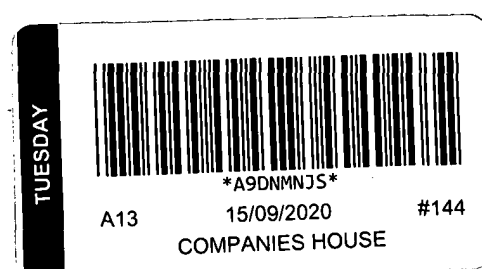


FTSE International (Italy) Limited
Report and Financial Statements
For the year ended 31 December 2019

Company Registration Number 6858736



FTSE INTERNATIONAL (ITALY) LIMITED

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FTSE INTERNATIONAL (ITALY) LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

W Samad	(appointed 10 May 2019)
P Angell	(appointed 25 September 2019)
R C K Martin	(appointed 21 January 2020)

COMPANY SECRETARY

T Hogan

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

INDEPENDENT AUDITORS

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

BANKERS

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

FTSE INTERNATIONAL (ITALY) LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2019.

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 entity at cost plus 6%.

The Company recorded a total income of £498k for the year ended 31 December 2019 (2018: £963k), profit after tax of £294k (2018: £1k) and its net assets were £454k as at 31 December 2019 (2018: £160k).

On 26 November 2019 the Board approved the Company to sell its trade and assets on 1 January 2020 to FTSE Italy S.p.A, a fellow subsidiary of the Group, in exchange for equity consideration in FTSE Italy S.p.A. The equity consideration received will be finalised on completion of the purchase price, working capital and other adjustments and will equate to the fair value of net assets transferred. As such the Company is not expected to make a significant profit or loss on disposal of the operations.

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

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

FUTURE DEVELOPMENTS

During the year, the Company has continued to promote the FTSE brand in Italy. At the date of approving these accounts, the Company continues to exist and has commercial arrangements in place to be reimbursed by the parent company for costs it may incur in future, at a profitable margin. As such, the Company is expected to have sufficient financial resources available to settle its obligation as they fall due, should they arise in the foreseeable future. The Board will continue to review and assess the future purpose and activities of the Company going forward.

DIVIDENDS

No interim dividends have been paid in the year (2018: £nil). No dividends are proposed for the year.

DIRECTORS AND DIRECTORS' INTERESTS

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

M Makepeace	(resigned 16 May 2019)
M R Ghassemieh	(appointed 10 May 2019 and resigned 16 December 2019)
W Samad	(appointed 10 May 2019)
P Angell	(appointed 25 September 2019)
R C K Martin	(appointed 21 January 2020)

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

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

DIRECTORS' REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

London Stock Exchange Group plc (LSEG, 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.

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

The Company is subject to a variety of foreseeable and unforeseeable risks and uncertainties which may have an impact on the Company's ability to execute its strategy and deliver its expected performance. The identification, assessment and management of these risks are central to the Company's operating framework. The Company's risk control 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; and
- 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 Management 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.

The UK's exit from the EU leaves significant uncertainty concerning the political and regulatory environment, the UK's future relationship with the EU, and the overall impact on the UK and EU economies both in the short and medium term. The Company relies on a number of rights that are available to them to conduct business with other EU or EEA members. This includes, without limitation, the right for UK trading venues to offer services to members in the EU or EEA. The Company has analysed the potential impact and considered contingency plans that they may choose to execute should these rights not be replaced by rights that persist outside EU membership.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

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

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

DIRECTORS' LIABILITIES

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

FTSE INTERNATIONAL (ITALY) LIMITED

DIRECTORS' REPORT

Directors' 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. The Board has considered the impact of the transaction on 1 January 2020 which saw the Company sell its trade and assets to a fellow subsidiary in the Group. At the date of approving these accounts, the Company continues to exist and has commercial arrangements in place to be reimbursed by the parent company for costs it may incur in future, at a profitable margin. As such the Company is expected to have sufficient financial resources available to settle its obligation as they fall due, should they arise in the foreseeable future.

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 existence for the foreseeable future and at least 12 months from the date of approval of the financial statements.

EVENTS AFTER THE REPORTING PERIOD

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to the date that the financial statements were authorised for issue. Subsequent to the end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period, and accordingly no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

On 1 January 2020 the Company entered into a transaction to sell its trade and net assets to a fellow subsidiary of the Group. The impact of this transaction is shown throughout the accounts and the fair value of the assets transferred does not materially differ from the carrying value of the net assets therefore there has been no impact on the carrying value of net assets as at the balance sheet date.

Further details of the Company significant events after the reporting period are set out in note 22 of 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.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

During the year Ernst & Young LLP were appointed external auditors of the Company. Ernst & Young LLP have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an annual general meeting.

By order of the Board:



Waqas Samad
Director
20 August 2020

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

INDEPENDENT AUDITORS REPORT TO MEMBERS FTSE (ITALY) LIMITED

YEAR ENDED 31 DECEMBER 2019

OPINION

We have audited the financial statements of FTSE International (Italy) Limited for the year ended 31 December 2019 which comprise the Income Statement, Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 22 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 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 below. 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.

EMPHASIS OF MATTER - EFFECTS OF COVID-19

We draw attention to notes 1 and 22 of the financial statements, which describe the impact of the COVID-19 pandemic on global financial markets and the Company subsequent to the year end. Our opinion is not modified in respect of this matter.

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 Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.
- the corresponding amounts for the year end 31 December 2018 are unaudited.

INDEPENDENT AUDITORS REPORT TO MEMBERS FTSE (ITALY) LIMITED YEAR ENDED 31 DECEMBER 2019

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies in nor preparing the Strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on pages 3 to 4, 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.

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

USE OF OUR REPORT

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

Ernst & Young LLP

Nicholas Dawes (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

24 August 2020

FTSE INTERNATIONAL (ITALY) LIMITED

INCOME STATEMENT

Year ended 31 December 2019

	Notes	Discontinued and total operations 2019 £	Discontinued and total operations 2018 (unaudited) £
Revenue	3	497,610	962,998
Expenses			
Administrative expenses	4	(120,981)	(904,685)
Total expenses		(120,981)	(904,685)
Operating profit		376,629	58,313
Profit on ordinary activities before taxation		376,629	58,313
Taxation	7	(82,528)	(57,462)
Profit for the financial year		294,101	851

The transactions in the current and in the prior year were derived from discontinuing operations.

There are no other items of income or expenditure other than those included within the income statement for the year ended 31 December 2019 and the year ended 31 December 2018.

The notes on pages 10 to 20 form an integral part of these financial statements.

FTSE INTERNATIONAL (ITALY) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	2019 £	2018 (unaudited) £
Assets			
Non-current assets			
Property, plant and equipment		-	-
Other non-current assets		-	45
Deferred tax asset		-	-
		-	45
Current assets			
Trade and other receivables		-	632,932
Cash and cash equivalents		-	135,929
		-	768,861
Assets held for sale	9	1,243,981	-
Total assets		1,243,981	768,906
Liabilities			
Current liabilities			
Trade and other payables		-	541,403
Current tax		-	12,189
Provisions		-	55,429
		-	609,021
Liabilities held for sale	9	789,995	-
Total Liabilities		789,995	609,021
Net Assets		453,986	159,885
Equity			
Share capital		1	1
Retained earnings		453,985	159,884
Total equity		453,986	159,885

The notes on pages 10 to 20 form an integral part of these financial statements.

The financial statements on pages 7 to 20 were approved by the Board on 10 August 2020 and signed on its behalf by:



Waqas Samad
Director
20 August 2020

FTSE International (Italy) Limited

Registered number 6858736

FTSE INTERNATIONAL (ITALY) LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2019

	Share capital	Retained earnings	Total attributable to equity holders
	£	£	£
1 January 2018	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 (unaudited)	1	159,884	159,885
Profit for the financial year		294,101	294,101
Share based recharges		8,651	8,651
Share based payments		(8,651)	(8,651)
31 December 2019	1	453,985	453,986

The notes on pages 10 to 20 form an integral part of these financial statements.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

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 ("EU").

The Company is a qualifying entity for the purposes of FRS 101. Note 20 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS as adopted by the EU may be obtained.

FRS 101 sets out amendments to IFRS that are necessary to achieve compliance with the Act and related regulations. The impact of these amendments to the Company's previously adopted accounting policies in accordance with IFRS as adopted by the EU was not material on the shareholders' equity as at the date of transition and as at 31 December 2019 or on the profit for the year ended 31 December 2019.

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

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

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

- IFRS 16, 'Leases';
- IFRIC 23, 'Uncertainty over Income Tax Treatments';
- Amendments to IAS 28, 'Long-term interest in Associates and Joint Ventures';
- Amendments to IAS 19, 'Plan amendment, curtailment or settlement';
- Amendments to IFRS 9, 'Prepayment features with negative compensation'; and
- Annual improvements to IFRS standards 2015-2017.

The adoption of IFRS 16 and the amendments did not have a material impact on the results of the Company.

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

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

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.

The Board has considered the impact of the transaction on 1 January 2020 which saw the Company sell its trade and assets to a fellow subsidiary in the Group. At the date of approving these accounts, the Company continues to exist and has commercial arrangements in place to be reimbursed by the parent company for costs it may incur in future, at a profitable margin. As such the Company is expected to have sufficient financial resources available to settle its obligation as they fall due, should they arise in the foreseeable future.

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 existence for the foreseeable future and at least 12 months from the date of approval of the financial statements.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. Basis of preparation and accounting policies (continued)

Accounting policies

Discontinued operations

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement. Comparatives are also re-presented to reclassify disposed businesses or held for sale businesses which meet the criteria for discontinued operations.

Assets and liabilities held for sale

Assets and liabilities are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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

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 6% 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 of the reporting entity using the rate ruling at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except for differences arising on pension fund assets or liabilities which are recognised in other comprehensive income.

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.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. Basis of preparation and accounting policies (continued)

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 Other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates taxable income and any adjustment to tax payable in respect of previous years.

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

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

Financial instruments

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

Initial recognition:

- a) *Financial assets at amortised cost* are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. The Company's cash and cash equivalents and trade and other receivables fall within this category.
- b) *Financial assets at fair value through other comprehensive income (FVOCI)* are assets where the objective is achieved by both collecting the contractual cash flows or selling the asset. The contractual cash flows received are solely payments of principal and interest. This category includes investments in equity instruments and quoted debt instruments (predominantly government bonds) held by the CCP businesses of the Company, which are used under the business model to both collect the contractual cash flows and also to sell. Any profit or loss recognised in other comprehensive income on debt instruments is recycled to the income statement if the asset is sold. Any profit or loss on an equity instrument remains in retained earnings and is not recycled through the income statement.
- c) *Financial assets at fair value through profit or loss (FVPL)* include all other financial assets not classified as amortised cost or FVOCI. This category includes CCP businesses' clearing member trading balances comprising derivatives, equity and debt instruments that are marked to market on a daily basis.
- d) *Financial liabilities at fair value through profit or loss (FVPL)* are liabilities that must be held at fair value. This includes all the CCP businesses' clearing member trading balances, comprising derivatives, equity and debt instruments, which are marked to market on a daily basis.
- e) *Financial liabilities at amortised cost* are all financial liabilities that are not included within financial liabilities at FVPL. This comprises the Company's trade and other payables balances, borrowings and other payables to clearing members.

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 and recognised as an allowance against the original value of the asset.

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

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. Basis of preparation and accounting policies (continued)

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

- g) *Financial assets at fair value through other comprehensive income (FVOCI)* - the Company's financial assets held at FVOCI consist of high-quality government bonds that have a low credit risk. The Company's policy is to calculate a 12-month ECL on these assets. If there is a significant increase in credit risk, then a lifetime ECL will be calculated. A significant increase in credit risk is considered to have occurred when contractual payments are more than 30 days past due. Equity instruments are revalued on a regular basis and impaired if necessary.
- h) *Financial assets at fair value through profit or loss (FVPL)* - no ECL is calculated for assets held at FVPL as any expected loss is already recognised in the fair value.

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 bearing and initially recognised at their fair value, which is usually the original invoiced amount, less any provisions for impairment. A provision for impairment of trade receivables is calculated using IFRS 9's simplified approach using lifetime credit losses ("ECL"). Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy or will be subject to a financial reorganisation and/or default or be delinquent on its payment obligations 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 in 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.

Cash and cash equivalents

Cash and cash equivalents comprises deposits held at call with banks, short term deposits with a maturity of three months or less 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.

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.

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 shareholder.

2. Significant judgements and estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. There were no significant judgements or estimates for the year ended 31 December 2019.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

3. 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.

4. Expenses by nature

Expenses comprise the following:

	Notes	2019 £	2018 (unaudited) £
Employee costs	5	403,388	765,330
Property rent		75,389	79,476
Depreciation	10	-	235
IT costs		22,632	17,147
Other costs		(380,428)	42,497
Total		120,981	904,685

Included in other costs are foreign exchange gains of £320,222 (2018: £5,427).

5. Employee costs

Employee costs comprise the following:

	Notes	2019 £	2018 (unaudited) £
Salaries and other short-term benefits		309,911	540,471
Social security costs		78,456	129,379
Pension costs	12	24,405	23,891
Share-based compensation		8,651	16,160
Redundancy	17	(18,035)	55,429
Total		403,388	765,330

The number of employees in the Company was:

At year end	4	5
Average for the year	4	5

The number of employees in the Company by category was:

Sales	3	3
Operations	1	2

6. Directors' remuneration

The Directors 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.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

7. Taxation

The standard UK corporation tax rate was 19% (19% for the year ended 31 December 2018).

		2019	2018 (unaudited)
	Note	£	£
Taxation charged to the income statement	s		
Current overseas tax:			-
Current tax on profits for the year		94,213	21,230
Adjustment in respect of previous years		(11,685)	18,894
Total current tax		82,528	40,124
Deferred tax:			
Deferred tax for the current year	11	-	-
Adjustments in respect of previous years		-	17,338
Total deferred tax		-	17,338
Tax on profit		82,528	57,462

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% (2018: 19%) as explained below:

	2019	2018 (unaudited)
	£	£
Profit before taxation	376,629	58,313
Profit multiplied by standard rate of corporation tax in the UK	71,560	11,079
Expenses not deductible/(income not taxable)	1,697	-
Adjustment in respect of previous years	(11,685)	36,232
Overseas earnings taxed at higher rate	20,956	10,151
Taxation charge	82,528	57,462

On 11 March 2020 it was announced (and received Royal Assent on 22 July 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.

8. Dividends

No interim dividends have been paid in the year (2018: £nil). No dividends are proposed for the year.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

9. Discontinued operations and assets and liabilities held for sale

On 26 November 2019 the Board approved the Company to sell its trade and assets on 1 January 2020 to FTSE Italy S.p.A, a fellow subsidiary of the Group, in exchange for equity consideration in FTSE Italy S.p.A. As such the assets and liabilities are presented as held for sale in the balance sheet as at 31 December 2019.

The carrying amounts of assets and liabilities as at 31 December 2019 are held at the lower of cost or net realisable value less costs to sell.

The equity consideration received will be finalised on completion of the purchase price, working capital and other adjustments and will equate to the fair value of net assets transferred.

The results of the discontinued operations for the year and its comparative are presented in the Income Statement.

The assets and liabilities of the Company as at 31 December 2019, that have been classified as held for sale in the Balance Sheet are as follows:

		2019
Assets	Notes	£
Other non-current assets		1,887
Trade and other receivables	13	1,146,344
Cash and cash equivalents	14	95,750
Assets held for sale		1,243,981
Liabilities		
Trade and other payables	15	658,622
Current tax liabilities		93,990
Provisions	17	37,383
Liabilities held for sale		789,995
Net assets associated with the disposal group		453,986

The carrying amounts of assets and liabilities are held at the lower of cost or net realisable value less costs to sell.

Cash (used in) discontinued operating activities during the year amounted to £(40,179) (2018: generated from £36,463). No cash was generated from discontinued investing or financing activities.

10. Property, plant and equipment

	IT equipment £
Cost:	
At 1 January 2019	38,553
At 31 December 2019	38,553
Accumulated depreciation:	
At 1 January 2019	38,553
Depreciation charge	-
At 31 December 2019	38,553
Net book values:	
At 31 December 2018 (unaudited)	-
At 31 December 2019	-

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

11. Deferred tax

	Share based payments	Accelerated tax depreciation	Total
	£	£	£
At 1 January 2018	17,338	-	17,338
Tax (charged)/credited to income statement:			
Tax benefit on share schemes derecognised as unlikely to be able to use	(17,338)	-	(17,338)
At 31 December 2018 (unaudited)	-	-	-
Tax (charged)/credited to income statement:			
Tax benefit on share schemes derecognised as unlikely to be able to utilise	-	-	-
At 31 December 2019	-	-	-
Asset at 31 December 2019	-	-	-

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

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 8% of pensionable pay is provided and the Company will match employee contributions up to a maximum of 4% of pensionable pay. The contributions made by the Company amount to £24k (2018: £24k). There were no amounts outstanding at the reporting date (2018: £nil).

13. Trade and other receivables

	2019	2018 (unaudited)
	£	£
Amounts due from parent	937,045	627,779
Group Relief surrendered to group companies	521	-
Other receivables	208,778	5,153
Total	1,146,344	632,932

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.

14. Cash and cash equivalents

	2019	2018 (unaudited)
	£	£
Cash at bank	95,750	135,929

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

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

15. Trade and other payables

	2019	2018 (unaudited)
	£	£
Trade payables	2,582	430
Amounts owed to ultimate parent	111,497	92,774
Amounts owed to companies under common control	88,210	140,078
Other payables	108,605	48,175
Accruals	348,467	259,946
Total	659,361	541,403

The carrying amount of trade and other payables 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

	2019		2018 (unaudited)	
	Number	£	Number	£
Issued, called up and fully paid				
Ordinary shares of £1 each	1	1	1	1

17. Provisions

	2019	2018 (unaudited)
	£	£
Non-current provision:		
Other provision	37,383	55,429

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

18. Commitments and contingencies

The Company has no capital commitments or other contracted commitments that have arisen in the ordinary course of business (2018: £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 2019, 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 2018: nil) and the weighted average exercise price was as follows:

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

19. Share schemes (continued)

	2019		2018 (unaudited)	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
SAYE	691	22.38	255	20.42
LTIP	1,475	-	1,800	-

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

	2019		2018 (unaudited)	
	Number outstanding	Weighted average remaining contractual life Years	Number outstanding	Weighted average remaining contractual life Years
SAYE				
Between £20 and £30	-	-	691	0.24
More than £30	998	1.41	754	1.13
LTIP				
Nil	-	-	1,646	0.21
Total	998	1.41	3,091	0.8

20. Ultimate parent company

As at 31 December 2019, the Company's ultimate parent company and the parent that headed the smallest and the largest group of entities for which consolidated financial statements were prepared was London Stock Exchange Group plc. The Company's immediate parent is FTSE International Limited. Both companies are incorporated in England and Wales. 100% of the issued share capital of the Company was beneficially owned by LSEG.

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.

21. Other statutory information

The Company paid £20,583 (2018: £nil) to its auditors in respect of the audit of the financial statements of the Company. Statutory information in remuneration for other services provided by the Company's auditors for the Group is given in the consolidated financial statements of London Stock Exchange Group plc, which is the largest group into which the results of the Company are consolidated. There were no non-audit services provided to the Company in the current year and in the prior year.

FTSE INTERNATIONAL (ITALY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

22. Events after the reporting period

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up to the date that financial statements were authorised for issue. The outbreak of COVID-19 in early 2020 and the response of Governments in dealing with the pandemic has had significant impact on global financial markets and economic activity. The Board will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Company. The Board do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of the outbreak on the Company at this time. As at the date of report issuance, the Company has maintained its liquid capital requirements at all times since the end of the reporting period. The Board have considered the potential impact on the Company and concluded that the going concern assessment remains appropriate. The Board will continue to remain alert to the situation and monitor its cashflow and capital requirements. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period, and accordingly no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

On 1 January 2020 the Company sold its trade and net assets to a fellow Group company. The operations of the Company are considered discontinued operations and the net assets of the Company are treated held for sale as a disposal group as at the balance sheet date. There is no change in recognition or measurement of any of the net assets and the fair value of all assets and liabilities are deemed to be the same as the carrying value of the assets and liabilities on 31 December 2019. The net assets held for sale and discontinued operations are shown in the Income Statement, Balance Sheet and note 9 of the accounts.

Other than those disclosed above, no subsequent events have occurred that would require adjustment or disclosure and have a material effect on the financial statements as at 31 December 2019.