

Registration number: 03929223

S&P Trucost Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2018



S&P Trucost Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 8
Income Statement	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12 to 13
Notes to the Financial Statements	14 to 31

S&P Trucost Limited

Company Information

Directors	J A Douse
	R Mattison
	K Wise
Company secretary	S Duncan-Jones
	E Hithersay
Registered office	20 Canada Square Canary Wharf London E14 5LH
Auditors	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

S&P Trucost Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their Strategic Report of S&P Trucost Limited ("the Company") for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is to help organisations, investors and governments understand the environmental impact of their business activities.

Fair review of the business

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

	Unit	2018	2017
Turnover	£000	6,332	3,609
Profit for the year	£000	296	(2,880)
Shareholders' funds	£000	(2,802)	(3,119)

Principal risks and uncertainties

The following factors are viewed by the Directors as being the Company's principal risks and uncertainties that could unfavourably impact operating results in the next financial year:

- Exposure to litigation and government or regulatory proceedings, investigations and inquiries could have a material effect on our financial position and results of operations.
- Changes in the volume of securities issued and traded in capital markets and changes in commodity prices and volatility in the financial markets could have a material impact on our results of operations.
- Increased regulation may adversely impact on our business.
- Worldwide economic and political conditions that may result from legislative, regulatory, and policy changes associated with the current United States administration or the United Kingdom's exit from the European Union.

Approved by the Board on 21 May 2019 and signed on its behalf by:



.....
K Wise
Director

Date: 21.05.2019

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the Company

The directors who held office during the year were as follows:

J A Douse

R Mattison

K Wise

Dividends

The Company paid dividends of £Nil (2017: £Nil) during the year.

Going concern

The Company had net liabilities of £2,802,000 (2017: £3,119,000). However, the Company has continuing support from its parent company. The Directors have received a letter of support from its parent company, S&P Global Market Intelligence Inc., confirming that it will continue to provide any support that the Company needs in order to meet its liabilities as they fall due and to continue as a going concern for the foreseeable future, being a period of 12 months from the date at which these financial statements are approved. Thus the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments

The Directors anticipate that the Company will continue to trade for the foreseeable future.

Employment of disabled persons

Every effort is made to ensure that disabled employees are given full and fair consideration when vacancies arise. There is a training scheme available so that all employees who become disabled in the course of employment can, where possible, continue employment with the Company.

Employee involvement

The Company's continuing policy is to consult and discuss with employees, matters likely to affect their interests. Employees have been encouraged to present their suggestions and views on the Company's performance. Information on the Company and associated undertakings is given to all employees. The Company's intranet site is updated on a regular basis.

Post balance sheet events

On 29 March 2017, the British Prime Minister invoked Article 50 of the Lisbon Treaty to initiate an initial two-year period of negotiations for Brexit which has subsequently been extended to 31 October 2019.

The Company is monitoring the situation closely and believes that based on the information currently available, there will be no impact on the financial statements for the year ended 31 December 2018. The Company will continue to monitor progress on these negotiations and to gauge potential implications for the business.

Directors' Report for the Year Ended 31 December 2018 (continued)

Directors' liabilities

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

S&P Global Inc. has purchased a Directors and officers liability insurance policy for the benefit of the Company and its Directors and such policy was in force during the year and is in force at the date of approving the Directors' Report.

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.

Reappointment of auditors

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 21 May 2019 and signed on its behalf by:



.....
K Wise
Director

Date: 21.05.2019

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S&P Trucost Limited

Independent Auditor's Report to the Members of S&P Trucost Limited

Opinion

We have audited the financial statements of S&P Trucost Limited for the year ended 31 December 2018, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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

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

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

Other information

The 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 our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of S&P Trucost Limited (continued)

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

S&P Trucost Limited

Independent Auditor's Report to the Members of S&P Trucost Limited (continued)

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

Use of our report

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

Ernst & Young LLP

Poppy Proborespati (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

25 Churchill Place
Canary Wharf
London
E14 5EY

Date: 17 June 2019

S&P Trucost Limited

Income Statement for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Turnover	3	6,332	3,609
Administrative expenses		<u>(6,115)</u>	<u>(6,330)</u>
Operating profit/(loss)	4	<u>217</u>	<u>(2,721)</u>
Dividends received		56	-
Interest receivable and similar income	5	<u>1</u>	<u>-</u>
		<u>57</u>	<u>-</u>
Profit/(loss) before tax		274	(2,721)
Taxation	9	<u>22</u>	<u>(159)</u>
Profit/(loss) for the financial year		<u>296</u>	<u>(2,880)</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 14 to 31 form an integral part of these financial statements.

S&P Trucost Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	2018	2017
	£ 000	£ 000
Profit/(loss) for the year	<u>296</u>	<u>(2,880)</u>
Total comprehensive income for the year	<u><u>296</u></u>	<u><u>(2,880)</u></u>

The notes on pages 14 to 31 form an integral part of these financial statements.

S&P Trucost Limited

(Registration number: 03929223)**Statement of Financial Position as at 31 December 2018**

	Note	2018 £ 000	2017 £ 000
Non current assets			
Tangible assets	10	-	44
Current assets			
Debtors	12	3,057	2,101
Cash at bank and in hand		411	791
		<u>3,468</u>	<u>2,892</u>
Creditors: Amounts falling due within one year	14	<u>(6,270)</u>	<u>(6,055)</u>
Net current liabilities		<u>(2,802)</u>	<u>(3,163)</u>
Net liabilities		<u>(2,802)</u>	<u>(3,119)</u>
Capital and reserves			
Called up share capital	16	3,189	3,189
Share premium reserve	17	14,288	14,288
Capital redemption reserve	17	437	437
Profit and loss account	17	<u>(20,716)</u>	<u>(21,033)</u>
Total equity		<u>(2,802)</u>	<u>(3,119)</u>

Approved and authorised by the Board on 21 May 2019 and signed on its behalf by:

K Wise
Director

Date: 21.05.2019

The notes on pages 14 to 31 form an integral part of these financial statements.

S&P Trucost Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	3,189	14,288	437	(21,033)	(3,119)
Profit for the year, representing total comprehensive income for the year	-	-	-	296	296
Share based payment transactions	-	-	-	21	21
At 31 December 2018	<u>3,189</u>	<u>14,288</u>	<u>437</u>	<u>(20,716)</u>	<u>(2,802)</u>

The notes on pages 14 to 31 form an integral part of these financial statements.

S&P Trucost Limited

Statement of Changes in Equity for the Year Ended 31 December 2018 (continued)

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	3,189	14,288	437	(18,162)	(248)
Loss for the year , representing total comprehensive loss for the year	-	-	-	(2,880)	(2,880)
Share based payment transactions	-	-	-	9	9
At 31 December 2017	<u>3,189</u>	<u>14,288</u>	<u>437</u>	<u>(21,033)</u>	<u>(3,119)</u>

The notes on pages 14 to 31 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The Company is a private company limited by share capital, incorporated in the United Kingdom.

The address of its registered office is:

20 Canada Square
Canary Wharf
London
E14 5LH

These financial statements were authorised for issue by the Board on 21 May 2019.

2 Accounting policies**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.

Statement of compliance

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006 as it applies to the financial statements of the Company for the year ended 31 December 2018.

Basis of preparation

The preparation of financial statements in compliance with Financial Reporting Standard 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies and are disclosed at the end of these accounting policies.

The financial statements are in Sterling which is the functional currency of the Company and rounded to the nearest £'000, unless otherwise stated.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 4 Statement of Financial Position paragraph 4.12 (a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)**Going concern**

The Company had net liabilities of 2,802,000 (2017: 3,119,000). However, the Company has continuing support from its parent Companies. The Directors have received a letter of support from its parent Company, S&P Global Market Intelligence Inc., confirming that it will continue to provide any support that the Company needs in order to meet its liabilities as they fall due and to continue as a going concern for the foreseeable future, being a period of 12 months from the date at which these financial statements are approved. Thus the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Changes in accounting policy**Presentation of the Income Statement and Statement of Comprehensive Income as separate statements**

The Company has previously prepared financial statements using a single Statement of Comprehensive Income. However, the Directors have opted to prepare a separate Income Statement and Statement of Comprehensive Income to disclose the financial activities for the period as this provides greater clarity for disclosure. There is no impact on the financial statements other than for presentational differences.

Exemption from preparing group accounts

The financial statements contain information about S&P Trucost Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, S&P Global Inc., a company incorporated in United States of America.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company's activities.

Finance income and costs policy

Interest income is measured in profit or loss using the effective interest method.

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)**Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each reporting period, foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Non monetary items measured at fair value are translated using the exchange rate at the date when the fair value was determined. For income and expense items in local currency, these are translated at period end using the average rate for the period.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in other comprehensive income as qualifying cash flows.

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except for when a charge is attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity, the corresponding tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income taxes are offset only if a legally enforceable right exists to set off current year tax assets against current year tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tangible fixed assets

Tangible fixed assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses

The cost of tangible fixed assets include directly attributable incremental costs incurred in their acquisition and installation.

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)**Depreciation**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method, as follows:

Asset class	Depreciation method and rate
long term leasehold improvements	over the shorter of the lease term or the useful life
Furniture, fittings and equipment	between three and ten years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Research and development

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

Intangible assets are recognised from the development phase of a project if, and only if, certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. Development expenditure is capitalised when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use of sale: its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. When development is complete and the asset is available for use, the capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives which range from 3 to 6 years. During the period of development, the asset is tested for impairment annually.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Investments

Investments in subsidiaries are measured at cost less any accumulated impairment. The Company assesses at each reporting date whether an asset may be impaired. If such an indication exists the Company estimates the recoverable amount of the asset. If the recoverable amount is less than the carrying amount, the carrying amount of the asset is impaired and reduced to its recoverable amount through an impairment in the Income Statement. An impairment loss recognised for all assets is reversed in a subsequent period only if the reasons for impairment loss have ceased to apply.

Cash and cash equivalents

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

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Defined contribution pension plan

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)**Share based payments**

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions numbers of equity instruments that will ultimately best or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous reporting date is recognised in the profit or loss account, with the corresponding entry in reserves.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measure on the date of modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expenses immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from reserves, with any excess over fair value being treated as an expense in the profit or loss.

National Insurance on share based payments

To the extent that the share price at the reporting date is greater than the exercise price on options granted under unapproved schemes after 19 May 2000, provision for any National Insurance contributions has been made based on the prevailing rate of National Insurance. The provision is accrued over the performance period attaching to the award.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)**Financial instruments*****Classification***

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are derecognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of the financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are also principally through the provision of goods and services to customers (e.g. trade debtors), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counter-party or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade debtors, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the profit and loss account. On confirmation that the trade debtor will not be collected, the gross carrying value of the asset is written off against the associated provision.

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss.

Financial Liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade creditors are non-interest bearing and are normally settled within 60 days payment terms. All other creditors are non-interest bearing and settled within the payment terms specified.

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)**Impairment of non-financial assets**

The Company assess at each reporting date whether there is an indication that an asset or cash generating unit may be impaired. If such an indication exists, or when annual impairment for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where the carrying value of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the profit or loss account. An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. A reversal of impairment loss is recognised immediately in profit or loss.

Judgements in applying accounting policies and key sources of estimation uncertainty**Bad debt provision**

The provision against trade debtors is calculated using a percentage applied to the age of invoices based upon historic default rates, and is applied to the trade debtor balance as at the reporting date.

Deferred tax assets and provisions for taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)**Share based payments**

The Company uses a lattice-based option-pricing model to estimate the fair value of stock options granted, incorporating a range of assumptions. These assumptions are based on multiple factors, including historical exercise patterns, post-vesting termination rates, expected future exercise patterns and expected volatility of S&P Global Inc.'s share price. The risk-free interest rate is the imputed forward rate based on the U.S. Treasury yield at the date of grant. The Company uses the historical volatility of the S&P Global Inc. stock price over the expected term of the options to estimate the expected volatility. The expected term of options granted is derived from the output of the lattice model and represents the period of time that options granted are expected to be outstanding.

3 Turnover

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

	2018	2017
	£ 000	£ 000
Revenue associated with principal activity	<u>6,332</u>	<u>3,609</u>

The analysis of the company's turnover for the year by market is as follows:

	2018	2017
	£ 000	£ 000
UK	650	751
Europe	1,199	1,566
Rest of world	<u>4,483</u>	<u>1,292</u>
	<u>6,332</u>	<u>3,609</u>

4 Operating profit/ (loss)

Arrived at after charging

	2018	2017
	£ 000	£ 000
Depreciation expense	43	44
Property related expenses	<u>853</u>	<u>1,065</u>

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

5 Interest receivable and similar income

	2018	2017
	£ 000	£ 000
Interest income on bank deposits	<u>1</u>	<u>-</u>

6 Staff costs

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

	2018	2017
	£ 000	£ 000
Wages and salaries	2,947	2,352
Social security costs	479	404
Other short-term employee benefits	66	9
Pension costs, defined contribution scheme	<u>168</u>	<u>144</u>
	<u>3,660</u>	<u>2,909</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Provision of services	<u>35</u>	<u>39</u>

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

7 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2018	2017
	£ 000	£ 000
Remuneration	980	825
Amounts paid in respect of defined contribution schemes	47	40
	<u>1,027</u>	<u>865</u>

Directors' remuneration for two Directors, in respect of performance of qualifying services for a number of S&P Global Inc. group subsidiaries including S&P Trucost Limited, were borne by S&P Global UK Limited.

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

	2018	2017
	No.	No.
Exercised share options	3	3
Accruing benefits under defined contribution schemes	<u>3</u>	<u>3</u>

Directors who exercised share options during the year are members of the share based payment plan operated by S&P Global Inc..

In respect of the highest paid director:

	2018	2017
	£ 000	£ 000
Remuneration	390	301
Amounts paid in respect of defined contribution schemes	<u>17</u>	<u>10</u>

During the year the highest paid director exercised share options.

8 Auditors' remuneration

	2018	2017
	£ 000	£ 000
Auditors' remuneration borne by S&P Global UK Limited	<u>20</u>	<u>25</u>

There is no auditors' remuneration in the Company financial statements as it is all borne by S&P Global UK Limited, a fellow subsidiary undertaking of S&P Global Inc.. There were no non-audit services provided to the Company in either year.

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

9 Taxation

Tax charged/(credited) in the income statement

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	(22)	159

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit/(loss) before tax	274	(2,721)
Corporation tax at standard rate	52	(524)
Non-taxable income	(11)	-
Effect of expenses/other income not deductible/ (not taxable) in determining taxable profit	2	1
Utilisation of prior year losses	(43)	317
Tax underprovided/(overprovided) in prior periods	(22)	159
Tax decrease from effect of capital allowances and depreciation	(4)	(2)
Adjustments in respect of stock compensation	4	2
Group relief surrendered	-	206
Total tax (credit)/charge	(22)	159

Deferred tax

There are £17,288,451 of unused tax losses (2017 - £18,644,746) for which no deferred tax asset is recognised in the Statement of Financial Position.

The current UK corporation tax rate for the 2017/18 tax year is 19%. In 2016, the UK government announced that the rate would be reduced to 17% from 1 April 2020.

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

10 Tangible fixed assets

	Long term leasehold improvements £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost			
At 1 January 2018	328	47	375
At 31 December 2018	328	47	375
Depreciation			
At 1 January 2018	290	41	331
Charge for the year	38	6	44
At 31 December 2018	328	47	375
Carrying amount			
At 31 December 2018	-	-	-
At 31 December 2017	38	6	44

Included within the net book value of land and buildings above is £Nil (2017 - £37,285) in respect of short leasehold land and buildings.

11 Investments in subsidiaries, joint ventures and associates

The Company holds an investment with a cost of £1 (2017: £1) in Trucost China Limited. As Trucost China Limited is now in liquidation, the Company has provided fully against this investment.

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Trucost China Limited	Unit 1, Level 69 International Commerce Centre 1 Austin Road West Kowloon Hong Kong	Ordinary Shares	100%	100%

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

11 Investments in subsidiaries, joint ventures and associates (continued)

The principal activity of Trucost China Limited was to support the Company in the sale of its services to Companies and Investors. The entity is currently in liquidation.

12 Debtors

	Note	2018 £ 000	2017 £ 000
Trade debtors		2,381	1,712
Amounts owed by group undertakings	21	269	-
Prepayments		385	389
Corporation tax asset		22	-
		<u>3,057</u>	<u>2,101</u>

Amounts owed by group undertakings are unsecured, interest free, and repayable on demand.

13 Cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank	<u>411</u>	<u>791</u>

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

14 Creditors

	Note	2018 £ 000	2017 £ 000
Due within one year			
Trade creditors		64	56
Amounts due to group undertakings	21	2,871	3,805
Social security and other taxes		69	87
Accruals and deferred income		<u>3,266</u>	<u>2,107</u>
		<u>6,270</u>	<u>6,055</u>

Amounts owed to group undertakings are unsecured, interest free, and repayable on demand.

15 Pension and other schemes**Defined contribution pension plan**

The company operates a defined contribution pension plan. The pension cost charge for the year represents contributions payable by the company to the plan and amounted to £168,000 (2017 - £144,000).

16 Share capital**Allotted, called up and fully paid shares**

	No. 000	2018 £ 000	No. 000	2017 £ 000
Ordinary shares of £0.001 each	<u>3,188,725</u>	<u>3,189</u>	<u>3,188,725</u>	<u>3,189</u>

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

17 Reserves**Share premium account**

This account relates to the additional contribution paid in excess of the par value of the ordinary share capital.

Capital contribution reserve

This reserve consists of a capital injection into the Company provided by its former parent, S&P Global Indices UK Limited, on acquisition of the Company.

Profit and loss account

Movements related to the foreign exchange on translation of non-presentational currencies, share based payments and profit or loss for the year are recognised through this reserve.

18 Obligations under leases and hire purchase contracts**Operating leases**

The total of future minimum lease payments is as follows:

	2018 £ 000	2017 £ 000
Not later than one year	-	305

The amount of non-cancellable operating lease payments recognised as an expense during the year was £305,000 (2017 - £332,000).

19 Share-based payments

The company participates in various share based payment plans operated by S&P Global Inc., the ultimate parent undertaking. The company's two main plans are the general stock option plan and the restricted Stock and unit awards plan. Details of these plans are contained in the Group's Annual Report.

Stock options**Scheme details and movements**

Stock options may not be granted at a price less than the fair market value of S&P Global Inc. common stock on the date of the grant. Stock options granted vest over a three year service period in equal annual instalments and have a maximum term of 10 years.

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

19 Share-based payments (continued)**Restricted Stock and unit awards****Scheme details and movements**

Restricted stock and unit awards (performance and non performance) have been granted under the 2002 Plan. Restricted stock and unit performance awards will vest only if S&P Global Inc. achieves certain financial goals over the performance period. Restricted stock non performance awards have various vesting periods (generally three years), with vesting beginning on the first anniversary of the awards. Recipients of restricted stock and unit awards are not required to provide consideration to the Company other than rendering service.

The stock based compensation expense for restricted stock and unit awards is determined based on the market price of S&P Global Inc. stock at the grant date of the award applied to the total number of awards that are anticipated to fully vest. For restricted stock and unit performance awards, adjustments are made to expense dependent upon financial goals achieved.

20 Contingent liabilities

The Company is part of a group VAT registration. The contingent liability in respect of its joint and several liabilities as at 31 December 2018 was £2,049,000 (2017: £2,655,000).

21 Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A under Section 33 of FRS 102 from disclosure of related party transactions with other wholly owned fellow subsidiaries of S&P Dow Jones Indices, LLC up to the 1 October 2018, where the entire share capital of the Company was purchased by S&P Global Market Intelligence Inc., a wholly owned subsidiary of S&P Global Inc.

The Company has taken advantage of the exemption under paragraph 33.1A under Section 33 of FRS 102 from disclosure of related party transactions with other wholly owned fellow subsidiaries of S&P Global Inc. after the date of purchase.

During the year, the Company (was charged)/ charged costs from the following companies:

	2018	2017
	£ 000	£ 000
S&P Global European Holdings Luxembourg S.a.r.l	-	(374)
S&P Global Inc.	-	(28)
S&P Global Limited	(352)	(632)
S&P Global Market Intelligence Inc.	(130)	-
S&P Global UK Limited	(3,918)	(4,956)
S&P OpCo, LLC	213	-
Standard & Poor's Financial Services LLC	-	84
	<u>(4,187)</u>	<u>(5,906)</u>

S&P Trucost Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

21 Related party transactions (continued)

At 31 December 2017, the Company (owed)/ was owed the following amounts:

	2018	2017
	£ 000	£ 000
Asia Index Private Limited	26	-
S&P Global Limited	-	(34)
S&P Global UK Limited	-	(3,441)
S&P OpCo, LLC	(165)	-
Standard & Poor's Financial Services LLC	-	(33)
	<u>(139)</u>	<u>(3,508)</u>

At year end, the Company was owed £243,000 from wholly owned subsidiaries of S&P Global Inc. (2017: £Nil from wholly owned subsidiaries of S&P Dow Jones Indices, LLC) and owed £2,706,000 to wholly owned subsidiaries of S&P Global Inc. (2017: £297,000 to wholly owned subsidiaries of S&P Dow Jones Indices, LLC).

22 Post balance sheet events

On 29 March 2017, the British Prime Minister invoked Article 50 of the Lisbon Treaty to initiate an initial two-year period of negotiations for Brexit which has subsequently been extended to 31 October 2019.

The Company is monitoring the situation closely and believes that based on the information currently available, there will be no impact on the financial statements for the year ended 31 December 2018. The Company will continue to monitor progress on these negotiations and to gauge potential implications for the business.

23 Parent and ultimate parent undertaking

In October 2018, S&P Global Market Intelligence Inc. purchased the entire share capital of S&P Trucost Limited from S&P Global Indices UK Limited, the former parent of the Company.

The company's immediate parent is S&P Global Market Intelligence Inc., incorporated in United States of America.

The directors regard S&P Global Inc., a company incorporated in United States of America as the Company's ultimate parent undertaking and controlling party. This is also the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Copies of the group financial statements of S&P Global Inc. can be obtained from:

S&P Global
20 Canada Square
Canary Wharf
London
E14 5LH

They are also available at the global website (<https://www.spglobal.com/>).