

FTSE International Limited

Report and Financial Statements

For the year ended 31 December 2022

Company Registration Number 03108236

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FTSE INTERNATIONAL LIMITED

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FTSE INTERNATIONAL LIMITED
DIRECTORS AND OFFICERS
YEAR ENDED 31 DECEMBER 2022

DIRECTORS

A McCarthy
A Staal
C Thomas
J Fielding
S Major

COMPANY SECRETARY

T Hogan

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

INDEPENDENT AUDITORS

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

BANKERS

HSBC Bank plc
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

FTSE INTERNATIONAL LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report for FTSE International Limited (the "Company") for the year ended 31 December 2022.

REVIEW OF BUSINESS

The Company's objective is to provide investment professionals globally with the best index solutions and it seeks to differentiate its offering through ongoing investment in product development. The Company continues to invest in new technology and operational processes to ensure that it can continue to deliver its index products on an accurate, timely and consistent basis. The Company has an overseas branch that operates out of Singapore.

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

	2022	2021
	£'m	£'m
Total income	426.4	380.8
Profit after tax	61.1	76.9
Net assets	342.4	281.2

The strength of the Company's product offering continues to generate consistent financial performance. The Company showed strong growth in subscription revenue due to new business and price increases, while asset-based revenue grew at a lower rate reflecting a slight plateau in ETF Assets under management.

During the year, other income and recharge costs to other Group companies increased, following the transfer pricing policy in place, as a result of reimbursement to and from fellow Group companies for work performed across the wider Index business, the increase in other income and costs represents increased revenues and activity across the wider Index business. Whilst still showing strong performance across 2022, the fall in profit after tax was primarily driven by increased intangible asset amortisation, IT costs and legal fees coupled with reduced dividends received compared with the prior year.

The net assets of the Company are still in a very healthy position at the Balance Sheet date, and the increase in net assets is as a result of the profit for the year.

The Directors have concluded that there are no other relevant KPIs except for the aforementioned.

Since 4 June 2018, the Company has been a regulated provider of stock market indices and associated data services, under the supervision of the Financial Conduct Authority ("FCA").

The Company published its statement of compliance with the recommendations made by the International Organization of Securities Commissions ("IOSCO"), as laid out in the Principles for Financial Benchmarks (the "IOSCO Principles"). The IOSCO Principles aim to promote reliability of benchmarks addressing issues surrounding governance, the quality of benchmark design and methodology, and accountability. The Company is committed to leading best global practice standards and has published a statement on <http://www.ftse.com/products/indices/iosco>, with independent assurance from KPMG, explaining how its business operates within IOSCO's proposed framework.

The Company is part of London Stock Exchange Group plc ("LSEG", the "group", the "ultimate parent"). The immediate parent is London Stock Exchange Group Holdings Limited (the "parent").

FUTURE DEVELOPMENTS

Global growth in passive investment strategies and increased demand for passive instruments and products are expected to continue, driving growth of our asset-based index revenues. We anticipate our index data continue to be in demand as we develop innovative products attractive to clients.

The Company is also well positioned to expand product offerings in sustainable finance by providing consistent and reliable climate indices.

FTSE INTERNATIONAL LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

SECTION 172 (1) STATEMENT

Section 172 of the Companies Act 2006 requires Directors of the 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 requires a Director to have regard, amongst other matters, to the:

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

In discharging our Section 172 duties we have regard to the factors set out above and give consideration to those factors when discharging those duties. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our workforce, and our customers, and our relationship with regulators and government. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of 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 its decisions are consistent and predictable. The Board recognises that building strong relationships with its stakeholders will help to deliver the Company's strategy in line with its long-term values and operate the business in a sustainable way.

As is normal for large companies, we delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. We review financial and operational performance, customer-related matters and legal and regulatory compliance at every Board meeting. We also review other areas over the course of the financial year including the Company's business strategy; key risks (including risks relating to Brexit and Cyber risk) the Company's risk appetite, operational resilience and workforce matters (including diversity). This is done through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board.

The Company's key stakeholders are its customers, regulators and government and the workforce. Our suppliers are also important stakeholders of the Company. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. 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. For details on some of the engagement that takes place with the Company's stakeholders at a Group level, please refer to the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2022.

During the period we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, Risk, ESG matters, and the outcomes of specific pieces of engagement. As a result of this we have had an overview of 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 to comply with our Section 172 duty to promote the success of the Company. The information received by the Board included updates on: (i) integration with Refinitiv; (ii) governance related matters; (iii) quarterly index reviews; (iv) technology and cyber resilience updates; (v) principal risks and uncertainties; (vi) ESG; (vii) operating model; and (viii) the regulatory landscape and horizon scanning.

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.

ANNUAL REVIEW OF THE COMPANY'S BUDGET AND BUSINESS PLAN

The Board carries out its annual review of the Company's budget. This includes approving the business plan for the following three years. As in previous years, the Board's review in 2022 included an evaluation of the progress the Company had made against the 2022 strategic priorities and the Company's long-term strategic goals. The review focused on regulatory compliance, risk management, benchmark quality and enhancements, responses to market changes and investment and business growth. To ensure continuing improvement to its client offering, the Company heavily invested in Technology during 2022. The three strategic technology priorities for the Company that would continue into 2023 included: Delivery against the Operational Risk Reduction Book of Work, which included the Prime Service Improvement Plan and the Index Delivery Tooling; Delivery of end-to-end capabilities to

FTSE INTERNATIONAL LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

demonstrate a new and existing index in Index Refactoring Programme,); and Delivery of the required number of new indices, largely non-market capped factor weighted indices.

During 2022, the Board also held its annual strategy session which provided a deep dive on the Company's key strategic priorities, including the Index Refactoring Programme. The delivery of the Index Refactoring Programme will result in a single scalable and extensible product platform to drive and embed enhanced product development, production and distribution capabilities through the integration of LSEG platforms and the onboarding of simplified and consolidated data stores.

The annual budget review is carried out in parallel to the Group's divisional budget and business plan process. All financials are aligned to the divisional numbers presented to the Group Board annually in December. In making its decision to approve the budget and three-year business plan, the Board also considered, amongst other things, its impact on the long-term position and reputation of the Company as well as feedback from engagement exercises with the workforce and dialogues with customers and regulators.

TRANSITION OF FTSE RUSSELL INDEX MANAGEMENT AND INDEX DATA MANAGEMENT FUNCTIONS

During 2022, the Directors approved the transition of the FTSE Russell Index Management and Index Data Management functions to a new consolidated Benchmarks & Indices Operations function within LSEG's Data & Analytics ('D&A's') Customer Operations function. This has provided the Company with access to additional resourcing by leveraging the scale of the Customer Operations function. This will also help to support the Company's business growth acceleration by increasing the efficiency and robustness of its operational processes, through D&A's existing operational capabilities.

In order to ensure that the Board maintained appropriate oversight and controls over the outsourced function appropriate measures including KPIs were put in place. The Board are aware and understand the key risks and performance of the outsourced functions, as well as the importance of an effective governance and control framework.

The FCA were engaged and informed of the proposed organisational changes and measures the Company put in place to maintain appropriate oversight and control, both at a Management and Board level, over the outsourced functions.

CUSTOMERS

The Group's engagement with customers takes a variety of forms. It engages with customers at working groups, conferences, and round table events. They also engage with customers through the Group's social media platforms, which are used to provide regular updates on our products and their performance. The Group monitors customer feedback to help establish customers' views on the Group's products and services in order to improve its offering.

We believe that aligning our strategy, services and products to the needs and interests of our customers is central to supporting long-term value creation, enabling innovation.

SUPPLIERS

Our Company relies on external and internal suppliers for certain services which are required to maintain the efficiency and resilience of the Company's operations.

The Company's management team holds regular meetings with its suppliers, which allow for open discussions and encourage a collaborative approach in order to identify and mitigate any risks to the key service provisions of the Company. At those meetings, service level agreements and KPIs are discussed, and feedback is exchanged. We believe that having solid long-term relationships with our suppliers is essential to continue to provide our solutions to customers and maintain operational resiliency.

INDUSTRY GROUPS

The Company's management engages with the wider market and users of the benchmarks/indices through a number of dedicated forums such as user groups, advisory groups and working groups. These provide the management with feedback on methodologies and policies; market insight and changes; new requirements; requests and suggestions. Such information and market intelligence provides important insight to the broader market and user expectations which forms a crucial input to the ongoing administration and management of the benchmarks and indices administered by the Company. Management provides us with updates on their interaction with Industry Groups.

FTSE INTERNATIONAL LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

REGULATOR

The Company is a benchmark administrator classified by the Financial Conduct Authority (FCA). Accordingly, the FCA supervises the Company via continuous engagement, interaction, and communication.

In addition to ad-hoc requests, the FCA hold regular quarterly meetings with key personnel to exchange regulatory and business updates, provide supervisory support, and feedback to the Company. We welcome the opportunity to directly engage with the FCA on a regular basis and where relevant, consider the impact of the FCA's position on our decisions.

In 2022, the Company continued to work closely with the FCA in a challenging environment brought on by the geo-political environment and HM Government's agenda of post-Brexit regulatory reforms. The maintenance of the Company's financial, cyber, and operational resiliency, already robust, continued as a matter of interest for regulators – as such, we periodically informed the FCA of our performance through a series of surveys.

As a UK-based benchmarks provider, we continue to monitor the EU Benchmark Regulation (EU BMR) third-country transitional provisions which allow third country administrators such as the Company to continue providing benchmarks for use by EU supervised entities. The transition period is currently until 31 December 2023, with a proposal for further extension to 31 December 2025. Third country administrators will have until the end of this transition period to gain permission under EU BMR using one of three prescribed pathways. During 2022 the Board monitored closely the Group's EU Location Strategy and the proposed approach in response to the end of the transition period.

WORKFORCE

Engagement with our workforce includes formal and informal meetings, an annual engagement survey and town hall meetings. By virtue of its position as a subsidiary of LSEG plc, much of the workforce engagement activity is supported by Group led mechanisms. Annually, the workforce is invited to participate in the 'LSEG Engage' survey, which provides an indication of the level of employee engagement throughout the business. The 2022 results exhibited an overall increase in employee sentiment, indicating the progress that the Group is making on its culture transformation journey post Refinitiv transaction.

For details on the some of the engagement that takes place with the Company's workforce at a Group level, please see the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2022.

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 reviews and 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 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.

DIVERSITY AND INCLUSION

The Board believes that diversity makes us more dynamic, fosters innovation and boosts performance.

A common theme from the engagement with stakeholders, is the importance of diversity to our employees, customer, our shareholders, which indirectly includes the London Stock Exchange Group plc and other stakeholders. As an organisation, we have set four key goals: (i) create a culture that fosters belonging; (ii) build a diverse leadership team, (iii) accelerate progression of underrepresented talent; and (iv) shape inclusion in our industry.

During 2022, LSEG updated its Subsidiary Policy which ensures that all Group Subsidiaries comply with relevant legal and regulatory requirements.

The LSEG Subsidiary Policy also focuses on Subsidiary Board Appointments and provides some key principles that should be adhered too when considering changes to the composition of Subsidiary Boards. Compliance with the LSEG Subsidiary Policy will result in greater consistency and transparency to future Subsidiary Board Appointments. It reiterates LSEG's commitment to increase racial and ethnic diversity in its senior leadership. For more details on LSEG's Diversity and Inclusion initiatives please refer to the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2022.

FTSE INTERNATIONAL LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

EMPLOYEES

Our people are at the heart of what we do and drive the success of our business. Attracting, developing and retaining the skills we need to deliver on our strategy of being the most trusted market expert is a key imperative for the Company. We are dedicated to unifying our growing Company and supporting our employees' talent in an environment built on partnership, integrity, innovation and excellence. The Company also provides an induction programme for new employees, including training on health and safety, and a range of development programmes for all staff to develop their skills and knowledge. The Company encourages and assists the employment, training and retention of disabled people. Where changes to working practices or structure affect staff, they are consulted and given appropriate support.

All employees are provided with information on matters of concern to them in their work, through regular briefing meetings and internal publications.

PRINCIPAL RISKS AND UNCERTAINTIES

LSEG operates group wide risk management procedures which bring greater judgement to decision making as this allows management to make better, more informed and more consistent decisions based on a clear understanding of the risks involved.

LSEG has adopted a group wide risk management system that provides ongoing formal assurance that all subsidiary companies are appropriately controlling all of the risks to which they are exposed, ensuring that internal controls operate efficiently and effectively.

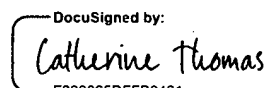
The Company is subject to a variety of foreseeable and unforeseeable risks and uncertainties which may have an impact on the Company's ability to execute its strategy and deliver its expected performance. The identification, assessment and management of these risks are central to the Company's operating framework. The Company's risk management structure is based on the 'three lines of defence' model:

- The First line (Management), is responsible and accountable for identifying, assessing and managing risk.
- The Second line (Risk Management and Compliance), is responsible for defining the risk management process and policy framework and providing challenge to the First line on risk management activities assessing risks and reporting to the Group Board Committees on risk exposure.
- The Third line (Internal Audit), provides independent assurance to the Board and other key stakeholders over the effectiveness of the systems of controls and the Risk Framework.

The Company's principal risks are considered to arise from customers and competition (with client alignment paramount to the successful operation and growth of our business), the continuing changing regulatory environment and the macro-economic environment (unfavourable tax regimes or the changing regulatory environment, may reduce the attractiveness of London as a major financial centre) and increasing security threats (both physical and cyber).

The Company's principal operational risks arise from ensuring it maintains secure and stable technology performing to high levels of availability. The Company is reliant upon secure premises to protect its employees and physical assets as well as appropriate safeguards to ensure uninterrupted operation of its IT systems and infrastructure.

By order of the Board:

DocuSigned by:

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Catherine Anne Thomas
Director
23 June 2023

REGISTERED OFFICE:
10 Paternoster Square, London, EC4M 7LS

FTSE INTERNATIONAL LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

REVIEW OF BUSINESS

The review of the Company's business is set out within the strategic report on page 2.

DIVIDENDS

During the year ended 31 December 2022, no dividends were paid to the immediate parent company (2021: £97.9m). A dividend of £40.0m in respect of the results for the year ended 31 December 2022 is proposed to be paid in 2023.

DIRECTORS AND DIRECTORS' INTERESTS

The following Directors have held office throughout the year and up to the date of approval of the financial statements, except as noted below:

D Jenkins	(resigned 08 July 2022)
A McCarthy	
A Staal	
C Thomas	
J Fielding	(appointed 04 April 2023)
S Major	(appointed 04 April 2023)

None of the Directors had any interest in the shares of the Company. There are no Directors' interests requiring disclosure under the Companies Act 2006.

DIRECTORS' LIABILITIES

The Company has Directors and Officers' insurance which provides an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

FTSE INTERNATIONAL LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GOING CONCERN

The Directors have reviewed the Company's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Company has sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

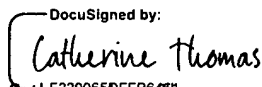
In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the next board meeting.

By order of the Board:

DocuSigned by:

Catherine Anne Thomas
Director
23 June 2023

REGISTERED OFFICE:
10 Paternoster Square, London, EC4M 7LS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FTSE INTERNATIONAL LIMITED YEAR ENDED 31 DECEMBER 2022

OPINION

We have audited the financial statements of FTSE International Limited (the "Company") for the year ended 31 December 2022 which comprise the Income Statement, the Balance Sheet, the Statement of Changes In Equity and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards including FRS 101 "Reduced Disclosure Framework."

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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.

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

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FTSE INTERNATIONAL LIMITED YEAR ENDED 31 DECEMBER 2022

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and 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 Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 7 and 8, 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.

Explanation as to what extent 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, International Accounting Standards in conformity with the requirements of the Companies Act 2006, and tax legislation (governed by HM Revenue and Customs).
- We understood how the Company is complying with those frameworks by making enquiries of management and seeking representation from those charged with governance. We corroborated our enquiries through review of board meeting minutes and correspondence with relevant authorities.

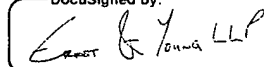
INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FTSE INTERNATIONAL LIMITED YEAR ENDED 31 DECEMBER 2022

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquires of executive management and those responsible for legal and compliance matters for their awareness of any non-compliance with laws and regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees; inquiring about the Company's methods of enforcing and monitoring compliance with such policies; reviewing board minutes and by seeking representation from those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and assuming the recognition of revenue accruals and capitalisation and impairment of intangible assets to be a fraud risk. We considered the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud. We designed incremental audit procedures to address the heightened risks of fraud identified as a result of these factors. Our procedures involved journal entry testing by specific risk criteria, with a focus on manual top side financial statement adjustments and journals indicating large or unusual transactions based on our understanding of the business. We tested a sample of invoices to cash receipts and agreements or other supporting documents and tested a sample of accrued income transactions to post year end invoices. We incorporated unpredictability into the nature, timing and extent of our testing.

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

USE OF OUR REPORT

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

DocuSigned by:

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Hitesh Patel (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

27 June 2023

FTSE INTERNATIONAL LIMITED
INCOME STATEMENT
Year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Revenue	3	303,885	275,743
Other income	3	122,529	105,094
Total income		426,414	380,837
Cost of sales		(124,750)	(110,748)
Gross profit		301,664	270,089
Expenses			
Administrative expenses	4	(213,991)	(163,655)
Depreciation, amortisation and impairment	4	(22,453)	(20,623)
Total expenses		(236,444)	(184,278)
Operating profit		65,220	85,811
Finance income	7	10,247	18,508
Finance expense	7	(508)	(476)
Net finance income		9,739	18,032
Profit before taxation		74,959	103,843
Taxation	8	(13,820)	(26,925)
Profit for the financial year		61,139	76,918

The transactions in the current and prior years were derived from continuing operations.

There are no other items of income or expenditure other than those included within the income statement for the year ended 31 December 2022 and the year ended 31 December 2021.

The notes on pages 15 to 31 form an integral part of these financial statements.

FTSE INTERNATIONAL LIMITED

BALANCE SHEET

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Intangible assets	10	133,237	93,062
Property, plant and equipment	11	80	185
Investment in subsidiary undertakings	12	167,333	167,333
Other receivables	15	1,443	1,385
		302,093	261,965
Current assets			
Trade and other receivables	15	306,731	209,318
Cash and cash equivalents	16	2,428	1,044
Current tax		28,178	18,658
		337,337	229,020
Total assets		639,430	490,985
Liabilities			
Current liabilities			
Trade and other payables	17	203,148	129,883
Contract liabilities	17	79,721	71,579
Provisions	18	-	1,668
Current tax		702	-
		283,571	203,130
Non-current liabilities			
Deferred tax liabilities	13	13,469	6,695
Total liabilities		297,040	209,825
Net assets		342,390	281,160
Equity			
Share capital	19	1	1
Retained earnings		342,389	281,159
Total equity		342,390	281,160

The notes on pages 15 to 31 form an integral part of these financial statements.

The financial statements on pages 12 to 31 were approved by the Board on 23 June 2023 and signed on its behalf by:

DocuSigned by:

 Catherine Thomas
 Director
 FTSE International Limited
 23 June 2023

Registered number 03108236

FTSE INTERNATIONAL LIMITED
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022

	Share capital	Retained earnings	Total attributable to equity holders
	£'000	£'000	£'000
31 December 2020	1	302,530	302,531
Profit for the financial year	-	76,918	76,918
Dividends paid in the year	-	(97,900)	(97,900)
Tax relating to employee share scheme expenses	-	(389)	(389)
31 December 2021	1	281,159	281,160
Profit for the financial year	-	61,139	61,139
Tax relating to employee share scheme expenses	-	91	91
31 December 2022	1	342,389	342,390

The notes on pages 15 to 31 form an integral part of these financial statements.

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. Basis of Preparation and Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") and the Companies Act 2006 (the "Act"). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS") adopted in the United Kingdom.

The Company is a qualifying entity for the purposes of FRS 101. Note 22 gives details of the Company's ultimate parent and from where its financial statements prepared in accordance with IFRS as adopted in the UK may be obtained.

The following disclosure exemptions under FRS 101 have been considered and applied where deemed to be applicable:

- IAS 7 *Statement of Cash Flows* and related notes;
- Reduced IFRS 2 disclosure for share-based payment arrangements in a subsidiary's financial statements;
- IAS 8 the listing of new or revised standards that have not been adopted (and information about their likely impact) may be omitted;
- Reduced IAS 36 disclosure of impairment reviews;
- Reduced IFRS 3 disclosure for business combinations during and after the period;
- Reduced IFRS 5 disclosure for discontinued operations;
- Reduced IFRS 7 disclosure for financial instruments;
- Reduced IFRS 13 disclosure relating to fair value measurement
- IAS 24 related party disclosures for intra-group transactions and disclosure of key management compensation;
- IAS 1 the requirement to present comparatives in roll-forward reconciliations for movements on share capital, property plant and equipment, intangible assets and investment property;
- Reduced IAS 1.134-1.136 disclosure on capital management;
- Reduced disclosure for IFRS 15 *Revenue from Contracts with Customers*; and
- Reduced disclosure for IFRS 16 *Leases*.

The following amendments were endorsed by the UKEB during the year and have been adopted in these financial statements:

- Amendments to IFRS 3 Business Combinations: reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment: proceeds before intended use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: onerous contracts – cost of fulfilling a contract
- Annual Improvements to IFRS 2018-2020

The adoption of the new standards and other amendments did not have a material impact on the results of the Company.

These financial statements are prepared under the historical cost convention as modified by the revaluation of assets and liabilities held at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

These financial statements contain information about FTSE International Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken the exemption from producing consolidated financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of London Stock Exchange Group plc which prepares financial statements which are publicly available.

The Company is a private limited company incorporated and domiciled in England and Wales. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS, United Kingdom. The Company has an overseas branch that operates out of Singapore.

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Going concern

The Directors have reviewed the Company's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Company has sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Accounting Policies

Income Statement

Revenue and other income

The main source of the Company's revenue is fees for services provided. Revenue is measured based on the consideration specified in a contract with a customer. Amounts deducted from revenue relate to discounts, value added tax and other sales related taxes.

The Company recognises revenue as services are performed and as it satisfies its obligations to provide a product or service to a customer. Further details of the Company's revenue accounting policy are set out below:

<i>Information and data products and licences</i>	The Company generates revenues from the provision of information and data products including indexes, benchmarks, real-time pricing data and trade reporting and reconciliation services.
	Data subscription and index licence fees are recognised over the licence or usage period as the Company meets its obligation to deliver data consistently throughout the licence period. Services are billed on a monthly, quarterly or annual basis.
	Other information services include licences to the regulatory news service and reference data businesses. Revenue from licences that grant the right to access intellectual property are recognised over time, consistent with the pattern of the service provision and how the performance obligation is satisfied throughout the licence period. Revenues from other information services, including revenues from the sale of right to use licences, are recognised at the point the licence is granted or service is delivered.
	Recoveries revenue consists of fees for third-party content, such as exchange data that is distributed directly to customers, and communications fees. Recoveries revenue is generally recognised over the contract term.
<i>Other</i>	All other income, including recharges to other group companies, are recognised in the months in which the service is provided.

Customer contracts across the Company that contain a single performance obligation at a fixed price do not require variable consideration to be constrained or allocated to multiple performance obligations. However, certain businesses in the Company provide services to customers under a tiered and tariff pricing structure that generates a degree of variability in the revenue streams from the contract. Where the future revenue from a contract varies due to factors that are outside of the Company's control, the Company limits the total transaction price at contract inception and recognises the minimum expected revenue guaranteed by the terms of the contract over the contract period. Any variable element is subsequently recognised in the period in which the variable factor occurs.

The Company does not have any contracts where the period between the transfer of services to a customer and when the customer is expected to pay for that service to be in excess of one year. Consequently, no adjustments are made to transaction prices for any financing component.

Cost of sales

Cost of sales comprises data and licence fees, data feed costs, expenses incurred in respect of revenue share arrangements and any other costs linked and directly incurred to generate revenues and provide services to customers.

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Pension costs

The Company operates a defined contribution personal pension scheme under which the Company pays fixed contributions. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets. The Company provides no other post-retirement benefits to its employees. Contributions are charged to the income statement as incurred.

Share-based compensation

The Company operates share-based compensation plans for employees, settled in shares of the ultimate parent company, London Stock Exchange Group plc (LSEG), or in cash. For schemes settled in shares of the ultimate parent, the charge to the income statement is determined by the fair value of the options granted or shares awarded at the date of grant as an indirect measure of the value of employee services received by the Company and recognised over the relevant vesting period. The Company is recharged costs from LSEG to settle the share-based awards made to employees of the Company.

Foreign currencies

These financial statements are presented in Pounds Sterling, which is the Company's presentation and functional currency.

Foreign currency transactions are converted into the functional currency using the rate ruling at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Finance income and expense

Finance income and expense comprise dividends from subsidiary undertakings, interest earned on cash deposited with financial counterparties, interest earned on loans to financial counterparties, and interest paid and earned on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the period and calculated using the effective interest rate method.

Statement of Financial Position

Intangible assets

On the acquisition of a business, fair values are attributed to the assets and liabilities acquired. These may include brand names, customer relationships, licences and software intellectual property, all of which are recorded as intangible assets and held at cost less accumulated amortisation. These assets are amortised on a straight-line basis over their useful economic lives which are as follows:

- a) customer and supplier relationships – 20 years; and
- b) software licences and intellectual property – 3 to 5 years (all assets are amortised over a life not exceeding 5 years).

Management use their best estimates for useful economic lives and other factors such as attrition rates on customer relationships and product upgrade cycles for intangible assets.

Third-party software costs for the development and implementation of systems which enhance the services provided by the Company are capitalised and amortised over their estimated useful economic lives of 3 to 5 years.

Internal product development expenditure is capitalised if the costs can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable, and the group has sufficient resources to complete the development and to use or sell the asset. Judgement is required as to whether these tests are met. The assets are recorded at cost including labour, directly attributable costs and any third-party expenses, and amortised over the useful economic life of 3-5 years.

Intangible assets are assessed for any indicators of impairment at each balance sheet date, including their useful economic lives. Where indicators of impairment or a potential reduction in useful economic life for a particular intangible asset are identified, a full impairment assessment is performed, with any diminution in value or accelerated amortisation as a result of a reduction in useful economic life recognised in profit or loss. For assets with an indefinite useful life a full impairment assessment is performed annually.

Amortisation or impairment expenses are recognised in profit or loss within depreciation and amortisation (note 4).

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Property, plant and equipment

Property, plant and equipment are included in the financial statements at cost less accumulated depreciation and any provision for impairment.

Fixed property, plant and equipment, are stated at cost and are depreciated to residual value on a straight-line basis over their estimated useful economic lives, which are as follows:

Computer hardware 3 to 5 years

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Contract costs

Incremental costs of obtaining a customer contract, such as sales commissions paid to employees, are recognised as an intangible asset if the benefit of such costs is expected to be longer than 1 year. The associated asset is amortised over the period from which a customer benefits from existing software technology supporting the underlying product or service, which the Company has determined to be 3-5 years and is presented as an intangible asset in the Company's balance sheet.

The Company also applies the practical expedient in IFRS 15 to recognise the incremental cost of obtaining a contract as an expense when incurred, if the amortisation period is 1 year or less.

Investment in subsidiary undertakings

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated in the Company's financial statements at cost less impairment, if any. On disposal, the difference between the net disposal proceeds and the investment's carrying amount is included in the income statement. Loans to subsidiaries which are determined as capital contributions are recorded as investments in subsidiary undertakings.

Current and deferred taxation

Income tax on the profit for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, 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 country where the Company operates and generates taxable income and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if it arises from the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither accounting nor taxable profit or loss at that time. Deferred income 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 deferred tax asset or liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

Financial instruments

Financial assets and liabilities are initially recognised on their settlement date. The Company classifies its financial instruments as fair value through profit or loss (FVPL), and amortised cost. The classification is based on the Company's business model for managing its financial instruments and that the cash flows generated are 'solely payments of principal and interest' ("SPPI").

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Initial recognition:

- a) *Financial assets at amortised cost* are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. This includes the Company's cash and cash equivalents, trade and other receivables and other non-current receivables. After initial recognition these assets are measured at amortised cost using the effective interest rate method. Interest income from these financial assets is included in finance income. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other income or operating expenses together with foreign exchange gains and losses.
- b) *Financial liabilities at amortised cost* are all financial liabilities that are not included within financial liabilities at FVPL. This comprises the Company's trade and other payables and borrowings.

Impairment:

The Company adopts a forward-looking approach to estimate impairment losses on financial assets. An expected credit loss (ECL) is calculated based on the difference between the contractual cash flows due and the expected cash flows. The difference is discounted at the asset's original effective interest rate and recognised as an allowance against the original value of the asset.

- a) *Financial assets at amortised cost* – the ECL for trade and other receivables including fees receivable and cash and cash equivalents is calculated using IFRS 9's simplified approach using lifetime ECL. The provision is based on the Company's historic experience of collection rates, adjusted for forward looking factors specific to each counterparty and the economic environment at large to create an expected loss matrix.

The ECL on other financial assets held at amortised cost is measured using the general approach. The Company calculates an allowance based on the 12-month ECL at each reporting date until there is a significant increase in the financial instrument's credit risk, at which point the Company will calculate a loss allowance based on the lifetime ECL.

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits and investments in money market funds, and other instruments and structures that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value, which is the original invoiced amount to the customers and subsequently measured at amortised cost, less any allowance for expected credit losses (ECL). The ECLs for trade and other receivables are calculated using the simplified approach of a lifetime ECL. The simplified approach is based on historic experience of collection rates, adjusted for forward looking factors specific to each counterparty and the economic environment at large to create an expected loss matrix. The carrying amount of the asset is reduced through the use of an allowance account for ECL and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited in the income statement.

Other receivables include amounts due from other companies within the group such as loans, interest on these loans and other settlements for intercompany recharges. Interest is charged at variable rates as stated within the relevant group loan agreement as set out by management. These loans are repayable either on demand or on dates stipulated within the relevant group loan agreement. Other receivables are also recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less any allowance for ECL.

Fees receivable

Fees receivables are recognised when the Company has an unconditional right to consideration in exchange for goods or services transferred, but no fee invoice has been formally issued. Amounts are transferred to trade receivables when a formal invoice has been issued.

Contract assets

Contract assets are recognised when there is a conditional right to consideration from a customer in exchange for goods or services transferred. Contract assets are transferred to and presented as trade receivables when the entitlement to payment becomes unconditional and only the passage of time is required before payment is due.

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

Contract liabilities

Revenue relating to future periods is classified as a contract liability on the balance sheet to reflect the Company's obligation to transfer goods or services to a customer for which it has received consideration, or an amount of consideration is due, from the customer. Contract liabilities are amortised and recognised as revenue in the income statement over period the services are rendered.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as 'Trade and other payables' within current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as 'Other non-current payables' within non-current liabilities.

Provisions

A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, i.e., the present value of the amount that the Company would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party.

Share capital

The share capital of the Company consists of only one class of Ordinary Shares, and these are classified as equity.

Dividend distributions

Dividend distributions to the Company's equity holders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholder.

2. Significant Judgements and Estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The significant estimates for the year ended 31 December 2022 are as follows:

- **Impairment of intangible assets and investment in subsidiaries** – these assets form a significant part of the balance sheet and are key assets for the Company's businesses. The recoverable amounts of relevant intangible assets and investments in subsidiaries are based on value in use calculations using management's best estimate of future performance and estimates of the return required by investors to determine an appropriate discount rate.
- **Expected credit losses** - the Company has factored into impairment reviews of financial assets the expectations of future events. The measured lifetime expected credit losses associated with these assets have not been materially impacted. The Company continues to monitor events and review whether additional provisions will be required in future periods.
- **Fees receivable** – the Company estimates its asset-based fees receivable for non-declared assets under management ('AUM'). The AUM estimates are based upon management's best estimate, which takes into account previous declarations from clients, future activity and market reports and information. The Company monitors the declarations and invoices post-year end.

There were no significant judgements that were applied by the management for the year ended 31 December 2022.

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. Revenue and Other Income

Revenue and other income comprise the following:

	2022	2021
	£'000	£'000
Revenue:		
Index – subscription	194,770	176,664
Index – asset based	96,559	87,693
Data solutions	12,556	11,386
	303,885	275,743
Other income:		
Recharges to other group companies	122,529	105,094
	122,529	105,094
Total	426,414	380,837

The principal operations and customers of the Company are in the United Kingdom. Therefore, no further information on business or geographical segments is disclosed.

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. Expenses by Nature

Expenses comprise the following:

	Notes	2022 £'000	2021 £'000
Depreciation, amortisation and impairment			
Depreciation of property, plant and equipment	11	117	500
Impairment of property, plant and equipment	11	-	462
Amortisation of intangible assets	10	22,336	17,973
Impairment of software and other assets	10	-	1,688
		22,453	20,623
Administrative expenses			
Employee costs	5	35,519	33,381
Property costs		1,062	2,427
IT and data costs		81,948	51,535
Sales and marketing costs		1,871	1,233
Legal and professional fees		34,960	21,257
Foreign exchange losses/(gains)		1,224	540
Bad debt expenses		669	7,442
Other costs		7,337	638
Other recharges from fellow group companies		49,401	45,202
		213,991	163,655
Total		236,444	184,278

Employee costs, property costs, sales and marketing, IT and data costs include charges from fellow group companies. Other recharges from fellow group companies represent charges from shared service entities. The recharge model is continually reviewed to reflect the functions and services provided in the year.

5. Employee Costs

Employee costs comprise the following:

	Note	2022 £'000	2021 £'000
Salaries and other short-term benefits		27,770	24,865
Social security costs		3,921	3,059
Pension costs	14	1,650	1,770
Share-based compensation		2,068	2,290
Redundancy costs/(provision release)		110	1,397
Total		35,519	33,381

The number of employees in the Company was:	2022	2021
At year end	196	200
Average for the year	195	196

The monthly average number of employees in the Company by category:	2022	2021
Marketing	6	8
Administration	189	188
Total	195	196

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

6. Directors' Remuneration

The Directors' aggregate remuneration in respect of qualifying services were:

	2022	2021
	£'000	£'000
Emoluments received	185	405
Benefits	1	12
Share based payments	144	430
Pensions	7	19
Total	337	866

During the year, 1 Director had retirement benefits accruing under the Group's defined contribution pension schemes.

1 Director participates in the Group's share-based award scheme and exercised a total of 6,009 share options and conditional shares during the year.

The remuneration of Directors disclosed above includes the following amounts for the highest paid Director:

	2022	2021
	£'000	£'000
Emoluments received	185	193
Benefits	1	6
Share based payments	144	430
Pensions	7	11
Total	337	640

The highest paid director participates in the Group's share-based award schemes and exercised a total of 6,009 share options and conditional shares during the year.

7. Net finance income

		2022	2021
	Note	£'000	£'000
Finance income			
Interest on loans to group companies		3,982	1,872
Dividend received from subsidiaries	9	6,264	16,636
Other finance income		1	-
		10,247	18,508
Finance expense			
Interest on loan from group companies		(96)	(45)
Other finance expense		(412)	(431)
		(508)	(476)
Net finance income		9,739	18,032

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

8. Taxation

The standard UK corporation tax rate was 19% for the year ended 31 December 2022 (2021: 19%).

		2022	2021
Taxation charged/(credited) to the income statement	Note	£'000	£'000
Current UK tax			
Corporation tax for the year		(175)	7,824
Adjustment in respect of previous years		5,660	552
Tax expense for uncertain tax provisions		-	10,278
Current overseas tax			
Corporation tax for the year		1,818	784
Adjustment in respect of previous years		2	(82)
Total current tax		7,305	19,356
Deferred tax	13		
Deferred tax for the current year		8,950	6,180
Adjustment in respect of previous years		(5,578)	11
Impact of change of rate		3,143	1,378
Total deferred tax		6,515	7,569
Taxation charge		13,820	26,925
Taxation on items not charged/(credited) to the income statement		2022	2021
		£'000	£'000
Current tax allowance on share options / awards in excess of expense recognised		(350)	(588)
Deferred tax allowance on share options / awards in excess of expense recognised		259	977
		(91)	389

Factors affecting the tax charge for the year

The income statement tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (2021: 19%) as explained below:

	2022	2021
	£'000	£'000
Profit before taxation	74,959	103,843
Profit multiplied by standard rate of corporation tax in the UK	14,242	19,730
Income not taxable	(4,464)	(5,302)
Adjustment in respect of previous years	84	481
Adjustments relating to change in UK tax rate	3,143	1,378
Uncertain tax provisions	-	10,278
Tax at higher overseas rate	815	360
Taxation charge	13,820	26,925

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax liability at 31 December 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2021: 19%).

9. Dividends

During the year ended 31 December 2022, no dividends were paid (2021: £97.9m) to the immediate parent company. A £40.0m dividend in respect of the results for the year ended 31 December 2022 (2021: nil) is proposed to be paid in 2023.

During the year ended 31 December 2022, dividends totalling £6.3m (2021: £16.6m) were received from subsidiary undertakings.

FTSE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

10. Intangible Assets

	Customer & supplier relationships	Software & other	Contract costs	Total
	£'000	£'000	£'000	£'000
Cost				
At 31 December 2021	16,433	129,364	15,202	160,999
Additions	-	59,948	2,563	62,511
Retirements	-	(1,129)	(2,527)	(3,656)
At 31 December 2022	16,433	188,183	15,238	219,854
Accumulated amortisation				
At 31 December 2021	10,866	49,471	7,600	67,937
Amortisation charge for the year	614	19,076	2,646	22,336
Retirements	-	(1,129)	(2,527)	(3,656)
At 31 December 2022	11,480	67,418	7,719	86,617
Net book values				
At 31 December 2022	4,953	120,765	7,519	133,237
At 31 December 2021	5,567	79,893	7,602	93,062

Software and other intangible assets at the year-end include £56.2m (2021: £31.7m) representing assets not yet brought into use. No amortisation has been charged on these assets. The remaining balance of £64.6m (2021: £48.2m) relates to software intangible assets that have been fully developed and are being amortised annually.

11. Property, Plant and Equipment

	Computer equipment	Total
	£'000	£'000
Cost		
At 31 December 2021	1,305	1,305
Additions	12	12
At 31 December 2022	1,317	1,317
Accumulated depreciation		
At 31 December 2021	1,120	1,120
Depreciation charge	117	117
31 December 2022	1,237	1,237
Net book values		
At 31 December 2022	80	80
At 31 December 2021	185	185

12. Investment in Subsidiary Undertakings

	£'000
31 December 2021	167,333
31 December 2022	167,333

FTSE INTERNATIONAL LIMITED

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A list of the Company's subsidiaries as at 31 December 2022 is given below. The percentage of share capital of subsidiaries held by the Company is shown through the Company's ownership percentages below. These percentages give the Company's ultimate percentage and therefore allow for the situation where subsidiaries are owned by partly owned intermediate subsidiaries.

Name of subsidiary	Registered office address	Country of incorporation	Country of principal operations	Class of shares held	% held by the Company	% held by the Group
Held directly by the Company:						
FTSE Americas Inc	600 Mamaroneck Avenue #400, Harrison, Westchester County, NY, 10528, United States	USA	USA	Ordinary	100	100
FTSE (Japan) Limited	10 Paternoster Square, London, EC4M 7LS, England & Wales, United Kingdom	England and Wales	Japan	Ordinary	100	100
FTSE (Australia) Limited	10 Paternoster Square, London, EC4M 7LS, England & Wales, United Kingdom	England and Wales	Australia	Ordinary	100	100
FTSE Global Debt Capital Markets Limited	10 Paternoster Square, London, EC4M 7LS, England & Wales, United Kingdom	England and Wales	England and Wales	Ordinary	100	100
FTSE International (Hong Kong) Limited	Primasia Corporate Services Limited, Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai, Hong Kong	Hong Kong	Hong Kong	Ordinary	100	100
FTSE China Index Limited	Primasia Corporate Services Limited, Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai, Hong Kong	Hong Kong	China	Ordinary	100	100
FTSE International (MEA) Limited	Office 50, Level 15, The Gate, PO Box 121208, Dubai, United Arab Emirates	UAE	UAE	Ordinary	100	100
FTSE Internacional Brasil Representações Ltda.	Edificio Argentina, Praia de Botafogo 228, 16 andar, Sala1617, Rio de Janeiro, Brazil	Brazil	Brazil	Ordinary	100	100
FTSE International Taiwan Ltd	26F.-1, No. 100, Song Ren Road, Xinyi District, Taipei City, Taiwan (Province of China)	Taiwan	Taiwan	Ordinary	100	100
LSEG Malaysia Sdn. Bhd.	Suite 13.03, 13th Floor Menara Tan & Tan, 207 Jalan Tun Razak, Kuala Lumpur, W.P., 50400, Malaysia	Malaysia	Malaysia	Ordinary	100	100
FTSE Mexico Sociedad	Torre 3, Privada Paseo de los Tamarindos 120, Bosques de las Lomas, Mexico City, Mexico	Mexico	Mexico	Ordinary	99	100
FTSE Italy S.p.A.	Piazza Generale Armando Diaz 2, Milan, 20123	Italy	Italy	Ordinary	100	100
Held indirectly by the Company:						
FTSE (Beijing) Consulting Limited	Room 02D-H, 6/F Dongwai Diplomatic Building, 23 Dongzhimenwai Dajie, Beijing, China	China	China	Ordinary	100	100
FTSE Global Debt Capital Markets Inc	Suite 5800, 40 King Street West, Toronto, ON, M5H 3S1, Canada	Canada	Canada	Ordinary	100	100
FTSE Fixed Income Europe Limited	10 Paternoster Square, London, EC4M 7LS, England & Wales, United Kingdom	England and Wales	England and Wales	Ordinary	100	100

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Year ended 31 December 2022

13. Deferred Tax

	Accelerated tax depreciation	LTIP provisions	Other	Total
	£'000	£'000	£'000	£'000
1 January 2021	298	2,030	(478)	1,850
Tax (charged)/credited to income statement	(6,162)	(37)	8	(6,191)
Impact of change of rate	(1,374)	123	(127)	(1,378)
Tax (charged)/credited to other comprehensive income:				
Allowance on share options / awards	-	(978)	-	(978)
Impact of change of rate	-	2	-	2
31 December 2021	(7,238)	1,140	(597)	(6,695)
Tax (charged)/credited to income statement	(4,422)	(86)	1,136	(3,372)
Impact of change of rate	(3,118)	(61)	36	(3,143)
Tax (charged)/credited to other comprehensive income:				
Allowance on share options / awards	-	(170)	-	(170)
Impact of change of rate	-	(89)	-	(89)
31 December 2022	(14,778)	734	575	(13,469)
Assets/(Liabilities) at 31 December 2022	(14,778)	734	575	(13,469)
Assets/(Liabilities) at 31 December 2021	(7,238)	1,140	(597)	(6,695)

14. Retirement Benefit Obligations

The Company participates in a Personal Pension Scheme operated by Legal and General Fund Managers Limited. The Legal and General personal pension offers individuals a choice of funds in which employees may choose to invest pension contributions. The contributions of the Company depend upon the employee's personal contribution. The Scheme is a defined contribution scheme. The contributions made by the Company amounted to £1,650k (2021: £1,770k). The amounts outstanding at the reporting date were £nil (2021: £nil).

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

15. Trade and Other Receivables

	2022 £'000	2021 £'000
Non-current		
Fees receivable	1,443	1,385
Total Non-current trade and other receivables	1,443	1,385
Current		
Trade receivables	65,227	54,632
Fees receivable	27,805	30,613
Less: Provision for impairment of receivables	(689)	(790)
Trade and fees receivables – net	92,343	84,455
Amounts due from parent	178,151	95,526
Amounts due from companies under common control	22,566	17,372
Amounts due from subsidiary undertakings	8,158	6,108
Other receivables	3	14
Prepayments	5,510	5,843
Total current trade and other receivables	306,731	209,318
Total trade and other receivables	308,174	210,703

Amounts due from parent include a GBP denominated loan to London Stock Exchange Group Holdings Limited of £177.6m (2021: £95.5m). Interest on this loan is charged at 1M SONIA plus 1.5% + Credit adjustment spread and, both loan and interest are repayable on demand. Loans with interest rates previously based on LIBOR rates were transitioned to Sterling Overnight Index Average Rate (SONIA) on 1 January 2022.

All other amounts due from the parent, companies under common control and subsidiary undertakings are interest free and repayable on demand.

The carrying values less impairment provisions of receivables are reasonable approximations of fair value. Trade receivables not past due are not considered to be impaired; as at 31 December 2022, these balances are spread across a number of high-quality counterparties.

Movements on the Company's provision for expected credit losses on trade receivables are as follows:

	2022 £'000	2021 £'000
1 January	790	2,338
Provision for receivables impairment	9	-
Receivables written off during the year as uncollectible	(110)	(78)
Provisions no longer required	-	(1,470)
31 December	689	790

The creation and release of the provision for impaired receivables are included in administrative expenses in the income statement. Amounts charged to the allowance account are written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables and the other categories of financial assets do not contain impaired assets.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

16. Cash and Cash Equivalents

	2022	2021
	£'000	£'000
Cash at bank	2,428	1,044

There are no differences between the book value and fair value of the above balances. Management does not expect any losses from the non-performance by the counterparties holding cash and cash equivalents.

17. Trade and Other Payables and Contract Liabilities

	2022	2021
	£'000	£'000
Current		
Trade payables	18,331	9,809
Amounts owed to parent	3,991	2,839
Amounts owed to ultimate parent	844	353
Amounts owed to companies under common control	87,981	38,034
Amounts owed to subsidiary undertakings	35,821	15,480
Group relief owed	13,176	23,961
Social security and other taxes	5,832	3,010
Other payables	788	59
Accruals	36,384	36,338
Total trade and other payables	203,148	129,883
Current		
Contract liabilities	79,721	71,579
Total contract liabilities	79,721	71,579

Contract liabilities relate to the consideration received from customers for which services have not yet been rendered.

Included within group relief owed is £13.2m (2021: £24.0m) owed to the ultimate parent company.

Amounts owed to subsidiaries include a GBP denominated loan from FTSE Global Debt Capital Markets Limited of £2.5m (2021: £4.5m). Interest on this loan is charged at 1M SONIA plus 1.5% + Credit adjustment spread and, both loan and interest are payable on demand.

Amounts owed to parent, ultimate parent, subsidiary undertakings and companies under common control are interest free and repayable on demand.

The carrying value of trade and other payables is a reasonable approximation of fair value.

Changes in the Company's contract liabilities balances during the year were as follows:

	2022	2021
	£'000	£'000
1 January	71,579	70,202
Revenue recognised in profit or loss	(71,579)	(70,202)
Increases due to consideration received	79,721	71,579
31 December	79,721	71,579

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Year ended 31 December 2022

18. Provisions

	Other £'000
1 January 2022	1,668
Utilised during the year	(1,668)
31 December 2022	-

Other provisions as at 1 January 2022 related to the expected costs to settle a complaint relating to an index data issue. This was fully utilised during 2022.

19. Share Capital

	31 December 2022		31 December 2021	
	Number of shares	Share capital £	Number of shares	Share capital £
Issued, authorised, called up and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

20. Commitments and Contingencies

In the normal course of business, the Company can receive legal claims including, for example, in relation to commercial matters, service and product quality or liability, employee matters and tax audits. The Company is also involved in legal proceedings and actions, engagement with regulatory authorities and in dispute resolution processes. These are reviewed on a regular basis and, where possible, an estimate is made of the potential financial impact on the entity.

Where it is too early to determine the likely outcome of these matters, no provision or contingent liability is made. Whilst the Company cannot predict the outcome of any such current or future matters with any certainty, it currently believes the likelihood of any material liabilities (or contingent assets) to be low, and that these will not have a material adverse effect on its income, financial position or cash flows.

Contracted capital commitments and other contracted commitments not provided for in the financial statements of the Company were £nil (2021: £nil) and £nil (2021: £nil), respectively.

21. Share Plans

Employees of the Company are able to take part in the Group's share schemes as follows:

— **Save As You Earn and International Sharesave Plan 2018 (SAYE)**

The SAYE schemes provide for grants of options over shares to all employees who enter into a savings contract. The options are granted at 20% below the market price on the date of grant and vest after three years, subject to continuing employment.

— **Long-Term Incentive Plan 2014 (LTIP)**

Awards are granted at nil cost to certain employees. Vesting of LTIP awards is dependent on both market and non-market performance conditions. The performance conditions include achievement of relative TSR (40%) and adjusted EPS (60%) targets.

— **International Share Incentive Plan (ISIP)**

The ISIP is a scheme in which overseas employees can buy shares monthly via salary deduction. For every four shares purchased by the employee, the Group awards them one additional share which vests after completion of a three-year plan cycle.

Full details of the share schemes may be found in the Annual Report of LSEG Plc.

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Year ended 31 December 2022

22. Ultimate Parent Company

As at 31 December 2022, the Company's ultimate parent company and the parent that headed the largest group of entities for which consolidated financial statements were prepared was London Stock Exchange Group plc (LSEG Plc). The immediate parent is London Stock Exchange Group Holdings Limited. Both companies are incorporated in England and Wales. 100% of the issued share capital of the Company was beneficially owned by LSEG Plc.

A copy of the London Stock Exchange Group plc consolidated financial statements can be obtained from London Stock Exchange Group plc, 10 Paternoster Square, London EC4M 7LS.

23. Other Statutory Information

The Company paid the following amounts to its auditors in respect of the audit of the financial statements of the Company:

	2022	2021
	£'000	£'000
Audit of the Company's financial statements - Ernst & Young LLP	260	248
Total	260	248

Statutory information in remuneration for other services provided by the Company's auditors for the group is given in the consolidated financial statements of London Stock Exchange Group plc, which is the largest group into which the results of the Company are consolidated. There were no non-audit services provided to the Company in the current year and in the prior year.

24. Events After the Reporting Date

There were no material events which occurred subsequent to the reporting date as at 31 December 2022, that require adjustments to or disclosure in the financial statements.