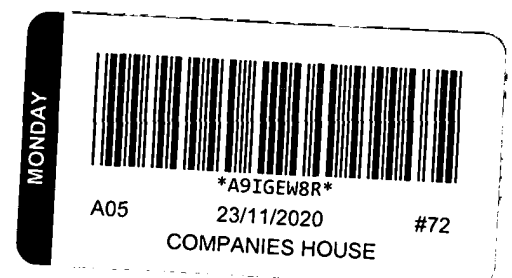


London Stock Exchange LEI Limited
Report and Financial Statements
For the year ended 31 December 2019

Company Registration Number 08530763



LONDON STOCK EXCHANGE LEI LIMITED

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LONDON STOCK EXCHANGE LEI LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

M Husler
M Makepeace (resigned 16 September 2019)

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 LEI LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of London Stock Exchange LEI Limited (the "Company") for the year ended 31 December 2019.

REVIEW OF BUSINESS

London Stock Exchange LEI Limited is accredited by the Global Legal Entity Identifier Foundation ("GLEIF") as an authorised Local Operating Unit ("LOU") for the global allocation of Legal Entity Identifiers ("LEI"). London Stock Exchange issues LEIs to legal entities using the requirements set by GLEIF and the agreed principles outlined by the LEI Regulatory Oversight Committee ("LEI ROC").

The Company was incorporated on 15 May 2013 under the name of FTSE Benchmarks Limited. The Company changed its name to UnaVista LEI Limited on 10 December 2015. On 8 June 2017, the Company changed its name to London Stock Exchange LEI Limited. For the period ended 31 December 2017 the Company was dormant.

On 5 February 2018, the Company acquired customer relationship of the UK's LEI business from London Stock Exchange Plc, a fellow subsidiary of the Company's ultimate parent London Stock Exchange Group plc ("LSEG"), through the issuance of the share capital in the amount of £9.65m.

Income and expenses relate to recognition of the fees received from customers for the issuance of LEIs, regulatory fees paid to GLEIF and administrative expenses relating to the set up of LEIs. During the year, the Company signed a commercial agreement with LSE plc for use of the platform and resulted in £1m of cost of sales in relation to services provided for the period ended 31 December 2019. For the year ended 31 December 2018, use of the platform was provided free of charge.

In the current year, expenses accrued in the financial statements and credit card payments received from customers were allocated to the Company from London Stock Exchange Plc. The Company recorded a total income of £5.6million (2018: £2.4million), a loss of £3.4million (2018: profit of £0.4million) and its net assets were £6.6million (2018: £10million). The £3.4m loss incurred in the year ended 31 December 2019 was due to the accelerated amortisation charge of £4.2m recognised in relation to the customer relationship list.

DIVIDENDS

No dividend is proposed for the year ended 31 December 2019 (2018: 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, except as noted below:

M Husler
M Makepeace (resigned 16 September 2019)

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.

LONDON STOCK EXCHANGE LEI LIMITED

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

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 for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

EVENTS AFTER THE REPORTING PERIOD

Since the emergence of Novel Coronavirus (COVID-19) in China at the end of 2019 the virus has spread rapidly across the rest of the world, triggering a set of interventions across major global economies with respect to travel restrictions, border controls and quarantine protocols. Measures increasingly involve social restrictions in public domains, education centres, recreational venues and changes to professional working arrangements. These measures are putting pressure on industrial productivity, suppressing demand for commodities, impacting global supply chains and consumption of goods and services. This has the potential to significantly impact global financial markets with severe shocks to asset prices and corporate earnings, further central bank intervention and accommodative monetary measures, and an extended period of low or negative interest rates. Management have considered the potential impact on the Company and concluded that the going concern assessment remains appropriate.

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.

STRATEGIC REPORT

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

AUDITORS

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

LONDON STOCK EXCHANGE LEI LIMITED

DIRECTORS' REPORT

By order of the Board:



Mark Husler
22 July 2020

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

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

OPINION

We have audited the financial statements of London Stock Exchange LEI Limited (the "Company") for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18, 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".

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

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

EMPHASIS OF MATTER - EFFECTS OF COVID-19

We draw attention to notes 1 and 18 of the financial statements, which describe the going concern basis of the Company and the impact of the COVID-19 pandemic on global financial markets and London Stock Exchange LEI Limited, subsequent to the year end. Our opinion is not modified in respect of this matter.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the Report set out on pages 2 to 4, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Ernst & Young LLP

Maurice McCormick (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 July 2020

LONDON STOCK EXCHANGE LEI LIMITED

INCOME STATEMENT

Year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Revenue	3	5,658	2,384
Total income		5,658	2,384
Cost of sales	4	(2,749)	(353)
Gross profit		2,909	2,031
Expenses			
Administrative expenses	5	(724)	(469)
Amortisation	5	(5,215)	(870)
Total expenses		(5,939)	(1,339)
Operating profit/(Loss)		(3,030)	692
Profit/(Loss) before taxation		(3,030)	692
Taxation	7	(415)	(297)
Profit for the financial year		(3,445)	395

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

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

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

LONDON STOCK EXCHANGE LEI LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

		2019	2018
	Notes	£'000	£'000
Assets			
Non-current assets			
Intangible assets	9	3,565	8,780
		3,565	8,780
Current assets			
Trade and other receivables	10	4,099	2,518
Cash and cash equivalents	11	2,621	1,931
		6,720	4,449
Total assets		10,285	13,229
Liabilities			
Current liabilities			
Trade and other payables	12	888	145
Contract liabilities	13	2,382	2,742
Current tax	7	415	297
		3,685	3,184
Total liabilities		3,685	3,184
Net assets		6,600	10,045
Equity			
Share capital	14	9,650	9,650
Retained earnings		(3,050)	395
Total equity		6,600	10,045

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

The financial statements on pages 7 to 20 were approved by the Board on 15 July 2020 and signed on its behalf by:



Mark Husler
Director
London Stock Exchange LEI LIMITED
22 July 2020

Registered number: 08530763

LONDON STOCK EXCHANGE LEI LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2019

	Share capital £'000	Retained earnings £'000	Total equity £'000
1 January 2018	-	-	-
Profit for the financial year	-	395	395
Issuance of share capital	9,650	-	9,650
31 December 2018	9,650	395	10,045
Loss for the financial year	-	(3,445)	(3,445)
31 December 2019	9,650	(3,050)	6,600

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

LONDON STOCK EXCHANGE LEI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

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") adopted by the European Union ("EU").

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS as adopted by the EU may be obtained. 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 as adopted by the EU was not material on the shareholders' equity as at the date of transition and as at 31 December 2019 or on the profit for the year ended 31 December 2019.

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

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

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

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

The adoption of the 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.

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

LONDON STOCK EXCHANGE LEI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. Basis of Preparation and Accounting Policies (Continued)

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 for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

most recent Board meeting to review and approve the financial statements. Please refer to Note 18 in these financial statements for details on the details and matters discussed by the Board, however the Board concluded that it continues to support that the Company will continue to operate as a going concern for a period of at least 12 months from the date of approving these financial statements.

Income Statement

Revenue

Revenue from licences are recognised consistent with the pattern of the service provision and how our performance obligation is satisfied throughout the licence period.

Customer contracts across the Company that contain a single performance obligation at a fixed price do not require variable consideration to be constrained or allocated to multiple performance obligations. However certain businesses in the Company provide services to customers under a tiered and tariff pricing structure that generates a degree of variability in the revenue streams from the contract. Where the future revenue from a contract varies due to factors that are outside of the Company's control, the Company limits the total transaction price at contract inception and recognises the minimum expected revenue guaranteed by the terms of the contract over the contract period. Any variable element is subsequently recognised in the period in which the variable factor occurs.

The Company does not have any contracts where the period between the transfer of services to a customer and when the customer is expected to pay for that service to be in excess of one year. Consequently, no adjustments are made to transaction prices for any financing component.

Cost of sales

Cost of sales comprises data and licence fees and any other costs linked and directly incurred to generate revenues and provide services to customers.

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, except for differences arising on pension fund assets or liabilities which are recognised in other comprehensive income.

Finance income and expenses

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

LONDON STOCK EXCHANGE LEI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. Basis of Preparation and Accounting Policies (Continued)

The Board considered the impact of Novel Coronavirus (COVID-19) on going concern of the Company in the

Statement of Financial Position

Intangible assets

Intangible assets are held at cost less accumulated amortisation. These assets are amortised on a straight-line basis over their useful economic lives which are based on management's best estimate such as attrition rates on customer relationships, and product upgrade cycles for software and technology assets.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Separately acquired contractual customer relationships are recognised at cost at the acquisition date. Amortisation is calculated using the straight-line method over the expected life of the customer relationships with a maximum of 10 years.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Current and deferred taxation

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

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

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

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

LONDON STOCK EXCHANGE LEI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. Basis of Preparation and Accounting Policies (Continued)

Financial instruments

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

Initial recognition:

- a) *Financial assets at amortised cost* are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. The Company's cash and cash equivalents and trade and other receivables fall within this category.
- b) *Financial assets at FVPL*: all other financial assets not classified as amortised cost or fair value through other comprehensive income (FVOCI)
- c) *Financial liabilities at FVPL*: all other financial liabilities not classified as amortised cost are classified as fair value through profit or loss.
- d) *Financial liabilities at amortised cost*: all financial liabilities that are not at FVPL are held at amortised cost. This comprises the Company's trade and other payables balances and borrowings.

Subsequent measurement:

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

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

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

- 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.

LONDON STOCK EXCHANGE LEI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. Basis of Preparation and Accounting Policies (Continued)

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

Trade and other receivables

Trade receivables are initially recognised at fair value, which is the original invoiced amount to the customers and subsequently measured at amortised cost, less any allowance for expected credit losses (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.

Fees receivable

Fees receivable are recognised when there is the conditional right to consideration from a customer in exchange for goods or services transferred.

Fees receivable are transferred to and presented as trade receivables when the entitlement to payment becomes unconditional and only the passage of time is required before payment is due.

Contract liabilities

Revenue relating to future periods is classified as a contract liability on the balance sheet to reflect the Company's obligation to transfer goods or services to a customer for which it has received consideration, or an amount of consideration is due, from the customer.

Contract liabilities are amortised and recognised as revenue in the income statement over the period in which the services are rendered.

Cash and cash equivalents

Cash and cash equivalents comprises deposits held at call with banks, short-term deposits with a maturity of 3 months or less and investments in money market funds that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as trade and other payables' within current liabilities, if payment is due within 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.

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. During the year ended 31 December 2019, there were no significant judgements applied by management.

Acquired customer relationships are amortised over their estimated useful economic lives, which are determined based on management's best estimate of future performance and periods over which value from the customer relationship is realised.

LONDON STOCK EXCHANGE LEI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

3. Revenue and Other Income

	2019 £'000	2018 £'000
Revenue		
- License fees	5,658	2,384
Total	5,658	2,384

The principal operations and customers of the Company are in the United Kingdom. Therefore, no further information on business or geographical segments is disclosed.

4. Cost of Sales

	2019 £'000	2018 £'000
GLEIF fees	965	187
Evalueserve fees	756	166
IT Platform recharges	1,028	-
Total	2,749	353

During the year, the Company entered into a commercial agreement with LSE plc for use of the platform and resulted in £1m of cost of sales in relation to services provided for the period ended 31 December 2019. For the year ended 31 December 2018, use of the platform was provided free of charge.

5. Expenses by Nature

Expenses comprise the following:

	Note	2019 £'000	2018 £'000
Amortisation	9	5,215	870
Employee costs		171	308
Property costs		44	39
Professional fees		31	30
Other costs		478	92
Total		5,939	1,339

6. Directors' Remuneration

No Directors received remuneration during the year ended 31 December 2019 and year ended 31 December 2018 in respect of services to this Company.

LONDON STOCK EXCHANGE LEI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

7. Taxation

The standard UK corporation tax rate was 19% (2018: 19%).

	2019	2018
	£'000	£'000
Taxation (charged)/credited to the income statement		
Current UK tax:		
Corporation tax for the year	(415)	(297)
Total current tax	(415)	(297)
Deferred tax:		
Deferred tax for the year	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	(415)	(297)

Factors affecting the tax charge for the period:

The income statement tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (year ended 31 December 2018: 19%) as explained below:

	2019	2018
	£'000	£'000
Profit before taxation	(3,030)	692
Profit multiplied by standard rate of corporation tax in the UK	576	(132)
Income not taxable/(expenses not deductible)	(991)	(165)
Taxation (charge)/credit	(415)	(297)

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

8. Dividends

No dividend is proposed for the year ended 31 December 2019 (31 December 2018: nil).

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

9. Intangible Assets

	Customer relationships	Total
	£'000	£'000
Cost:		
At 31 December 2018	9,650	9,650
At 1 January 2019	9,650	9,650
Additions	-	-
At 31 December 2019	9,650	9,650
Accumulated amortisation:		
At 31 December 2018	870	870
At 1 January 2019	870	870
Amortisation charge for the year	5,215	5,215
At 31 December 2019	6,085	6,085
Net book values:		
At 31 December 2019	3,565	3,565
At 31 December 2018	8,780	8,780

On 5 February 2018 the Company acquired the UK's LEI business from London Stock Exchange Plc, a fellow subsidiary of the Company's ultimate parent LSEG, for £9.65m and a £9.65m intangible asset was recognised representing the customer relationships acquired as part of the transaction. The Company received a capital contribution for £9.65m from its immediate parent London Stock Exchange Reg Holdings Limited to fund the transaction. Following a reassessment of the customer relationship recoverable amount, the Company has recognised a £4.2m acceleration of amortisation charge in the year.

10. Trade and Other Receivables

	2019	2018
	£'000	£'000
Current		
Trade receivables	342	596
Amounts due from Parent	3	-
Amounts due from companies under common control	3,748	1,923
Less: provision for impairment	(1)	(1)
Prepayments	7	-
Total	4,099	2,518

The carrying values less impairment provision of receivables are reasonable approximations of fair value. All trade and other receivables are denominated in Sterling.

Other amounts due from companies under common control are interest free and repayable on demand.

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Year ended 31 December 2019

11. Cash and Cash Equivalents

	2019	2018
	£'000	£'000
Cash at bank	2,621	1,931
Total	2,621	1,931

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

12. Trade and Other Payables

	2019	2018
	£'000	£'000
Current		
Accruals	186	30
Amounts due to Ultimate Parent	31	-
Trade Payables	24	-
Social security and other taxes	350	112
Other payables	-	3
Group Relief owed	297	-
Total	888	145

Accruals include audit fees accrued as at 31 December 2019 in respect of remuneration of the Company's auditors. For the details see note 17.

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

13. Contract Liabilities

	2019	2018
	£'000	£'000
Current		
Contract liabilities	2,382	2,742
Total	2,382	2,742

The contract liabilities primarily relate to the advance consideration received from customers for initial registration and renewal of LEIs for which revenue is recognised over time. These will be recognised as revenue over the next 12 months.

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Year ended 31 December 2019

14. Share Capital

	2019		2018	
	Number of shares	Share capital £	Number of shares	Share capital £
Issued, called up and fully paid				
Ordinary shares of £1 each	9,650,001	9,650,001	9,650,001	9,650,001

15. Commitments and Contingencies

The Company had no contracted capital commitments or other contracted commitments not provided for in the financial statements of the Company (2018: nil).

16. Ultimate Parent Company

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

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

17. Other Statutory Information

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

	2019	2018
	£'000	£'000
Audit of the Company's financial statements - Ernst & Young LLP	31	30
Total	31	30

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

18. Events After the Reporting Period

Since the emergence of Novel Coronavirus (COVID-19) in China at the end of 2019 the virus has spread rapidly across the rest of the world, triggering a set of interventions across major global economies with respect to travel restrictions, border controls and quarantine protocols. Measures increasingly involve social restrictions in public domains, education centres, recreational venues and changes to professional working arrangements. These measures are putting pressure on industrial productivity, suppressing demand for commodities, impacting global supply chains and consumption of goods and services. This has the potential to significantly impact global financial markets with severe shocks to asset prices and corporate earnings, further central bank intervention and accommodative monetary measures, and an extended period of low or negative interest rates. Management have considered the potential impact on the Company and concluded that the going concern assessment remains appropriate.

The Board considered the impact on going concern in the most recent Board meeting to review and approve the financial statements. The following matters were discussed and concluded:

- The business activities of the Company have continued to be operational since the outbreak;
- Demand for the services provided by the Company has continued to exist since the outbreak

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Year ended 31 December 2019

- The Company holds sufficient regulatory capital in excess of the minimum capital requirements;
- Financial performance of the Company has not been impacted to a material extent.

On this basis, the Board continues to support that the Company will continue to operate as a going concern for a period of at least 12 months from the date of approving these financial statements.