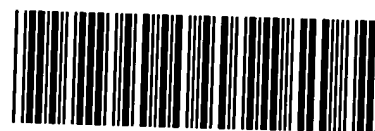


LSEG Employment Services Limited
Report and Financial Statements
For the year ended 31 December 2022

Company Registration Number 09100833

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LSEG EMPLOYMENT SERVICES LIMITED

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LSEG EMPLOYMENT SERVICES LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

Lisa Condron
Catherine Thomas
Damien Maltarp

COMPANY SECRETARY

Maria Savva (Appointed 19 July 2022)
Teresa Hogan (Resigned 19 July 2022)

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

LSEG EMPLOYMENT SERVICES LIMITED

STRATEGIC REPORT

The directors present their strategic report for LSEG Employment Services Limited (the 'Company') for the year ended 31 December 2022.

REVIEW OF BUSINESS

The principal activity of the Company is the provision of employees and their associated services to other London Stock Exchange Group entities. The costs of the employees are recharged at cost to the other group companies to reflect the provision of services provided to them.

The Company made a loss after tax for the year ended 31 December 2022 of £2,799k (2021: £522k loss), mainly attributable to finance expenses payable to the ultimate parent, with the cost of the employees being offset by recharges. Due to the nature of the business as an employment service centre company, the directors have concluded that there are no other financial key performance indicators ('KPIs'). In terms of non-financial KPIs, the Company is measured on workforce engagement and supplier payment practices, which are further elaborated on in the section 172(1) statement in the strategic report.

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

FUTURE DEVELOPMENTS

The Company is expected to continue to provide employment services to companies within the Group.

SECTION 172 (1) STATEMENT

Section 172 of the Companies Act 2006 requires a Director of a Company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this section 172 requires a Director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our workforce, our customers, our suppliers and our relationship with regulators. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders, however, we aim to ensure consistent and predictable outcomes by having a robust, documented decision-making process which considers the Company's purpose, vision and values, together with its strategic priorities.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the Company's business strategy and related policies. We review financial and operational performance, supplier-related matters and legal and regulatory compliance periodically. We also review other areas over the course of the financial year including, the Company's business strategy; key risks and workforce matters (including culture, diversity and wellbeing). This is achieved through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board and responses to questions from Directors.

LSEG EMPLOYMENT SERVICES LIMITED

STRATEGIC REPORT

The Company's key stakeholders are its suppliers, customers, and its workforce. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. The Board recognises that building strong relationships with our stakeholders will help to deliver the Company's strategy in line with our long-term values and operate the business in a sustainable way. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and LSEG means that sometimes our stakeholder engagement will take place at an operational or Group level. For details on some of the engagement that takes place with the Company's stakeholders at a Group level please see pages 64 to 73 of the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2022.

During the period we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, risk and the outcomes of specific pieces of engagement. As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our section 172 duty to promote success of the Company.

We set out below some examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty and the effect of that on decisions taken by us.

Workforce Engagement

The Company's principal activity is the provision of employees and their associated services to other Group entities. During 2022, the Board received an update on a number of employee initiatives that had been implemented throughout the Group.

As adjustment to post-pandemic life continued, the 'All in for Hybrid' scheme was introduced in 2022. This exhibited the Group's commitment to facilitating a more flexible way of working for employees and provided a framework to guide working patterns. The 'All in for Hybrid' initiative aims to balance the advantages of remote working with co-location with colleagues in the Group's offices and customer sites. To execute this, investment has been focused on both digital tools and office spaces, to ensure that employees are able to collaborate effectively when operating under any of the three introduced workstyles: Office First, Blended or Digital First.

During 2022, the Group further cemented its commitment to the identification, development, and nurture of core talent. Commencing in May 2022, the 'Talent ID' programme was launched across the Group for employees at Group Director and Director level. The programme is designed to inform LSEG Leaders of employees with key talent and potential, which will drive retention, progression and growth of a diverse pipeline across the Group. The Development of LSEG leaders was another linchpin of the Group's engagement with its workforce during 2022 as several courses were delivered to encourage and support colleagues to excel in their leadership roles. Looking to the future, the programs also provide employees with key skills and experience for progression into future roles and bolster the opportunity for internal mobility.

Ensuring the workforce is sufficiently rewarded continued to be a priority during 2022, and thus after reviewing both external and internal research and feedback, incremental enhancements were agreed to drive performance and reward. These augmentations centered around the processes in place for employee evaluation, with improvements allowing for greater workforce reflection, evolution and reward.

The main workforce engagement activities take place at a Group level, which include formal and informal meetings, the annual engagement survey, "Have Your Say", indirect engagement via the 'LSEG Engage' surveys and townhall meetings. For a detailed explanation of the Group workforce engagement activities, please see pages 66 to 67 of the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2022.

LSEG EMPLOYMENT SERVICES LIMITED

STRATEGIC REPORT

Suppliers

The Company relies on external and internal suppliers for certain services which are required to ensure that that Company continues to hire, retain and nurture its staff. These include recruitment agencies, research firms, contingent workforce services providers, consultants, training suppliers and employment law advisers. The level of engagement with these suppliers varies depending on their size and the services they provide.

The Company's management team holds regular meetings with its suppliers, which allow for open discussions and encourage a co-operative approach in order to identify and mitigate any risks to the key service provisions of the Company. At those meetings, service level agreements and KPIs are discussed and feedback is exchanged. We believe that having solid long-term relationships with our suppliers is essential to continue to provide our solutions to customers and maintain operational resiliency.

Diversity and Inclusion

The Board believes that diversity makes us more dynamic, fosters innovation and boosts performance.

A common theme from the engagement with stakeholders, is the importance of diversity to our employees, customers, the Group's shareholders, which indirectly includes the London Stock Exchange Group plc and other stakeholders. The Group has set four key goals: (i) create a culture that fosters belonging; (ii) build a diverse leadership team, (iii) accelerate progression of underrepresented talent; and (iv) shape inclusion in our industry. It was determined that these goals would aid the Group with rolling-out D&I initiatives globally.

During 2022, LSEG committed to targets to increase racial and ethnic diversity in its senior leadership to 20% by the end of 2023 and 25% by the end of 2025. The Group also achieved its target for gender diversity, achieving 40% female representation in its senior leadership by the end of 2022.

During 2022, LSEG updated its Subsidiary Policy which ensures that all Group Subsidiaries comply with relevant legal and regulatory requirements. The LSEG Subsidiary Policy also focuses on Subsidiary Board Appointments and provides some key principles that should be adhered to when considering changes to the composition of Subsidiary Boards. Compliance with the LSEG Subsidiary Policy will result in greater consistency and transparency to future Subsidiary Board Appointments. It reiterates LSEG's commitment to increase racial and ethnic diversity in its senior leadership. For more details on LSEG's Diversity and Inclusion initiatives please refer to the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2022.

Payment Practices

The Company is required to report its supplier payment performance and policies as part of the Small Business, Enterprise and Employment Act 2015. On a half yearly basis, the Board reviews and approves the required information which includes: the average time to pay (days); percentage of invoices paid within 30 and 60 days (respectively); invoices paid later than 60 days; and invoices not paid within agreed terms. This information is published on a UK Government portal every six months and allows current and prospective suppliers to see the Company's payment policy, practice and performance, which could help reduce the administrative and financial burden suppliers face when not paid on time.

As part of the Board's desire to foster good relationships with its suppliers, in 2022, further steps were taken to accelerate the payment process and focus was given to ensuring purchase orders are raised and receipted promptly and in compliance with the Group's procurement policy with the result being that average payments reduced Year-Over-Year and were below standard 30-day terms. The Directors are supportive of small and medium sized enterprises being paid promptly and remaining well represented among the Group's suppliers.

LSEG EMPLOYMENT SERVICES LIMITED

STRATEGIC REPORT

EMPLOYEES

Our people are at the heart of what we do and drive the success of our business. Attracting, developing and retaining the skills we need to deliver on our strategy of being the most trusted market expert is a key imperative for the Company. We are dedicated to unifying our growing company and supporting our employees' talent in an environment built on partnership, integrity, innovation and excellence. The Company also provides an induction programme for new employees, including training on health and safety, and a range of development programmes for all staff to develop their skills and knowledge. The Company encourages and assists the employment, training and retention of disabled people. Where changes to working practices or structure affect staff, they are consulted and given appropriate support.

All employees are provided with information on matters of concern to them in their work, through regular briefing meetings and internal publications.

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

The Company's principal risks are considered to arise from the continuing changing regulatory environment and the macro-economic environment (unfavourable tax regimes or the changing regulatory environment) 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 Group has considered the ongoing situation in Ukraine and the Directors do not consider this to pose a significant threat to the Company, but continue to monitor the situation.

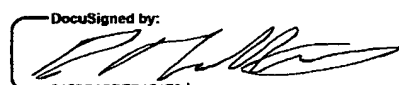
LSEG EMPLOYMENT SERVICES LIMITED

STRATEGIC REPORT

CLIMATE CHANGE

The Company's approach to climate change is governed by the Group's policies and procedures. The Group's response to climate change can be found in the Climate Report in the Annual Report of LSEG.

By order of the board:

DocuSigned by:


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Damien Maltarp
Director
LSEG Employment Services Limited
01 June 2023

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

LSEG EMPLOYMENT SERVICES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

REVIEW OF BUSINESS

The review of the Company's business is set out within the strategic report on page 2.

DIVIDENDS

The directors have not recommended a dividend for the year (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:

Lisa Condrón
Catherine Thomas
Timothy Jones (Resigned 18 May 2023)
Damien Maltarp (Appointed 19 July 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.

DIRECTORS' LIABILITIES

The Company has directors' and officers' insurance which provides an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, 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;

LSEG EMPLOYMENT SERVICES LIMITED

DIRECTORS' REPORT

- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements.
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

EMPLOYEE ENGAGEMENT AND BUSINESS RELATIONSHIPS

A detailed description of how the directors of the Company have engaged with employees and have had regard to the need to foster the Company's business relationships with suppliers can be found in the section 172(1) statement on page 3 of these financial statements.

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 12 months from the date of approval of the financial statements.

London Stock Exchange Group Plc (Ultimate parent entity) 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 under the loan agreement within that period, so long as the Company remains a part of the Group. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

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.

LSEG EMPLOYMENT SERVICES LIMITED

DIRECTORS' REPORT

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:

DocuSigned by:

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Damien Maltarp
Director
LSEG Employment Services Limited
01 June 2023

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LSEG EMPLOYMENT SERVICES LIMITED

Opinion

We have audited the financial statements of LSEG Employment Services Limited (the "Company") for the year ended 31 December 2022 which comprise the Income Statement, the Balance Sheet, 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 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.

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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LSEG EMPLOYMENT SERVICES LIMITED

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 pages 7 -8 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 LSEG EMPLOYMENT SERVICES LIMITED

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

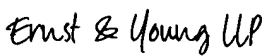
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not 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.

- 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, FRS 101 Reduced Disclosure Framework, and tax legislation (governed by HM Revenue and Customs).
- We understood how the Company is complying with those frameworks by making inquiries of management and seeking representation from those charged with governance. We corroborated our inquiries through review of board meeting minutes and correspondence with relevant authorities.
- 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 payroll process. 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. 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.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries 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 by 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.

Use of our report

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

DocuSigned by:

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Cassondra Polegri (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
01 June 2023

LSEG EMPLOYMENT SERVICES LIMITED
INCOME STATEMENT
Year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	3	204,066	168,823
Expenses			
Administrative expenses	4	(204,069)	(168,873)
Operating loss		(3)	(50)
Finance income	7	10	-
Finance expense	7	(3,454)	(1,712)
Net finance expense		(3,444)	(1,712)
Loss before taxation		(3,447)	(1,762)
Taxation	8	648	1,240
Loss for the financial year		(2,799)	(522)

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 2022 and 31 December 2021.

The notes on pages 16 to 27 form an integral part of these financial statements.

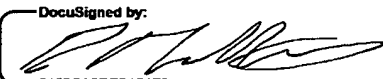
LSEG EMPLOYMENT SERVICES LIMITED**BALANCE SHEET**

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Deferred tax assets	10	11,904	10,161
		11,904	10,161
Current assets			
Trade and other receivables	12	203,898	265,957
Cash and cash equivalents		-	95
		203,898	266,052
Total assets		215,802	276,213
Liabilities			
Current liabilities			
Trade and other payables	13	195,847	255,119
Total liabilities		195,847	255,119
Net current assets		8,051	10,933
Net assets		19,955	21,094
Equity			
Share capital	14	-	-
Retained earnings/(losses)		19,955	21,094
Total equity		19,955	21,094

The notes on pages 16 to 27 form an integral part of these financial statements.

The financial statements on pages 13 to 27 were approved by the board on 31 May 2023 and signed on its behalf by:

DocuSigned by:

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Damien Maltarp
 Director
 LSEG Employment Services Limited
 01 June 2023

Registered number 09100833

LSEG EMPLOYMENT SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022

	Share capital	Retained earnings	Total attributable to equity holders
	£'000	£'000	£'000
1 January 2021	-	21,996	21,996
Employee share scheme expenses	-	(22,617)	(22,617)
Employee share scheme recharges	-	22,617	22,617
Tax in relation to employee share scheme expenses	-	(380)	(380)
Loss for the financial year	-	(522)	(522)
31 December 2021	-	21,094	21,094
Employee share scheme expenses	-	(27,129)	(27,129)
Employee share scheme recharges	-	27,129	27,129
Tax in relation to employee share scheme expenses	-	1,660	1,660
Loss for the financial year	-	(2,799)	(2,799)
31 December 2022	-	19,955	19,955

The issued share capital of the Company consists of 1 share with a total aggregated nominal value of £1, which is fully paid as at 31 December 2022 and 31 December 2021.

The notes on pages 16 to 27 form an integral part of these financial statements.

LSEG EMPLOYMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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 Accounting Standards ('IFRS') adopted in the United Kingdom in conformity with the requirement of the Companies Act 2006.

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 as adopted in the United Kingdom may be obtained.

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*.

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

The presentation of the financial statements comparatives have been amended, rounding-off to the nearest thousands, for better presentation and to be comparable with those of the current year.

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 LSEG Employment Services 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

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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

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 12 months from the date of approval of the financial statements.

London Stock Exchange Group Plc (Ultimate parent entity) 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 under the loan agreement within that period, so long as the Company remains a part of the Group. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

Accounting Policies

Income Statement

Revenue

The main source of the Company's revenue is through the provision of employees and their associated services to other group companies, the costs of which are recharged on a cost basis. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

The Company recognises revenue as services are performed and as it satisfies its obligations to provide a product or service to a customer.

Pension costs

The Company operates a defined contribution personal pension scheme under which the Company pays core fixed contributions; it matches employee contributions up to a maximum of 4% of pensionable pay. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets. The Company provides no other post-retirement benefits to its employees. Contributions are charged to the income statement as incurred.

Share based compensation

The Company operates share-based compensation plans for employees, settled in shares of the ultimate parent company, London Stock Exchange Group plc. The charge to the income statement is determined by the fair value of the options granted or shares awarded at the date of grant and recognised over the relevant vesting period.

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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 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.

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.

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Statement of Financial Position

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.
- b) *Financial assets at FVPL* include all other financial assets not classified as amortised cost including derivative instruments held by the Company.
- c) *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 and borrowings.
- d) *Financial liabilities at FVPL* are liabilities that must be held at fair value. This includes derivatives, equity and debt instruments.

Subsequent measurement:

The Company adopts a forward-looking approach to estimating 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.

- a) *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.

- b) *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.

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Trade and other receivables

Trade and Other receivables include amounts due from other companies within the group on loans and interest on these loans and are measured at amortised cost using the effective 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.

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

Trade and Other payables relate to loans and other payables to 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 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.

Provisions

A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, i.e. the present value of the amount that the Company would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party.

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 significant judgements or estimates applied by management.

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3. Revenue and Other Income

Revenue comprises amounts recharged to the ultimate parent and companies under common control, in respect of providing employees and associated services.

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. Administration Expenses

Expenses comprise the following:

	Note	2022 £'000	2021 £'000
Employee costs	5	198,068	168,066
Other costs		6,001	807
		204,069	168,873

5. Employee Costs

Employee costs comprise the following:

	Note	2022 £'000	2021 £'000
Salaries and other benefits		138,068	121,063
Social security costs		24,573	16,555
Pension costs	11	8,298	7,831
Share based compensation	16	27,129	22,617
		198,068	168,066

The number of employees in the Company was:

	2022	2021
At year end	1,063	742
Average for the year	904	681

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The monthly average number of employees in the Company by category was:

	2022	2021
Corporate and management services	373	251
Technology services	531	430
	904	681

6. Directors' Remuneration

The directors' aggregate remuneration in respect of qualifying services (all of which relate to the highest paid director) were:

	2022 £'000	2021 £'000
Emoluments received	44	45
Benefits	1	1
Pension contributions	-	1
	45	47

7. Net Finance Expense

	2022 £'000	2021 £'000
Finance Income		
Bank Interest income	10	-
	10	-
Finance Expense		
Interest payable to ultimate parent	3,447	1,712
Bank interest expense	4	-
Bank charges	3	-
	3,454	1,712
	3,444	1,712

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8. Taxation

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

	2022 £'000	2021 £'000
Taxation credited/(charged) to the income statement		
Current tax		
UK corporation tax for the year	(2,488)	(2,137)
Adjustment in respect of previous years	285	-
Total current tax	(2,203)	(2,137)
Deferred tax		
Deferred tax for the year	1,713	1,697
Adjustment in respect of previous years	(383)	-
Impact of rate change	1,521	1,680
Total deferred tax	2,851	3,377
Taxation credit	648	1,240
Taxation on items not credited/(charged) to the income statement		
Current tax credit on share options/awards in excess of expense recognised	2,769	3,109
Deferred tax on share options/awards in excess of expense recognised	(1,109)	(3,550)
Impact of rate change	-	61
	1,660	(380)

Factors affecting the tax credit for the year

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

	2022 £'000	2021 £'000
Profit / (Loss) before taxation	(3,447)	(1,762)
Profit / (Loss) multiplied by standard rate of UK corporation tax	655	335
Expenses not deductible	(671)	(327)
Tax allowance on share options/awards in excess of expense recognised	(760)	(135)
Adjustment in respect of previous years	(97)	-
Impact of rate change	1,521	1,366
Taxation credit	648	1,239

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An increase in the UK corporation 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. The deferred tax at 31 December 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2021: 22%).

9. Dividends

No dividend has been proposed or paid in the year (2021: nil).

10. Deferred Taxation

	Provisions and other temporary differences £'000	Total £'000
31 December 2021	10,161	10,161
Tax credited to the income statement:	1,331	1,331
Impact of rate change	1,521	1,521
Tax credited to equity - allowance on share options	(1,109)	(1,109)
31 December 2022	11,904	11,904
Assets at 31 December 2021	10,161	10,161

The deferred tax assets are recoverable against future taxable profits arising from the Company or the group and are due after more than 1 year.

11. Pension Commitments

The Company operates a defined contribution scheme. The assets of the defined contribution scheme are held separately from those of the Company in a separate trustee-administered fund managed by Legal & General Investment Management Limited during the year.

The Company's defined contribution schemes are the only schemes open to employees. A core contribution of 8% of pensionable pay is provided and the Company will match employee contributions up to a maximum of 4% of pensionable pay. The contributions made by the Company amounted to £8,298k (2021: £7,831k). There are no amounts outstanding as at 31 December 2022 (2021: nil).

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12. Trade and Other Receivables

	2022	2021
	£'000	£'000
Amounts due from companies under common control	86,137	159,132
Group tax relief	1,537	14,122
Amounts due from ultimate parent	114,030	92,270
Other receivables	2,194	433
	203,898	265,957

Receivables from companies within the group are interest free and repayable on demand.

The carrying values of trade and other receivables are reasonable approximations of fair value. Amounts not past due are not considered to be impaired.

13. Trade and Other Payables

	2022	2021
	£'000	£'000
Trade payables	646	193
Amounts owed to companies under common control	2,209	4,970
Amounts owed to ultimate parent	137,549	212,370
Accruals	44,511	30,866
Social security and other taxes	10,779	6,303
Other payables	-	417
Bank overdraft	153	-
	195,847	255,119

Amounts owed to the ultimate parent include a loan from London Stock Exchange Group plc of £137m (2021: £209.7m) with interest charged at SONIA +1.2%. The loan is repayable with 5 business days' notice or by 20 January 2025.

Loans with interest rates previously based on LIBOR transitioned to SONIA on 1 January 2022.

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

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14. 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	1	1	1	1

15. Commitments and Contingencies

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

16. Share Plans

Employees of the Company are able to take part in the Group's share schemes as follows:

— **Save As You Earn and International Sharesave Plan 2018 (SAYE)**

The SAYE schemes provide for grants of options over shares to all employees who enter into a savings contract. The options are granted at 20% below the market price on the date of grant and vest after three years, subject to continuing employment.

— **Long-Term Incentive Plan 2014 (LTIP)**

Awards are granted at nil cost to certain employees. Vesting of LTIP awards is dependent on both market and non-market performance conditions. The performance conditions include achievement of relative TSR (40%) and adjusted EPS (60%) targets.

— **International Share Incentive Plan (ISIP)**

The ISIP is a scheme in which overseas employees can buy shares monthly via salary deduction. For every four shares purchased by the employee, the Group awards them one additional share which vests after completion of a three-year plan cycle.

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 Group (Services) Limited, which does not prepare consolidated financial statements. Both companies are incorporated in England and Wales. 100% of the issued share capital of the Company was beneficially owned by the parent entity.

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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18. Other Statutory Information

The Company paid £42,723 (2021: £40,689) to its auditors in respect of the audit of the financial statements of the Company. Statutory information on 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 year.