

London Stock Exchange Reg Holdings Limited

Report and Financial Statements

31 December 2020

Company Registration Number 07378551

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LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

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LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

L Condron
C Thomas
M Freedman

COMPANY SECRETARY

T Hogan

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

BANKERS

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

INDEPENDENT AUDITORS

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

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of London Stock Exchange Reg Holdings Limited (the "Company") for the year ended 31 December 2020, with unaudited comparatives for the year ended 31 December 2019.

REVIEW OF BUSINESS

London Stock Exchange Reg Holdings Limited operates as an investment holding company and its key objective is the monitoring and review of its investments. The Company incurred a loss after tax for the year ended 31 December 2020 of £587.6k (2019: £480.2k loss) driven mainly by interest charges on loans payable.

Following a detailed review of the investments, it has been deemed that the carrying value of £17.5m (2019: £11.8m) is appropriate with no factors to indicate impairment. The directors have concluded that there are no other relevant KPIs.

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

FUTURE DEVELOPMENTS

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

EMPLOYEES

The Company has no employees (2019: nil).

PRINCIPAL RISKS AND UNCERTAINTIES

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 subsidiary companies are appropriately controlling all of the risks to which they are exposed, ensuring that internal controls operate efficiently and effectively.

The Company is subject to a variety of foreseeable and unforeseeable risks and uncertainties which may have an impact on the Company's ability to execute its strategy and deliver its expected performance. The identification, assessment and management of these risks are central to the Company's operating framework. The Company's risk control structure is based on the '3 lines of defence' model:

- The 1st line (management) is responsible and accountable for identifying, assessing and managing risk.
- The 2nd line (risk management and compliance) is responsible for defining the risk management process and policy framework and providing challenge to the 1st line on risk management activities assessing risks and reporting to the group board committees on risk exposure.
- The 3rd line (internal audit) provides independent assurance to the board and other key stakeholders over the effectiveness of the systems of controls and the risk management framework.

The Company's principal risks are considered to arise from clients and competition (with client alignment paramount to the successful operation and growth of our business), the continuing changing regulatory environment and the

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

DIRECTORS' REPORT

macro economic environment (unfavourable tax regimes, impact of Brexit on ability to conduct business with European Union ("EU") members, or the changing regulatory environment, may reduce the attractiveness of London as a major financial centre) and increasing security threats (both physical and cyber).

The Company's principal operational risks arise from ensuring it maintains secure and stable technology performing to high levels of availability. The Company is reliant upon secure premises to protect its employees and physical assets as well as appropriate safeguards to ensure uninterrupted operation of its IT systems and infrastructure.

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

DIVIDENDS

The directors have not recommended a dividend for the year (2019: nil).

DIRECTORS AND DIRECTORS' INTERESTS

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

L Condron
C Thomas
M Freedman

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

DIRECTORS' LIABILITIES

The Company has directors and officers' insurance which provides an indemnity to 1 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.

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.

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DIRECTORS' REPORT

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

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

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

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

GOING CONCERN

LSEG has formally confirmed it will continue to provide financial support for the ongoing operations of the Company for the 12 months following the date of this annual report and that it does not intend to call amounts outstanding or recall amounts due to be paid, under the loan agreement within that period, so long as the Company remains a part of the group. On this basis, 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, following consideration of the observed impact of the COVID pandemic on the business, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

EVENTS AFTER THE REPORTING PERIOD

On 29 January 2021, the Group completed the acquisition of Refinitiv Parent Limited (Refinitiv), a company incorporated in the Cayman Islands and headquartered in London and New York. Refinitiv is a leading global provider of market and financial data, infrastructure, delivering data, insight and analytics tailored to strategic workflows. The principal operations of the Company are not expected to change.

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 and 383 of the Companies Act 2006. In the current year and in the prior year, the Company's turnover was not more than £10,200,000 and the number of employees was not more than 50.

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

DIRECTORS' REPORT

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

Ernst & Young LLP have expressed their willingness to come into office as auditors. They are deemed to be appointed under section 487(2) of the Companies Act 2006.

By order of the board:



Lisa Condron (Sep 27, 2021 11:22 GMT+1)

Lisa Condron
Director
London Stock Exchange Reg Holdings Limited
27 September 2021

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

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

Opinion

We have audited the financial statements of London Stock Exchange Reg Holdings Limited (the "Company") for the year ended 31 December 2020 which comprise the Income Statement, Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The corresponding amounts for the year ended 31 December 2019 are unaudited.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 3-4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice, and tax legislation (governed by HM Revenue and Customs).
- We understood how the Company is complying with those frameworks by making enquiries of management and seeking representation from those charged with governance. We corroborated our enquiries through review of board meeting minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of fraud in relation to management override of controls over the valuation of investments in subsidiaries. We considered the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud. This included assessing the impact of remote working due to COVID-19. Our procedures involved journal entry testing by specific risk criteria, with a focus on manual top side financial statement adjustments and journals indicating large or unusual transactions based on our understanding of the business, as well as the testing of management's assessment of investment impairment.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquires of executive management and those responsible for legal and compliance matters for their awareness of any non-compliance with laws and regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the Company's methods of enforcing and monitoring compliance with such policies, reviewing board minutes and seeking representation from those charged with governance.

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

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

Use of our report

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



Hitesh Patel (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
27 September 2021

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED
INCOME STATEMENT
Year ended 31 December 2020

		2020	2019
			<i>(unaudited)</i>
	Note	£'000	£'000
Other expenses	3	(1.2)	(14.5)
Total expenses		(1.2)	(14.5)
Operating loss		(1.2)	(14.5)
Finance income	5	7.0	0.4
Finance expense	5	(482.3)	(578.7)
Net finance expense		(475.3)	(578.3)
Loss before taxation		(476.5)	(592.8)
Taxation	6	(111.1)	112.6
Loss for the financial year		(587.6)	(480.2)

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

There are no other items of income or expenditure other than those included within the income statement for the years ended 31 December 2020 and 31 December 2019.

The notes on pages 13 to 23 form an integral part of these financial statements.

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		2020	2019
			(unaudited)
	Note	£'000	£'000
Assets			
Non-current assets			
Investment in subsidiary undertakings	7	17,468.3	11,850.0
		17,468.3	11,850.0
Current assets			
Trade and other receivables	8	480.4	435.9
Cash and cash equivalents	9	18.3	-
		498.7	435.9
Total assets		17,967.0	12,285.9
Liabilities			
Current liabilities			
Trade and other payables	10	(29,279.7)	(29,161.0)
Total liabilities		(29,279.7)	(29,161.0)
Net current liabilities		(28,781.0)	(28,725.1)
Net liabilities		(11,312.7)	(16,875.1)
Equity			
Share capital	11	15,800.0	9,650.0
Other reserves		3,265.9	3,265.9
Retained losses		(30,378.6)	(29,791.0)
Total equity		(11,312.7)	(16,875.1)

The notes on pages 13 to 23 form an integral part of these financial statements.

The financial statements on pages 10 to 23 were approved by the board on 22 September 2021 and signed on its behalf by:



Lisa Condrón (Sep 27, 2021 11:22 GMT+1)

Lisa Condrón
Director
London Stock Exchange Reg Holdings Limited
27 September 2021

Registered number 07378551

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2020

		Share capital	Retained losses	Other reserves	Total attributable to equity holders
	Note	£'000	£'000	£'000	£'000
1 January 2019		9,650.0	(29,310.8)	3,265.9	(16,394.9)
Loss for the financial year		-	(480.2)	-	(480.2)
31 December 2019 (unaudited)		9,650.0	(29,791.0)	3,265.9	(16,875.1)
Loss for the financial year		-	(587.6)	-	(587.6)
Issue of share capital	11	6,150.0	-	-	6,150.0
31 December 2020		15,800.0	(30,378.6)	3,265.9	(11,312.7)

Issued share capital of the Company consists of 9,650,001 shares of nominal value of £1, fully paid as at 31 December 2020 and 31 December 2019.

The notes on pages 13 to 23 form an integral part of these financial statements.

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

1. Basis of Preparation and Accounting Policies

Basis of Preparation

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

The Company is a qualifying entity for the purposes of FRS 101. Note 13 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained. The Company's date of transition to FRS 101 was 1 April 2012.

FRS 101 sets out amendments to IFRS that are necessary to achieve compliance with the Act and related regulations. The impact of these amendments to the Company's previously adopted accounting policies in accordance with IFRS was not material on the shareholders' equity as at the date of transition and as at 31 December 2020 or on the loss for the year ended 31 December 2020.

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

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

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

- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendments to IFRS 3 *Business Combinations*;
- Amendments to IAS 1 and IAS 8, *Definition of Material*;
- Amendments to IFRS 9, IAS 39 & IFRS 7, *Interest Rate Benchmark Reform*; and
- Amendments to IFRS 16 *Leases*, *Covid-19-Related Rent Concessions*.

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

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

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

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

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, limited by shares incorporated and domiciled in England and Wales. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS.

Going concern

LSEG has formally confirmed it will continue to provide financial support for the ongoing operations of the Company for the 12 months following the date of this annual report and that it does not intend to call amounts outstanding or recall amounts due to be paid, under the loan agreement within that period, so long as the Company remains a part of the group. On this basis, 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, following consideration of the observed impact of the COVID pandemic on the business, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

Accounting Policies

Income Statement

Foreign currencies

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

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

Finance income and expense

Finance income and expense comprise interest earned on cash deposited with financial counterparties and interest paid on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the period and calculated using the effective interest rate method. In conditions where negative interest rates

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

apply, the Company recognises interest paid on cash deposits as an expense and interest received on liabilities as income.

Current and deferred taxation

Income tax on the loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in Other comprehensive income or directly in equity. In this case, the tax is also recognised in Other comprehensive income or directly in equity, respectively.

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

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

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

Statement of Financial Position

Investment 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. On disposal, the difference between the net disposal proceeds and the investment's carrying amount is included in the income statement. Loans to subsidiaries which are determined as capital contributions are recorded as investments in subsidiary undertakings.

Financial instruments

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

Initial recognition:

- a) *Financial assets at amortised cost* are financial assets that are held in order to collect the contractual cashflows and the contractual terms give rise to cashflows that are solely payments of principal and interest. The Company's cash and cash equivalents and trade and other receivables fall within this category.

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2020

- b) *Financial assets at FVPL* include all other financial assets not classified as amortised cost. This category includes derivatives, equity and debt instruments.
- c) *Financial liabilities at FVPL* are liabilities that must be held at fair value.
- d) *Financial liabilities at amortised cost* are all financial liabilities that are not included within financial liabilities at FVPL. This comprises the Company's trade and other payables.

Subsequent measurement:

The Company adopts a forward-looking approach to estimate impairment losses on financial assets. An expected credit loss ("ECL") is calculated based on the difference between the contractual cashflows due and the expected cashflows. The difference is discounted at the asset's original effective interest rate and recognised as an allowance against the original value of the asset.

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

The ECL on other financial assets held at amortised cost is measured using the general approach. The Company calculates an allowance based on the 12-month ECL at each reporting date until there is a significant increase in the financial instrument's credit risk, at which point the Company will calculate a loss allowance based on the lifetime ECL. A significant increase in credit risk is considered to have occurred when contractual payments are more than 30 days past due.

- f) *Financial assets at FVPL* - no ECL is calculated for assets held at FVPL as any expected loss is already recognised in the fair value.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Trade and other receivables

Other receivables include amounts due from companies within the group on loans and interest on these loans, and are measured at amortised cost using the interest rate method. 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 initially recognised at fair value, which is the original invoiced amount to the customers and subsequently measured at amortised cost, less any allowance for ECL. The ECLs for trade and other receivables are calculated using IFRS 9's simplified approach of lifetime ECL. The simplified approach is based on historic experience of collection rates, adjusted for forward looking factors specific to each counterparty and the economic environment at large to create an expected loss matrix. The carrying amount of the asset is reduced through the use of an allowance account for ECL 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.

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits and investments in money market funds, and other instruments and structures that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Trade and other payables

Other payables relate to loans from other companies within the group. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as 'trade and other payables' within current liabilities, if payment is due within 1 year or less (or in the normal operating cycle of the business if longer). If not, they are presented as 'other non-current payables' within non-current liabilities.

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

Share capital

The share capital of the Company consists of only 1 class of ordinary shares and these are classified as equity.

Dividend distributions

Dividend distributions to the Company's equity holders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholder.

2. Significant Judgements and Estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The Company has considered and exercised judgements in evaluating the ongoing impact of COVID-19 on the preparation of these financial statements. The significant judgements and estimates for the current year are as follows:

- Valuation of investment in subsidiary undertakings: for the purposes of impairment assessment, this is determined based on forecast cashflows and an appropriate discount rate. The basis of such values cannot be precise and is subject to market variations in both cases. The Company has considered the impact of COVID-19 on future cashflows. Following this review there was no direct impact for COVID-19.

There were no principal judgements applied by management.

3. Expenses by Nature

Expenses comprise the following:

	2020	2019
	£'000	£'000
IT costs	(10.0)	(10.0)
Other costs	(10.0)	(5.7)

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Foreign exchange gain	18.8	1.2
	(1.2)	(14.5)

IT costs comprise expenses payable to LSEG Business Services Limited for services provided throughout the year. The Company was exempt from audit in the prior year and as such, there are no audit fee charges for the year ended 31 December 2019. Refer to note 14 for details on current year audit fees.

4. Directors' Remuneration

No remuneration was received by the directors in respect of qualifying services to this Company in the year (2019: nil).

5. Finance Income and Expense

	2020	2019
	£'000	£'000
Finance income		
Interest on loan to subsidiaries	7.0	0.4
	7.0	0.4
Finance expense		
Interest on loan payable to parent	(358.1)	(455.9)
Interest on loan payable to subsidiaries	(124.2)	(122.8)
	(482.3)	(578.7)
Net finance expense	(475.3)	(578.3)

6. Taxation

The standard UK corporation tax rate was 19% for the year ended 31 December 2020 (2019: 19%).

	2020	2019
	£'000	£'000
Taxation credited/(charged) to the income statement		
Current tax		
UK corporation tax for the year	(1.2)	112.6
Adjustment in respect of previous years	(109.9)	-
Taxation credit/(charge)	(111.1)	112.6

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Factors affecting the tax charge for the year

The income statement tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%) as explained below:

	2020	2019
	£'000	£'000
Loss before taxation	(476.5)	(592.8)
Loss multiplied by standard rate of corporation tax in the UK	90.6	112.6
Interest not deductible	(91.8)	-
Adjustment in respect of previous years	(109.9)	-
Taxation credit/(charge)	(111.1)	112.6

The UK budget on 3 March announced that the UK rate of corporation tax will increase from 19% to 25% effective 1 April 2023 which was substantively enacted 24 May.

7. Investment in Subsidiary Undertakings

	£'000
At 31 December 2019	11,850.0
Investment in UnaVista Limited	400.0
Investment in UnaVista TRADEcho B.V.	5,218.3
At 31 December 2020	17,468.3

During the year, 6.15million shares were allotted to the ultimate parent LSEG, in exchange for cash so that the Company could supply funding down to its subsidiaries, UnaVista Limited and UnaVista TRADEcho B.V., in order to satisfy and maintain sufficient headroom over their respective regulatory capital requirements. See note 11 for details on the Company's share capital.

A list of the Company's subsidiaries as at 31 December 2020 is given below. The entire share capital of subsidiaries is held within the Company except where the Company's ownership percentages are shown. These percentages give the Company's ultimate percentage and therefore allow for the situation where subsidiaries are owned by partly owned intermediate subsidiaries.

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Name of subsidiary undertaking	Country of incorporation and principal operations	Identity of each class of share held in the subsidiary undertaking	Direct or indirect holding	Percentage of class by direct parent	Ultimate Company percentage	Registered office address
GlobeSettle S.a.r.l	Luxembourg	Ordinary	Direct	100	100	1 Boulevard de la Foire L-1528 Luxembourg
UnaVista Limited	England and Wales	Ordinary	Direct	100	100	10 Paternoster Square, London, EC4M 7LS
London Stock Exchange LEI Limited	England and Wales	Ordinary	Direct	100	100	10 Paternoster Square, London, EC4M 7LS
UnaVista TRADEcho B.V.	Netherlands	Ordinary	Direct	100	100	Suite 108, Nieuwezijds, Voorburgwal 162, Amsterdam, 1012 SJ, Netherlands

8. Trade and Other Receivables

	2020	2019
	£'000	£'000
Amounts due from subsidiaries	333.8	180.9
Other receivables	2.7	-
Group relief	143.9	255.0
	480.4	435.9

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Amounts due from subsidiaries comprised a loan to UnaVista TRADEcho B.V. of £180.1k (€210.8k) with interest charged at EURIBOR +1.2% per annum, and repayable on demand or by May 2024. This is now classified under payables (see note 10).

Amounts due from subsidiaries comprise a loan to London Stock Exchange LEI Limited of £330.8k (US\$450.8k) (2019: nil) with interest charged at LIBOR +1.5% per annum, and repayable on demand or by April 2025.

Remaining amounts of trade and other receivables are interest free and repayable on demand. The carrying values of trade and other receivables are reasonable approximations of fair value.

9. Cash and Cash Equivalents

	2020	2019
	£'000	£'000
Cash at bank	18.3	-

Cash and cash equivalents are held with authorised counterparties of a high credit standing. Management does not expect any losses from non-performance by counterparties holding cash and cash equivalents and there are no material differences between book and fair values.

10. Trade and Other Payables

	2020	2019
	£'000	£'000
Amounts owed to parent	(15,202.4)	(24,493.2)
Amounts owed to subsidiaries	(14,077.3)	(4,667.8)
	(29,279.7)	(29,161.0)

Amounts owed to parent include a loan from the parent of £48.2k (€53.4k) (2019: £92.3k (€108.1k)). Interest on this loan is charged at EURIBOR +1.2%. The loan is repayable on demand or by July 2023.

Amounts owed to parent also include a loan from the parent of £15,087.0k (2019: £24,280.9k). Interest on this loan is charged at LIBOR +1.2%. The loan is repayable on demand or by July 2023.

Amounts owed to subsidiaries include a loan from UnaVista Limited of £5,147.7k (2019: £4,644.8k). Interest on this loan is charged at LIBOR +1.2%. The loan is repayable on demand or by March 2024.

Amounts owed to subsidiaries also include a loan from London Stock Exchange LEI Limited of £6,156.8k (2019: nil). Interest on this loan is charged at LIBOR +1.5% per annum and is repayable on demand or by April 2025.

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The Company has a loan with a subsidiary, UnaVista TRADEcho B.V. which in the prior year was classified within receivables (see note 8). In the current year, this loan is classified within payables and amounts to £2,740.0k (€3,034.9k). Interest is charged at EURIBOR +1.2% per annum and is repayable on demand or by May 2024.

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

11. Share Capital

	2020		2019	
	Number of shares	Share capital £	Number of shares	Share capital £
Issued, called up and fully paid				
Ordinary shares of £1 each	15,800,001	15,800,001	9,650,001	9,650,001

During the year, 6.15million shares were allotted to the ultimate parent LSEG, in exchange for cash so that the Company could supply funding down to its subsidiaries, UnaVista Limited and UnaVista TRADEcho B.V., in order to satisfy and maintain sufficient headroom over their respective regulatory capital requirements. See note 7 for details on subsidiaries.

12. Commitments and Contingencies

Contracted commitments and other contracted contingencies not provided for in the financial statements of the Company were nil and nil (2019: nil and nil) respectively.

13. Ultimate Parent Company

As at 31 December 2020, the Company's parent and ultimate parent company and the parent that headed the smallest and largest group of entities for which consolidated financial statements were prepared was London Stock Exchange Group plc, a company incorporated in England and Wales. 100% of the issued share capital of the Company was beneficially owned by LSEG.

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

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14. Other Statutory Information

The Company paid the following amounts to its auditors in respect of the 1st year audit of the financial statements of the Company:

	2020
	£'000
Audit of the Company's financial statements - Ernst & Young	8.1

Statutory information in remuneration for other services provided by the Company's auditors for the group is given in the consolidated financial statements of London Stock Exchange Group plc, which is the largest group into which the results of the Company are consolidated. There were no non-audit services provided to the Company in the *current and prior years*.

15. Events After the Reporting Period

On 29 January 2021, the Group completed the acquisition of Refinitiv Parent Limited (Refinitiv), a company incorporated in the Cayman Islands and headquartered in London and New York. Refinitiv is a leading global provider of market and financial data, infrastructure, delivering data, insight and analytics tailored to strategic workflows. The principal operations of the Company are not expected to change.