

Primark Information Services U.K. Limited

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

Primark Information Services U.K. Limited

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Primark Information Services U.K. Limited

Strategic Report for the Year Ended 31 December 2020

The Directors present their Strategic report for the year ended 31 December 2020.

Definitions

As used in this annual report, “the Group” and “Thomson Reuters” refer to the Thomson Reuters Corporation and its subsidiary undertakings, including joint ventures and associates. “The Company” refers to Primark Information Services U.K. Limited.

Fair review of the business

The Company has not traded during the year and only generated interest income from preference shares held and accrues interest expense on preference shares issued.

The profit for the financial year amounted to £25,880,000 (2019 (as restated/unaudited): £24,028,000).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the risks of the Group and are not managed separately. Accordingly, the risks and uncertainties of Thomson Reuters Corporation, which include those of the Company, are discussed in Thomson Reuters Corporation’s annual report which does not form part of this report.

Our performance depends on the financial health and strength of our customers, which in turn is primarily dependent on the general economies in Europe. The global economy continues to experience substantial disruption and uncertainty due to concerns regarding the spread of COVID-19, as well as from the measures intended to mitigate its impact. COVID-19 and related containment measures have already caused a global economic downturn and the continued spread of COVID-19 could cause a global recession. We are unable to predict the extent and duration of any such downturn, whether there will be such a recession or the ultimate impact of the pandemic on demand for our products and services due to various uncertainties, such as the availability, pace and effectiveness of vaccination efforts, the duration and severity of the outbreak and any resurgences/new strains, actions that may be taken by governmental authorities, businesses and individuals in response to the pandemic, and the effect on our customers. While we have implemented measures and plans designed to mitigate the effects of COVID-19, our efforts may prove to be inadequate. COVID-19 has caused us to modify several of our business practices and operations and we may take further actions as may be required by government authorities or that we believe are in the best interests of our employees, customers, partners, suppliers and other stakeholders. Most of our employees are currently working from home, which can introduce additional operational risks, including cybersecurity risks. Working from home arrangements have impacted the way that we conduct our product development, customer support, sales and other activities, which could have an adverse effect on our operations. An extended closure of any facilities performing critical operations could in the future disrupt our ability to provide our services and solutions. Illness and workforce disruptions could also lead to the unavailability of senior management or other key personnel and adversely impact our ability to perform critical functions. We cannot provide any assurance that our measures will be sufficient to mitigate the risks posed by COVID-19.

Status of Brexit and potential impact

On 23 June 2016, the UK voted to leave the European Union (“the EU”) and on 23 March 2017, the UK invoked Article 50(2) of the Treaty and notified the European Council of their intention. The period for negotiation stated in Article 50 is two years from notification, unless an extension is agreed. The British government formally announced the country’s withdrawal in March 2017, beginning the process of leaving the EU. The withdrawal was delayed by deadlock in the British parliament. Following a general election, parliament ratified the withdrawal agreement, and the UK left the EU on 31 January 2020. The transition period ended on 31 December 2020. From 1 January 2021 the free movement of people and goods and services between the UK and the EU ended. The UK and EU agreed that there will be no customs duties on each other’s goods where certain conditions are met such as the origin rules, otherwise duties will apply. Also customs declarations have to be made the same as with any other import from the rest of the world. Import VAT will now be payable.

Primark Information Services U.K. Limited

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

As outlined in Thomson Reuters' 2020 group annual report, following the UK.'s recent exit from the European Union and the expiration of a transition period, we will also be subject to UK data protection law, which imposes obligations and penalties similar to General Data Protection Regulation GDPR. We are also subject to various data transfer restrictions, including, without limitation, in light of recent court cases in the European Union and the exit of the United Kingdom from the European Union, which either limits our ability to transfer, or requires us to guarantee a certain level of protection when transferring data from one country to another.

Financial risk management

As outlined in the principal risks and uncertainties section above, the main risk is related to the potential impairment of the Company's debtor balances. This risk is managed by the Directors through annual risk of impairment assessments and monitoring of the performance of the group undertakings in which the Company's debtor balances are held.

The management of other financial risks is co-ordinated with those undertaken at the Group level by Thomson Reuters Corporation. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's and the Group's financial performance. More details of the Group's risk management programme can be found in the Thomson Reuters Corporation 2020 Annual Report.

Approved by the Board on 17 December 2021 and signed on its behalf by:

.....
K. Major
Director

Primark Information Services U.K. Limited

Directors' Report for the Year Ended 31 December 2020

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

Directors of the Company

The Directors, who held office during the year, were as follows:

K. Major

B.A. Boateng

Political donations

During the year the Company made £nil (2019: £nil) political donations.

Employee involvement

The Company did not have any employees during the year (2019:nil).

Future developments

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

Financial risk management

The financial risks of the Company and how they are managed by the Directors have been outlined on page 1 of the Strategic Report.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted

Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to the auditors

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

Primark Information Services U.K. Limited

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

Approved by the Board on 17 December 2021 and signed on its behalf by:

.....
K. Major
Director

Primark Information Services U.K. Limited

Independent Auditors' Report to the Directors of Primark Information Services U.K. Limited

Report on the audit of the financial statements

Opinion

In our opinion, Primark Information Services U.K. Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2020; the Profit and Loss account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Primark Information Services U.K. Limited

Independent Auditors' Report to the Directors of Primark Information Services U.K. Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Primark Information Services U.K. Limited

Independent Auditors' Report to the Directors of Primark Information Services U.K. Limited (continued)

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates within the financial statements. Audit procedures performed by the engagement team included:

- Holding discussions with management and internal legal counsel and reviewing board minutes, including consideration of potential instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management related to accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

Primark Information Services U.K. Limited

**Independent Auditors' Report to the Directors of Primark Information Services U.K. Limited
(continued)**

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 31 December 2019, forming the corresponding figures of the financial statements for the year ended 31 December 2020, are unaudited.

.....
Philip Stokes (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditor

London

17 December 2021

Primark Information Services U.K. Limited

Profit and Loss Account for the Year Ended 31 December 2020

		2020 £ 000	2019 £ 000 (As Restated/ Unaudited)
Other interest receivable and similar income	<u>9, 4</u>	51,455	49,603
Interest payable and similar expenses	<u>8, 4</u>	<u>(25,575)</u>	<u>(25,575)</u>
Profit before taxation		25,880	24,028
Tax on profit	<u>10</u>	<u>-</u>	<u>-</u>
Profit for the financial year		<u>25,880</u>	<u>24,028</u>

The above results were derived from continuing operations.

The Company has no comprehensive income for the year other than the results above, so no separate statement of comprehensive income is presented.

Primark Information Services U.K. Limited

(Registration number: 02701093)

Balance Sheet as at 31 December 2020

		2020	2019
		£ 000	£ 000
	Note		(As Restated /Unaudited)
Current assets			
Debtors: amounts falling due within one year	<u>11, 4</u>	1,548,483	1,497,028
Creditors: amounts falling due within one year	<u>12, 4</u>	(977,340)	(951,765)
Net assets		<u>571,143</u>	<u>545,263</u>
Capital and reserves			
Called up share capital	<u>13, 4</u>	7,224	7,224
Share premium reserve		211,591	211,591
Capital redemption reserve		3,250	3,250
Capital contribution reserve		2,765	2,765
Profit and loss account		<u>346,313</u>	<u>320,433</u>
Total shareholders' funds		<u>571,143</u>	<u>545,263</u>

The financial statements on pages 9 to 21 were approved by the Board on 17 December 2021 and signed on its behalf by:

.....
K. Major
Director

Primark Information Services U.K. Limited

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

	Called up share capital £ 000	Share premium reserve £ 000	Capital redemption reserve £ 000	Capital contribution reserve £ 000	Profit and loss account £ 000
At 1 January 2020 (As restated/unaudited)	7,224	211,591	3,250	2,765	320,433
Profit for the year	-	-	-	-	25,880
Total comprehensive income	-	-	-	-	25,880
At 31 December 2020	<u>7,224</u>	<u>211,591</u>	<u>3,250</u>	<u>2,765</u>	<u>346,313</u>
	Called up share capital £ 000	Share premium reserve £ 000	Capital redemption reserve £ 000	Capital contribution reserve £ 000	Profit and loss account £ 000
At 1 January 2019 (Unaudited)	3,974	211,591	3,250	2,765	100,265
Correction of errors (Note 4)	3,250	-	-	-	196,140
At 1 January 2019 (As restated)	7,224	211,591	3,250	2,765	296,405
Profit for the year (As restated/unaudited)	-	-	-	-	24,028
At 31 December 2019 (As restated/unaudited)	<u>7,224</u>	<u>211,591</u>	<u>3,250</u>	<u>2,765</u>	<u>320,433</u>

Primark Information Services U.K. 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, and domiciled in England.

The address of its registered office is:

Five Canada Square

Canary Wharf

London

E14 5AQ

United Kingdom

The Company has not traded during the year and only generated interest income from preference shares held and accrues interest expense on preference shares issued.

All amounts in the financial statements and notes have been rounded off to the thousand GBP (£) as the majority of the Company's transactions are undertaken in GBP (£).

These financial statements were authorised for issue by the Board on 17 December 2021.

2 Accounting policies

Basis of preparation

These financial statements have been prepared in compliance with United Kingdom Accounting standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Summary of disclosure exemptions

In these financial statements, the Company has taken advantage of the following exemptions available under FRS 102:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity, included in these financial statements;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Primark Information Services U.K. Limited

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

2 Accounting policies (continued)

Measurement convention

The financial statements are prepared on a going concern basis, under the historical cost basis.

Use of estimates

The preparation of Financial Statements in conformity of FRS 102 requires management to exercise its judgement in the process of applying the following accounting policies. Management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical information and other factors which management consider reasonable. The accounts affected by these are provisions, accruals, impairments and deferred tax.

Prior period errors

Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available and could reasonably be expected to have been obtained and taken into account in preparing those statements. Such errors result from mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud. The Company corrects all material prior period errors retrospectively, if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Finance income and costs policy

Interest receivable and payable is recorded in the Profit and loss account as they accrue, using the effective interest method.

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 edges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'Finance income or costs'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the Profit and Loss Account, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the Profit and Loss Account as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

Primark Information Services U.K. Limited

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

2 Accounting policies (continued)

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables from fellow group companies and investments in preference shares that are classified as financial assets, are initially recognized transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as financial assets. The dividends on these preference shares are recognised in the profit and loss account as interest income. In contrast, where preference shares do not have redemption rights and the issuer can only be required to settle the obligation in cash or another financial asset solely in the event of liquidation of the issuer, the instrument does not meet the conditions to be classified as a financial asset and is classified as investment at cost. For investment in preference shares which are initially recognised as financial assets, when the redemption rights have expired and there are no other situations in which the issuer would have to settle in cash with the exception of in a liquidation scenario, the Company can choose to reclassify the carrying value of the financial assets to investment at cost less impairment if the fair value cannot be reliably measured. No gain or loss will be recognised.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial liabilities

Basic financial liabilities, including trade and other payables, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as financial liabilities. The dividends on these preference shares are recognised in the profit and loss account as interest expenses. In contrast, where preference shares do not have redemption rights and the issuer can only be required to settle the obligation in cash or another financial asset solely in the event of liquidation of the issuer, the instrument does not meet the conditions to be classified as a financial liability and is classified as equity.

For preference shares which are initially recognised as debt, when the redemption rights have expired and there are no other situations in which the issuer would have to settle in cash with the exception of in a liquidation scenario, the Company choose to reclassify the carrying value of the financial liabilities to equity accounts. No gain or loss will be recognised.

Primark Information Services U.K. Limited

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

2 Accounting policies (continued)

Current and deferred taxes

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 income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Balance Sheet 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 Balance Sheet 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.

3 Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and judgments about the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. The following discussion sets forth management's most critical estimates and judgments in applying accounting policies.

Classification of preference shares

The Company may issue or hold different preference shares. In judgment of the Directors based on the different contractual terms, preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as financial assets or liabilities. In contrast, where preference shares do not have redemption rights and the issuer can only be required to settle the obligation in cash or another financial asset solely in the event of liquidation of the issuer, the instrument does not meet the conditions to be classified as a financial liability/asset and should be classified as an equity/investment.

4 Prior Period errors

During the year, the Company reported the restatement of the balances of Investments, Creditors: amounts falling due within one year, Creditors: amounts falling due within more than one year, Debtors: amounts falling due after more than one year, Impairment charge, Called up share capital and Profit and Loss account. The impact and explanation about the error is outlined below;

Primark Information Services U.K. Limited

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

4 Prior Period errors (continued)

An error was noted in the accounting treatment for the accrued dividends on the preference shares classified as debt, which were never accrued historically. Therefore, as a correction, the opening Profit and Loss account at 1 January 2019 and Interest payable and similar expenses for the year as ended 31 December 2019, as are restated by £461,190k and £25,575k, respectively, to account for the accumulative and annual interest expense since the date of issue. The par value of the above preference shares amounting £465,000k has been reclassified from Creditors: amounts falling due after more than one year to Creditors: amounts falling due within one year as they are redeemable any time from 20 December 2020 and before 21 December 2022. (Note A)

- An incorrect classification was noted related to the 220% participating preference shares issued by the Company for a par value of £3,250k, which do not have redemption rights and do not meet the conditions to be recognised as financial liabilities. The balance therefore has been reclassified from Creditors: amounts falling due within one year" to "Called up share capital". (Note B)

- An incorrect classification was noted related to the 5% non-participating fixed-rate cumulative preference shares held by the Company, which are redeemable and with fixed return at specific dates and should have been recognised as financial assets. The balance of £782,987k, therefore has been reclassified from "Investment" to "Debtors: amounts falling due within one year". The opening Profit and Loss account at 1 January 2019 and Other interest receivable and similar income for the year as ended 31 December 2019, have also been restated by £657,330k and £49,603k, respectively, to account for the accumulative and annual interest income using effective interest rate method since the date of issue. (Note C)

The restatement for each of the affected financial statement line items for the prior period is as follows:

Primark Information Services U.K. Limited

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

4 Prior Period errors (continued)

Profit and Loss account	2019 (£000)	Note A (£000)	Note B (£000)	Note C (£000)	2019 (As restated/Unaudited) (£000)					
Interest payable and similar expenses	-	(25,575)	-	-	(25,575)					
Other interest receivable and similar income	-	-	-	49,603	49,603					
Balance sheet	31 December 2019 (£000)	Note A (£000)	Note B (£000)	Note C (£000)	31 December 2019 (As restated/Unaudited) (£000)	31 December 2018 (£000)	Note A (£000)	Note B (£000)	Note C (£000)	1 January (restated/unaudited) (£000)
Investments	782,987	-	-	(782,987)	-	782,987	-	-	(782,987)	
Debtors: amounts falling within one year	7,108	-	-	1,489,920	1,497,028	7,108	-	-	1,440,317	1,440,317
Creditors: amounts falling due within one year	-	(951,765)	-	-	(951,765)	-	(926,190)	-	-	(926,190)
Creditors: amounts falling due after more than one year	(468,250)	465,000	3,250	-	-	(468,250)	465,000	3,250	-	-
Called up share capital	3,974	-	3,250	-	7,224	3,974	-	3,250	-	-

Primark Information Services U.K. Limited

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

4 Prior Period errors (continued)

Profit and Loss account	100,265	(486,765)	-	706,933	320,433	100,265	(461,190)	-	657,330	296,405
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Primark Information Services U.K. Limited

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

5 Employees

The Company did not have any employees during the year (2019: nil).

6 Directors' remuneration

None of the Directors had any beneficial interest in the share capital of the Company or an interest in any transactions or arrangements with the Company which require disclosure. None of the Directors received any payment for their services as Directors of the Company (2019:£nil).

7 Auditors' remuneration

The auditors' remuneration in relation to the audit of financial statements is £19,949 (2019: nil), and is paid by a fellow group undertaking and is not recharged to the Company.

8 Interest payable and similar expenses

	2020 £ 000	2019 £ 000 (As restated/ Unaudited)
Interest on 5.5% £0.05 non-participating fixed rate preference shares	(25,575)	(25,575)

9 Other interest receivable and similar income

	2020 £ 000	2019 £ 000 (As restated/ Unaudited)
Income from financial assets	51,455	49,603

10 Tax on profit

Tax credited in the income statement

	2020 £ 000	2019 £ 000 (As restated/ Unaudited)
Current tax		
UK corporation tax	-	-
Total current income tax	-	-

Primark Information Services U.K. Limited

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

10 Tax on profit (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000 (As restated/ Unaudited)
Profit before tax	25,880	24,028
Corporation tax at standard rate	4,917	4,565
Effect of income exempt from taxation	(9,776)	(9,424)
Effect of expense not deductible	4,859	4,859
Total tax charge/(credit)	-	-

The standard rate of corporation tax in the UK is 19% with effect from 1 April 2017. A reduction in the rate to 17% from 1 April 2020 was enacted on 15 September 2016. However, subsequent to the 31 December 2019 balance sheet date, a proposal to keep the 19% rate for corporation tax was substantively enacted on 17 March 2020.

On 3 March 2021, it was announced that the UK corporation tax rate will remain at 19% until 2023, when the UK corporation tax rate will increase to 25% from 1 April 2023. This change has been substantively enacted on 24 May 2021 (after the balance sheet date of 31 December 2020), therefore, any deferred tax balances are currently stated in the tax disclosures at a rate of 19%.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

11 Debtors: amounts falling due within one year

	2020 £ 000	2019 £ 000 (As restated/ Unaudited)
Amounts owed from fellow group undertakings	7,108	7,108
5.5% Non-participating fixed-rate cumulative preference shares*	1,541,375	1,489,920
	1,548,483	1,497,028

*includes interest income of £758,387,000 (2019 - as restated: £706,932,000)

Primark Information Services U.K. Limited

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

11 Debtors: amounts falling due within one year (continued)

The above preference shares include 350,000,000 5.5% non-participating fixed-rate cumulative 'A' preference shares of face value £1 each, 336,293,706 5.5% non-participating fixed-rate cumulative 'B' preference shares of face value £1 each and 96,694,281 5.5% non-participating fixed-rate cumulative 'B' preference shares of face value £1 each issued on 21 December 2000, 21 December 2000 and 19 March 2001 respectively. It also includes accrued interest on the face value of the above preference shares. The Company has a right to receive a fixed cumulative preferential dividend at the rate of 5.5% per annum on the capital for the time being paid up on that share, to be paid on 31 December in each year except that the first payment will be made on 31 December 2001, in respect to the period from the date of allotment of the shares to that date. The Company and the Issuer each have redemption right 20 years and one month from date of issue for an amount equal to the capital paid up on the share and payment of a sum equal to any arrears of accruals of the fixed cumulative preferential dividend on that share, whether or not earned or declared, calculated down to the date of redemption.

Amounts owed from fellow group undertakings are unsecured, interest free, have no fixed date of repayment and repayable on demand.

12 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000 (As restated/ Unaudited)
5.5% non-participating fixed rate preference shares of £1.00 each	465,000	465,000
Amounts owed to fellow group undertakings	512,340	486,765
	<u>977,340</u>	<u>951,765</u>

The non-participating fixed-rate cumulative preference shares confer on the holder the right to receive in priority to all other shareholders a fixed cumulative preferential dividend at the rate of 5.5% per annum. On winding up the non-participating fixed-rate cumulative preference shares rank first in order of priority to receive return of capital. Holder and Issuer each have redemption right at any time from 20 December 2020 and before 21 December 2022 (2 years) for an amount equal to the capital paid up on the share and payment of a sum equal to any arrears of accruals of the fixed cumulative preferential dividend on that share, whether or not earned or declared, calculated down to the date of redemption.

Primark Information Services U.K. Limited

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

13 Called up share capital

Allotted, called up and fully paid shares

	2020		2019 (As restated/ Unaudited)	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	3,974	3,974	3,974	3,974
Non-participating fixed-rate preference shares of £0.05 each (see note below)	65,000	3,250	65,000	3,250
	<u>68,974</u>	<u>7,224</u>	<u>68,974</u>	<u>7,224</u>

An incorrect classification was noted related to the 220% participating preference shares issued by the Company, which do not have redemption rights and do not meet the conditions to be recognised as financial liabilities. The balance therefore has been reclassified from "Creditors: amounts falling due within one year" to "Called up share capital".

14 Parent and ultimate parent undertaking

The Company's immediate parent is Thomson Information & Solutions (Holdings) Limited.

The ultimate parent is Thomson Investments Limited.

The most senior parent entity producing publicly available financial statements is Thomson Reuters Corporation. These financial statements are available upon request from The Thomson Reuters Building, Five Canada Square, Canary Wharf, London, E14 5AQ, United Kingdom, and are publicly available at www.thomsonreuters.com.

The ultimate controlling party is Thomson Investments Limited.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Thomson Reuters Corporation, incorporated in Canada.

The address of Thomson Reuters Corporation is:

65 Queen Street West, Suite 2400, Toronto, Ontario M5H 2M8, Canada.

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