the interests and views of the Company's workforce, its customers, its suppliers, its pensioners, and the communities in which it operates. We acknowledge that every decision we make will not necessarily result in a positive outcome for all our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

As is normal for large companies, we delegate authority for day-to-day management of the Company to executives and then engage with management in setting, approving and overseeing execution of the business strategy and related policies.

During the course of the financial year we have reviewed financial and operational performance, customer and pension related matters. We also reviewed other areas over the course of the year, including matters relating to: (i) the Company's offices and branches across the globe; and (ii) acquisitions to ensure they are in line with the Company's and the Refinitiv Group's (the "Group") strategy and risk appetite. This was carried out through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board and responses to questions from the Directors. We have been updated throughout the pandemic on its effect on the Company's operations and we continue to monitor and assess impact on customers and the workforce.

The Company's key stakeholders are its customers, its workforce, the members of its pension schemes, the local communities in which it operates, and its shareholders. The views of stakeholders, and the impact of the Company's activities on those stakeholders, are an important consideration for us when making relevant decisions. We recognise that building strong relationships with our stakeholders will help to deliver the Company's strategy in line with long-term values and operate the business in a sustainable way. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Group means that sometimes our stakeholder engagement will take place at an operational or Group level. We believe that, as well as being a more efficient and effective approach, it helps the Company achieve a greater positive impact on environmental, social and other issues than by working as a singular company.

During the period we received information in a range of formats to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. The information received by the Board also included updates concerning the Chinese market and the proposed changes to the delivery model for Chinese clients, and a presentation on the 2019 actuarial valuations for Reuters Pension Fund and Reuters Supplementary Pension Scheme (both pension schemes are sponsored by the Company). Further information on these is provided below.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

(v) Section 172 (1) Statement (continued)

As a result of this we have had an overview of the engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and have regard to them as we comply with our section 172 duty to promote the success of the Company.

We set out below some examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty and the effect of that on certain decisions taken by us.

Customers

The Group engages with customers at an individual level through dedicated account management teams, proposition managers and senior management, all of whom conduct face-to-face and virtual meetings on a regular basis. As a Group, Refinitiv also continually gathers aggregate feedback to help better serve and support its customers. For example, the Refinitiv Customer Experience and Insight team runs a survey for users in 130+ countries and in multiple languages. Refinitiv also has a touch point five-question survey, called "Experience Pulse", that is circulated after an engagement point such as the Help Desk, Training, Installs and Sales as a way to understand satisfaction at each stage of the customer journey. In 2020, the majority of our engagement took place virtually due to the Covid-19 pandemic. The shift to virtual communications has enabled more frequent informal engagement.

Investment in Deontic Data Limited

During the financial year we approved a minority investment in Deontic Data Limited, a start-up company which will offer data rights management services. We concluded that this investment would allow the Company to support Deontic in the exploration of the digital rights automation space and accelerate and de-risk the Company's and the Group's own adoption and implementation of digital rights. In turn benefiting our customers and suppliers.

Incorporation of Chinese Subsidiary

In 2020, the Board approved the incorporation of a Chinese subsidiary as part of a Group-wide initiative to improve the customer experience for Chinese customers, enabling them to contract on a local-to-local model. The Board supported this initiative as a way to foster and improve business relationships with customers in this jurisdiction.

Workforce

Employees play a critical role in the long-term success of the Company. It is therefore important to us, as the Directors, to understand the views, and consider the interests of, the Company's workforce in our decision-making process and take into account the impact of the Company's activities on them. We develop insights and an understanding of the organisation's culture and what is important to its workforce. We do so through employee engagement survey results; feedback through engagement with work councils; ethics hotline reports; attrition level trend reporting; gender pay gap reports; and the findings of exit interview and feedback sessions.

During the reporting period, the Refinitiv Group employed a range of communications to facilitate engagement with employees, such as Refinitiv Focus, a weekly all-employee newsletter; Global Webcasts; and the internal intranet site, Connectiv, but there were also business unit-specific channels. In addition, the Group had periodic Executive Leadership Team +1 and +2 meetings. The Group also utilised GLINT, its quarterly employee survey, which gathered information on communication to employees.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

(v) Section 172 (1) Statement (continued)

During 2020 steps were taken to prioritise the health, safety, and wellbeing of the workforce. We supported the Group initiative, "Me Hours and We Days", during which the workforce was encouraged to take internal meeting-free time for self-care, inclusion, connection with others, and focused work. The Group continues to evaluate a phased return to the office. In the UK we will transition to a hybrid working model, a mixture of remote and office-based working from 20 September 2021.

Suppliers

The Company relies on external and internal suppliers and partners for certain services which are required to maintain the efficiency and resiliency of its operations.

The Company and the Group endeavour to do the right thing, conducting business honestly and with good judgment while complying with the laws, rules, and standards of conduct that apply to the Group and the Company in the countries and regions where they do business.

Refinitiv values its relationships with suppliers who share the same values, and the Group is committed to providing them with the tools and resources they need to do business with it. Within Refinitiv's supplier portal, suppliers can access the guidance, training, and support they need to become an approved business partner, and to assist in ensuring that purchase orders and invoices are processed and paid efficiently.

Refinitiv's ethical values, and its approach to the way in which it does business, are reflected in the Refinitiv Code of Business Conduct and Ethics. The Supply Chain Ethical Code and the Supplier Diversity Statement (which apply to Refinitiv's suppliers worldwide) seek to encourage comparable standards of behaviour, thereby driving commitment to ethical improvements throughout the Group's supply chain. Copies of these documents are available at: www.refinitiv.com.

Steps were taken in 2020 by the Company to foster good relationships with our suppliers, and to ensure that there was no further impact on suppliers following the separation from Thomson Reuters' payment systems in July. For example, payments were released in advance of the separation from Thomson Reuters' systems, and there has been continued focus on making payments within agreed terms.

Payment Practices

The Company is required to report its supplier payment performance and policies as part of the Small Business, Enterprise and Employment Act 2015. On a half yearly basis, the Board approves the required information which includes: the average time to pay (days), percentage of invoices paid within 30 and 60 days (respectively), invoices paid later than 60 days, and invoices not paid within agreed terms. This information is published on a UK Government portal every six months and allows current and prospective suppliers to see the Company's payment policy, practice and performance, which could help reduce the administrative and financial burden suppliers face when not paid on time.

Refinitiv Transparency Statement

During 2020, the Board discussed and approved the Refinitiv Transparency Statement for the Company and its subsidiaries, pursuant to the Modern Slavery Act 2015. The Refinitiv Transparency Statement sets out the steps taken to prevent modern slavery in the Company's operations and supply chains.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

(v) Section 172 (1) Statement (continued)

Local Communities and Environment

We engage with environmental matters, and with the local communities within which the Company operates, in collaboration with the Group Sustainability function. More information on this is available at www.refinitiv.com/en.about-us/sustainable-leadership

In addition to Refinitiv's role as a responsible business, it is committed to being a leader in sustainability. Sustainability at Refinitiv means being at the forefront of the transition to a low-carbon economy; continuously lightening our environmental footprint; reflecting and supporting the communities in which we operate; using our data, forward-thinking technology, analytics and expertise to help customers make sustainable investment decisions; and driving transparency in our markets.

Refinitiv's approach is articulated and measured through time-bound targets, which holds it to account on environmental and social commitments. These commitments are further reflected in the Community Investment and Environmental Sustainability Policies.

In addition to these formal commitments within its own operations, Refinitiv harnesses its core capabilities to progress the sustainable leadership dialogue, thereby providing accurate, decision-ready, auditable, transparent, and comparable sustainability-related data. Refinitiv also produces blogs and podcasts, across all aspects of the sustainability agenda, which feature contributions from internal and industry experts.

Following LSEG's acquisition of Refinitiv, we will combine our sustainability ambitions and set bold targets that accelerate action in society and across financial markets, for the benefit of the environment and local communities.

Pension Scheme Members

Refinitiv's engagement with members of Reuters Pension Fund, Reuters Supplementary Pension Scheme, Refinitiv UK Retirement Plan and Refinitiv Overseas Pension Plan (together, the "Pension Schemes") is mainly via the Boards of Trustees of the Pension Schemes as they have direct contact with members in their roles as custodians of the Group's retirement plans. Refinitiv continues to have a collaborative relationship with the Boards of Trustees. Refinitiv management regularly interacts with the Trustees and is represented on the investment sub-committees of Reuters Pension Fund and Reuters Supplementary Pension Scheme.

2019 Actuarial Valuations

Following completion of the 2019 actuarial valuations for Reuters Pension Fund and Reuters Supplementary Pension Scheme (the "Actuarial Valuations"), we received a presentation from advisors on the results and the discussions held by the Boards of Trustees of the schemes. In advance of this presentation we were provided with information on surplus and the impact of Covid-19. We were informed that the Actuarial Valuations had been agreed with the Boards of Trustees and that no recovery plans were required.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

(v) Section 172 (1) Statement (continued)

Shareholders

As at 31 December 2020, the Company was a wholly-owned indirect subsidiary of York Parent Limited ("YPL") (formerly Refinitiv Holdings Limited). The board of YPL comprises representatives from YPL's shareholders, including private equity funds managed by Blackstone and its co-investors, and Thomson Reuters. Through this engagement, we felt that during the reporting period there have been effective dialogue with and input from the shareholders of our ultimate holding company.

On 29 January 2021, LSEG completed the acquisition of Refinitiv Parent Limited ("RPL"). The Company is a wholly-owned indirect subsidiary of RPL, so with effect from 29 January 2021, LSEG is considered to be the ultimate parent and controlling party of the Company. For further information please refer to www.lseg.com.

Following LSEG's acquisition of Refinitiv, stakeholder engagement will be aligned during the course of 2021.

Energy and carbon reporting

We have reported on all sources of GHG emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

GHG emissions and energy usage	
GHG emissions and energy usage data for period 1 January 2020 to 31 December 2020	
	UK and offshore
	31 December 2020
Emissions from combustion of gas (Scope 1 – tonnes of CO ₂ e)	53
Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO ₂ e)	18
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO ₂ e)	7,432
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 – tonnes of CO ₂ e)	645
Total gross CO₂e based on above	8,148
Energy consumption used to calculate emissions - kwh	32,219,251
Intensity [tCO ₂ e/ employee]	4

Comparative information is not required for the first year in which this information is disclosed.

Refinitiv Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Energy and carbon reporting (continued)

Emissions for the Company have been allocated based on direct energy use in the office by the employees, direct electricity usage in data centres and employee's business travel.

Full global emissions for the Group, and all legal entities, are disclosed in the annual sustainability report and to CDP's climate change survey. Refinitiv aligns to the recommendations of the TCFD and has approved science-based targets in place which commit to a Net Zero pathway.

www.refinitiv.com/sustainability

Reporting boundary and methodology

The company has associated emissions through the electricity consumption by employees who are allocated in the offices, but also a significant amount of electricity, which has been taken for CO2 emission calculations, has been used in data centres. A small part of CO2 emissions come from employees' business travel.

The above emissions allocation has been calculated using a proxy for emissions based on the headcount.

Information, required to prepare the report, was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

We have followed the 2019 UK Government environmental reporting guidance. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019 to calculate the above disclosures.

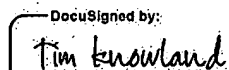
Energy efficiency actions taken

We undertook extensive energy efficiency programmes to our data centres before 2020. There were no additional energy efficiency actions taken in 2020, however energy attribute certificates and offsets were purchased to minimise our direct environmental impacts.

Financial risk management

The financial risks of the Company and how they are managed by the directors have been outlined on page 13 and 14 of the Directors' Report.

Approved by the Board on 30 September 2021 and signed on its behalf by:

DocuSigned by:

50E6CA90C220440B
Timothy David Knowland
Director

Refinitiv Limited

Directors' Report for the Year Ended 31 December 2020

The Directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Directors of the Company

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

Justin William Erskine Scott (resigned 30 June 2021)

Timothy David Knowland

Peter Thorn

The following director was appointed after the year end:

Darryl Clarke (appointed 30 June 2021)

Directors' indemnities

There are no indemnities in place for the directors. York Parent Limited has a Directors' & Officers' liability insurance policy in place for the group.

Dividends

The Company has not proposed any dividend up to the date of signing of financial statements (2019: £Nil).

Future development

The directors do not envisage any changes to the nature of the business in the foreseeable future.

Post balance sheet event

On the 29 January 2021, London Stock Exchange Group plc (LSEG) completed the acquisition of Refinitiv Parent Limited. The Company is a wholly owned indirect subsidiary of Refinitiv Parent Limited, and with effect from 29 January 2021, LSEG is considered by the directors as the ultimate parent and controlling party of the Company.

The acquisition of Refinitiv is a transformational transaction, strategically and financially, and positions LSEG for long-term sustainable growth.

Further information can be obtained at www.lseg.com

On 4 August 2021, Refinitiv Limited acquired 100% Share Capital in Quorate Technology Limited for £12 million.

Refinitiv Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Branches outside the United Kingdom

The company has branches as defined in section 1046(3) of the Companies Act 2006 outside the UK.

Jordan	Algeria
Chile	Bolivia
Lebanon	Thailand
Egypt	UAE
Kenya	Sri Lanka
Taiwan	Venezuela
Pakistan	Colombia
Argentina	
Philippines	
Switzerland	

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks. These include the credit risk inherent in a customer base concentrated in the financial community, the liquidity risk associated with recovering that customer debt on a timely basis, and the interest rate cash flow risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring customer debt levels and the related financial risks to the business.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage credit and liquidity risks. Interest rate cash flow risk is managed by York Parent Limited (formerly Refinitiv Holdings Limited).

(i) Price risk

The Company is exposed to price risks as a result of its operations with sales to customers and purchases from suppliers. To manage this risk, the Company enters into a certain number of fixed sales contracts and purchase contracts. The directors review these contracts on a regular basis to ensure the Company is not exposed to excessive price risk. The Company has no exposure to commodity price risk or securities price risk.

(ii) Credit risk

The Company is exposed to concentrations of credit risk. Trade debtors are concentrated in the financial community. The maximum exposure to credit risk at 31 December 2020 was as follows: trade debtors £51 million (2019: £74 million), amounts owed by Group undertakings £2,033 million (2019: £2,060 million) and cash held at bank and in hand £15 million (2019: £13 million).

The Company attempts to minimize credit exposure to various instruments as follows:

- Cash investments are placed with high-quality financial institutions with limited exposure to any one institution. At 31 December 2020, nearly all cash and cash equivalents were held by institutions that were rated at least AA;
- Credit limits minimise exposure to any one customer;
- The company's principal financial assets are trade receivables, intercompany receivables and cash. The company has performed a review of the trade and intercompany receivables amidst the current global impact of Covid-19 and have made reassessments to credit risk on a case-by-case basis.

Refinitiv Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

(iii) Liquidity risk

The Company's customer profile is such that late payments and defaults may reduce the funds available for operations and planned expansions. The Company manages this risk by engaging external collection agencies.

(iv) Cash flow risk

The Company's interest rate risk arises from interest-bearing assets. Short-term investments and amounts owed by Group undertakings subject to variable rates expose the Company to cash flow interest rate risk, which is the risk that future cash flows will fluctuate because of changes in market interest rates. To minimise this exposure, the majority of the Company's amounts owed by Group undertakings have been interest free since 30 April 2008. There is only one loan which is interest bearing taken from the group companies

(v) Currency risk

The Company's financial statements are expressed in GBP, but some portion of its business is conducted in other currencies. Changes in the exchange rates for such currencies into GBP can increase or decrease revenues, operating profit, net earnings and the carrying values of assets and liabilities.

Employment of disabled persons

During the year the Company has given full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

Employee involvement

During the year the Company had maintained and developed arrangements aimed at providing employees systematically with information on matters of concern to them as employees, consulting them or their representatives on a regular basis so that their view may be taken into account in making decisions which are likely to affect their interests, encouraging their involvement in the Company's performance and achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of their employing company. This has been achieved by methods such as the issue of employee reports, internal communications and by regular meetings between managers and the representatives of such employees. It is company policy to implement methods of communication and discussion, and the giving of information, which will achieve the objective of well-informed staff committed to making the Company profitable and successful. The company also conducts employee engagement surveys (GLINT) quarterly to gather feedback from all the employees with the actionable engagement insights to have more focused, meaningful conversations with the employee that ultimately leads to improved individual and business performance.

Going concern

The Company is taking appropriate action to deal with the events arising from Covid-19 and to minimize its impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise the Company's ability to continue as a going concern.

The operations of the Company are structured such that there is reliance on ongoing support from its group parent to continue as a going concern. The Company's ultimate parent undertaking has confirmed its commitment to continue to provide ongoing financial support to the Company and all of its current subsidiaries to enable them to continue to trade and to enable them to meet their liabilities as they fall due within one year from the date of signing the financial statements.

Refinitiv Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Going concern (continued)

Having sought and received confirmation in terms of the current group structure and ongoing continuity of support from London Stock Exchange Group and after considering the impact of the latest developments with regards to Covid-19 and Brexit, including those related to the latest financial position and solvency of LSEG, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from approval of the financial statements.

Charitable donations

During the year the Company made charitable donations of £1 million (2019: £1 million).

Energy and carbon reporting

GHG emissions and energy usage as required in The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 has been reported in the Strategic Report.

Corporate Governance

During the financial period, the Company did not adopt a formal corporate governance code because Refinitiv had established and well-defined organisational and operational structures with clearly defined roles, responsibilities and reporting lines to ensure that appropriate spans of control operate throughout the Group. The directors consider such structures work well for the Company and the Group. Where appropriate, the Group endeavored to follow best practices globally.

Following the acquisition of the Group by LSEG on 29 January 2021, the corporate governance of the Company will align with the governance structures applied by LSEG to its subsidiaries. LSEG is committed to delivering high corporate governance standards in boardroom practice and financial transparency. Further information is available at www.lseg.com.

The Company is a trading subsidiary of the Group and provides Refinitiv products and services to customers in the United Kingdom, continental Europe, Africa, Asia and Latin America. Its governance structure is therefore influenced by the Group's arrangements.

Group Governance Structure

During 2020, the Group's operating structure was made up of York Parent Limited (formerly Refinitiv Holdings Limited) Board, the Executive Leadership Team, Senior Cross Functional Leadership Teams and forums led by individual functions. The principles behind this structure are to ensure:

- 1) That the Group is streamlined, consistent and there is efficiency with effective leadership and controls;
- 2) That there is clarity of objectives, inputs, outputs and escalations with clear accountability and ownership; and,
- 3) That there is support for key processes and controls to effectively run and deliver Refinitiv and to avoid duplication.

The Group operates under a simple, scalable flat structure with clearly differentiated roles.

During 2020 the Refinitiv Limited Board delegated day to day decision making to employees of the Company and the Group who are members of our Executive Leadership Team, Senior Cross Functional Leadership Teams and forums led by individual functions.

Refinitiv Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Corporate Governance (continued)

Board composition, roles, responsibilities and appointments

The Company's Board is made up of three senior UK finance and legal staff. Appointments to the Board are made in accordance with the Group's Subsidiary Governance Committee which considers the experience, knowledge, role and location of the candidate within the Group before recommending any appointments for approval by the Board.

Upon appointment, the Directors are provided with additional information concerning the Company's business and structure and information to allow them to address their responsibilities as a director under the Companies Act 2006.

The Company's Board generally meets 4-6 times a year to consider relevant matters such as operational and financial performance, acquisitions, disposals and investments.

The Company's Articles of Association set out the obligations on the Company's directors to disclose potential conflicts of interest to the other directors, as well as the actions which may be taken to mitigate such conflicts as they arise.

Strategy, Purpose and Values

The Company's strategy is to support the Group Strategy as approved by the York Parent Limited (formerly Refinitiv Holdings Limited) Board.

Group Strategy

The Group's Strategy is powering and advancing financial communities by providing the most extensive data, information, workflow, news and insights platform, to meet the Company and the Group's customers' most demanding needs across their investing, trading, wealth advisory and risk management operations.

Promoting long-term success for the Group, its customers and the markets in which it operates in by continuing to deliver an 'open platform', enabling customers to operate how, and with whom they want to partner, in an agile, efficient, and effective way.

Group Purpose

The Group's purpose is to power and advance financial communities, its vision is a world where all financial markets are open, connected and efficient and its mission is to deliver the richest data, deepest expertise and unrivaled technology.

Group Values

The Group's values describe the actions taken individually and collectively, the behaviours embodied and the ways in which employees work and show up both internally and externally. All are in service of Refinitiv customers, partners and people, and drive our purpose mission and strategy. The values are:

- **Be Open. Trust One Another.**
- **Be Focused. Take Ownership and Action.**
- **Be Bold. Push Boundaries Together.**

Please refer to the Strategic Report for information on Refinitiv's engagement and accountability with employees, customers, suppliers and others.

Refinitiv Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Corporate Governance (continued)

Risk

During 2020 the Directors were informed about the key risks and issues facing the Company's business. The Company adopted and operated under the Group's risk management framework culture which embeds risk awareness, transparency and accountability. The framework places strong emphasis on the timely identification and reporting of risk exposures and on the strategic analysis of prevailing or anticipated risks.

The Group's Enterprise Risk Management ("ERM") framework provided a framework for risk management across Refinitiv in a structured and forward-looking way.

Refinitiv's ERM is a five-step model of risk management:

- The approach to ERM focuses on the key business risks agreed at the Executive Leadership Team ("ELT") level. The ELT evaluates functional and operational risks for their respective areas, ranks those risks, establishes mitigation plans and manages remediation. Through this systematic approach, this initiative validates key risks and provides a mechanism to identify new and emerging enterprise risks.
- Quarterly, the Internal Audit team at Refinitiv prepares a summary of remediation plans and review with the ELT.
- A review of the ERM process and identified risks is provided at meetings of the Group's Audit Committee and the Group's Audit Committee is primarily responsible for overseeing management's ERM process.
- A summary is shared with the Refinitiv Group Board at its regularly scheduled meetings.

Following the acquisition of the Group by LSEG on 29 January 2021, Risk Management will be aligned with LSEG during the course of 2021.

Remuneration

During the financial period the Company operated under the Group's remuneration policies.

During 2020, the Group applied a remuneration approach which seeks to incentivise staff to perform effectively whilst adhering to the Group's risk management framework. The remuneration structure includes both fixed and variable elements - which are appropriately balanced to minimise risk. The Remuneration Policy ensures that the fixed element of an individual's remuneration is based on professional experience and organisational responsibility. The Group operates different variable remuneration schemes for different categories of staff. Each scheme awards variable pay based on individual performance in relation to the targets set for staff members (both financial and non-financial, and in line with customer interests), adherence to risk and compliance policies.

The Compensation Committee of the Refinitiv Group board oversaw the remuneration policies of the Group during 2020.

Following the acquisition of the Group by LSEG on 29 January 2021 remuneration policies will be aligned during the course of 2021.

Refinitiv Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Statement of directors' responsibilities

The Directors are responsible for preparing the annual report and 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records that 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.

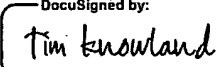
Disclosure of information to the auditor

In the case of each Director in office at the date the Directors Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the 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.

This confirmation is given and should be interpreted in accordance with provisions of s418 of the Companies Act 2006.

Approved by the board of directors on 30 September 2021 and signed on its behalf by:

DocuSigned by:

SDECAADC22D44DB.....
Timothy David Knowland
Director

Refinitiv Limited

Independent Auditor's Report to the members of Refinitiv Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Refinitiv Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the company which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the entity's financing facilities, including the nature of facilities and repayment terms;
- Assessing the financial position of the entity and in the going concern review period;
- Assessing the entity's assumptions used in the forecasts for the going concern review period; and
- Assessing the letter of support obtained from the parent company, and the ability of the parent company to provide the support via review of the latest publically available financial results

Refinitiv Limited

Independent Auditor's Report to the members of Refinitiv Limited (continued)

Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Refinitiv Limited

Independent Auditor's Report to the members of Refinitiv Limited (continued)

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the posting of manual revenue journals in the subscription revenue stream. Our specific procedures performed to address them are described below:

- Performing Design and Implementation testing of the journal review process on manual revenue journals within the business to ensure the appropriateness of the control environment;
- Perform full reconciliation of the revenue journal population to ensure completeness of the sampling population;
- Selecting a sample of transactions to trace through to supporting evidence to ensure that the transaction was valid, recorded for the appropriate amount, had business rationale, and was appropriately approved.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel and in-house regulatory compliance team concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulation; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

Refinitiv Limited

Independent Auditor's Report to the members of Refinitiv Limited (continued)

Report on other legal and regulatory requirements

Opinion on other matter 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 the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

we have nothing to report in respect of these matters

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.



Paul Schofield FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

30 September 2021

Refinitiv Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £ m	2019 £ m
Revenue	3	1,781	1,856
Operating costs		(1,777)	(1,861)
Other losses	4	<u>(11)</u>	<u>(11)</u>
Operating loss		(7)	(16)
Net finance costs	5	<u>(7)</u>	<u>(16)</u>
Loss before taxation	6	(14)	(32)
Tax on loss	10	<u>(18)</u>	<u>(25)</u>
Loss for the financial year		<u><u>(32)</u></u>	<u><u>(57)</u></u>

The above results were derived from continuing operations.

Refinitiv Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020 £ m	2019 £ m
Loss for the year	<u>(32)</u>	<u>(57)</u>
Other comprehensive income/(expense) for the year		
<i>Items that will not be reclassified subsequently to Profit and Loss Account</i>		
Actuarial gain recognised in the pension schemes	321	249
Movement on account of return on plan assets in the pension schemes	(314)	(235)
Movement in current tax relating to pension	-	1
Change in asset ceiling excluding amount included in interest expense	(9)	(23)
Share incentive schemes - current year movements	-	(2)
Foreign currency translation (loss)/gains	<u>(1)</u>	<u>4</u>
Total other comprehensive expense for the year	<u>(3)</u>	<u>(6)</u>
Total comprehensive expense for the year	<u><u>(35)</u></u>	<u><u>(63)</u></u>

The notes on pages 28 to 56 form an integral part of these financial statements.

Refinitiv Limited

(Registration number: 00145516)

Statement of Financial Position as at 31 December 2020

	Note	2020 £ m	2019 £ m
Fixed assets			
Tangible assets	11	76	93
Intangible assets	12	209	270
Investments	13	4,315	4,325
Amounts owed by fellow group undertakings	14	1,676	1,676
		<u>6,276</u>	<u>6,364</u>
Current assets			
Debtors	15	501	562
Cash at bank and in hand	17	15	13
Other current assets	16	1	1
		<u>517</u>	<u>576</u>
Creditors: Amounts falling due within one year	18	<u>(982)</u>	<u>(1,113)</u>
Net current liabilities		<u>(465)</u>	<u>(537)</u>
Total assets less current liabilities		5,811	5,827
Creditors: Amounts falling due after more than one year	19	(31)	(22)
Provisions for liabilities	21	<u>(14)</u>	<u>(14)</u>
Net assets excluding pension asset		5,766	5,791
Net pension asset	20	<u>41</u>	<u>39</u>
Net assets		<u>5,807</u>	<u>5,830</u>
Capital and reserves			
Called-up share capital	22	1	1
Share premium account	22	212	212
Capital contribution	22	37	25
Foreign currency translation reserve	22	12	13
Retained earnings	22	<u>5,545</u>	<u>5,579</u>
Total shareholders' funds		<u>5,807</u>	<u>5,830</u>

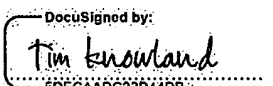
The notes on pages 28 to 56 form an integral part of these financial statements.

Refinitiv Limited

(Registration number: 00145516)

Statement of Financial Position as at 31 December 2020 (continued)

Approved and authorised by the Board of Directors on 30 September 2021 and signed on its behalf by:

DocuSigned by:

5DECAADC22D4408
Timothy David Knowland
Director

The notes on pages 28 to 56 form an integral part of these financial statements.

Refinitiv Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Called-up Share capital £ m	Share premium account £ m	Capital contribution £ m	Foreign currency translation reserve £ m	Retained earnings £ m	Total £ m
At 1 January 2020	1	212	25	13	5,579	5,830
Loss for the year	-	-	-	-	(32)	(32)
Other comprehensive expense	-	-	-	(1)	(2)	(3)
Total comprehensive expense	-	-	-	(1)	(34)	(35)
Capital contribution adjusted during the year	-	-	12	-	-	12
At 31 December 2020	1	212	37	12	5,545	5,807
	Called-up Share capital £ m	Share premium account £ m	Capital contribution £ m	Foreign currency translation reserve £ m	Retained earnings £ m	Total £ m
At 1 January 2019	1	212	25	9	5,646	5,893
Loss for the year	-	-	-	-	(57)	(57)
Other comprehensive income/(expense)	-	-	-	4	(10)	(6)
Total comprehensive income/(expense)	-	-	-	4	(67)	(63)
At 31 December 2019	1	212	25	13	5,579	5,830

The notes on pages 28 to 56 form an integral part of these financial statements.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital incorporated in United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of its registered office is:

Five Canada Square

Canary Wharf

London

England

E14 5AQ

2 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102 issued by the Financial Reporting Council).

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The principal accounting policies applied in the preparation of these financial statements are set out below.

Summary of disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of the Company's parent undertaking, York Parent Limited (formerly Refinitiv Holdings Limited). Copies of York Parent Limited (formerly Refinitiv Holdings Limited) financial statements will be appended with the Company's financial statements while filing with Companies House.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures in respect of financial instrument.

Exemption from preparing group financial statements

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of York Parent Limited (formerly Refinitiv Holdings Limited). The consolidated financial statements of York Parent Limited (formerly Refinitiv Holdings Limited) are prepared in accordance with US Generally Accepted Accounting Principles.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2. Accounting policies (continued)

Going concern

The Company's ultimate parent undertaking has confirmed its intention to continue to provide ongoing financial support to the Company and all of its current subsidiaries to enable them to continue to trade and to enable them to meet their liabilities as they fall due within one year from the date of signing the financial statements. As a result, the directors have deemed it appropriate to prepare the financial statements on a going concern basis.

The Company is taking appropriate action to deal with the events arising from Covid-19 and to minimize its impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise the Company's ability to continue as a going concern.

The operations of the Company are structured such that there is reliance on ongoing support from its group parent to continue as a going concern. Having sought and received confirmation in terms of the current group structure and ongoing continuity of support from London Stock Exchange Group and after considering the impact of the latest developments with regards to Covid-19 and Brexit, including those related to the latest financial position and solvency of LSEG, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from approval of the financial statements.

Revenue recognition

The Company derives its revenue from selling information, software, and services. Revenues are recognized when control of the Company's products or services is transferred to customers, in an amount that reflects the consideration to which the Company expects to be entitled. Such consideration is net of discounts, value-added taxes and other sales taxes. Where the Company acts as a principal, turnover is gross. Where the Company acts as an agent, turnover is recognised net.

Subscription revenue, which represents a majority of our revenues, primarily consist of fees to access products or services delivered electronically over time that include desktop services, such as Eikon, and non-desktop services, such as Elektron. These products are generally provided under one-year initial subscription arrangements, which most customers renew at the end of each subscription term for an annual term. Subscription revenue is generally recognized on a rateable basis over the contract term as this is the time period that the customer can use and benefit from the service. Subscription revenues also include fees from software maintenance arrangements that are recognized over the maintenance period. Arrangements are generally billed annually or quarterly in advance.

Revenue from contracts for the outright sale of system-based product solutions, which include the sale of fully developed software licenses, is recognised at the time of client acceptance. Short-term contracts are accounted for on a completed contract basis. Long-term contracts are accounted for in accordance with the contractual terms either on a percentage of completion basis or on a time and materials as incurred basis.

Revenue from associated maintenance and support services is recognised rateably over the term of the maintenance contract. Where contracts allow the Company to recharge costs from communications suppliers and exchanges onwards to subscribers, this income is recognised as revenue.

Transaction products usage revenue is accounted for on a trade date basis.

Revenue is only recognised when all significant conditions attaching to its receipt have been satisfied.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2. Accounting policies (continued)

Revenue recognition (continued)

In addition, the Company licenses data, limiting the use of the data to a predetermined contract term period. Revenue is recognised pro-rata over the term of the contract when the service is provided.

Revenue also represents revenue receivable from Group undertakings, which is recognised as incurred. Revenue includes service fees charged to group entities for services provided.

Deferred revenue

Subscription revenue due in advance of the delivery of services or publications is included in deferred revenue, and as services are rendered or publications are sent to subscribers the proportionate share is taken to the Profit and Loss Account.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2. Accounting policies (continued)

Depreciation

The Company makes estimates and assumptions concerning the estimated useful life. The resulting accounting estimates will, by definition, seldom equal the related actual results. The company uses straight-line method for calculation of depreciation.

Asset class	Depreciation method and rate
Freehold land	Not depreciated
Buildings	Normally 50 years
Leasehold property	Over term of lease
Office equipment and motor vehicles	5 to 7 years
Computer equipment	2 to 5 years

Intangible assets

Identifiable intangible assets are recorded at fair value as a result of the application of generally accepted valuation approaches. Publishing rights relate to certain historical acquisitions and comprise the cumulative value of trade names, imprints and titles, databases and other intangible assets. Publishing rights are amortised over the shorter of their useful economic life and 20 years. The average economic life is 20 years. This is the period over which the Company expects to derive value from the assets.

Intangible assets, such as licensing agreements, acquired from third parties are capitalised and written off over the period during which the Company is entitled to use and derive economic benefit from the asset.

The Company also capitalises software development costs associated with products which met the requirements of FRS 102. Capitalised expenditures relating to computer software development projects are deemed to begin their useful economic life upon completion of the project. Software development costs include the following:

- external direct costs of materials and services consumed in developing or obtaining internal-use computer software,
- payroll and payroll-related costs for employees who are directly associated with the computer software project,
- upgrades and enhancements to the extent that they result in additional functionality.

Costs incurred in the initial development of a software product prior to the establishment of commercial feasibility are written off as research costs. Once the commercial feasibility of a software product has been established, development costs are capitalised to the extent to which the product is expected to yield economic benefits.

Goodwill

Goodwill represents the excess of the cost of the investment in acquired business over values attributed to underlying net tangible assets and publishing rights.

Goodwill is amortised over the expected useful economic life of 10 years.

Research and development

Costs incurred in the initial development of a software product prior to the establishment of commercial feasibility are written off as research costs. Once the commercial feasibility of a software product has been established, development costs are capitalised to the extent to which the product is expected to yield economic benefits.

Development costs have been capitalised in accordance with FRS 102 section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2. Accounting policies (continued)

Amortisation

Amortisation is charged to the Profit and Loss Account on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Asset class	Amortisation method and rate
Computer software	3 to 5 years
Customer relationships	3 to 20 years
Trade name	3 to 20 years
Databases and content	3 to 20 years
Goodwill	10 years

The intangible assets acquired as part of a business combination are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful life.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-derivative instruments that are equity of the issuer (where shares are publicly traded, or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment of assets

Assets other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, and impairment loss is recognised in profit or loss as described below:

Non-Financial assets

An asset is impaired where there is objective evidence that as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the assets has been reduced. The recoverable amount of an asset is higher of its fair value less cost to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimates of the amount that would be received for the asset if it was sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2. Accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

Operating and finance leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Defined contribution pension obligation

A defined contribution pension scheme is a 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.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2. Accounting policies (continued)

Defined benefit pension obligation

A defined benefit pension scheme is a plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Embedded derivatives

An embedded derivative is a feature within a contract where the cash flows associated with that feature behave in a similar fashion to a stand-alone derivative. The Company has embedded foreign currency derivatives in certain revenue and purchase contracts where the currency of the contract is different from the functional or local currencies of the parties involved. These derivatives are accounted for as separate instruments and are measured at fair value at the end of the reporting period using forward exchange market rates. Changes in their fair values are recognized within "Operating cost" in the Profit and Loss Account.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2. Accounting policies (continued)

Critical accounting estimates and judgements

In the application of the company's accounting policies, which are described in above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical accounting judgements

Management have not identified any critical judgements in applying the company's accounting policies.

Key sources of estimation uncertainty

The useful economic life for goodwill has been estimated for 10 years, which is based on management's best estimate as to the period in which the benefits of the goodwill to be utilised over. The actual period over which the goodwill can be amortised over may be different from this period.

The impairment of subsidiary investments requires an estimation over the future performance of the subsidiary in determining whether there is an impairment trigger. The actual performance of the subsidiary may be different to that which is estimated. An impairment of £10 million has been recorded in the current year - refer to Note 13 for further information.

The Company has made a provision for corporation tax payments that are currently in negotiation with tax authorities in multiple jurisdictions relating to transfer pricing between 2010 to 2018. The provision as at the balance sheet date was £ 70 million (2019: £ 49 million) and is recorded within current tax payable. The uncertain tax provision has a range of possible outcomes due to the likelihood of the company successfully defending its position against the claims made, and represents management's best estimate of the amount that will be settled with the tax authorities. Due to this estimation uncertainty, the final outcome of the amounts paid may materially differ from the amount that has been provided.

3 Revenue

The analysis of the company's turnover for the year by region and class of business is as follows:

	2020 £ m	2019 £ m
Europe, Middle East and Africa	1,547	1,614
Asia	193	184
The Americas	41	58
	<u>1,781</u>	<u>1,856</u>
	2020 £ m	2019 £ m
Service revenue	1,768	1,834
Product revenue	13	22
	<u>1,781</u>	<u>1,856</u>

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

4 Other losses

The analysis of the company's other losses for the year is as follows:

	2020 £ m	2019 £ m
Investment impairment	(10)	-
Losses on disposal of business and intangibles	(1)	(11)
	<u>(11)</u>	<u>(11)</u>

5 Net finance costs

	2020 £ m	2019 £ m
Interest payable and similar charges	8	17
Net pension finance cost	(1)	(1)
	<u>7</u>	<u>16</u>

Interest payable and similar charges represent interest payable to loans with group undertakings £5 million. Interest on uncertain tax position in 2020 amounts to £3 million.

Net pension finance costs represent the net impact of interest costs and expected returns on assets associated with defined benefit pension schemes (see note 20).

6 Loss before taxation

Arrived at after charging

	2020 £ m	2019 £ m
Employee benefits expense	338	319
Depreciation expense	37	28
Amortisation expense	66	62
Foreign exchange losses	13	2
Operating lease expense - property	36	30

Depreciation/amortisation expenses are included in operating costs.

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £ m	2019 £ m
Wages and salaries	271	265
Social security costs	31	29
Pension costs	30	21
Long term incentive expenses	6	4
	<u>338</u>	<u>319</u>

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

7 Staff costs (continued)

The average number of persons employed in the United Kingdom by the Company (including directors), analysed by category is as follows:

	2020 No.	2019 No.
Production	410	423
Administration and support	1,027	1,055
Research and development	351	449
Sales, marketing and distribution	350	341
Editorial	91	99
	<u>2,229</u>	<u>2,367</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £ '000	2019 £ '000
Aggregate emoluments	428	1,089
Pension contributions	125	128
Aggregate amount receivable under long term incentive scheme	45	15
	<u>598</u>	<u>1,232</u>

One of the director has been compensated by other group company from November 2019.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Accruing benefits under defined benefit pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2020 £ '000	2019 £ '000
Remuneration	309	666
Benefits under long-term incentive schemes	45	-
Defined benefit accrued pension	<u>90</u>	<u>74</u>

9 Auditor's remuneration

The auditor's remuneration in relation to the audit of the financial statements is £381,080 (2019: £372,512). Non-audit service fees are £749,726 (2019: £1,318,932) on services provided to Refinitiv Limited and its branches. Out of the above non-audit service fees, £ 732,726 (2019: £ 1,060,946) comprise of tax advisory services.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Tax on loss

Tax charged in the profit and loss account

	2020 £ m	2019 £ m
Current tax		
UK corporation tax on loss for the year	19	7
Adjustment in respect of previous periods	(2)	-
Foreign tax suffered in previous periods	(2)	-
Foreign tax suffered during the year	10	12
Total current income tax	25	19
Deferred taxation		
Origination and reversal of timing differences	(2)	3
Adjustment in respect of previous periods	(2)	3
Effect of tax rate change on opening balance	(3)	-
Total deferred tax	(7)	6
Tax charge on loss	18	25

Tax charge for the year is higher (2019: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%).

The differences are reconciled below:

	2020 £ m	2019 £ m
Loss before tax	(14)	(32)
Corporation tax at standard rate of 19% (2019: 19%)	(3)	(6)
Adjustments to tax charge in respect of prior years	(6)	3
Deferred tax not provided	-	2
Income not subject to tax	(2)	(3)
Expenses not deductible	16	14
Provision for uncertain tax positions	17	2
Effects of overseas tax rates	10	12
Remeasurement of deferred tax for changes	(3)	-
Overseas provision for uncertain tax positions	1	1
Group relief surrendered/(claimed)	(12)	-
Total tax charge	18	25

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Tax on loss (continued)

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. On 3 March 2021 the Chancellor announced a change to increase the main rate of corporation tax by 6% to 25% effective from 1 April 2023. These changes have been substantively enacted on 24 May 2021, after the balance sheet date and therefore no adjustment has been included in respect of this. This will increase the company's future current tax credit accordingly and increase the deferred tax asset by £7,358,630.

Deferred tax

Deferred tax assets:

	2020 £ m	2019 £ m
Asset at start of year	(20)	(26)
Adjustment in respect of previous periods	(2)	3
Deferred tax charge to profit and loss account for the period	(5)	3
R&D expenditure credits impact	(2)	-
Deferred tax asset at the end of the year	(29)	(20)

	2020 £ m	2019 £ m
Fixed assets	(28)	(17)
Temporary differences trading	(1)	(3)
	(29)	(20)

	2020 £ m	2019 £ m
Current tax liability		
Corporation tax	48	44
Overseas tax	(2)	2
	46	46

	2020 £ m	2019 £ m
Other comprehensive income items		
Current tax credit	-	(1)

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Tangible assets

	Freehold land and building £ m	Leasehold Property £ m	Office equipment and motor vehicle £ m	Asset under construction £ m	Computer equipment £ m	Total £ m
Cost						
At 1 January 2020	12	41	41	46	325	465
Additions	-	-	-	19	1	20
Transfers	-	7	13	(61)	41	-
Disposals	(3)	(8)	(1)	-	(7)	(19)
Foreign exchange movements	(3)	-	-	-	-	(3)
At 31 December 2020	6	40	53	4	360	463
Depreciation						
At 1 January 2020	10	39	19	-	304	372
Charge for the year	1	2	7	-	27	37
Disposals	(3)	(8)	(1)	-	(7)	(19)
Foreign exchange movements	(2)	-	-	-	(1)	(3)
At 31 December 2020	6	33	25	-	323	387
Carrying amount						
At 31 December 2020	-	7	28	4	37	76
At 31 December 2019	2	2	22	46	21	93

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

12 Intangible assets

	Goodwill £ m	Other intangible assets £ m	Total £ m
Cost			
At 1 January 2020	477	376	853
Additions	-	5	5
At 31 December 2020	477	381	858
Amortisation			
At 1 January 2020	283	300	583
Amortisation charge	24	42	66
At 31 December 2020	307	342	649
Carrying amount			
At 31 December 2020	170	39	209
At 31 December 2019	194	76	270

Other intangibles consist of customer relationships £5 million (2019: £11 million), publishing rights £2 million (2019: £9 million), database content £22 million (2019: £44 million), and others £10 million (2019: £12 million).

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

13 Investments in subsidiaries

	£ m
Cost	
At 1 January 2020	4,325
Impairment	(10)
At 31 December 2020	<u>4,315</u>
Carrying amount	
At 31 December 2020	<u>4,315</u>
At 31 December 2019	<u>4,325</u>

An impairment review was carried out in the year for those investments that were considered to have a potential trigger. The directors have assessed the recoverable amount of these investments, having taken into consideration a range of assumptions. As a result of this review, the directors are of the view that the value of investments are to be impaired by £10 million for the investment held in Global World-Check (Holdings) Limited. The Directors are of the opinion that the value of the Company's investments are not less than the carrying value at which it is stated in the Statement of Financial Position as at 31 December 2020.

Details of undertakings

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:

Name of subsidiary	Principal activity	Class of share	Country of incorporation, registered addresses and principal place of business	Proportion of voting rights and shares held 2020	2019
Subsidiary undertakings					
Criminal Law Week*	Holding Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Lipper Limited*	Trading Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Monitor Limited*	Trading	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%
Refinitiv Services Limited*	Transaction Company	Trading	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%
Refinitiv UK Financial Limited*	Financial	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%
Refinitiv UK Eastern Europe Ltd*	Trading Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

Name of subsidiary	Principal activity	Class of share	Country of incorporation, registered addresses and principal place of business	Proportion of voting rights and shares held	
Refinitiv Latam Trading Limited*	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Refinitiv Benchmark Services (UK) Limited*	Trading Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Refinitiv de Mexico S.A. de C.V.*	Trading Company	Common shares	Torre Esmeralda II, Blvd. Manuel Avila Camacho #36, Floor 19th, Lomas de Chapultepec, Mexico Federal District, 11000, Mexico	100%	100%
Refinitiv UK Overseas Holdings Limited *	Holding Company	Shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Blaxmill Limited (Eleven)	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Blaxmill (Nine) Limited	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Blaxmill (Ten) Limited	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Blaxmill Limited (Thirteen)	Holding Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Blaxmill Limited (Thirty-Three)	Holding Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Blaxmill Limited (Twelve)	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Blaxmill (Twenty-Eight) Limited	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Monitor Services Hong Kong Limited	Trading Company	Ordinary shares	First Floor, BCI House, Avarua, Rarotonga, Cook Islands	100%	100%
Refinitiv (Canvas) Holdings 3 Limited	Dormant	Ordinary B shares	Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda	100%	100%
Refinitiv Limited***	Trading Company	A Ordinary shares	34th floor, UChu Liang Building, 968 Rama IV, Silom Bangrak, Bangkok, 10500, Thailand	91%	91%

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

Name of subsidiary	Principal activity	Class of share	Country of incorporation, registered addresses and principal place of business	Proportion of voting rights and shares held	
Refinitiv Software (Thailand) Limited	Trading Company	Ordinary shares	968 U Chu Liang Building, 23, 30th Floor Rama IV Road, Silom Bangrak, Bangkok, 10500, Thailand	100%	100%
Refinitiv Holdings (Thailand) Limited**	Dormant	Ordinary shares	30 th Floor, U Chu Liang Building, 968 Rama IV, Silom Bangrak, Bangkok, 10500 Thailand	91%	91%
Global World-Check Holdings Limited*	Holding Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Global World-Check	Holding Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Global World-Check Holdings (Nominee) Ltd	Trading Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
IntegraScreen z.o.o.	Trading Company	Ordinary shares	40-084 Katowice, Ul. Opolska 22, Poland	100%	100%
IntegraScreen (Panama) Inc.	Trading Company	Ordinary shares	The Century Tower, Via Ricardo J. Alfaro y Calle 65, Oeste Piso 10, Local 1005, Panama	100%	100%
IntegraScreen Limited	Trading Company	Ordinary shares	16/F Cityplaza 3, 14 Taikoo Wan Road, Quarry Bay, Hong Kong	100%	100%
IntegraScreen (Malaysia) Sdn Bhd	Trading Company	Ordinary shares	Precint 1B-2-35 lengkok Mayang Pasir, 11950 Bayan Baru Penang Malaysia	100%	100%
Zhi Cheng Worldwide Management Consulting (Shenzhen) Co., Ltd	Trading Company	Capital contribution	Unit 4C Time Plaza, No. 1 Taizi Road, Shekou, Nanshan District, Shenzhen Guandong 518067	100%	100%
Financial & Risk Transaction Services Ireland Limited*	Trading Company	Ordinary shares	12/13 Exchange Place, I.F.S.C. Dublin 1, D01P8H1, Ireland	100%	100%
Refinitiv Peru SRL*	Trading Company	Shares	14-114 We Work Real 2, Avenida Victor Andres Belaunde 147, Via Principal 133, Lima, 15073, Peru	100%	100%
REDI Technologies Ltd*	Trading Company	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Refinitiv Transaction Services Pte. Ltd*	Trading Company	Ordinary shares	18 Science Park Drive, 118229, Singapore	100%	100%
Refinitiv Tecnologia em Sistemas Brasil Limitada	Trading Company	Quota	Av. Doutor Cardoso de Melo, no 1.855, Andar 4, Conj. 42, Vila Olimpia, Sao Paulo, 04548-005, Brazil	100%	100%

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

Name of subsidiary	Principal activity	Class of share	Country of incorporation, registered addresses and principal place of business	Proportion of voting rights and shares held	
Refinitiv Transaction Services Malaysia Sdn. Bhd	Trading Company	Ordinary shares	Suite C, Level 32, Menara Maxis, 50088 Kuala Lumpur City Centre, Malaysia	100%	100%
Refinitiv Overseas Holdings BV	Holding Company	Ordinary shares	Antonio Vivaldistraat 50, 1083 HP, Amsterdam, Netherlands	100%	100%
Refinitiv (Canvas) Holdings 2 Limited	Dormant	Common shares	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	100%	100%
Refinitiv Finance BV	Holding Company	Ordinary shares	Antonio Vivaldistraat 50, 1083 HP, Amsterdam, Netherlands	100%	100%
Refinitiv Czech Republic s.r.o.	Trading Company	Shares	Na Perstýně, 342/1, Staré Město Praha, 111000, Czech Republic	100%	100%
Refinitiv Israel Limited	Trading Company	Ordinary shares	121-123, Derech Menachem, Begin Azrieli Sarona Building - 30 Fl Tel Aviv, 6701203, Israel	100%	100%
Blaxmill (Six)	Dormant	Ordinary shares	Five Canada Square, Canary Wharf, London, England, E14 5AQ	100%	100%
Telfer Pty Limited	Dormant	Ordinary shares	Level 10, 60 Margaret Street, Sydney NSW 2000 Australia	80.94%	80.94%
Telfer Investments Australia Pty Limited	Dormant	Ordinary shares	Level 10, 60 Margaret Street, Sydney NSW 2000 Australia	80.94%	80.94%
Alta Limited	Dormant	Ordinary shares	Cook Islands Trust Corporation Limited, First Floor BCI House, P.O. Box 141 Avarua Rarotonga, Cook Islands	68.58%	68.58%
Avox Limited*	Dormant	Ordinary shares	Five Canada Square Canary Wharf London E14 5AQ	100%	100%
Refinitiv Financial Technology Information Service (China) Group Co., Limited	Dormant	Investment Interest	Room 1018 Building No. 1, No. 5 North Street off North Huang, China	100%	0%
Refinitiv Charities	Charity	No shares – Charitable Incorporated Organisation	5 Canada Square, Canary Wharf, London E14 5AQ	100%	100%
TicketAid Limited	Trading	Ordinary Shares	5 Canada Square, Canary Wharf, London E14 5AQ	100%	100%

* indicates direct investment of the Company.

** Refinitiv Holdings (Thailand) Limited ownership of shares 49% and voting rights 91%.

*** Refinitiv (Thailand) Limited ownership of shares 52% and voting rights 91%.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

14 Amounts owed by fellow group undertakings

	2020 £ m	2019 £ m
Amount owed by fellow group undertakings	1,676	1,676
	<u>1,676</u>	<u>1,676</u>

Amounts owed by fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

Amounts owed by fellow group undertakings were previously presented within current debtors in 2019. Given that these loans are used to meet the capital requirements of the borrower, these should have been presented in fixed assets in the prior period. Accordingly amounts presented in current debtors in 2019 have been reclassified to fixed assets.

15 Debtors

	Note	2020 £ m	2019 £ m
Amounts falling due within one year			
Trade debtors		51	74
Amounts owed by fellow group undertakings		357	391
Prepayments and accrued income		43	44
Deferred tax	10	29	20
Current tax	10	2	-
Other debtors		<u>13</u>	<u>26</u>
		495	555
Amounts falling due after more than one year			
Debtors: amounts falling due after more than one year		<u>6</u>	<u>7</u>
		<u>501</u>	<u>562</u>

Amounts owed by fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

16 Current asset investments

Unlisted investments

Investments having a net book value of £1,000,000 (31 December 2019: £1,000,000) are unlisted investments. The market value of such investments is not readily available in the open market.

17 Cash and cash equivalents

	2020 £ m	2019 £ m
Cash at bank	<u>15</u>	<u>13</u>

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

18 Creditors: amounts falling due within one year

	Note	2020 £ m	2019 £ m
Trade creditors		51	93
Amounts due to fellow group undertakings		712	748
Other creditors		7	22
Accruals and deferred income		148	189
Current tax liability	10	48	46
Other taxation and social security		16	15
		<u>982</u>	<u>1,113</u>

Amounts due to fellow group undertakings includes loan payable to Global World-Check of £305 million (2019: £300 million) which is unsecured, interest bearing and repayable on demand.

All other amounts due to fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

19 Creditors: amounts falling due after more than one year

	2020 £ m	2019 £ m
Accruals and deferred income	<u>31</u>	<u>22</u>

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

20 Pension and other schemes

Defined contribution pension scheme

The Company participates in a number of Group defined contribution pension schemes operated by the Group. The pension schemes are of the defined contribution type and their assets are held in a separate trustee-administered fund. The cost of contributing to the funds is charged to the Profit and Loss Account as it is incurred.

The total defined contribution pension cost for the company is £12 million (2019: £13 million).

Defined benefit pension schemes

Reuters Pension Fund, Reuters Supplementary Pension scheme, Unfunded Arrangements and Refinitiv Overseas Pension Plan

The Company participates in several Group defined benefit pension schemes, operated by the Group.

The Trustee's funding objective is to hold assets which are at least equal to the technical provisions (i.e. to meet the statutory funding objective).

The allocation of the liability to each participating entity has been performed by Willis Towers Watson, as independent consulting actuaries, and is based on the number of employees that each entity has as members of the plan. An actuarial valuation of the pension scheme is performed on a roll-forward basis using the projected unit basis which was carried out as at 31 December 2020 by Willis Towers Watson.

The dates of the most recent comprehensive actuarial valuations of the Reuters Pension Fund and Reuters Supplementary Pension Scheme were carried out as at 31 December 2019.

The plans are closed for new participants.

Contributions payable to the pension scheme at the end of the year are £21 million (2019 - £24 million).

The expected contributions to the plan for the next reporting period are £10 million (2019 - £21 million).

During the year, the Company has recognized a curtailment due to termination of 14 employees in respect of Reuters Pension Fund of £0.75 million (2019 - £Nil).

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2020 %	2019 %
Discount rate	1.32	1.90
Future salary increases	3.45	3.20
Future pension increases	2.90	2.85
Inflation	2.85	3.00

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

20. Pension and other schemes (continued)

Post retirement mortality assumptions

	2020 Years	2019 Years
Current UK pensioners at retirement age - male	23.00	22.00
Current UK pensioners at retirement age - female	25.00	24.00
Future UK pensioners at retirement age - male	49.00	49.00
Future UK pensioners at retirement age - female	51.00	51.00
<ul style="list-style-type: none"> • Retiring at reporting date at age 65 [M/F]" is the life expectancy of someone age 65 at the reporting date. • Retiring at reporting date +25 years at age 65 [M/F]" is the life expectancy of someone age 65 (currently age 40 at the reporting date). 		

Analysis of assets

The major categories of scheme assets are as follows:

	2020 £ m	2019 £ m
Cash	69	71
Equities	139	48
Corporate bonds	582	533
Government bonds	1,095	873
Derivatives	-	49
Insurance	47	10
Multi-Asset	620	692
Others	603	584
	<u>3,155</u>	<u>2,860</u>

Reconciliation of scheme assets and liabilities to assets and liabilities recognized

The amounts recognised in the statement of financial position are as follows:

	2020 £ m	2019 £ m
Fair value of scheme assets	3,155	2,860
Present value of scheme liabilities	<u>(2,786)</u>	<u>(2,508)</u>
	369	352
Plan assets not recognised on Statement of Financial Position - irrecoverable surplus	<u>(328)</u>	<u>(313)</u>
Defined benefit pension scheme surplus	<u>41</u>	<u>39</u>

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

20. Pension and other schemes (continued)

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2020 £ m	2019 £ m
Present value at start of year	2,860	2,628
Interest income	49	66
Return on plan assets	322	249
Employer contributions	21	24
Contributions by scheme participants	1	1
Benefits paid	(97)	(107)
Currency loss/gain	(1)	(1)
	<u>3,155</u>	<u>2,860</u>

Return on scheme assets

	2020 £ m	2019 £ m
Return on scheme assets	<u>322</u>	<u>249</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Scheme liabilities

Changes in the defined benefit obligation are as follows:

	2020 £ m	2019 £ m
Present value at start of year	2,508	2,313
Current service cost (including administrative costs)	15	9
Actuarial loss	315	237
Interest cost	43	58
Benefits paid (including administrative costs)	(97)	(107)
Contributions by scheme participants	1	2
Currency gain	(1)	(1)
Past service cost	(1)	-
Others	3	(3)
	<u>2,786</u>	<u>2,508</u>

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

20. Pension and other schemes (continued)

Reimbursement rights

A reconciliation of reimbursement rights is as follows:

	2020 £ m	2019 £ m
Amounts recognised in operating profit		
Current service cost	11	9
Past service cost - Amendments and curtailments	(1)	-
Administration cost	4	1
Others	4	(2)
	<u>18</u>	<u>8</u>
Amounts recognised in finance income or costs		
Interest cost	(1)	(1)
	<u>17</u>	<u>7</u>

21 Provisions for liabilities

	Legal/Compliance £ m	Property £ m	Severance £ m	Other provisions £ m	Total £ m
At 1 January 2020	1	3	5	5	14
Increase in existing provisions	-	2	24	-	26
Utilised during the year	(1)	(3)	(20)	(2)	(26)
At 31 December 2020	<u>-</u>	<u>2</u>	<u>9</u>	<u>3</u>	<u>14</u>

Property provisions reflect the Company's contractual liability at the Statement of Financial Position date for residual lease commitments under ongoing lease agreements and will be utilised over the remaining lease period. Provisions also include lease retirement obligations, which arise when the Company agrees to restore a leased property to a specified condition at the completion of the lease period.

Severance provision is expected to be substantially utilised in 2021.

Other provisions represent foreign tax provisions, and the expected cost of settling disputes arising from contractual arrangements with employees, third-party suppliers and individuals. They are expected to be substantially utilised in 2021.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

22 Share capital and reserves

Allotted, called-up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>502,800</u>	<u>502,800</u>	<u>502,800</u>	<u>502,800</u>

All allotted share capital and called-up share capital have been paid.

Share premium

The share premium reserve represents the premium arising on the issue of equity shares, net of issue expenses.

Capital contribution

The capital contribution reserve represents contributions made to the equity capital of the company but not in exchange for shares issued. This relates to the one-off settlement of the TTC pension plan fund obligations in 2018 when the company separated from its previous owners and also ongoing settlements of pre-2018 corporate tax liabilities post separation from its previous owners.

Foreign currency translation reserve

Foreign currency translation reserve is a translated reserve for branch balances having functional currency other than GBP for presentation purpose.

Retained earnings

The retained earnings reserve represents cumulative profit and losses, net of dividends paid.

23 Contingencies, commitments and guarantees

Operating leases

The total of future minimum lease payments is as follows:

	2020 £ m	2019 £ m
Not later than one year	21	16
Later than one year and not later than five years	60	68
Later than five years	<u>26</u>	<u>30</u>
	<u>107</u>	<u>114</u>

Unconditional purchase obligations

The Company has various obligations for materials, supplies, outsourcing and other services contracted in the ordinary course of business. The future unconditional purchase obligations are as follows:

	2020 £ m
2021	39
2022	32
2023 and later period	<u>29</u>
	<u>100</u>

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

23 Contingencies, commitments and guarantees (continued)

Contingent Liability

Employee retention bonus

As part of the acquisition by LSEG, certain qualifying employees have been offered a retention bonus to assist with the facilitation of the acquisition closure. The employees have been offered a bonus with a condition to stay for a certain period post closure of the acquisition. The said retention bonus are contingent on the deal closing prior to 31 March 2021. In Q4 2020 the retention letter were amended from a close deadline of 31 January 2021.

Additionally, employees that involuntarily leave Refinitiv prior to the deal will still be paid 50% of their bonus 60 days after the deal close. As of 31 December 2020, the acquisition was under regulatory review by the European Commission and this gives rise to a possible obligation for Refinitiv to pay the bonus on fulfillment of the conditions.

Uncertain tax position

HM Revenue & Customs ("HMRC") issued a notice of assessment in August 2021 under the Diverted Profits Tax ("DPT") regime for the 2018 taxation year for approximately £167 million against the Company, a former U.K. affiliate of Thomson Reuters Corporation ("Thomson Reuters"), for various matters. These are subject to indemnity arrangements, under which Thomson Reuters is required to pay any additional taxes arising out of this assessment, to a fellow entity within the London Stock Exchange Group. The Company made this payment to HMRC in September 2021. Pursuant to those arrangements, as Thomson Reuters does not believe the Company fell within the scope of the DPT regime, Thomson Reuters has stated its intention to defend its position through all available administrative and judicial remedies. Having sought legal advice, the company's position is that there is a less than probable likelihood of economic outflow for the major part of this, and therefore the provision recorded in the accounts includes a materially lower estimate of the potential exposure in relation to the 2018 period.

24 Related party transactions

Transactions with Directors

(i) Loan to Directors:

Loan outstanding with the directors as on 31 December 2020 was £26,287 along with interest of £1,105. (2019: £Nil)

(ii) Credit transactions with Directors:

There are no goods and services supplied to any Director, and no balance outstanding during the year.

(iii) Security for loans:

There are no loans that were guaranteed on behalf of the Directors to enable them to carry out his duties following his appointment to the Board.

(iv) Other related party transactions

There are no key management personnel other than the Directors.

Amounts owed by/to related parties at the reporting date are as mentioned below. These amounts all relate to trading balances.

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

24 Related party transactions (continued)

Amounts owed by and to related parties at the reporting date are as mentioned below.

	Receivables £ m	Payables £ m
Outstanding as at 31 December 2020		
Reuters News & Media Limited	1	3
Thomson Reuters (Professional) UK Ltd	1	1
Other associates	1	1
	<u>3</u>	<u>5</u>
Outstanding as at 31 December 2019		
TR MENA FZ-LLC	1	-
Reuters News & Media Limited	7	5
Thomson Reuters (Professional) UK Ltd	8	4
Other associates	2	1
	<u>18</u>	<u>10</u>
	Expenses £ m	Income £ m
Transactions during the year 2020		
Thomson Reuters (Professional) UK Ltd	-	4
Reuters News & Media Limited	1	-
Blaxmill Limited	5	-
Other associates	1	1
	<u>7</u>	<u>5</u>
Transactions during the year 2019		
West Publishing Corporation	1	-
Thomson Reuters (Professional) UK Ltd	21	12
Reuters News & Media Limited	2	13
Thomson Reuters Global Resources	1	2
La Ley S.A.E. e I.	1	2
Other associates	2	3
	<u>28</u>	<u>32</u>

Refinitiv Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

25 Parent and ultimate parent undertaking

As at 31 December 2020, the Company's immediate parent company is Refinitiv UK Holdings Ltd. Within the meaning of the Companies Act 2006 ("CA2006"), The Blackstone Group Inc. is regarded by the Directors of the Company as being the Company's ultimate parent company and controlling party as at 31 December 2020. Within the meaning of Companies Act 2006, York Parent Limited (formerly Refinitiv Holdings Limited) is the parent undertaking of the only group of undertakings for which group accounts were drawn up and of which the Company was a member for the period ended 31 December 2020. The Blackstone Group Inc. is incorporated in Delaware, United States of America and York Parent Limited (formerly Refinitiv Holdings Limited) is incorporated under the laws of Cayman Islands. The registered address of the ultimate parent is 345 Park Avenue, New York, NY10154, United States of America and of York Parent Limited (formerly Refinitiv Holdings Limited) is One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands.

With effect from 29 January 2021, the Company's immediate parent company remains Refinitiv UK Holdings Ltd. Within the meaning of the Companies Act 2006, London Stock Exchange Group plc. (LSEG) is regarded by the Directors of the Company as being the Company's ultimate parent company and controlling party. LSEG is incorporated under the laws of England and Wales with registered address at 10 Paternoster Square, London EC4M 7LS.

26 Post balance sheet events

On the 29 January 2021, London Stock Exchange Group plc (LSEG) completed the acquisition of Refinitiv Parent Limited (Refinitiv Parent). The Company is a wholly owned indirect subsidiary of Refinitiv Parent, and with effect from 29 January 2021, LSEG is considered by the directors as the ultimate parent and controlling party of the Company.

The acquisition of Refinitiv is a transformational transaction, strategically and financially, and positions LSEG for long-term sustainable growth.

Further information can be obtained at www.lseg.com

On 4 August 2021, Refinitiv Limited acquired 100% Share Capital in Quorate Technology Limited for £12 million.