

**London Stock Exchange Reg Holdings Limited**

**Report and Financial Statements**

**For the 6 month period ended 31 December 2016**

**Company Registration Number: 07378551**



# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

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# **LONDON STOCK EXCHANGE REG HOLDINGS LIMITED**

## **DIRECTORS AND OFFICERS**

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### **DIRECTORS**

C Thomas  
L Condrón  
D Warren

### **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

# **LONDON STOCK EXCHANGE REG HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

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The Directors present their report and the audited financial statements for the period ended 31 December 2016.

### **REVIEW OF BUSINESS**

London Stock Exchange Reg Holdings Limited (the "Company") operates as an investment holding Company.

In the current period, the Company changed its financial year end to 31 December 2016. In the prior period, the Company changed its financial year end to 30 June. As a consequence, the financial statements show results for the six month period to 31 December 2016, with comparatives for the eighteen month period ended 30 June 2016.

The comparative loss after tax for the financial period ended 30 June 2016 has been restated to adjust for amounts incorrectly classified as deductible for tax purposes in the prior period. This resulted in the previously disclosed tax credit for the period ended 30 June 2016 of £361,000 being restated to a tax charge of £7,000 in the income statement and retained losses for the period ended 30 June 2016 being restated from £18,019,400 to £18,387,400. The restatement had no impact on retained earnings as at 31 December 2014.

The Company incurred a loss after tax for the period ended 31 December 2016 of £1.0m (period ended 30 June 2016: £18.4m), driven mainly by an impairment to a loan receivable from subsidiary, foreign exchange losses and interest charges on loans payable.

Following a detailed review of the investments, it has been considered that the carrying value of £2.2m (30 June 2016: £2.2m) is appropriate with no factors to indicate any impairment. The Directors have concluded that there are no other relevant KPIs except for the value of the investments.

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

### **FUTURE DEVELOPMENTS**

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

### **DIVIDENDS**

No dividends have been paid or proposed for the period ended 31 December 2016 (period ended 30 June 2016: £nil).

### **DIRECTORS AND DIRECTORS INTERESTS**

The following Directors have held office throughout the period and up to the date of approval of the financial statements:

C Thomas  
L Condon  
D Warren

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

### **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 Directors' Report.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

London Stock Exchange Group plc ("LSEG") 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 the subsidiary companies are appropriately controlling all of the risks to which they are exposed, ensuring that internal controls operate efficiently and effectively.

The Company is subject to a variety of foreseeable and unforeseeable risks and uncertainties which may have an impact on the Company's ability to execute its strategy and deliver its expected performance. The identification, assessment

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## DIRECTORS' REPORT

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and management of these risks are central to the Company's operating framework. The Company's risk management structure is based on the 'three lines of defence' model:

- The First line (Management), is responsible and accountable for identifying, assessing and managing risk.
- The Second line (Risk Management and Compliance), is responsible for defining the risk management process and policy framework and providing challenge to the first line on risk management activities assessing risks and reporting to the Group Board Committees on risk exposure.
- The Third line (Internal Audit), provides independent assurance to the Board and other key stakeholders over the effectiveness of the systems of controls and the Risk Framework.

The Company is exposed to financial risks that are detailed on page 12.

### 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

### 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. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the financial statements. The Parent has formally confirmed it will continue to provide financial support for the ongoing operations of London Stock Exchange Reg Holdings Limited for the twelve months following the date of this annual report and that it does not intend to call amounts outstanding under the loan agreement within that period, so long as the Company remains a part of London Stock Exchange Group plc (the "Group"). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## DIRECTORS' REPORT

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

### AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming board meeting.

### 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 period and in the prior period, the Company's turnover was not more than £6,500,000 and the number of employees was not more than 50.

By order of the Board



David Warren  
Director

18 September 2017

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

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We have audited the financial statements of London Stock Exchange Reg Holdings Limited (the "Company") for the period ended 31 December 2016 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditor**

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

## **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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

## **Opinion on financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the six month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LONDON STOCK EXCHANGE REG HOLDINGS LIMITED


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## Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take the advantage of the small companies' exemptions in not preparing the Strategic Report.



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

20 September 2017



# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## INCOME STATEMENT

Period ended 31 December 2016

	Notes	Period ended 31 December 2016 £'000	Period ended 30 June 2016 £'000 Restated
Impairment of investment	7	-	(16,585.1)
Other expenses	4	(514.1)	(1,621.3)
Operating loss		(514.1)	(18,206.4)
Finance income	6	22.8	24.8
Finance expense	6	(112.9)	(193.7)
Net finance expense		(90.1)	(168.9)
Loss before taxation		(604.2)	(18,375.3)
Taxation	5	-	(7.0)
<b>Loss for the financial period</b>		<b>(604.2)</b>	<b>(18,382.3)</b>

The transactions in the current period and in the prior period were derived from continuing operations.

There are no other items of income or expenditure other than those included within the income statement for the period ended 31 December 2016 and for the period ended 30 June 2016.

The notes on pages 10 to 16 form an integral part of these financial statements.

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## STATEMENT OF FINANCIAL POSITION

At 31 December 2016

		31 December 2016	30 June 2016
	Notes	£'000	£'000
			Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiary undertakings	7	2,200.0	2,200.0
		2,200.0	2,200.0
<b>Current assets</b>			
Trade and other receivables	8	2,482.6	2,643.3
		2,482.6	2,643.3
<b>Total assets</b>		<b>4,682.6</b>	<b>4,843.3</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	(20,408.3)	(19,964.8)
<b>Net liabilities</b>		<b>(15,725.7)</b>	<b>(15,121.5)</b>
<b>Equity</b>			
Share capital		-	-
Retained losses		(18,991.6)	(18,387.4)
Other reserves		3,265.9	3,265.9
<b>Total Equity</b>		<b>(15,725.7)</b>	<b>(15,121.5)</b>

The notes on pages 10 to 16 form an integral part of these financial statements.

The financial statements were approved by the Board on 18 September 2017 and signed on its behalf by:



David Warren  
Director  
London Stock Exchange Reg Holdings Limited  
18 September 2017

Registered number: 07378551

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY

Period ended 31 December 2016

	Share capital	Retained earnings/ (losses)	Other reserves	Total attributable to equity holders
	£'000	£'000	£'000	£'000
31 December 2014	-	(5.1)	3,265.9	3,260.8
Loss for the financial period (restated)	-	(18,382.3)	-	(18,382.3)
30 June 2016 (restated)	-	(18,387.4)	3,265.9	(15,121.5)
Loss for the financial period	-	(604.2)	-	(604.2)
<b>31 December 2016</b>	<b>-</b>	<b>(18,991.6)</b>	<b>3,265.9</b>	<b>(15,725.7)</b>

In the current and prior period the authorised number of Ordinary £1 shares is 1, all of which has been issued and fully paid.

The notes on pages 10 to 16 form an integral part of these financial statements.

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2016

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### 1. Basis of Preparation and Accounting Policies

#### Basis of Preparation

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) adopted by the European Union.

The Company is a qualifying entity for the purposes of FRS 101. Note 12 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with International Financial Reporting Standards may be obtained.

The Company's date of transition to FRS 101 was 1 April 2012. The Company has notified its shareholders in writing, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

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

- cash flow statements and related notes;
- disclosure of key management compensation and related party disclosures for intra-group transactions;
- disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IFRS 1.134-1.136 disclosure on capital management;
- reduced IFRS 7 disclosure of financial instruments;
- reduced IAS 36 disclosure of impairment review; and
- reduced IFRS 13 disclosure relating to fair value measurement.

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

- Amendments to FRS 101 'Reduced Disclosure Framework' - 2015/16 Cycle (July 2016)
- Amendments to FRS 101 'Reduced Disclosure Framework' and FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' - Notification of Shareholders (December 2016)

The adoption of these standards did not have an impact on the financial statements. There were no other standards, interpretations and amendments effective as of 1 January 2016 that were issued by the FRC and adopted for the first time by the Company in these financial statements.

In the current period, the Company changed its financial year end to 31 December 2016. In the prior period, the Company changed its financial year end to 30 June. As a consequence, the financial statements shows results for the six month period to 31 December 2016, with comparatives for the eighteen month period ended 30 June 2016.

#### *Adjustment in respect of the prior year*

The comparative income statement for the period ended 30 June 2016 has been restated to adjust for amounts incorrectly classified as deductible for tax purposes in the prior period. This resulted in the previously disclosed tax credit for the period ended 30 June 2016 of £361,000 being restated to a tax charge of £7,000 and retained losses for the period ended 30 June 2016 being restated from £18,019,400 to £18,387,400. The restatement had no impact on retained earnings as at 31 December 2014.

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.

These financial statements contain information about London Stock Exchange Reg Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken the exemption from producing consolidated financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of London Stock Exchange Group plc which prepares consolidated financial statements which are publicly available.

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

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2016

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### *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. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the financial statements. LSEG (the Parent) has formally confirmed it will continue to provide financial support for the ongoing operations of London Stock Exchange Reg Holdings Limited for the twelve months following the date of this annual report and that it does not intend to call amounts outstanding under the loan agreement within that period, so long as the Company remains a part of London Stock Exchange Group plc (the "Group"). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **Accounting Policies**

#### *Foreign currencies*

These financial statements are presented in Sterling, which is the Company's presentation and functional currency.

Foreign currency transactions are converted into the functional currency using the rate ruling at the date of the transaction or at the monthly average as a proxy. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### *Finance income and expenses*

Finance income and expense comprise interest earned on loans with financial counterparties and interest paid on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the financial period, and calculated using the effective interest rate method.

#### *Current taxation*

Income tax on the profit for the period comprises current tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in the Statement of Comprehensive Income or directly in equity. In this case, the tax is also recognised in the Statement of Comprehensive Income or directly in equity, respectively.

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

#### *Trade and other receivables*

Trade and other receivables include amounts due from other companies within the London Stock Exchange Group on loans and interest on these loans. 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. Trade receivables are classified as 'Trade and other receivables' within current assets, 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 receivables' within non-current assets. Subsequent to initial recognition, trade and other receivables recognised at amortised cost are measured using the effective interest rate method, with gains and losses recognised in finance income. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, probability that the trade receivable will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the portion deemed recoverable. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

#### *Investments in subsidiary undertakings*

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated in the Company's financial statements at cost less impairment, if any. These 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. On disposal, the difference between the net disposal proceeds and the investment's carrying amount is included in the income statement.

#### *Trade and other payables*

Trade and other payables relate to loans from other companies within the London Stock Exchange Group. 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. Subsequent to initial recognition, trade payables recognised at amortised cost are measured using the effective interest rate method, with gains and losses recognised in finance expenses. Trade and other payables are derecognised when the obligation under the liability is discharged, cancelled or expires.

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2016

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### 2. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and risk of impairment to investments. Where indicators of impairment are identified, management performs an impairment assessment as described in note 3. The Company is part of London Stock Exchange Group plc the ("Group") and financial risk management is not speculative. It is carried out by the Group through its central treasury and financial control function who will identify, evaluate and mitigate financial risks. The Group's risk management approach seeks to minimise the potential adverse effects of these risks on the financial performance of the Company.

#### 2.1 Market Risk

##### *Foreign exchange risk*

The Company operates in the UK and reports its results in sterling and therefore its exposure to foreign exchange risk is limited to specific foreign currency transactions that it may enter into.

Foreign exchange risk is mitigated by the fact that the Company functional currency is sterling. Investments and loans are substantially denominated in sterling and euro. Foreign exchange risk identified by the Group's central treasury function and, if deemed material, is hedged in accordance with a Group's approved policy framework.

An increase/decrease of 10% to the exchange rate would increase/decrease loss after tax by £1,147,500 and £1,402,500 respectively (period ended 30 June 2016: increase/decrease loss after tax by £1,102,500 and £1,347,500 respectively).

##### *Interest rate risk*

The Company's interest rate risk arises from the variable interest rates applied to its loan assets and liabilities. Loans are all internal to related Group companies and include fixed interest margins that reduce the impact of variations in market interest rates.

An increase/decrease of 0.5% to the interest rate would decrease/increase loss after tax by £19,700 and £19,600 respectively (period ended 30 June 2016: decrease/increase loss after tax by £17,400 and £17,300 respectively).

#### 2.2 Credit Risk

Credit risk is the risk that the Company's counterparties will be unable to meet their obligations to the Company either in part or in full and arises from credit exposures to counterparties.

Credit risk is controlled through policies developed at the Group level. At the balance sheet date, debtor relates to amount due from subsidiary undertakings and therefore credit risk is considered not significant.

#### 2.3 Liquidity Risk

The Company is exposed to liquidity risk to the extent that it is unable to meet its daily payment obligations.

The Group is required, under policy, to maintain significant committed credit facilities to support Group-wide liquidity requirements including those of the Company. The central treasury function of the Group ensures the Company is therefore in a position on a day to day basis to meet all its financial obligations as they fall due.

Management monitors forecasts of the Company's cash flow and overlays sensitivities to these forecasts to reflect assumptions about more difficult market conditions. Internal cash management is a key focus of the Group's treasury management.

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

### 3. Significant Judgements and Estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The significant judgement for the period ended 31 December 2016 are as follows:

- Valuation of investments in subsidiary companies: for purpose of impairment assessment, determined based on forecast cash flows and an appropriate discount rate. The basis of such values cannot be precise and is subject to market variations in both cases.

There were no significant estimates that were applied by management for the period ended 31 December 2016.

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2016

### 4. Other expenses

Other expenses comprise of the following:

	Period ended 31 December 2016 £'000	Period ended 30 June 2016 £'000
Impairment of loan	(154.8)	-
Foreign exchange loss	(359.1)	(1,621.3)
Other operating expenses	(0.2)	-
<b>Tax on loss on ordinary activities</b>	<b>(514.1)</b>	<b>(1,621.3)</b>

Audit fees of £5,000 (period ended 30 June 2016:£5,000) payable to Ernst & Young LLP are borne and paid by another Group company. There were no non-audit services provided to the Company in the current period and in the prior period.

No Directors received remuneration during the period to 31 December 2016 in respect of services to this Company. The Company has no employees

### 5. Taxation

The standard UK corporation tax rate was 20% (20.17% for the period ended 30 June 2016).

	Period ended 31 December 2016 £'000	Period ended 30 June 2016 £'000
<b>Taxation charged to the income statement</b>		Restated
Current tax:		
Corporation tax for the period	-	7.0
<b>Tax on loss on ordinary activities</b>	<b>-</b>	<b>7.0</b>

Factors affecting the tax credit for the period

The income statement tax credit for the period is lower than the standard rate of corporation tax in the UK of 20% (for the period ended 30 June 2016: 20.17%) as explained below:

	Period ended 31 December 2016 £'000	Period ended 30 June 2016 £'000
		Restated
Loss before taxation	(604.2)	(18,375.3)
Loss multiplied by standard rate of corporation tax in the UK	(120.8)	(3,706.3)
Impairment charge of investment in subsidiary not deductible	-	3,345.3
Interest not deductible	89.8	368.0
Write off of loan to subsidiary	31.0	-
<b>Taxation charge</b>	<b>-</b>	<b>7.0</b>

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

### 6. Finance Income and Expenses

# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2016

	Period ended 31 December 2016 £'000	Period ended 30 June 2016 £'000
<b>Finance income</b>		
Interest on loan to subsidiary undertakings	0.5	2.3
Interest on loan to Parent	22.3	22.5
	<b>22.8</b>	<b>24.8</b>
<b>Finance expense</b>		
Interest on loan payable to Parent	(73.0)	(112.3)
Interest on loan payable to Group companies	(39.9)	(81.4)
	<b>(112.9)</b>	<b>(193.7)</b>
<b>Net finance expense</b>	<b>(90.1)</b>	<b>(168.9)</b>

### 7. Investments in Subsidiary Undertakings

	Total £'000
1 January 2014	7,468.3
Investment of globeSettle S.A.	11,316.8
Impairment of globesettle S.A.	(16,585.1)
30 June 2016	2,200.0
<b>31 December 2016</b>	<b>2,200.0</b>

Following an impairment review the value of globeSettle was impaired to £nil in the period ended 30 June 2016.

Name of subsidiary undertaking	Country of incorporation	Identity of each class of share held in the subsidiary undertaking	Direct or indirect holding	Share ownership %	LSE Reg Holdings Ltd ultimate economic interest %
<b>Held directly by the Company</b>					
GlobeSettle S.A.	Luxembourg	Ordinary	Direct	100	100
UnaVista Limited	England and Wales	Ordinary	Direct	100	100
LSE LEI Limited	England and Wales	Ordinary	Direct	100	100



# LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2016

### 8. Trade and Other Receivables

	31 December 2016 £'000	30 June 2016 £'000 Restated
Amounts due from Parent	2,482.6	2,492.6
Amounts due from subsidiary undertakings	-	150.7
<b>Total trade and other receivables</b>	<b>2,482.6</b>	<b>2,643.3</b>

Amounts due from the Parent include a loan from the Parent of £ 2,472,700 (30 June 2016: 2,481,000). Interest on this loan is charged at LIBOR plus 1.2%. This loan is payable on demand or by July 2018.

Amounts due from subsidiary undertakings include a loan to globeSettle S.A. of £nil (€nil) (30 June 2016: £ 150,200 (€180,000)). The loan received interest at EURIBOR plus 1.2% and was impaired as of 31 December 2016.

The carrying values are reasonable approximations of fair values.

### 9. Trade and Other Payables

	31 December 2016 £'000	30 June 2016 £'000 Restated
Amounts owed to Parent	15,777.7	15,341.7
Amounts owed to subsidiary undertakings	4,625.2	4,617.7
Group tax relief payable	5.4	5.4
<b>Total trade and other payables</b>	<b>20,408.3</b>	<b>19,964.8</b>

Amounts owed to the Parent include a loan from the Parent £15,741,600 (€18,427,100) (30 June 2016 of £15,310,800 (€18,346,900)). Interest on this loan is charged at EURIBOR plus 1.2%. The loan is payable on demand or by July 2018.

Amounts owed to subsidiary undertakings include a loan from UnaVista Limited, a fellow group company, of £4,606,900 (30 June 2016: £4,596,700). Interest on this loan is charged at LIBOR plus 1.2%. The loan is payable on demand or by March 2019.

The carrying values are reasonable approximations of fair values.

### 10. Ordinary Share Capital

	31 December 2016		30 June 2016	
	Number	£	Number	£
Issued, called up and fully paid				
Ordinary shares of £1 each	1	1	1	1

In the current and prior period the authorised number of Ordinary £1 shares is 1, all of which has been issued and fully paid. On 3 April 2014, the Company received a capital contribution of £3,265.9k from its Parent, London Stock Exchange Group plc.

# **LONDON STOCK EXCHANGE REG HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

Period ended 31 December 2016

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### **11. Commitments and Contingencies**

Contracted capital commitments and other contracted commitments not provided for in the financial statements of the Company were £nil (30 June 2016: £nil)

### **12. Ultimate Parent Company**

As at 31 December 2016, the Company's immediate and ultimate parent undertaking and the parent that headed the smallest and largest group of undertakings for which consolidated financial statements were prepared was London Stock Exchange Group plc, a company incorporated in England and Wales. One hundred per cent of the issued share capital of the Company was beneficially owned by its ultimate parent undertaking.

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