

Turquoise Global Holdings Limited
Report and Financial Statements
For the year ended 31 March 2013

Company Registration Number 07102717



TURQUOISE GLOBAL HOLDINGS LIMITED

CONTENTS

PAGE

1	Directors and Officers
2	Directors' Report
5	Independent Auditors' Report to the Members of Turquoise Global Holdings Limited
6	Consolidated Income Statement and Consolidated Statement of Comprehensive Income
7	Balance Sheets
8	Cash Flow Statements
9	Statements of Changes in Equity
10	Notes to the Financial Statements

TURQUOISE GLOBAL HOLDINGS LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

N Tiefenbrun
D Lester - Chairman
N Bertrand
S McGoldrick
A Krishnan
R Leighton
A Justham
C Woolley
A Yarrow
O Self

COMPANY SECRETARY

L M Condron

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

BANKERS

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

TURQUOISE GLOBAL HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

Turquoise Global Holdings Limited ("TGHL" or the "Company") is an investment firm authorised by the Financial Conduct Authority of the United Kingdom. Initially founded by a consortium of nine investment banks, it is now majority owned by its Ultimate Parent, London Stock Exchange Group ("LSEG"). TGHL is the parent of the following subsidiaries: TTL (Turquoise Trading Limited), TSL (Turquoise Services Limited) and BGL (Baikal Global Limited), together the "Group".

In addition to LSEG, its shareholders currently include twelve of the leading investment banks. TGHL was established to engender greater competition in the secondary trading of European equities, and offers a combination of innovative services, superior technology and competitive pricing. TGHL services include equity and index derivatives, a market characterised by a lack of competition and high costs.

TGHL operates a multilateral trading facility ("MTF") with two discrete trading platforms, one for cash equities and another for derivatives. Members of TGHL can access both equity and derivatives platforms providing they have the appropriate post-trade arrangements in place.

- The TGHL Equity platform offers the secondary trading of Pan-European and US equities, Exchange Traded Funds, Global Depositary Receipts, American Depositary Receipts, Exchange Traded Currency funds and Exchange Traded Commodity funds. TGHL Equities comprises the TQ Integrated Order Book and TQ Midpoint Dark Order Book, each covering some 2,000 securities (includes 175 liquid US equities, ETFs, GDRs and ADRs) over 19 countries, including all major European markets, Spain, Czech, Hungary and the United States. TGHL supports member-choice of central clearer under an interoperable CCP model.
- The TGHL Derivatives platform offers trading of single stock, index and dividend derivatives based on Pan-European and International Order Book ("IOB") equities.

The TGHL trading platforms are hosted in the data-centres of the LSEG and have interfaces common to other markets of LSEG, ensuring that customers accessing other LSEG markets can enjoy access to TGHL with little incremental cost or effort.

Users of the TGHL MTF benefit from fully risk-managed central clearing solutions provided by regulated Clearing Houses, and industry-leading market surveillance to ensure fair and orderly operations.

TGHL is authorised as a BIPRU limited activity investment firm by the Financial Conduct Authority.

REVIEW OF BUSINESS

Turquoise operates both a pan-European MTF cash equity platform, and a derivatives platform for European and Russian equity derivatives.

Amidst lower trading values across Europe, trading on Turquoise during the year ending March 31st 2013 was down 15% to €432.9 billion (prior year: €509.7 billion). However, the platform demonstrated strong growth in the final quarter of the year, achieving a share of trading of 7.4% vs. a full-year average of 5.6% in an environment of higher overall volumes, which resulted in reduced losses.

Over the past year the number of contracts traded on Turquoise Derivatives reduced by 41% to 24 million (2012: 41 million) in line with reductions in other equity derivative markets and lower volumes and volatility in the underlying equities. Investments in the derivatives business to enhance the service and support long-term growth resulted in an annual loss.

FUTURE DEVELOPMENTS

The Company will seek to increase revenues principally through adding new customers for existing services, and through the introduction of new or enhanced trading services.

The Company will control its costs tightly, through constant monitoring, budgeting and forecasting to ensure costs are kept under control.

On 27 June 2013, the Company signed an agreement to sell its derivatives business to London Stock Exchange plc, which is a subsidiary of LSEG, for nominal consideration. Completion of the sale is subject to certain conditions which include obtaining regulatory non-objections.

DIVIDENDS

The Directors have not recommended a dividend (2012: nil).

TURQUOISE GLOBAL HOLDINGS LIMITED

DIRECTORS' REPORT

DIRECTORS AND DIRECTORS' INTERESTS

The following Directors have held office during the financial year

A Justham	(appointed 29 January 2013)
N Tiefenbrun	(appointed 4 December 2012)
C Woolley	(appointed 27 September 2012)
T Wildenberg	(appointed 16 April 2012)
D Lester	
N Bertrand	
S McGoldrick	
A Krishnan	
R Leighton	
A Yarrow	
R Metha	(resigned 5 April 2012)
A Farnham	(resigned 4 December 2012)
A Shagoury	(resigned 29 January 2013)
R Semark	(resigned 13 March 2013)

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

T Wildenberg resigned from the Board on 13 May 2013
O Self was appointed on 3 June 2013

EMPLOYEES

Information on the Company's employment policies is given in the "Business Review" section of LSEG's Annual Report and Accounts to 31 March 2013, which does not form part of this report. LSEG 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. LSEG 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.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

It is the Company's policy to agree payment terms with suppliers when business transactions are negotiated and to make payments in accordance with those terms when goods have been satisfactorily supplied. Creditor days based on the aggregate of the amounts owed to trade creditors at the end of the Financial Year and the operational costs of the Company were 16 days (2012: 6 days).

PRINCIPAL RISKS AND UNCERTAINTIES

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 risk management framework is described in the Corporate Governance section of the Ultimate Parent's Annual Report and Financial Statements to 31 March 2013, which does not form part of this report. In addition to the principal market and operational risks below, the Company is exposed to financial risks that are detailed on page 13.

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

The Company's principal operational risks are considered to arise from change management with the Company having a number of major, complex projects and initiatives underway concurrently, 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.

Further details of the Company's principal risks and uncertainties are described in the "Business Review" section of the LSEG's Annual Report and Financial Statements to 31 March 2013, which does not form part of this report.

TURQUOISE GLOBAL HOLDINGS LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and the company and of the profit or loss of the group for that period. In preparing these 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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

GOING CONCERN

The Directors have reviewed the Company's and Group's forecasts and projections, taking into account reasonably possible changes in trading performance and the sale of the derivatives business, which shows that the Company and Group are expected to have sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company and Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

AUDITORS

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

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

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

By order of the Board



Natan Tiefenbrun
Chief Executive Officer
28 June 2013

REGISTERED OFFICE
10 Paternoster Square, London, EC4M 7LS

TURQUOISE GLOBAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TURQUOISE GLOBAL HOLDINGS LIMITED

Year ended 31 March 2013

We have audited the Group and Company Financial Statements (the "financial statements") of Turquoise Global Holdings Limited for the year ended 31 March 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements, the Group and Company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2013 and of the Group's loss and Group's and Company's cash flows for the year then ended,
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Company 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.



Luke Hanson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 June 2013

TURQUOISE GLOBAL HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2013

	Notes	2013 £'000	2012 £'000
Continuing operations			
Revenue	4	14,711	17,585
Cost of sales	5	(6,714)	(8,611)
Gross profit		7,997	8,974
Expenses			
Administrative expenses before non-recurring items	5	(15,631)	(13,788)
Amortisation of purchased intangibles and non-recurring items	5, 8	(218)	(36)
Total expenses		(15,849)	(13,824)
Operating loss		(7,852)	(4,850)
Analysed as			
Operating loss before non-recurring items		(7,634)	(4,814)
Amortisation of purchased intangibles and non-recurring items		(218)	(36)
Operating loss		(7,852)	(4,850)
Finance income		57	15
Loss before taxation		(7,795)	(4,835)
Taxation	9	942	617
Loss for the financial year		(6,853)	(4,218)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2013

	2013 £'000	2012 £'000
Loss for the financial year	(6,853)	(4,218)
Other comprehensive (expense)/income		
Cash flow hedge	(36)	24
Other comprehensive (loss)/profit for the financial year	(36)	24
Total comprehensive loss for the financial year	(6,889)	(4,194)

TURQUOISE GLOBAL HOLDINGS LIMITED

BALANCE SHEETS

As at 31 March 2013

		Group		Company	
		2013	2012	2013	2012
	Notes	£'000	£'000	£'000	£'000
Assets					
Non-current assets					
Intangible assets	11	10,368	11,369	10,368	11,369
Investment in subsidiary undertakings	12	-	-	15,557	15,557
Deferred tax assets	13	333	485	333	482
Other non-current assets		-	179	-	179
		10,701	12,033	26,258	27,587
Current assets					
Trade and other receivables	14	4,459	4,688	4,884	5,188
Derivative financial instruments		-	24	-	24
Cash and cash equivalents	15	14,895	16,269	13,681	13,409
		19,354	20,981	18,565	18,621
Total assets		30,055	33,014	44,823	46,208
Liabilities					
Current liabilities					
Trade and other payables	16	8,258	4,300	24,009	17,589
Derivative financial instruments		12	-	12	-
Non-current liabilities					
Deferred tax liabilities	13	312	352	312	352
Total liabilities		8,582	4,652	24,333	17,941
Net assets		21,473	28,362	20,490	28,267
Equity					
Capital and reserves attributable to the Company's equity holders					
Ordinary Share capital	17	14,000	14,000	14,000	14,000
Share Premium		6,000	6,000	6,000	6,000
Other Reserves		30,322	30,358	30,322	30,358
Retained losses		(28,849)	(21,996)	(29,832)	(22,091)
Total equity		21,473	28,362	20,490	28,267

The financial statements on pages 6 to 26 were approved by the Board on 28 June 2013 and signed on its behalf by



Natan Tiefenbrun
Chief Executive Officer
Turquoise Global Holdings Limited

Registered number 07102717

TURQUOISE GLOBAL HOLDINGS LIMITED

CASHFLOW STATEMENTS

Year ended 31 March 2013

	Notes	Group		Company	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
Cash flow from operating activities					
Cash absorbed by operations	18	(1,533)	(7,725)	(889)	(8,991)
Interest received		63	15	63	39
Interest paid		(6)	-	(785)	(702)
Corporation tax received		102	-	-	-
Net cash outflow from operating activities		(1,374)	(7,710)	(1,611)	(9,654)
Cash flow from investing activities					
Net cash inflow from acquisitions		-	1,577	-	7,397
Net cash inflow from investing activities		-	1,577	-	7,397
Cash flow from financing activities					
Issue of ordinary shares		-	9,000	-	9,000
Loan from subsidiary company		-	-	1,883	65
Capital contribution from Parent company		-	6,400	-	6,400
Net cash inflow from financing activities		-	15,400	1,883	15,465
(Decrease)/increase in cash and cash equivalents		(1,374)	9,267	272	13,208
Cash and cash equivalents at beginning of the year		16,269	7,002	13,409	201
Cash and cash equivalents at end of the year	15	14,895	16,269	13,681	13,409

TURQUOISE GLOBAL HOLDINGS LIMITED

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2013

Attributable to equity holders of the Group							
Group	Ordinary share capital £'000	Share premium account £'000	Accumulated losses £'000	Other Reserves			Total attributable to equity holders £'000
				Capital contribution reserve £'000	Merger reserve £'000	Hedging reserve £'000	
1 April 2011	11,000	-	(17,778)	15,000	8,934	-	17,156
Total comprehensive (loss)/profit for the year	-	-	(4,218)	-	-	24	(4,194)
Issue of share capital	3,000	6,000	-	-	-	-	9,000
Capital contribution	-	-	-	6,400	-	-	6,400
Employee share scheme expenses	-	-	-	180	-	-	180
Employee share scheme recharges	-	-	-	(180)	-	-	(180)
31 March 2012	14,000	6,000	(21,996)	21,400	8,934	24	28,362
Total comprehensive loss for the year	-	-	(6,853)	-	-	(36)	(6,889)
Employee share scheme expenses	-	-	-	276	-	-	276
Employee share scheme recharges	-	-	-	(276)	-	-	(276)
31 March 2013	14,000	6,000	(28,849)	21,400	8,934	(12)	21,473

Attributable to equity holders of the Company							
Company	Ordinary share capital £'000	Share premium account £'000	Accumulated Losses £'000	Other Reserves			Total attributable to equity holders £'000
				Capital contribution reserve £'000	Merger reserve £'000	Hedging reserves £'000	
1 April 2011	11,000	-	(15,300)	15,000	8,934	-	19,634
Total comprehensive (loss)/income for the year	-	-	(6,791)	-	-	24	(6,767)
Issue of share capital	3,000	6,000	-	-	-	-	9,000
Capital contribution	-	-	-	6,400	-	-	6,400
Employee share scheme expenses	-	-	-	180	-	-	180
Employee share scheme recharges	-	-	-	(180)	-	-	(180)
31 March 2012	14,000	6,000	(22,091)	21,400	8,934	24	28,267
Total comprehensive loss for the year	-	-	(7,741)	-	-	(36)	(7,777)
Employee share scheme expenses	-	-	-	276	-	-	276
Employee share scheme recharges	-	-	-	(276)	-	-	(276)
31 March 2013	14,000	6,000	(29,832)	21,400	8,934	(12)	20,490

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

1. Basis of Preparation and Accounting Policies

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

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

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

The Company is a private limited company incorporated and domiciled in the UK. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS

The Directors have reviewed the Company's and Group's forecasts and projections, taking into account reasonably possible changes in trading performance which show that the Company and Group are expected to have sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company and Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements

1.1 Recent Accounting Developments

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

- Amendments to IFRS 1, 'First time adoption' - exemption for severe hyperinflation and removal of fixed dates,
- Amendment to IFRS 7, 'Financial instruments: Disclosures' - disclosures on transfers of financial assets, and
- IFRS various Annual improvements 2012

The adoption of these standards did not have a material impact on these consolidated Financial Statements

The following standards and interpretations were issued by the "IASB" and "IFRIC", but have not been adopted either because they were not endorsed by the European Union ("EU") at 31 March 2013 or they are not yet mandatory and the Group has not chosen to early adopt. The impact on the Group's financial statements of the future standards, amendments and interpretations is still under review, but the Group does not expect any of these changes to have a material impact on the results or the net assets of the Group

International accounting standards and interpretations	Effective date
Amendment to IAS 1, 'Presentation of financial statements' - presentation of items of other comprehensive income	1 July 2012
Amendment to IAS 12, 'Income taxes - deferred tax accounting for investment properties'	1 January 2013
IAS 19 (revised) 'Employee benefits'	1 January 2013
Amendment to IFRS 7, 'Financial instruments: Disclosures'	1 January 2013
IFRS 10, 'Consolidated financial statements'	1 January 2013
IFRS 11, 'Joint arrangements'	1 January 2013
IFRS 12, 'Disclosure of interests in other entities'	1 January 2013
IFRS 13, 'Fair value measurement'	1 January 2013
IAS 32, 'Financial instruments: Presentation'	1 January 2014

1.2 Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries with all intercompany balances and transactions eliminated. The results of subsidiaries sold or acquired are included in the income statement up to, or from, the date that control passes. As permitted by Section 408 of the Companies Act 2006, the Company's Income Statement and Statement of Comprehensive Income has not been included in these financial statements. The Company's comprehensive income for the year is disclosed within the statement of changes in equity

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Adjustments to fair values include those made to bring accounting policies into line with those of the Group

Investments in subsidiaries are reviewed for impairment when events indicate the carrying amount may not be recoverable and are accounted for in the Company's Financial Statements at cost less accumulated impairment losses

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

1.3 Revenue

Equity revenue, which is derived from the provision of electronic execution services for secondary trading of pan-European equities, 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. Equity revenue is recognised in the year when the service or supply is provided.

Derivative 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.

The derivative revenue is recognised in the year when the service or supply is provided. The sources of derivative revenue are:

- a) Trade, exercise and assignment fees, which are recognised in the month in which the transaction occurs. A volume based discount scheme and revenue share agreement is then applied to the fees if members qualify, and
- b) Market access fees, for which billing is prepared quarterly, are recognised as the service is provided.

1.4 Non-Recurring Items

Items of income and expense that are material by size and/or nature and are non-recurring are classified as non-recurring items on the face of the income statement within their relevant category. The separate reporting of these items together with amortisation of purchased intangible assets helps give an indication of the Group's underlying performance.

1.5 Foreign Currencies

These financial statements are presented in pounds Sterling ("Sterling"), which is the Company's and Group's presentational and functional currency.

Foreign currency transactions are converted into the functional currency using the rate ruling at the date of the transaction or at the monthly average as a proxy. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or expense'. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses before non-recurring items'.

1.6 Intangible Assets

Goodwill arising on the acquisition of subsidiaries represents the excess of consideration paid over the fair value of the Group's share of net identifiable assets purchased. It is not amortised but is tested for impairment annually and when there are indications that the carrying value may not be recoverable, and is carried at cost less accumulated impairment losses.

On the acquisition of a business, fair values are attributed to the assets and liabilities acquired. These may include brand names, customer relationships, licences and software intellectual property, all of which are recorded as intangible assets and held at cost less accumulated amortisation. These assets are amortised on a straight line basis over their useful economic lives, which do not normally exceed 25 years or the term of the licence. The amortisation period and method are reviewed and adjusted, as appropriate, at each balance sheet date.

Third party software costs for the development and implementation of systems which enhance the services provided by the Group are capitalised and amortised over their estimated useful economic lives of three years.

Internal product development expenditure is capitalised if the costs can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable and the Group has sufficient resources to complete the development and to use or sell the asset. The assets are recorded at cost including labour, directly attributable costs and any third party expenses, and amortised over useful economic lives of three years.

Research expenditure is written off in the period in which it is incurred. Development expenditure is written off in the period in which it is incurred, unless it meets the requirements as detailed below. Costs are capitalised and are amortised over the useful life of the developed product of 3 to 5 years, when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use,
- management intends to complete the software product and use or sell it,
- there is an ability to use or sell the software product,
- it can be demonstrated how the software product will generate probable future economic benefits,

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

- adequate technical, financial and other resources to complete the development and to use or sell the software product are available, and
- the expenditure attributable to the software product during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

1.7 Investment in Subsidiary Undertakings

A subsidiary is an entity in which the Company has power to control the financial and operating policies so as to obtain benefits from its activities. Investments in subsidiaries are stated in the Company's financial statements at cost less impairment losses, if any. On disposal, the difference between the net disposal proceeds and its carrying amount is included in the income statement.

1.8 Current and Deferred Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate 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. The deferred income 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 tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal is controlled by the company or it is probable that the temporary difference will not reverse in the foreseeable future.

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 on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.9 Financial Assets

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

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

1.10 Trade Receivables

Trade receivables are non-interest bearing and are stated at their fair value, which is usually the original invoiced amount less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or will be subject to a financial re-organisation and / or default on 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.

1.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, 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.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

1.12 Hedging activities

The Group designates as cash flow hedges both foreign currency derivatives and hedges of interest rate movements associated with highly probable forecast transactions. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity.

In order to qualify for hedge accounting, a transaction must meet strict criteria as regards documentation, effectiveness, probability of occurrence and reliability of measurement. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. Effectiveness testing is conducted at each reporting date and at the commencement and conclusion of any hedge in order to verify that the hedge continues to satisfy all the criteria for hedge accounting to be maintained. The ineffective portion is recognised in the income statement within finance costs.

Amounts accumulated in equity are recycled in the income statement in the year when the hedged item affects profit or loss (for example, when the forecast transaction that is hedged takes place). When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

1.13 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. The charge to the income statement is determined by the fair value of the options granted or shares awarded at the date of grant as an indirect measure of the value of employee services received by the Company and recognised over the relevant vesting period.

The London Stock Exchange Group Long Term Incentive Plan (LTIP), approved at the 2004 AGM, has two 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. Vesting of these awards is dependent upon the Company's total shareholder return performance and for awards made since 2008, adjusted earnings per share.

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 per cent 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.

2. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's risk management programme seeks to minimise potential adverse effects on its financial performance whilst fulfilling its regulatory obligations.

2.1 Market Risk

The Group operates predominantly in the UK but is also exposed to foreign exchange risk arising from currency exposures, principally between Sterling, Euro, Norwegian Kroners and US Dollars. Foreign exchange hedging has been entered into with respect to Euros and US Dollars to mitigate exchange rate risks.

2.2 Credit Risk

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

Credit risk is controlled through policies developed both at a London Stock Exchange Group level and with regulators. Credit risk is managed by depositing funds with counterparties of high quality in accordance with London Stock Exchange Group approved policy. This involves managing the credit risk of cash and cash equivalents by limiting the exposure of London Stock Exchange Group in aggregate to £50 million with counterparties who have a minimum long term rating of Aa3 (per Moody's).

The Group assesses the credit quality of its customers, taking into account their financial position and considering past experience and other factors. Trade receivables, net of impairment, are concentrated in the financial community, and are managed as one class of receivables. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers and, generally, a low historic incidence of customer defaults. Given this, and the recurring nature of the billing and collection arrangements, management assesses the credit quality of the Group's customers as high.

2.3 Liquidity Risk

The Group is exposed to liquidity risk to the extent that it is unable to meet its daily payment obligations. The Group maintains sufficient cash and marketable securities to meet all its financial obligations as they fall due.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

The Group's liquidity is managed by London Stock Exchange Group. Management monitors forecasts of the Group's liquidity, prepared to reflect expected cash flow, and overlays sensitivities to these forecasts to reflect assumptions about more difficult market conditions. Liquidity risk is managed by depositing funds with counterparties of high quality in accordance with London Stock Exchange Group approved policy.

No separate analyses has been prepared to split the Company's or Group's financial liabilities into relevant maturity groupings because all liabilities are expected to be paid, based upon their contractual maturity date, within one year.

2.4 Capital Risk Management

The Group manages its capital to ensure it meets its regulatory capital requirements and will be able to continue as a going concern. The capital structure of the Group consists of equity, comprising issued share capital, share premium, merger reserves, reserves and retained earnings as disclosed in the Balance Sheet and in note 17.

The Group is required to maintain certain levels of liquidity for regulatory and operational purposes. These requirements are agreed with the Financial Conduct Authority. As at 31 March 2013 the Group held capital resources which exceeded the minimum regulatory capital required.

3. Significant Judgements and Estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The significant judgements and estimates for the year ended 31 March 2013 are as follows:

Goodwill - tested for impairment annually. The recoverable amounts of relevant cash generating units are based on value in use calculations using management's best estimate of future performance and estimates of the return required by shareholders to determine an appropriate discount rate.

Purchased intangible assets - valued on acquisition using appropriate methodologies and amortised over their estimated useful economic lives. These valuations and lives are based on management's best estimates of future performance and periods over which value from the intangible assets is realised.

Corporation taxes - estimates are required in determining the provision for corporation taxes. The Group recognises liabilities for the estimated tax charge at the year end and where the final tax liability is different from that estimate, such differences are reflected in the year in which such determination is made.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

4. Revenue

	2013 £'000	2012 £'000
Equity		
Integrated trading	10,031	11,898
Mid-point trading	1,313	2,182
Other	1,083	424
Total Equity Revenue	12,427	14,504
Derivative		
Trading Revenue	2,002	3,051
Other	282	30
Total Derivative Revenue	2,284	3,081
Total Revenue	14,711	17,585

The principal operations and customers of the Group are in the United Kingdom and Europe

5. Expenses by Nature

Expenses comprise the following

	Notes	2013 £'000	2012 £'000
Cost of Sales		6,714	8,611
Employee costs	6	1,851	2,723
Property costs		518	475
Amortisation of intangible assets		783	995
IT costs		10,716	9,970
VAT recovery		(130)	(1,584)
Other costs		1,893	1,209
Amortisation of purchased intangibles and non-recurring items	8	218	36
Total		22,563	22,435

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

6. Employee Costs

Employee costs comprise the following

	2013	2012
	£'000	£'000
Salaries and other short term benefits	1,403	2,157
Social security costs	171	272
Pension costs	106	198
Other costs	171	96
Total	1,851	2,723
	2013	2012
The number of employees in the group was		
At year end	13	18
Average for the year	14	20

7. Directors' Emoluments

The Directors' aggregate emoluments in respect of qualifying services were

	2013	2012
	£'000	£'000
Emoluments received	430	403
Benefits	6	11
Value of contributions to money purchase schemes	25	21
Share based payments	63	-
Total	524	435

During the year one (2012 one) Director had retirement benefits accruing under money purchase pension schemes

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

	2013	2012
	£'000	£'000
Emoluments received	218	353
Benefits	1	11
Value of contributions to money purchase schemes	9	21
Share based payments	63	-
Total	291	385

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

8. Amortisation of Purchased Intangibles and Non-Recurring Items

	2013	2012
	£'000	£'000
Amortisation of purchased intangible assets	218	218
Restructuring costs	-	(182)
Total	218	36

9. Taxation

	Notes	2013	2012
		£'000	£'000
Taxation credited to the income statement			
Current tax			
Corporation tax for the year - Consortia Relief		953	606
Adjustment in respect of previous years		101	(21)
		1,054	585
Deferred taxation	13		
Deferred tax for the current year		(43)	29
Adjustment in respect of previous years		(69)	3
Taxation credit		942	617

The adjustments in respect of previous years' corporation tax are mainly in respect of tax returns of subsidiary undertakings agreed with relevant tax authorities

Factors affecting the tax credit for the year

The reconciling items between the profits multiplied by the UK rate of corporation tax, 24% (2012 26%), and the income statement tax credit for the year are explained below

	2013	2012
	£'000	£'000
Loss before taxation	(7,795)	(4,835)
Loss multiplied by standard rate of corporation tax in the UK	1,871	1,257
Income/(expenses) disallowed for tax purposes	(27)	(33)
Adjustment in respect of previous years	32	(18)
Losses not recognised	(934)	(589)
Taxation credit	942	617

10. Dividend

No dividend has been proposed or paid for the year (2012 nil)

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

11. Intangible Assets

Group and Company	Goodwill £000	Software £000	Purchased Intangible Assets £000	Total £000
Cost				
1 April 2011	7,377	2,932	3,337	13,646
Write down	-	(125)	-	(125)
31 March 2012	7,377	2,807	3,337	13,521
31 March 2013	7,377	2,807	3,337	13,521
Amortisation and accumulated impairment				
1 April 2011	-	878	246	1,124
Amortisation charge for the year	-	935	218	1,153
Write down	-	(125)	-	(125)
31 March 2012	-	1,688	464	2,152
Amortisation charge for the year	-	783	218	1,001
31 March 2013	-	2,471	682	3,153
Net book values				
31 March 2013	7,377	336	2,655	10,368
31 March 2012	7,377	1,119	2,873	11,369

On the 1 April 2011 the goodwill and the purchased intangibles of the group were transferred into the Company. This was following the transfer of the trading businesses of its subsidiaries into the Company, and reflected the value attributable to the goodwill and the purchased intangibles which is now held by the Company.

Purchased intangible assets primarily comprise customer relationships.

Impairment tests for goodwill

The carrying value of goodwill as at 31 March 2013 was tested for potential impairment by calculating the value in use using discounted cash flow projections prepared by management covering the five year period ending 31 March 2018. Cash flows beyond this period were extrapolated using an estimated long term growth rate of 2.3 per cent, which represents management's internal forecast based on external estimates of GDP and inflation for the ten year period 1 January 2008 to 31 December 2017, and does not exceed the UK long term average growth rate.

A pre-tax discount rate of 13.7 per cent, applied to the cash flow projections, is based on a number of factors including the UK risk free rate, the Company's estimated market risk premium and a premium to reflect the inherent risks of the business. In addition to the long term growth rate and discount rate, the value in use calculation is based on key assumptions about short and medium term revenue and cost growth. These assumptions reflect current trends, anticipated market developments, discussions with customers and suppliers and management's experience.

Management believes goodwill allocated to the Company is unlikely to be impaired under any reasonable changes to key assumptions.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

12. Investment in Subsidiary Undertakings

	Baikal Global Limited	Turquoise Services Limited	Turquoise Trading Limited	Total
	£'000	£'000	£'000	£'000
1 April 2011	157	12,025	24,058	36,240
Impairment	-	(11,521)	(9,162)	(20,683)
31 March 2012	157	504	14,896	15,557
31 March 2013	157	504	14,896	15,557

Principal subsidiaries	Principal activity	Country of incorporation	Country of principal operations	% Equity and votes held
Turquoise Trading Limited	Non Trading	United Kingdom	United Kingdom	100%
Turquoise Services Limited	Non Trading	United Kingdom	United Kingdom	100%
Baikal Global Limited	Non Trading	United Kingdom	United Kingdom	100%

During the year, the Company did not recognise an impairment charge relating to any of its investments

13. Deferred Tax

	Group			Company		
	Accelerated capital allowances	Amortisation of purchased intangibles	Total	Accelerated capital allowances	Amortisation of purchased intangibles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
1 April 2011	482	(381)	101	-	-	-
Transfer on acquisition of business	-	-	-	482	(381)	101
Tax credited to income statement	3	29	32	-	29	29
1 April 2012	485	(352)	133	482	(352)	130
Tax credited to income statement	(152)	40	(112)	(149)	40	(109)
31 March 2013	333	(312)	21	333	(312)	21
31 March 2012	485	(352)	133	482	(352)	130

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

The Group and Company has unrecognised deferred tax assets in respect of losses of £49m (2012 £48m) which relates primarily to the equities business. The assets would be recognised in the future only if suitable taxable income were to arise within the Group

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

14. Trade and Other Receivables

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Current				
Trade receivables	447	1,107	447	1,107
Amounts due from companies under common control	1,260	1,192	1,260	1,461
Corporation tax - Consortia relief receivable on surrender of tax losses	1,506	554	1,927	785
Prepayments and accrued income	1,246	1,835	1,250	1,835
Total trade and other receivables	4,459	4,688	4,884	5,188

The carrying values less impairment provision of trade and other receivables are reasonable approximations of fair values
Trade receivables not past due are not considered to be impaired

Ageing of past due debtors for the Group is as follows

	2013		2012	
	Impaired £'000	Not impaired £'000	Impaired £'000	Not impaired £'000
0 to 3 months past due	-	104	-	108
Greater than 3 months past due	209	54	74	307
Total trade receivables	209	158	74	415

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Sterling	4,269	4,279	4,694	4,779
Euro	167	344	167	344
US Dollars	20	25	20	25
Other	3	40	3	40
Total trade receivables	4,459	4,688	4,884	5,188

Other currencies comprise mainly of Norwegian Kroners

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

15. Cash and Cash Equivalents

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Cash at bank	3,358	5,182	2,144	2,322
Short term deposits	11,537	11,087	11,537	11,087
Total	14,895	16,269	13,681	13,409

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

16. Trade and Other Payables

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Current				
Trade payables	377	359	377	359
Amounts owed to ultimate parent company and companies under common control	5,542	1,091	5,542	949
Amounts owed to subsidiary undertakings	-	-	16,593	14,560
Accrued expenditure and deferred income	1,720	2,330	878	1,425
Social security and other taxes	619	520	619	296
Total trade and other payables	8,258	4,300	24,009	17,589

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

17. Ordinary Share Capital

	2013		2012	
	£'000	£'000	£'000	£'000
Issued, called up and fully paid				
Ordinary shares of £1 each	14,000	14,000	14,000	14,000

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

18. Net Cash Flow Absorbed from Operations

	Group		Company	
	2013 £'000	2012 £000	2013 £'000	2012 £000
Loss before taxation	(7,795)	(4,835)	(8,775)	(7,514)
Amortisation	1,001	1,213	1,001	1,213
Impairment of investment in subsidiaries	-	-	-	20,682
Gain on acquisition of assets	-	-	-	(18,691)
Finance income	(63)	(15)	(63)	(39)
Finance expense	6	-	987	702
Decrease/(increase) in trade and other receivables	1,435	1,408	1,700	(251)
Increase/(decrease) in trade and other payables	3,883	(5,496)	4,261	(5,093)
Cash absorbed by operations	(1,533)	(7,725)	(889)	(8,991)

19. Commitments and Contingencies

Contracted capital commitments and other contracted commitments not provided for in the financial statements of the Company and the Group were both £nil (2012 £nil)

20. Share Schemes

Movements in the number of share options and awards outstanding and their weighted average exercise prices are as follows

	Share options		SAYE Scheme		LTIP	
	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price
1 April 2011	12,852	7.00	17,442	5.69	138,452	-
Granted	9,264	9.71	23,193	6.13	97,204	-
Exercised	-	-	(16,451)	5.69	-	-
Lapsed/Forfeited	-	-	(991)	5.77	-	-
31 March 2012	22,116	8.14	23,193	6.13	235,656	-
Granted	3,080	9.85	658.0	9.71	89,878	-
Exercised	(1,080)	9.71	(814)	6.13	(2,402)	-
Lapsed/Forfeited	(2,058)	9.71	(5,058)	6.13	(139,304)	-
31 March 2013	22,108	8.15	17,979	6.21	183,828	-
Exercisable at						
31 March 2013	-	-	-	-	-	-
31 March 2012	-	-	-	-	-	-

The weighted average share price of London Stock Exchange Group plc shares during the year was £10.70 (2012 £8.94)

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

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

	2013		2012	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Share options				
Above £4	22,108	0.9	22,116	1.8
SAYE				
Above £6	17,979	1.8	23,193	2.8
LTIP				
Nil	183,828	1.2	235,656	1.8
Total	223,915	1.2	280,965	1.9

The fair value of share awards and share options granted during the year was determined using a stochastic valuation model. The key assumptions used in the valuation were as follows:

	Share Save Plan	Matching Shares	Performance Shares	Performance Related Equity Plan	
				Restricted Shares	Market Value Options
	10 Jan 2013	21 Jun 2012	19 Jun 2012	19 Jun 2012	19 Jun 2012
Grant date share price	£11.39	£10.00	£9.85	£9.85	£9.85
Exercise price	£8.20	n/a	n/a	n/a	£9.71
Volatility	31%	33%	33%	33%	33%
Expected life	3.14 years	3 years	3 years	3 years	4 years
Dividend yield	2.5%	2.8%	2.9%	2.9%	2.9%
Fair value	£3.48	-	-	-	-
Fair value TSR	-	£3.17	£3.12	£3.26	£1.54
Fair value EPS	-	£9.18	£9.02	£9.02	£2.06

The volatility assumption is based on a statistical analysis of weekly share prices since the London Stock Exchange's flotation in July 2001. The fair value for the Performance and Matching shares granted during the year is based on a Total Shareholder Return (TSR) pricing model which takes into account of the TSR vesting condition. All other fair values of shares granted is based on a Black-Scholes model. Holders of share awards and share options are not entitled to receive dividends declared during the vesting period.

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

21. Transactions with Related Parties

Directors

During the year, no contracts of significance were entered into by the Company in which the Directors had a material interest

Key management compensation

Compensation for Directors of the Company and key personnel who have authority for planning, directing and controlling the Group

	2013	2012
	£'000	£'000
Emoluments received	649	723
Benefits	7	22
Value of contributions to money purchase schemes	52	34
Share based payments	63	-
Total expenses	771	779

During the years ended 31 March 2013 and 2012 the following transactions occurred

Transactions with Parent company

During the period, no transactions were made with the parent company London Stock Exchange Group Holdings (R) Limited (2012 nil)

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

Transactions with companies under common control (Group and Company)

	Balance Sheet	Income Statement					
	Trade Receivables / (Payables)	Administrative expenses/Cost of sales					Revenue
	£'000	BTS Services	Clearing Services	Service Charges	Data Warehouse	Trade purchases	Trade sales
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
London Stock Exchange plc							
31 March 2012	1,523	-	-	(8,956)	-	-	24
31 March 2013	(3,106)	-	-	(10,178)	-	(314)	-
Borsa Italiana SpA							
31 March 2012	(15)	-	-	(15)	(31)	-	-
31 March 2013	-	-	-	(51)	(28)	-	-
BIT Market services SpA							
31 March 2012	-	(33)	-	-	-	-	-
31 March 2013	-	(34)	-	-	-	-	-
Cassa di Compensazione e Garanzia SpA							
31 March 2012	-	-	(862)	-	-	-	-
31 March 2013	-	-	(816)	-	-	-	-
FTSE International Ltd							
31 March 2012	-	-	-	-	-	(4)	-
31 March 2013	-	-	-	-	-	(9)	-
Proquote Limited							
31 March 2012	(1)	-	-	-	-	(8)	-
31 March 2013	-	-	-	-	-	(6)	-
EDX Limited							
31 March 2012	1,453	-	-	-	-	-	-
31 March 2013	1,558	-	-	-	-	-	-
LSE Group plc							
31 March 2012	(985)	-	-	-	-	-	-
31 March 2013	(933)	-	-	-	-	-	-
LSEGH Limited							
31 March 2012	(1,791)	-	-	-	-	-	-
31 March 2013	(1,791)	-	-	-	-	-	-

All goods and services are purchased from related parties under normal terms and conditions

TURQUOISE GLOBAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

Transactions with subsidiary undertakings (Company):

	Balance Sheet	Income Statement
	Trade Receivables/ (Payables)	Loan Interest
	£'000	£'000
Turquoise Trading limited		
31 March 2012	(15,684)	(702)
31 March 2013	(16,668)	(984)
Turquoise Services Limited	£'000	
31 March 2012	1,445	-
31 March 2013	74	-

All goods and services are purchased from related parties under normal terms and conditions

22. Post balance sheet events

On 27 June 2013, the Company signed an agreement to sell its derivatives business to London Stock Exchange plc, which is a subsidiary of LSEG, for nominal consideration. Completion of the sale is subject to certain conditions which include obtaining regulatory non-objections.

23. Ultimate Parent Company

As at 31 March 2013, the Company's ultimate parent undertaking and the parent that headed the largest group of undertakings for which consolidated financial statements were prepared was London Stock Exchange Group plc. The Company's parent is London Stock Exchange Group Holdings (R) Limited. Both companies are incorporated in Great Britain. 51.36% 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.

24. Other Statutory Information

Auditors' remuneration payable to PricewaterhouseCoopers LLP and its associates comprise the following:

	2013	2012
	£'000	£'000
Audit of Group and consolidated financial statements	45	43
Audit of subsidiary companies	31	30
Other Fees		
Other assurance services	2	-
	78	73