

FTSE International (Italy) Limited

Report and Financial Statements

For the year ended 31 December 2018

Company Registration Number 6858736



FTSE INTERNATIONAL (ITALY) LIMITED

CONTENTS

PAGE

1.....	<i>Directors and Officers</i>
2.....	<i>Director's Report</i>
5.....	<i>Income Statement</i>
6.....	<i>Statement of Financial Position</i>
7.....	<i>Statement of Changes in Equity</i>
8.....	<i>Notes to the Financial Statements</i>

FTSE INTERNATIONAL (ITALY) LIMITED

DIRECTOR AND OFFICERS

DIRECTOR

M R Ghassemieh
W Samad
P Angell

COMPANY SECRETARY

S Tutton (Resigned 22 Sept 2018)
T Hogan (Appointed 22 Sept 2018)

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

FTSE INTERNATIONAL (ITALY) LIMITED

DIRECTOR'S REPORT

The Director presents his report and the financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the Company is to provide marketing services and promotional activities for its parent company FTSE International Limited, predominantly in Italy and the surrounding territories. All operating expenses incurred except for finance costs and unrealised exchange differences are recharged to a fellow group undertaking at cost plus 6%.

The Company recorded a total income of £963k for the year ended 31 December 2018 (year ended 31 December 2017: £914k), profit after tax of £1k (year ended 31 December 2017: £35k) and its net assets were £160k as at 31 December 2018 (31 December 2017: £159k).

The Director has concluded that there are no other relevant KPIs except for the aforementioned.

The Company is part of London Stock Exchange Group plc (the "Group").

FUTURE DEVELOPMENTS

During the year, the Company has continued to promote the FTSE brand in Italy and the Director expects that the present level of activity will be sustained for the foreseeable future.

DIVIDENDS

No interim dividend for the year ended 31 December 2018 is proposed to be paid (year ended 31 December 2017: nil)

DIRECTORS AND DIRECTORS' INTERESTS

The following Director has held office throughout the year and up to the date of approval of the financial statements:

M Makepeace (Resigned 16 May 2019)

M R Ghassemieh (Appointed 10 May 2019)

W Samad (Appointed 10 May 2019)

P Angell (Appointed 25 September 2019)

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.

FTSE INTERNATIONAL (ITALY) LIMITED

DIRECTOR'S REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

The Group 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.

The Group has adopted a group wide risk management system that provides ongoing formal assurance that all the 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 operational risks are considered to arise from: the Company's ability to attract and retain high quality employees; the Company's dependency on having secure premises and uninterrupted operation of its IT systems and infrastructure; and the Company's businesses and major revenue streams being highly dependent on secure and stable technology performing to high levels of availability and throughput. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company is part of LSEG and financial risk management is carried out by LSEG through its central treasury and financial control functions. LSEG's risk management approach seeks to minimise the potential adverse effects of these risks on the financial performance of the Company

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Director is responsible for preparing the Director's Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director must not approve the financial statements unless he is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director is 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.

FTSE INTERNATIONAL (ITALY) LIMITED

DIRECTOR'S REPORT

DIRECTOR'S LIABILITIES

The Company has Director 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 Director's Report.

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 and a viable business model. 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 and at least 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.

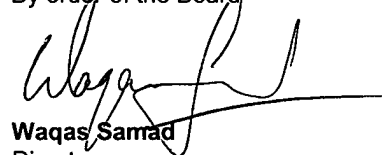
STRATEGIC REPORT

In accordance with section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has taken the exemption not to prepare a strategic report as the Company qualifies as a small company in accordance with sections 382(2) and 383(3) of the Companies Act 2006. In the current year and in the prior year, the Company's turnover was not more than £10,200,000 and the number of employees was not more than 50.

AUDIT EXEMPTION

For the year ended 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

By order of the Board



Waqas Samad
Director

26 September 2019

REGISTERED OFFICE:
10 Paternoster Square
London
EC4M 7LS

FTSE INTERNATIONAL (ITALY) LIMITED

INCOME STATEMENT

Year ended 31 December 2018

		Year ended 31 December 2018	Year ended 31 December 2017
	Notes	£	£
Revenue	4	962,998	914,252
Total income		962,998	914,252
Expenses			
Administrative expenses	5	(904,685)	(866,079)
Total expenses		(904,685)	(866,079)
Operating profit		58,313	48,173
Profit on ordinary activities before taxation		58,313	48,173
Taxation	8	(57,462)	(12,888)
Profit for the financial year		851	35,285

The transactions in the current and in the prior year 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 2018 and the year ended 31 December 2017.

The notes on pages 8 to 18 form an integral part of these financial statements.

FTSE INTERNATIONAL (ITALY) LIMITED

STATEMENT OF FINANCIAL POSITION

At 31 December 2018

		31 December 2018	31 December 2017
	Notes	£	£
Assets			
Non-current assets			
Property, plant and equipment	10	-	235
Other non-current assets		45	45
Deferred tax asset	11	-	17,338
		45	17,618
Current assets			
Trade and other receivables	13	632,932	535,516
Current tax		-	29,011
Cash and cash equivalents	14	135,929	99,466
		768,861	663,993
Total assets		768,906	681,611
Liabilities			
Current liabilities			
Trade and other payables	15	541,403	522,578
Current tax		12,189	-
Provisions	17	55,429	-
		609,021	-
Total Liabilities		609,021	522,578
Net Assets		159,885	159,033
Equity			
Share capital	16	1	1
Retained earnings		159,884	159,032
Total equity		159,885	159,033

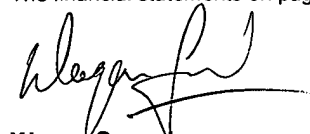
The notes on pages 8 to 18 form an integral part of these financial statements.

For the year ended 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

- the members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with 476; and
- the directors acknowledge their responsibilities for complying with the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 5 to 18 were approved by the Board on 26 September 2018 and signed on its behalf by:



Waqas Samad
Director
26 September 2019

FTSE International (Italy) Limited

Registered number 6858736

FTSE INTERNATIONAL (ITALY) LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Ordinary share capital	Retained earnings	Total attributable to equity holder
	£	£	£
1 January 2017	1	100,321	100,322
Profit for the financial year	-	35,285	35,285
Tax on employee share scheme 2017	-	26,295	26,295
Tax on employee share scheme 2016	-	(2,868)	(2,868)
Share based recharges	-	33,097	33,097
Share based payments	-	(33,097)	(33,097)
31 December 2017	1	159,033	159,034
Profit for the financial year	-	851	851
Share based recharges	-	16,160	16,160
Share based payments	-	(16,160)	(16,160)
31 December 2018	1	159,884	159,885

The notes on pages 8 to 18 form an integral part of these financial statements.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. Basis of preparation and accounting policies

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 by the European Union.

The Company is a qualifying entity for the purposes of FRS 101. Note 19 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

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

- IAS 7 cash flow statements 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 review;
- reduced IFRS 3 disclosure for business combinations during and after the period;
- reduced IFRS 5 disclosure for discounted operations;
- reduced IFRS 7 disclosure of 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; and
- reduced IAS 1.134-1.136 disclosure on capital management.

The following standards and interpretations have been issued by the Financial Reporting Council ("FRC") and have been adopted in these financial statements:

- IFRS 9 'Financial Instruments' on classification and measurement and amendments regarding general hedge accounting
- IFRS 15 'Revenue from Contracts with Customers'
- Amendment to IFRS 4 'Insurance Contracts' regarding the implementation of IFRS 9, 'Financial instruments'
- Amendments to IAS 40 'Transfers of Investment Property'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- IFRIC 23 'Uncertainty over Income Tax Treatments'

The impact of adopting IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' is explained further in Note 3. The remaining standards adopted did not have a material impact on the financial statements.

There were no other standards, interpretations and amendments effective as of 1 January 2018 that were issued by the FRC and adopted for the first time by the Company in these financial statements.

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.

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.

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 and a viable business model. 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 and at least 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.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. Basis of preparation and accounting policies (continued)

Accounting policies

Income statement

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.

Revenue comprises amounts recharged at cost plus 6% to FTSE International Limited (the parent company), in respect of providing marketing services and promotional activities for the parent company in Italy and the surrounding territories.

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, 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. For shares settled in cash, the liability is recorded at fair value with changes in the fair value recognised in the Company's income statement. The Company is recharged costs from LSEG to settle the share based awards made to employees of the Company.

Pension costs

The Company operates a defined contribution Personal Pension Scheme under which the Company pays a core contribution and will match employee contributions up to a maximum of six per cent of pensionable pay; the Company has no legal or constructive obligations 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.

Foreign currencies

These financial statements are presented in Pound 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 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 period-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 income statement 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.

Foreign exchange gains and losses that relate to borrowings and cash at bank are presented in the income statement within 'interest income or expense'. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

Statement of Financial Position

Property, plant and equipment

Property, plant and equipment are included in the financial statements at cost less accumulated depreciation and any provision for impairment. Impairment losses are recognised in the income statement in administrative expenses.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful economic lives, as follows:-

- IT equipment - 3 to 5 years.

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

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 the 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 countries where the Company operates and generates taxable income and any adjustment to tax payable in respect of previous years.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. Basis of preparation and accounting policies (continued)

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

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).

- 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 and trade and other receivables.
- b) *Financial assets at fair value through profit or loss (FVPL)*: all other financial assets not classified as amortised cost or fair value through other comprehensive income (FVOCI) including derivative instruments held by the Company.
- c) *Financial liabilities at amortised cost*: all financial liabilities that are not at fair value through profit or loss are held at amortised cost. This comprises the Company's trade and other payables balances and borrowings.
- d) *Financial liabilities at fair value through profit or loss (FVPL)*: this category includes any derivative instruments held by the Company.

Subsequent measurement

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.

Financial assets at amortised cost - the ECL for trade receivables, contract assets and cash and cash equivalents are calculated using IFRS 9's simplified approach using lifetime ECL. The provision 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.

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.

Trade and other receivables

Trade receivables are non-interest earning and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method 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 trade debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade debtor 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. Where trade receivables are collected by a collection agent, often a fellow group company, the ECL is recognised in the collections agent's financial statements.

Other receivables include amounts due from other companies within the London Stock Exchange Group on 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 provision for impairment.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. Basis of preparation and accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents of the Company comprise cash in hand, deposits held at call with banks, term deposits and investments in money market funds that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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.

Equity and related items

Share capital

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

Dividends

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 shareholders.

2. Significant judgements and estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. There are no significant judgements for the year ended 31 December 2018.

3. Adoption and impact of new accounting standards and interpretations

On 1 January 2018, the Company adopted two new accounting standards: IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'. The impact of adopting the new standards:

IFRS 15 Revenue from Contracts with Customers - impact of adoption on 1 January 2018

The Company adopted IFRS 15 'Revenue from Contracts with Customers' (IFRS 15) with effect 1 January 2018. This new accounting standard requires the Company to recognise revenue when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The new guidance requires more detailed revenue disclosures and policies to identify the Company performance obligations to customers.

The Company has adopted IFRS 15 prospectively from 1 January 2018 under the modified retrospective approach, and consequently the comparative amounts in the Company's financial statements remain unchanged and are reported under IAS 18 'Revenue'. As permitted by IFRS 15, the Company applied the new standard to contracts that were not completed as the 1 January 2018 transition date.

The adoption of IFRS 15 resulted in no material changes to the measurement or timing of revenue recognition for the Company.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Adoption and impact of new accounting standards and interpretations (continued)

IFRS 9 Financial instruments - impact of adoption on 1 January 2018

On 1 January 2018 the Company adopted IFRS 9 'Financial Instruments' and applied the standard retrospectively. There were no changes to the measurement of timing of these financial instruments on conversion to IFRS 9.

The new standard requires financial instruments to be classified as fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) or amortised cost, the impact of which is explained further below:

- Financial assets at amortised cost: At the date of transition, amounts previously reported as loans and receivables are now referred to as financial assets at amortised cost.
- Financial assets at fair value through other comprehensive income (FVOCI): this category includes investments in financial assets. Previously these assets were classified as either 'available for sale at FVOCI' or 'FVPL'. At the date of transition, the assets previously designated as available for sale at FVOCI are now referred to as FVOCI with no change in valuation.
- Financial liabilities at amortised cost: this category includes all financial liabilities that are not included within financial liabilities at fair value through profit or loss and comprise the Company's trade and other payables balances and borrowings. There was no change on the previous treatment for these instruments
- Financial liabilities at fair value through profit or loss (FVPL): There was no change on the previous treatment for these instruments.

IFRS 9 adopts a new approach to calculating impairment losses on financial instruments, a forward-looking approach to estimate expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due and the expected cash flows, which is then discounted at the asset's original effective interest rate. There was no opening reserves adjustment as a result of adopting IFRS 9, however the impact of the new approach on the Company is as follows:

- Financial assets at amortised cost - the ECL for trade receivables, contract assets and cash and cash equivalents has been 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.
- Financial assets at fair value through profit or loss (FVPL) - in accordance with IFRS 9, no ECLs are required for assets held at FVPL.

4. Revenue

Revenue comprises amounts recharged at cost plus 6% to the Parent, in respect of providing marketing services and promotional activities for the parent company in Italy and the surrounding territories, these activities are considered to be one business segment.

The principal customer of the Company is in the United Kingdom. Therefore no further information on business or geographical segments is disclosed.

5. Expenses by nature

Expenses comprise the following:

		Year ended 31 December 2018	Year ended 31 December 2017
	Notes	£	£
Employee costs	6	765,330	688,126
Property rent		79,476	75,127
Depreciation	10	235	1,168
IT costs		17,147	18,090
Other costs		42,497	83,568
Total		904,685	866,079

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

6. Employee costs

Employee costs comprise the following:

		Year ended 31 December 2018	Year ended 31 December 2017
	Note	£	£
Salaries and other short term benefits		540,471	464,466
Social security costs		129,379	163,494
Pension costs	12	23,891	27,069
Share based compensation		16,160	33,097
Redundancy	17	55,429	-
Total		765,330	688,126

The number of employees in the Company was:

At the year end	5	4
Average for the year	5	4

The number of employees in the Company by category was:

Sales	3	2
Operations	2	2

7. Director's remuneration

The Director did not receive any remuneration from the Company since their duties are incidental to their main duties as directors of the parent company, FTSE International Limited. Their remuneration and retirement benefit information are disclosed in the parent company's financial statements.

8. Taxation

The standard UK corporation tax rate was 19% (19.25% for the year ended 31 December 2017).

		Year ended 31 December 2018	Year ended 31 December 2017
Taxation charged to the income statement	Note	£	£
Current overseas tax:		-	(5,951)
Current tax on profits for the year		21,230	15,585
Adjustment in respect of previous years		18,894	(3,817)
Total current tax		40,124	5,817
Deferred tax:			
Deferred tax for the current year	11	-	7,071
Adjustments in respect of previous years		17,338	-
Total deferred tax		17,338	7,071
Tax on profit		57,462	12,888

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

8. Taxation (continued)

	Year ended 31 December 2018	Year ended 31 December 2017
Taxation on items not charged to/(credited to) the income statement	£	£
Taxation on items not credited to the income statement	-	(14,051)
Deferred tax credit:		
Tax allowance on share options/awards in excess of expense recognised	-	(2,892)
Rate change adjustment		
Taxation credit	-	(23,427)

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% (year ended 31 December 2017: 19.25%) as explained below:

	Year ended 31 December 2018	Year ended 31 December 2017
	£	£
Profit before taxation	58,313	48,173
Profit multiplied by standard rate of corporation tax in the UK	11,079	9,607
Expenses not deductible/(income not taxable)		57
Adjustment in respect of previous years	36,232	(3,817)
Overseas earnings taxed at higher rate	10,151	7,375
Taxation charge	57,462	12,888

The UK Finance Bill 2015 was enacted in November 2015 reducing the standard rate of corporation tax from 20 per cent to 19 per cent effective from 1 April 2017 and the UK Finance Bill 2016 was enacted in September 2016 reducing the standard rate of corporation tax further to 17 per cent effective from 1 April 2020.

9. Dividends

No interim dividend for the year ended 31 December 2018 is proposed to be paid (year ended 31 December 2017: nil)

10. Property, plant and equipment

	IT equipment £
Cost:	
At 1 January 2018	38,553
At 31 December 2018	38,553
Accumulated depreciation:	
At 1 January 2018	38,318
Depreciation charge for the year	235
At 31 December 2018	38,553
Net book values:	
At 31 December 2018	-
At 31 December 2017	235

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

11. Deferred tax

	Share based payments £	Accelerated tax depreciation £	Total £
At 1 January 2017	12,047	2,986	15,033
Tax (charged)/credited to income statement:			
Accelerated tax depreciation	(4,085)	(2,986)	(7,071)
Tax credited to equity:			
Allowance on share options/awards	9,376	-	9,376
Rate change adjustment	-	-	-
At 31 December 2017	17,338	-	17,338
Tax (charged)/credited to income statement:			
Tax benefit on share schemes derognised as unlikely to be able to utilise	(17,338)	-	(17,338)
At 31 December 2018	-	-	-
Asset at 31 December 2017	17,338	-	17,338

The deferred tax asset is not recoverable and has been derecognized.

12. Pension commitments

The Company operates a defined contribution scheme. The assets of the defined contribution scheme are held separately from those of the Company in a separate trustee administered fund and the funds are managed by Legal & General Investment Management Limited during the year.

The Company's defined contribution schemes are now the only schemes open to new employees. A core contribution of eight per cent of pensionable pay is provided and the Company will match employee contributions up to a maximum of four per cent of pensionable pay. The contributions made by the Company amount to £24k (year ended 31 December 2017: £27k). There were no amounts outstanding at the reporting date (year ended 31 December 2017: £nil).

13. Trade and other receivables

	31 December 2018 £	31 December 2017 £
Amounts due from parent	627,779	534,262
Amounts due from companies under common control	-	764
Other receivables	5,153	490
Total	632,932	535,516

Amounts due from parent are interest and amounts due from companies under common control are interest free and repayable on demand and the carrying values of trade and other receivables are reasonable approximations of fair values. None of the receivable balances contain past due or impaired assets.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

14. Cash and cash equivalents

	31 December 2018	31 December 2017
	£	£
Cash at bank	135,929	99,466
Total	135,929	99,466

Management does not expect any losses from non-performance by the counterparties holding cash at bank, and there are no differences between their book and fair values.

15. Trade and other payables

	31 December 2018	31 December 2017
	£	£
Trade payables	430	72,648
Amounts owed to ultimate parent	92,774	731
Amounts owed to companies under common control	140,078	200,973
Other payables	48,175	5,868
Accruals	259,946	242,358
Total	541,403	522,578

The carrying amount current liabilities are reasonable approximations of fair value.

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

16. Ordinary share capital

	31 December 2018		31 December 2017	
	Number	£	Number	£
Issued, called up and fully paid				
Ordinary shares of £1 each	1	1	1	1

17. Provisions

	31 December 2018	31 December 2017
	£	£
Non-current provision:		
Other provision	55,429	-

Other provisions primarily relate to the expected costs arising on the restructuring and integration of fellow Group undertakings into the Company's targeted operating model

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

18. Commitments and contingencies

The Company has no capital commitments or other contracted commitments that have arisen in the ordinary course of business (31 December 2017: nil).

19. Share schemes

The London Stock Exchange Group Long Term Incentive Plan (LTIP), approved at the 2015 AGM, has 2 elements, a conditional award of Performance Shares and an award of Matching Shares linked to investment by the executive of annual bonus in the Company's shares - the latter element is not applicable to Executive Directors of the Group. Vesting of these awards is dependent upon the Group's total shareholder return performance and adjusted basic earnings per share. Further details are provided in the Remuneration Report of the Annual Report of London Stock Exchange Group plc for the year ended 31 December 2018, which does not form part of this report.

The SAYE scheme and International Sharesave Plan provide for grants of options to employees who enter into a SAYE savings contract and options were granted at 20% below fair market value. Share awards were granted at nil cost to employees and other share options were granted at fair market value or above.

Share options were exercised on a regular basis throughout the year (year ended December 2017: nil) and the weighted average exercise price was as follows:

	31 December 2018		31 December 2017	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
SAYE	255	20.42	622	15.38
LTIP	1,800	-	2,330	-

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

19. Share schemes (continued)

The range of exercise prices and weighted average remaining contractual life of awards and options outstanding are as follows:

	December 2018		December 2017	
	Number outstanding	Weighted average remaining contractual life Years	Number outstanding	Weighted average remaining contractual life Years
SAYE				
Between £20 and £30	691	0.24	946	0.80
More than £30	754	1.13	478	1.00
LTIP				
Nil	1,646	0.21	3,446	0.70
Total	3,091	0.8	4,870	1.0

20. Ultimate parent company

As at 31 December 2018, the Company's ultimate parent undertaking and the parent that headed the smallest and the largest group of undertakings for which consolidated financial statements were prepared was London Stock Exchange Group plc, a company incorporated in England and Wales. The Company's immediate parent is FTSE International Limited, a company incorporated in England and Wales. One hundred per cent of the issued share capital of the Company was beneficially owned by its ultimate parent undertaking.

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.