CORPORATE

London Stock Exchange LEI Limited

Report and Financial Statements

For the year ended 31 December 2022

Company Registration Number 08530763

LONDON STOCK EXCHANGE LEI LIMITED
CONTENTS

PAGE

LONDON STOCK EXCHANGE LEI LIMITED
DIRECTORS AND OFFICERS

DIRECTORS

D Maguire	(resigned 13 September 2022)
B Kellaway	(resigned 13 September 2022)
JB Kenworthy	(appointed 13 September 2022)
P Sharma	(appointed 13 September 2022)
C Woodwards	(appointed 13 September 2022)

COMPANY SECRETARY

S Tutton	(appointed 15 July 2020).

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 2022.

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 LEI Limited 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 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 relationships 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", the "group", the "parent"), through the issuance of share capital in the amount of £9.65m.

Income and expenses relate to the recognition of the fees received from customers for the issuance and renewals of LEIs, regulatory fees paid to GLEIF and administrative expenses relating to the set up and maintenance of LEIs. In FY2019 the Company signed a commercial agreement with London Stock Exchange plc for use of the platform and the costs of sales incurred in relation these services in FY2022 was £0.9m (2021: £1.1m).

The Company recorded total income of £5m (2021: £4.7m), a profit of £1.7m (2021: loss £0.4m) and its net assets were £8.7m (2021: £6.9m).

The directors have considered the Russia-Ukraine conflict and do not anticipate any impact on the Company operations and performance as a result. Further, the directors do not envisage any other changes to the nature of the business in the foreseeable future.

DIVIDENDS

No dividend is proposed for the year ended 31 December 2022 (year ended 31 December 2021: £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:

D Maguire	(resigned 13 September 2022)
B Kellaway	(resigned 13 September 2022)
JB Kenworthy	(appointed 13 September 2022)
P Sharma	(appointed 13 September 2022)
C Woodwards	(appointed 13 September 2022)

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.

LONDON STOCK EXCHANGE LEI LIMITED
DIRECTORS' REPORT

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.

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, 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 corporate and financial information included on 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 for a period up to 31 July 2024, being not less than twelve months from when the financial statements are authorised for issue. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

LONDON STOCK EXCHANGE LEI LIMITED
DIRECTORS' REPORT

EVENTS AFTER THE REPORTING PERIOD

The directors confirm that there were no significant events occurring after the reporting period, up to the date of this report, that would meet the criteria for disclosure or adjustment in the financial statements for the year ended 31 December 2022.

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; and

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.

AUDITORS

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

By order of the Board:

Pritha Sharma
Director
4 July 2023

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

LONDON STOCK EXCHANGE LEI LIMITED
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 for the year ended 31 December 2022 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" (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 2022 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. 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.

CONCLUSIONS RELATING TO GOING CONCERN

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 up to 31 July 2024, being not less than twelve 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.

LONDON STOCK EXCHANGE LEI LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LONDON STOCK EXCHANGE LEI 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 this gives rise to 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or 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 page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

LONDON STOCK EXCHANGE LEI LIMITED

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

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.

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.

- 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 and tax legislation (governed by HM Revenue and Customs).
- We understood how London Stock Exchange LEI Limited is complying with those frameworks by making enquiries of senior management, including senior management of the ultimate parent Company. We also reviewed minutes of the Board and gained an understanding of the Company's approach to governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override to be a fraud risk. 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.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing and inquiries of senior management, internal audit and those responsible for legal, risk and compliance at the Company. We then corroborated our enquiries through review of board minutes and other relevant documentation.

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.

LONDON STOCK EXCHANGE LEI LIMITED

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

Ernst & Young LLP

Stephen Littler (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

4 July 2023

LONDON STOCK EXCHANGE LEI LIMITED
INCOME STATEMENT
Year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Revenue	3	**5,012**	4,695
Total income		**5,012**	4,695
Cost of sales	4	**(2,140)**	(2,269)
Gross profit/(loss)		**2,872**	2,426
Expenses			
Admin expenses	5	**(671)**	(602)
Depreciation and amortisation	5	**(267)**	(2,051)
Total expenses		**(938)**	(2,653)
Operating profit/(loss)		**1,934**	(227)
Finance income	7	**217**	128
Finance expense	7	**0**	(11)
Net Finance income		**217**	117
Profit/(loss) before tax		**2,151**	(110)
Taxation	8	**(418)**	(339)
Profit/(loss) for the financial year		**1,733**	(449)

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 2022 and for the year ended 31 December 2021.

The notes on pages 12 to 23 form an integral part of these financial statements.

LONDON STOCK EXCHANGE LEI LIMITED
STATEMENT OF FINANCIAL POSITION
Year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Assets			
Non-current assets			
Intangible assets	10	**534**	801
Total non-current assets		**534**	801
Current assets			
Trade and other receivables	11	**17,278**	16,541
Cash and cash equivalents	12	**-**	-
Total current assets		**17,278**	16,541
Total assets		**17,812**	17,342
Liabilities			
Current liabilities			
Trade and other payables	13	**(6,405)**	(8,017)
Contract liabilities	14	**(2,745)**	(2,396)
Total current liabilities		**(9,150)**	(10,413)
Total liabilities		**(9,150)**	(10,413)
Net assets		**8,662**	6,929
Equity			
Share capital	15	**9,650**	9,650
Retained earnings		**(988)**	(2,721)
Total equity		**8,662**	6,929

The notes on pages 12 to 23 form an integral part of these financial statements.

The financial statements on pages 9 to 23 were approved by the Board on 4 July 2023 and signed on its behalf by:

Pritha Sharma
Director
London Stock Exchange LEI Limited
4 July 2023
Registered number 08530763

LONDON STOCK EXCHANGE LEI LIMITED
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022

	Share capital £'000	Retained earnings £'000	Total attributable to equity holders £'000
1 January 2021	**9,650**	**(2,272)**	**7,378**
Profit for the year		(449)	(449)
31 December 2021	**9,650**	**(2,721)**	**6,929**
Profit for the year		1,733	1,733
31 December 2022	**9,650**	**(988)**	**8,662**

The notes on pages 12 to 23 form an integral part of these financial statements.

LONDON STOCK EXCHANGE LEI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

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 17 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

FRS 101 sets out amendments to IFRS that are necessary to achieve compliance with the Act and related regulations.

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 UK Endorsement Board during the year and have been adopted in these financial statements:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9;

- Amendments to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform – Phase 2.

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

LONDON STOCK EXCHANGE LEI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

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

Going concern

The Directors have reviewed the Company's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Company has sufficient financial resources. On the basis of this review, including consideration to the item discussed in note 18, 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 up to 31 July 2024, being not less than twelve months from when the financial statements are authorised for issue. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Accounting Policies

Income Statement

Revenue
Revenue from licences is recognised consistently 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 1 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.

LONDON STOCK EXCHANGE LEI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

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

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, taking into account items 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.

LONDON STOCK EXCHANGE LEI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

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

Financial instruments
Financial assets and liabilities are initially recognised on their settlement date. The Company classifies its financial instruments as fair value through profit or loss ("FVPL 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* include all other financial assets not classified as amortised cost or FVOCI.

c) *Financial liabilities at FVPL* are liabilities that must be held at fair value. This includes derivatives, equity and debt instruments.

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 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. 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
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.

Cash and cash equivalents
Cash and cash equivalents comprise 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.

Contract liabilities
Revenue relating to future periods is classified as a contract liability on the statement of financial position 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.

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 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.

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. There were no principal judgements applied by management for the year ended 31 December 2022.

For the year ended 31 December 2022, the following area required the use of estimates:

- Acquired customer relationships are amortised over their 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 2022

3. Revenue

	2022	2021
	£'000	£'000
License fees	**5,012**	4,695

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

	2022	2021
	£'000	£'000
Regulatory fees	**761**	633
Platform license and other services	**1,379**	1,636
	2,140	2,269

The Company incurred £0.9m of costs in relation to the commercial agreement with London Stock Exchange plc for use of its platform services (2021: £1.1m).

5. Expenses by Nature

Expenses comprise the following:

	2022	2021
	£'000	£'000
Amortisation	**267**	2,051
Employee costs	**430**	253
Property costs	**41**	123
Professional fees	**17**	-
Other costs	**149**	195
Fees paid to the auditors of the Company	**34**	31
	938	2,653

Following a reassessment of the customer relationship recoverable amount in 2021, the Company recognised a £1.3m acceleration of amortisation charge in 2021.

LONDON STOCK EXCHANGE LEI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

6. Directors' Remuneration

No remuneration was received by the Directors in respect of qualifying services to this Company in the year (year ended 31 December 2021: £nil).

7. Finance Income and Expense

	2022	2021
	£'000	£'000
Finance income		
Interest on loan to parent	**217**	128
Finance expenses		
Interest on loan from parent	**-**	(11)
Net finance income	**217**	**117**

Finance income relates to a loan to London Stock Exchange Reg Holdings Limited of £11.2m (31 December 2021: £10.5m). Details are provided in Note 11.

Finance expense in prior year relates to a loan from London Stock Exchange Reg Holdings Limited of $1.4m. Details are provided in Note 13.

8. Taxation

The standard UK corporation tax rate was 19% for the year ended 31 December 2022 (year ended 31 December 2021: 19%).

	2022	2021
Taxation (Charged) / Credited to the income statement	**£'000**	£'000
Current tax:		
UK corporation tax for the year	**(418)**	(347)
Adjustments in respect of previous years	-	8
Total Current Tax	**(418)**	(339)
Deferred tax for the year	-	-
Total Deferred Tax	-	-
Taxation (Charge)/credit	**(418)**	(339)

Factors affecting the tax charge for the year

The income statement tax credit for the year differs from the standard rate of corporation tax in the UK of 19% (year ended 31 December 2021: 19%) as explained below:

	2022	2021
	£'000	£'000
Profit / (Loss) before taxation	**2,151**	(110)
Profit multiplied by standard rate of corporation tax in the UK	**(409)**	21
Income not taxable	**41**	24
Expenses not deductible	**(50)**	(392)
Prior period adjustments	-	8
Rate Change Impact	-	-
Taxation (Charge)/credit for the year	**(418)**	(339)

An increase in the UK Corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

9. Dividends

The Directors have not recommended a dividend for the year (year ended 31 December 2021: £nil).

LONDON STOCK EXCHANGE LEI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

10. Intangible Assets

	Customer relationship	
	2022	2021
	£'000	£'000
Cost		
At 1 January	**9,650**	9,650
Additions	**-**	-
At 31 December	**9,650**	**9,650**
Accumulated amortisation		
At 1 January	**(8,849)**	(6,798)
Amortisation charge for the year	**(267)**	(2,051)
At 31 December	**(9,116)**	**(8,849)**
Net book value		
At 31 December	**534**	801

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 £9.7m and a £9.7m intangible asset was recognised representing the customer relationships acquired as part of the transaction. The Company received a capital contribution of £9.7m 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 recognised a £4.2m acceleration of amortisation charge in 2019 and £1.3m acceleration of amortisation charge in 2021.

An amortisation charge of £0.3m has been recognised in the current year following the reassessment of the customer relationship recoverable amount made in 2021.

LONDON STOCK EXCHANGE LEI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

11. Trade and Other Receivables

	2022	2021
	£'000	£'000
Trade receivables	230	285
Amount due from parent	11,262	10,509
Amount due from companies under common control	5,786	5,747
Less: provision for impairment	-	-
Prepayments	-	-
	17,278	16,541

Amounts due from parent include a loan to London Stock Exchange Reg Holdings Limited of £11.2m (2021: £10.5m). The loan is denominated in Pounds Sterling and interest is charged at SONIA risk-free rate adjusted for credit spread of 1% per annum. It is repayable with 5 business days prior notice or on its final maturity date of 5 April 2025.

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

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

Remaining receivables are interest free and repayable on demand.

12. Cash and Cash Equivalents

	2022	2021
	£'000	£'000
Cash at bank	-	-

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

LONDON STOCK EXCHANGE LEI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

13. Trade and Other Payables

	2022 £'000	2021 £'000
Trade payables	**56**	217
Accruals	**245**	172
Amounts owed to parent	**-**	1,006
Amounts owed to companies under common control	**4,882**	5,082
Social security and other taxes	**457**	139
Group relief	**765**	1,401
	6,405	8,017

Amounts owed to parent are nil and in 2021 they included a loan from London Stock Exchange Reg Holdings Limited of $1.4m. The 2021 loan was denominated in U.S. Dollars and interest is charged at SONIA risk-free rate adjusted for credit spread of 0.11963% +1.5% per annum. It was repayable with 3 months' notice or on its final maturity date of 5 April 2025.

Amounts due to companies under common control include payables due to London Stock Exchange plc for the use of the platform.

Accruals include the GLEIF regulatory fee for the last quarter of 2022 and professional fees to Evalueserve for the last quarter of 2022.

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

14. Contract Liabilities

	2022 £'000	2021 £'000
Contract liabilities	**2,745**	2,396

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.

15. Share Capital

	2022		2021	
	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

16. Commitments and Contingencies

Contracted capital commitments and other contracted commitments not provided for in the financial statements of the Company were nil (2022: nil) and nil (2021: nil), respectively.

17. Ultimate Parent Company

As at 31 December 2022, the Company's 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. 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.

18. Events after the Reporting Period

The directors confirm that there were no significant events occurring after the reporting period, up to the date of this report, that would meet the criteria for disclosure or adjustment in the financial statements for the year ended 31 December 2022.