London Stock Exchange Group Holdings (Italy) Limited

Report and Financial Statements

For the year ended 31 March 2012

Company Registration Number 06795359

LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED

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LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED
DIRECTORS AND OFFICERS

DIRECTORS

Xavier Rolet
Baroness Janet Cohen
David Warren
Massimo Tononi
Raffaele Jerusalmi

COMPANY SECRETARY

Lisa Condron

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

BANKERS

Intesa Sanpaolo
Piazza della Scala, 6
20121
Milano

LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2012

PRINCIPAL ACTIVITIES

The Company is an investment holding company Its key objective is the monitoring and review of its investments

REVIEW OF BUSINESS

The Company operates a Branch which holds the investments in its subsidiary undertakings The Branch manages the property portfolio of the subsidiaries within Italy

FUTURE DEVELOPMENTS

The Company is expected to continue to operate as an investment holding company

DIVIDENDS

An interim dividend of €90m was paid on 7 July 2011 (2011 €55m) There was no final dividend proposed this year (2011 nil)

DIRECTORS AND DIRECTORS INTERESTS

The following directors have held office during the period

Baroness Janet Cohen
Xavier Rolet
Raffaele Jerusalmi
Massimo Tononi
Doug Webb (resigned 2 July 2012)
David Warren (appointed 2 July 2012)

None of the directors had any interest in the shares of the Company

EMPLOYEES

The support of its staff and, in particular, the Directors and senior managers, is crucial to the continued success of the Company The loss of key members of the Company's staff would have a material adverse effect on its performance To prevent this, succession plans remain in place and reward and incentive systems are regularly reviewed

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with The majority of trade payables are in relation to the interest payable on the loans to the parent company

PRINCIPAL RISKS AND UNCERTAINTIES

A number of potential risks and uncertainties exist which may have an impact on the Company's ability to execute its strategy

The Company's principal operational risks are considered to arise from its status as an investment and property management company The value and management of the investments in subsidiary undertakings are driven by the underlying performance of the investments based on guidance provided by the Company and its Branch The property market in Italy is currently challenging and is reviewed on a regular basis to ensure that the valuations and rental incomes and expenses are in line with current market conditions

Further details of the Company's principal risks and uncertainties are described in the "Review of the business" section of the London Stock Exchange Group plc's Annual Report and Accounts to 31 March 2012, which does not form part of this report

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state that the financial statements comply with IFRSs as adopted by the European Union, 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 the group 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 and 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 forecast 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 the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

DIRECTORS' STATEMENT PURSUANT TO THE DISCLOSURE AND TRANSPARENCY RULES

Each of the directors, whose names and functions are listed in Directors' Report confirm that, to the best of each person's knowledge and belief

- the financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company, and
- the directors' report contained in the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces

LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED
DIRECTORS' REPORT

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 he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting

By order of the Board
David Warren
Director
15 November 2012

REGISTERED OFFICE
10 Paternoster Square, London, EC4M 7LS

LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED

Year ended 31 March 2012

We have audited the financial statements of London Stock Exchange Group Holdings (Italy) Ltd for the year ended 31 March 2012, which comprise the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
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
- 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

Alison Morris
Senior Statutory Auditor
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
November 2012

LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED

INCOME STATEMENT

Year ended 31 March 2012

	Notes	Year ended 31 March 2012 €m	Year ended 31 March 2011 €m
Revenue	4	5.2	4 5
Administrative Expenses	5	(8.1)	(5 6)
Operating loss		(2 9)	(1 1)
Finance income		3.5	2 0
Finance costs		(31 6)	(26 8)
Net finance expense	9	(28.1)	(24 8)
Investment income		125.9	81 8
Profit before taxation		94.9	55 9
Taxation	8	13 9	13 1
Profit for the financial period		108 8	69 0

There are no other items of income or expenditure other than those included within the income statement for the year ended 31 March 2012 and 31 March 2011

LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED
BALANCE SHEET
As at 31 March 2012

	Notes	31 March 2012 €m	31 March 2011 €m
Assets			
Non-current assets			
Property, plant and equipment	10	7 0	4 1
Investment in subsidiary undertakings	11	1,427 3	1,427 3
Deferred tax assets	12	0 1	-
		1,434 4	1,431 4
Current assets			
Trade and other receivables	13	134 6	103 2
Current tax		10 0	11 8
Cash and cash equivalents	15	0 5	1 3
		145 1	116 3
Total assets		1,579 5	1,547 7
Liabilities			
Current liabilities			
Trade and other payables	14	17 6	6 1
		17 6	6 1
Non-current liabilities			
Borrowings	16	572 0	570 5
		572 0	570 5
Total liabilities		589 6	576 6
Net assets		989 9	971 1
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	17	20 2	20 2
Retained earnings		969 7	950 9
Total equity		989 9	971 1

The financial statements on pages 6 to 22 were approved by the Board on 14 November 2012 and signed on its behalf by

David Warren
Director
London Stock Exchange Group Holdings (Italy) Limited

Registered number 06795359

LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED
CASHFLOW STATEMENT
Year ended 31 March 2012

	Notes	Year ended 31 March 2012 €m	Year ended 31 March 2011 €m
Cash flow from operating activities			
Cash (absorbed)/generated from operations	18	(21 9)	2 0
Interest received		3.5	2 1
Interest paid		(31.6)	(52 3)
Tax received/(paid)		15 5	(4 8)
Net cash outflow from operating activities		(34.5)	(53 0)
Cash flow from investing activities			
Purchase of property, plant and equipment		(3.7)	(4 1)
Investment in subsidiaries		-	(0 3)
Dividends received		125 9	81 8
Net cash inflow from investing activities		122 2	77 4
Cash flow from financing activities			
Dividends paid to shareholders		(90 0)	(55 0)
Loans to subsidiary companies		-	(0 2)
Net loans from parent company		1.5	31 0
Net cash outflow from financing activities		(88 5)	(24 2)
(Decrease)/increase in cash and cash equivalents		(0 8)	0 2
Cash and cash equivalents at beginning of year		1 3	1 1
Cash and cash equivalents at end of year	15	0 5	1 3

LONDON STOCK EXCHANGE GROUP HOLDINGS (ITALY) LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2012

	Attributable to equity holders of the Company		
	Ordinary share capital	Retained earnings	Total equity
	€m	€m	€m
1 April 2010	20 2	936 9	957 1
Profit for the financial year	-	69 0	69 0
Interim dividend relating to the year ended 31 March 2011	-	(55 0)	(55 0)
31 March 2011	20 2	950 9	971 1
Profit for the financial year	-	108 8	108.8
Interim dividend relating to the year ended 31 March 2012	-	(90 0)	(90.0)
31 March 2012	20 2	969.7	989.9

1. Basis of Preparation and Accounting Policies

The Companys financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations endorsed by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs

The 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 in conformity with IFRSs 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 London Stock Exchange Group Holdings (Italy) 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 accounts afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of London Stock Exchange Group plc which prepares consolidated financial statements which are publicly available
The Company is a private limited company incorporated and domiciled in the UK The address of its registered office is 10 Paternoster Square, London, EC4M 7LS

1.1 Recent Accounting Developments

The following standards and interpretations have been issued by the International Accounting Standards Board (IASB) and IFRIC and have been adopted in these financial statements

IAS 24 (revised), 'Related party disclosures' - effective for annual periods beginning on or after 1 January 2011,
IFRIC 14, 'Pre payments of a Minimum Funding Requirement' - effective for annual periods beginning on or after 1 January 2011,
IFRIC 19, 'Extinguishing financial liabilities with equity instruments' - effective for annual periods beginning on or after 1 July 2010, and
IFRS various Annual improvements 2011

The adoption of these standards did not have a material impact on these consolidated financial statements

1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes

Revenue is recognised in the period when the service or supply is provided The source of revenue is rental income from the sub let of leases held by the Company

1.3 Foreign Currencies

The financial statements are presented in Euro, which is the Companys presentational and functional currency

Foreign currency transactions are converted into the functional currency using the rate ruling at the date of the transaction or at the monthly average as a proxy 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 Translation differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity

1.4 Finance Income and Expense

Finance income and expense comprises interest earned on cash deposited with financial counterparties and interest paid on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the period

1.5 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 plant and plant and equipment are stated at cost and are depreciated to residual value on a straight line basis over the estimated useful economic lives of the assets, which are as follows

a) Fixed plant - five to 20 years
b) Plant and equipment - three to 15 years

1.6 Current and Deferred Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income

Full provision is made, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements Deferred taxation is determined using tax rates that are substantially enacted at the balance sheet date and are expected to apply when the asset is realised or liability settled Deferred tax assets are recognised to the extent it is probable that they will be recoverable against future taxable profits

1.7 Financial Assets

The Company classifies its financial assets as loans and receivables Management determines the classification of its financial assets at initial recognition

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets Loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet

1.8 Trade Receivables

Trade receivables are non-interest bearing and are stated at their fair value which is usually the original invoiced amount less provision for impairment A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired The amount of the provision is the difference between the asset s carrying amount and the present value of the portion deemed recoverable The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement Subsequent recoveries of amounts previously written off are credited to the income statement

1.9 Borrowings

Borrowings are initially recorded at the fair value of amounts received, net of direct issue costs and transaction costs (including upfront facility fees) Subsequently, these liabilities are carried at amortised cost, and interest is charged to the income statement over the period of the borrowings using the effective interest method Similarly direct issue costs and transaction costs (including upfront facility fees) are charged to the income statement over the period of the borrowings using the effective interest rate method

1.10 Investments in Subsidiary Undertakings

A subsidiary is an entity in which the Company has power to control the financial and operating policies so as to obtain benefits from its activities

Investments are stated in the Company's financial statements at cost lest impairment losses, if any On disposal, the difference between the net disposal proceeds and its carrying amount is included in the income statement

1.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and term deposits that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value

1.12 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 Provision is made in the accounts for the lower of the cost of fulfilling lease commitments for property space surplus to business requirements after taking into account income from sub-letting, and any compensation or penalties arising from failure to fulfill the lease commitments Such provisions are discounted where the time value of money is considered material

1.13 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases Payments made under operating leases are charged to the income statement on a straight-line basis Lease incentives are spread over the term of the lease

The Company leases certain plant and equipment where the Group has substantially all the risks and rewards of ownership These are classified as finance leases Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments

Each lease payment is apportioned between the finance charge and the liability so as to achieve a constant rate on the finance balance outstanding The plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term

2. Financial Risk Management

The Company's activities expose it to a variety of financial risks market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk and the Company's risk management programme seeks to minimise potential adverse effects on its financial performance

2.1 Market Risk

The Company operates predominantly in Italy It has limited exposure to foreign exchange risk arising from currency exposures No foreign exchange hedging has been entered into that remain at the year end

The Company is exposed to interest rate risk through its loan arrangements with its parent, London Stock Exchange Group plc and its subsidiary Borsa Italiana S p A All interest-bearing assets and liabilities attract interest at variable rates No interest rate hedging has been entered into

2.2 Credit Risk

Credit risk is the risk that the Company's counterparties will be unable to meet their obligations to the Company either in part or in full and arises from credit exposures to customers as well as on cash, deposits and derivative financial instruments with banks and financial institutions

Credit risk is controlled through policies developed both at a Company level and, where appropriate, with regulators at an individual subsidiary level

The Company assesses the credit quality of its customers, taking into account their financial position and considering past experience and other factors Trade receivables, net of impairment, are concentrated within the financial community, and are managed as one class of receivables There is a concentration of credit risk with respect to trade receivables as the Company holds a large balance with one customer However the customer is related party with no historic incidence of defaults Given this, management assesses the credit quality of the Company's customers as high

2.3 Liquidity Risk

The Company is exposed to liquidity risk to the extent that it is unable to meet its daily payment obligations The Company maintains sufficient cash and marketable securities together with the availability of funding through adequate committed credit facilities to meet all its financial obligations as these fall due

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date The amounts disclosed in the table are the contractual undiscounted cash flows

At 31 March 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€m	€m	€m	€m
Borrowings	-	450 0	-	122 0
Trade and other payables	17 6	-	-	-
Total	17 6	450.0	-	122.0

At 31 March 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	€m	€m	€m	€m
Borrowings	-	-	450 0	120 5
Trade and other payables	6 1	-	-	-
Total	6.1	-	450 0	120 5

2.4 Capital Risk Management

The Company manages its capital to ensure it will be able to continue as a going concern The capital structure of the Company consists of equity, comprising issued share capital and retained earnings as disclosed in the Statement of Changes in Equity

3. Significant Judgements and Estimates

Judgments and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events

The critical judgments and estimates made in the preparation of these financial statements are those required in determining the value of subsidiary companies for the purposes of impairment, which is based on their cash flows and an appropriate discount rate

4. Revenue

The Company through its Branch earns rental income by sub letting property to operational companies

5. Expenses by Nature

Expenses comprise the following

	Year ended 31 March 2012 €m	Year ended 31 March 2011 €m
Employee costs	1.6	-
Property costs	4 8	5 1
Depreciation and amortisation	0 9	-
IT costs	0 1	-
Professional fees	0.7	0 5
Total expenses	**8 1**	**5 6**

Audit fees covered by Group companies for the current year total £15,000 (approximately €17,975) Audit fees covered by Group companies for the prior year total £15,000 (approximately €17,310)

6. Employee Costs

Employee costs comprise the following

	Year ended 31 March 2012 €'m	Year ended 31 March 2011 €'m
Salaries and short term benefits	1 4	-
Social security costs	0 2	-
Total	1 6	-

As at 31 March 2012 and 31 March 2011, the Company employed no staff directly All staff assigned to the Company are employed by London Stock Exchange plc The employee costs relating to these staff are recharged in full to the Company on a monthly basis

The number of employees in the Company was

	31 March 2012	31 March 2011
Operations	2	-
At period end	**2**	-
Average for the period	2	-

7. Directors' Emoluments

The Directors aggregate emoluments in respect of qualifying services were

	Year ended 31 March 2012 €'m	Year ended 31 March 2011 €'m
Emoluments received	0.2	-
Value of contributions to money purchase schemes	0.4	-
Total	0.6	-

During the period one Director (2011 zero) had retirement benefits accruing under money purchase pension schemes

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

	Year ended 31 March 2012 €'m	Year ended 31 March 2011 €'m
Emoluments received	0.2	-
Value of contributions to money purchase schemes	0 4	-
Total	0 6	-

8. Taxation

The standard UK corporation tax rate was 26% (28% for the year ended 31 March 2011)

		Year ended 31 March 2012 €m	Year ended 31 March 2011 €m
Taxation credited to the income statement			
Current tax			
Corporation tax for the year		13.8	13 1
Deferred taxation	12	0 1	-
Total		13 9	13 1

Factors affecting the tax credit for the year

The reconciling items between the profits multiplied by the UK rate of corporation tax, 26% (2011 28%), and the income statement tax credit for the year are explained below

	Year ended 31 March 2012 €m	Year ended 31 March 2011 €m
Profit before taxation	94 9	55 9
Profit multiplied by standard rate of corporation tax in the UK	24.7	15 7
Expenses disallowed and income not taxable	(39 5)	(28 7)
Effect of overseas tax rates	0.9	(0 1)
Taxation credit	(13.9)	(13 1)

9. Net Finance Expense

	Year ended 31 March 2012 €m	Year ended 31 March 2011 €m
Bank deposit and other interest	(0 2)	-
Interest earned from group undertakings	(3 3)	(2 0)
Interest payable to Parent Company	31.6	26 8
Net Finance Expense	28 1	24.8

10. Property, Plant and Equipment

	Land & Buildings Leasehold €m	Equipment €m	Total €m
Cost			
1 April 2010	-	-	-
Additions	4 1	-	4 1
31 March 2011	4 1	-	4 1
Additions	1 4	2 3	3 7
31 March 2012	**5.5**	**2.3**	**7.8**
Depreciation			
1 April 2010	-	-	-
Depreciation charge for the year	-	-	-
31 March 2011	-	-	-
Depreciation charge for the year	0 4	0 4	0 8
31 March 2012	**0 4**	**0 4**	**0 8**
Net book values			
31 March 2012	**5 1**	**1 9**	**7 0**
31 March 2011	4 1	-	4 1

11. Investment in Subsidiary Undertakings

	Total
	€m
1 April 2010	1,427 1
Acquisition of shares in Borsa Italiana S p A	0 1
Acquisition of shares in Bit Market Services S p A	0 1
31 March 2011	1,427 3
31 March 2012	**1,427.3**

Principal subsidiaries	Principal activity	Country of incorporation	Country of principal operations	% Equity and votes held
Held directly by the Company				
Borsa Italiana S p A	Recognised investment exchange	Italy	Italy	99 99%
BIt Market Services S p A	Retail information services & market technology	Italy	Italy	99 99%
Held indirectly by the Company				
Cassa di Compensazione e Garanzia S p A [1]	CCP for clearing	Italy	Italy	99 99%
Monte Titoli S p A	Pre-settlement, settlement and centralised custody	Italy	Italy	98 83%
Societa per il Mercato dei Titoli di Stato S p A	Wholesale fixed income bonds	Italy	Italy	60 39%
Servizio Titoli S p A 2	Corporate secretary advisory	Italy	Italy	99 99%

12. Deferred Tax

	Accelerated tax depreciation	Provisions and other temporary differences	Total
	€m	€m	€m
1 April 2010 and 31 March 2011	-	-	-
Tax credited to income statement	0 1	-	0 1
31 March 2012	**0 1**	**-**	**0 1**
31 March 2011	-	-	-

The deferred tax asset is available as Consortia Relief against future taxable profits and is due after more than one year

13. Trade and Other Receivables

	31 March 2012 €m	31 March 2011 €m
Current		
Amounts due from subsidiary undertakings	124.4	102 5
Amounts due from associated undertakings	8 0	-
Other receivables	2 2	0 7
Total trade and other receivables	**134.6**	**103 2**

Trade receivables not past due are not considered to be impaired

The carrying amounts of the Company's trade and other receivables are denominated in Euro

The interest bearing loan to Borsa Italiana S p A is included in the Amounts due from subsidiary undertakings line item

14. Trade and Other Payables

	31 March 2012 €m	31 March 2011 €m
Current		
Trade payables	-	2 0
Amounts owed to Parent Company	2.6	2 3
Amounts owed to Subsidiary Companies	4 4	-
Amounts owed to associated undertakings	5.1	-
Accrued Expenditure	1 6	1 8
Deferred income	3 1	-
Other payables	0 8	-
Total trade and other payables	**17 6**	**6 1**

The carrying amount of trade and other payables are reasonable approximations of fair value

15. Cash and Cash Equivalents

	31 March 2012 €m	31 March 2011 €m
Cash at bank	0 5	1 3

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

16. Borrowings

	31 March 2012 €m	31 March 2011 €m
Current		
Loan from parent company	572 0	570 5
	572 0	570 5

17. Ordinary Share Capital

	31 March 2012		31 March 2011	
	Millions	€m	Millions	€m
Issued, called up and fully paid				
Ordinary shares of £1 each	18 7	20 2	18 7	20 2

18. Net Cash Flow Generated from Operations

	31 March 2012 €'m	31 March 2011 €m
Profit before taxation	94.9	55 9
Depreciation and amortisation	0 8	-
Investment income	(125.9)	(81 8)
Net finance expense	28 1	24 7
Increase in trade and other receivables	(31.4)	(0 1)
Increase in trade and other payables	11 6	3 3
Cash (absorbed)/generated from operations	(21.9)	2 0

19. Commitments and Contingencies

There are no commitments that have not been disclosed in the financial statements

There are no contingent liabilities to be recognised in the financial statements

20. Transactions with Related Parties

The Company has loan agreements with its Parent Company, London Stock Exchange Group plc and subsidiaries Borsa Italiana S p A and Bit Market Services S p A

Details as at 31 March 2012 are shown in the table below

Loan counterparty	Amount receivable / (payable) as at 31 March 2012	Amount receivable / (payable) as at 31 March 2011	Term	Interest rate as at 31 March 2012	Interest income / (expense) in the financial year
London Stock Exchange Group plc	€(450 0)m	€(450 0)m	5 years from March 2009, repayable in full on maturity in March 2014	Euribor plus 4 0% per annum	€(27 0)m
London Stock Exchange Group plc	€(122 0)m	€(120 5)m	20 years from January 2008 with 5 equal repayments commencing in January 2024	Euribor plus 1 2% per annum	€(4 4)m
Borsa Italiana S p A	€121 6m	€100 6m	Fifth anniversary of the initial utilisation date which was October 2009	Euribor plus 1 2% per annum	€3 3m
Bit Market Services S p A	€(4 0)m	€(1 0)m	Tenth anniversary of initial utilisation date which was October 2010 or redeemable on demand There is a cap of €30m	Euribor plus 1 2% per annum	€(0 2)m

Transactions with parent company

During the period, the Company engaged in transactions with its parent company, London Stock Exchange Group plc This resulted in interest and loan charges as disclosed in the loan table above The outstanding interest payable amounts to €2,641,815 at year end

Transactions with subsidiary companies

During the period, the Company engaged in loan transactions as well as services with or on behalf of subsidiary companies Borsa Italiana S p A and Bit Market Services S p A The loan activity information is listed in the table above

Total property income, administration service charges and interest income amount to €2,827,944, €808,279 and €3,276,145 respectively for Borsa Italiana S p A The Borsa Italiana S p A trade receivables outstanding at year end amount to €2,097,809 The Trade Payable due amounts to €199,571

Total property income and interest expense amount to €1,317,763 and €149,950 respectively for Bit Market Services S p A Trade receivables total €641,539 and other payables total €169,948

Dividend income for the year was €94,442,496 from Borsa Italiana S p A and €31,480,834 from Bit Market Services S p A

Transactions with companies under common control

During the period, the Company engaged in services with companies under common control resulting in property income of €1,076,639 (2011 €519,209) and cost recharges of €214,944 (2011 €173,882) The amounts due from and payable to companies under common control are disclosed in notes 13 and 14

21. Leases

The Company leases various office properties under non-cancellable operating leases

The total future minimum lease payments under non-cancellable operating leases are due as follows

	2012	2011
	€m	€m
Less than one year	5.9	4 7
More than one year less than five years	21 3	22 3
More than five years	3.7	8 6

Operating lease payments of €4 6m were charged to the income statement during the year

The total future minimum lease payments expected to be received under non-cancellable operating leases are due as follows

	2012	2011
	€m	€m
Less than one year	5.9	4 5
More than one year less than five years	21.2	22 3
More than five years	3.6	8 6

22. Ultimate Parent Company

As at 31 March 2012, the Company's ultimate parent undertaking and the parent that headed the largest group of undertakings for which consolidated financial statements were prepared was London Stock Exchange Group plc, a company incorporated in Great Britain, which is also the Company's parent

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