

**LSEG Employment Services Limited**

**Report and Financial Statements**

**For the year ended 31 December 2020**

**Company Registration Number 09100833**



# **LSEG EMPLOYMENT SERVICES LIMITED**

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# **LSEG EMPLOYMENT SERVICES LIMITED**

## **DIRECTORS AND OFFICERS**

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### **DIRECTORS**

L Condron  
C Thomas  
D Warren (resigned 8 December 2020)  
T Jones

### **COMPANY SECRETARY**

T Hogan

### **REGISTERED OFFICE**

10 Paternoster Square  
London  
EC4M 7LS

### **BANKERS**

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

### **INDEPENDENT AUDITORS**

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

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **STRATEGIC REPORT**

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The directors present their strategic report for LSEG Employment Services Limited (the “Company”) for the year ended 31 December 2020.

### **REVIEW OF BUSINESS**

The Company is part of London Stock Exchange Group plc (“LSEG”, the “parent”, the “group”). The principal activity of the Company is the provision of employees and their associated services to other LSEG 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 2020 of £998.6k (loss after tax for the year ended 31 December 2019: £775.8k), mainly attributable to employee costs and finance expense. 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 (“KPI”). 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.

### **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. By considering the Company’s purpose, vision and values together with its strategic priorities, and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

As is normal for large-sized companies, 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 business strategy and related policies. We review financial and operational performance, customer-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 carried out 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**

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The Company's key stakeholders are its workforce and suppliers. The views of stakeholders, 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 the group 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 70 to 71 of the London Stock Exchange Group plc Annual Report for the financial year ended 31 December 2020. In particular, this covers the group's response to the Covid-19 pandemic. The Company's board has kept abreast of the impact on and response of the group, including the group's focus on workforce engagement and wellbeing.

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 reports and presentations on our financial and operational performance, non-financial KPIs, risk, culture dashboard, and the outcomes of specific pieces of engagement. As a result of this we have 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 the success of the Company. The information received by the board included updates on: (i) culture and talent integration planning for the acquisition of Refinitiv; (ii) the launch of inclusion networks; and (iii) leadership and career development initiatives.

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 the workforce and their associated services to group entities. During 2020, the results of workforce engagement activities were made available to the board, including the group's annual engagement survey, "Have Your Say" ("HYS"), and new quarterly wellbeing/Ways of Working ("WoW") surveys. Together, these engagement activities enable the workforce to share its views on working for the Company and the group, providing management and the board with insight as well as mechanisms to track engagement and sentiment.

The main workforce engagement activities take place at the group level and these include formal and informal meetings, the annual HYS survey, the quarterly WoW surveys and townhall meetings. In 2020, the group held virtual townhall meetings due to Covid-19 restrictions. Topics were tailored to each audience, and included the Refinitiv integration and future WoW projects. Under usual circumstances, the group board would visit our operations and engage with the workforce during that time. Last year it instead engaged with the workforce virtually through a series of consultations held in key regional locations. The workforce was happy with the group's focus on wellbeing and had been impressed with the range of support available, in view of the challenges when working from home for an extended period of time. Feedback was incorporated into the group's internal communications strategy for 2021 and the group's onboarding procedures. There was agreement at the consultation sessions that a flexible and balanced approach to office and home working would be needed post-pandemic, to meet the different needs of the workforce and the business.

For a detailed explanation of the group workforce engagement activities, please see pages 57 to 59 and 79 of the London Stock Exchange Group plc Annual Report for the financial year ended 31 December 2020.

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **STRATEGIC REPORT**

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### Suppliers

Our Company relies on external and internal suppliers for certain services which are required to ensure that the Company continues to hire, retain and nurture its workforce. These include recruitment agencies, research firms, contingent workforce services providers, consultants, training providers and employment law advisers. We believe that having solid long-term relationships with our suppliers is essential.

The level of engagement with these suppliers varies depending on their size and services. During 2020, a refreshed risk assessment of the group's supply chain was carried out based on latest guidance, best practice and data. This enabled us to reconfirm the tiers of our suppliers according to a number of risk factors. Suppliers in tiers 1-3 were asked to reconfirm their agreement to the group Supplier Code of Conduct. Policies and procedures were also reviewed and refreshed.

At meetings, service level agreements and KPIs are discussed and feedback is exchanged in order to identify and mitigate risks to the Company's key service provisions. In addition to the tiering exercise, management and the workforce engaged with large and critical suppliers regularly in 2020 to review progress on projects and to ensure that suppliers continued to understand our business and culture. Ad-hoc meetings were held with smaller suppliers and, where a partnership model has been adopted, regular account meetings with management took place.

### **Diversity and inclusion**

The board believes that diversity makes us more dynamic, fosters innovation and boosts performance. Events in 2020 refocused the group's commitment to diversity and inclusion, pushing racial diversity to the forefront. Being the main provider of the workforce and their associated services to the group, the board inputted into the formation of 6 group-level diversity workstreams and continues to support their aim to make the group a more inclusive environment. For further details at group level, please see pages 70 to 71 of the London Stock Exchange Group plc Annual Report for the financial year ended 31 December 2020.

### **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 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 6 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 our desire to foster good relationships with our suppliers, in 2020, steps were taken to accelerate the payment process. Focus was given to ensuring purchase orders are raised and receipted promptly and compliance with the group's procurement policy. The directors encourage prompt payment practices for small- and medium-sized enterprises and that they remain well represented among suppliers.

## **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

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **STRATEGIC REPORT**

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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 1<sup>st</sup> line (management) is responsible and accountable for identifying, assessing and managing risk.
- The 2<sup>nd</sup> line (risk management and compliance) is responsible for defining the risk management process and policy framework and providing challenge to the 1<sup>st</sup> line on risk management activities assessing risks and reporting to the group board committees on risk exposure.
- The 3<sup>rd</sup> 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, impact of Brexit on ability to conduct business with European Union ("EU") members, or the changing regulatory environment, may reduce the attractiveness of London as a major financial centre) and increasing security threats (both physical and cyber).

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

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

By order of the board:

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **STRATEGIC REPORT**

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*Catherine Thomas*

Catherine Thomas (Jul 2, 2021 13:05 GMT+1)

Catherine Thomas  
Director  
LSEG Employment Services Limited  
2 July 2021

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



# **LSEG EMPLOYMENT SERVICES LIMITED**

## **DIRECTORS' REPORT**

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The directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

### **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 (year ended 31 December 2019: nil).

### **DIRECTORS AND DIRECTORS' INTERESTS**

The following directors have held office throughout the year and up to the date of approval of the financial statements, except as noted below:

L Condron  
C Thomas  
D Warren (resigned 8 December 2020)  
T Jones

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

### **DIRECTORS' LIABILITIES**

The Company has directors and officers' insurance which provides an indemnity to 1 or more of its directors against liability in respect of proceedings brought by third parties. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed,

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **DIRECTORS' REPORT**

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- subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

### **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 2 of these financial statements.

### **GOING CONCERN**

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

### **EVENTS AFTER THE REPORTING PERIOD**

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

### **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

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **DIRECTORS' REPORT**

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information.

### **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:

*Catherine Thomas*

Catherine Thomas (Jul 2, 2021 13:05 GMT+1)

Catherine Thomas

Director

LSEG Employment Services Limited

2 July 2021

REGISTERED OFFICE:

10 Paternoster Square, London, EC4M 7LS

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

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## Opinion

We have audited the financial statements of LSEG Employment Services Limited (the "Company") for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company.

In accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## 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.

**10 LSEG Employment Services Limited Report and Financial Statements 31 December 2020**

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

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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 misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.*

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

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

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## **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.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, International Accounting Standards in conformity with the requirements of the Companies Act 2006, and tax legislation (governed by HM Revenue and Customs).
- We understood how the Company is complying with those frameworks by making enquiries of management and seeking representation from those charged with governance. We corroborated our enquiries through review of board meeting minutes 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. This included assessing the impact of remote working due to COVID-19. Our procedures involved journal entry testing by specific risk criteria, with a focus on manual top side financial statement adjustments and journals indicating large or unusual transactions based on our understanding of the business.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquires of executive management and those responsible for legal and compliance matters for their awareness of any non-compliance with laws and regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees; inquiring about the Company's methods of enforcing and monitoring compliance with such policies; reviewing board minutes and by seeking representation from those charged with governance.

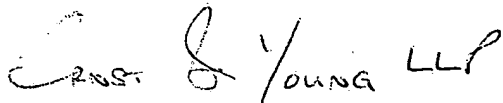
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

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## 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.

Handwritten signature of Hitesh Patel in black ink, reading "Ernst & Young LLP".

Hitesh Patel (Senior statutory auditor)

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

Date: 2 July 2021

**LSEG EMPLOYMENT SERVICES LIMITED**  
**INCOME STATEMENT**  
Year ended 31 December 2020

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Revenue	3	128,765.7	98,744.4
<b>Expenses</b>			
Administrative expenses	4	(128,990.0)	(97,861.3)
<b>Operating profit/(loss)</b>		<b>(224.3)</b>	<b>883.1</b>
Finance expense	7	(1,207.4)	(879.4)
<b>Profit/(loss) before taxation</b>		<b>(1,431.7)</b>	<b>3.7</b>
Taxation	8	433.1	(779.5)
<b>Loss for the financial year</b>		<b>(998.6)</b>	<b>(775.8)</b>

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 2020 and year ended 31 December 2019.

The notes on pages 17 to 29 form an integral part of these financial statements.



**LSEG EMPLOYMENT SERVICES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2020

		31 December 2020	31 December 2019
	Notes	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets	10	10,274.3	9,495.6
		<b>10,274.3</b>	<b>9,495.6</b>
<b>Current assets</b>			
Trade and other receivables	12	123,401.9	89,418.5
Cash and cash equivalents		0.5	2.7
		<b>123,402.4</b>	<b>89,421.2</b>
<b>Total assets</b>		<b>133,676.7</b>	<b>98,916.8</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	(111,680.1)	(78,654.6)
Provisions	14	-	(1,317.2)
<b>Total liabilities</b>		<b>(111,680.1)</b>	<b>(79,971.8)</b>
<b>Net current assets</b>		<b>11,722.3</b>	<b>9,449.4</b>
<b>Net assets</b>		<b>21,996.6</b>	<b>18,945.0</b>
<b>Equity</b>			
Share capital	15	-	-
Retained earnings		21,996.6	18,945.0
<b>Total equity</b>		<b>21,996.6</b>	<b>18,945.0</b>

The notes on pages 17 to 29 form an integral part of these financial statements.

The financial statements on pages 14 to 29 were approved by the board on 2 July 2021 and signed on its behalf by:

Catherine Thomas  
Catherine Thomas (Jul 2, 2021 13:05 GMT+1)

Catherine Thomas  
Director  
LSEG Employment Services Limited  
2 July 2021

Registered number 09100833

**LSEG EMPLOYMENT SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
Year ended 31 December 2020

	Share capital	Retained earnings	Total attributable to equity holders
	£'000	£'000	£'000
<b>1 January 2019</b>	-	13,387.1	13,387.1
Employee share scheme expenses	-	(9,397.0)	(9,397.0)
Employee share scheme recharges	-	9,397.0	9,397.0
Tax in relation to employee share scheme expenses	-	6,333.7	6,333.7
Loss for the financial year	-	(775.8)	(775.8)
<b>31 December 2019</b>	-	<b>18,945.0</b>	<b>18,945.0</b>
Employee share scheme expenses	-	(16,050.5)	(16,050.5)
Employee share scheme recharges	-	16,050.5	16,050.5
Tax in relation to employee share scheme expenses	-	4,050.2	4,050.2
Loss for the financial year	-	(998.6)	(998.6)
<b>31 December 2020</b>	-	<b>21,996.6</b>	<b>21,996.6</b>

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 2020 and 31 December 2019.

The notes on pages 17 to 29 form an integral part of these financial statements.

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2020

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### **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") in conformity with the requirement of the Companies Act 2006.

The Company is a qualifying entity for the purposes of FRS 101. Note 18 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 impact of these amendments to the Company's previously adopted accounting policies in accordance with IFRS was not material on the shareholders' equity as at the date of transition and as at 31 December 2020 or on the loss for the year ended 31 December 2020.

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

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

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

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

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2020**

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

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

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

These financial statements contain information about 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 because it is a wholly owned subsidiary of London Stock Exchange Group plc which prepares consolidated financial statements which are publicly available.

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

### **Going concern**

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

## **Accounting Policies**

### ***Income Statement***

#### ***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 to LSEG 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.

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2020**

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### *Share based compensation*

The Company operates share based compensation plans for employees, settled in shares of the ultimate parent company, LSEG. 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.

### *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.

### *Statement of Financial Position*

#### *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.

### *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

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2020**

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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 or fair value through other comprehensive income. This category includes derivatives, equity and debt instruments.
- 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 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 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.

### *Trade and other receivables*

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.

# **LSEG EMPLOYMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2020

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Trade receivables are initially recognised at fair value, which is the original invoiced amount to the customers and subsequently measured at amortised cost, less any allowance for ECL. The ECLs for trade and other receivables are calculated using IFRS 9's simplified approach of lifetime ECL. The simplified approach is based on historic experience of collection rates, adjusted for forward looking factors specific to each counterparty and the economic environment at large to create an expected loss matrix. The carrying amount of the asset is reduced through the use of an allowance account for ECL and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited in the income statement.

### *Cash and cash equivalents*

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

### *Trade and other payables*

Other payables relate to loans from other companies within the group. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade 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.

Subsequent to initial recognition, financial liabilities at amortised cost are measured using the effective interest rate method, with gains and losses recognised in finance income and expense respectively. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

### *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. The Company has considered and exercised judgements in evaluating the ongoing impact of COVID-19 on the preparation of these financial statements. The significant judgements and estimates for the year ended 31 December 2020 are as follows:

# LSEG EMPLOYMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2020

- Provisions: a provision has been applied by the Company in the current year with regards to expected costs from restructuring initiatives. Refer to note 14. The Company has considered the impact of COVID-19. Following this review there was no direct impact for COVID-19.

There were no principal judgements applied by management in the year ended 31 December 2020.

### 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. Expenses by Nature

Expenses comprise the following:

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Employee costs	5	(127,518.4)	(94,908.9)
Other costs		(1,471.6)	(2,952.4)
		<b>(128,990.0)</b>	<b>(97,861.3)</b>

### 5. Employee Costs

Employee costs comprise the following:

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Salaries and other benefits		(89,323.0)	(66,628.5)
Social security costs		(16,098.1)	(14,401.7)
Pension costs	11	(6,046.8)	(4,481.7)
Share based compensation	17	(16,050.5)	(9,397.0)
		<b>(127,518.4)</b>	<b>(94,908.9)</b>



**LSEG EMPLOYMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2020

The number of employees in the Company was:

	Year ended 31 December 2020	Year ended 31 December 2019
At year end	624	488
Average for the year	568	441

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

	Year ended 31 December 2020	Year ended 31 December 2019
Corporate and management services	212	149
Technology services	356	292
	568	441

## 6. Directors' Remuneration

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

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Emoluments received	45.4	29.2
Benefits	1.3	0.8
Pension contributions	1.2	1.0
	47.9	31.0

## 7. Finance Expense

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Interest payable to ultimate parent	(1,207.4)	(879.4)

**LSEG EMPLOYMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2020

**8. Taxation**

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

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
<b>Taxation credited/(charged) to the income statement</b>		
<b>Current tax</b>		
UK corporation tax for the year	(1,048.1)	(422.8)
Adjustment in respect of previous years	(50.6)	(422.5)
<b>Total current tax</b>	<b>(1,098.7)</b>	<b>(845.3)</b>
<b>Deferred tax</b>		
Deferred tax for the year	1,217.2	219.5
Impact of rate change	314.6	(153.7)
<b>Total deferred tax</b>	<b>1,531.8</b>	<b>65.8</b>
<b>Taxation credit/(charge)</b>	<b>433.1</b>	<b>(779.5)</b>
<b>Taxation on items not credited/(charged) to the income statement</b>		
Current tax allowance on share options/awards in excess of expense recognised	(4,803.3)	(2,938.5)
Deferred tax allowance on share options/awards in excess of expense	753.1	(3,395.2)
	<b>(4,050.2)</b>	<b>(6,333.7)</b>

**Factors affecting the tax credit 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 2019: 19%) as explained below:

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Profit/(loss) before taxation	(1,431.7)	3.7
Profit/(loss) multiplied by standard rate of UK corporation tax	272.0	(0.7)
Expenses not deductible	(230.8)	(170.5)
Share allowance on share options/awards in excess of expense recognised	127.9	(32.0)
Adjustment in respect of previous years	(50.6)	(422.6)
Impact of rate change	314.6	(153.7)
<b>Taxation credit/(charge)</b>	<b>433.1</b>	<b>(779.5)</b>

# LSEG EMPLOYMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2020

Following the UK budget on the 3rd of March and the announcement that the UK rate of corporation tax will increase from 19% to 25% effective 1 April 2023 with legal enactment of the new rate expected in 2021, the Company has assessed the impact on its deferred tax assets and liabilities unwinding post 1 April 2023. The Company expects that the higher rate would lead to £456k additional deferred tax assets should the change have been reflected in the balance sheet at 31 December 2020.

## 9. Dividends

No dividend has been proposed or paid for the year (year ended 31 December 2019: £nil).

## 10. Deferred Taxation

	Provisions and other temporary differences £'000	Total £'000
31 December 2019	9,495.6	9,495.6
Tax charged to the income statement:	1,217.2	1,217.2
Tax credited/(charged) to equity:		
- allowance on share options/awards	(1,373.6)	(1,373.6)
Impact of rate change debited to the income statement	314.6	314.6
Impact of rate change credited to equity	620.5	620.5
<b>31 December 2020</b>	<b>10,274.3</b>	<b>10,274.3</b>
Assets at 31 December 2019	9,495.6	9,495.6

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.

**LSEG EMPLOYMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2020

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 £6,046.8k (year ended 31 December 2019: £4,481.7k). There are no amounts outstanding as at 31 December 2020 (31 December 2019: £nil).

## 12. Trade and Other Receivables

	31 December 2020 £'000	31 December 2019 £'000
Amounts due from companies under common control	52,814.1	39,686.2
Group tax relief	13,149.6	9,445.0
Amounts due from ultimate parent	57,151.6	40,166.9
Other receivables	286.6	120.4
	<b>123,401.9</b>	<b>89,418.5</b>

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

	31 December 2020 £'000	31 December 2019 £'000
Trade payables	(154.6)	(81.4)
Amounts owed to companies under common control	(4,348.5)	(14,656.2)
Amounts owed to ultimate parent	(73,368.2)	(36,859.9)
Accruals	(30,224.4)	(22,546.5)
Social security and other taxes	(3,248.0)	(4,278.8)
Other payables	(336.4)	(231.8)
	<b>(111,680.1)</b>	<b>(78,654.6)</b>

Amounts owed to the ultimate parent include a loan from London Stock Exchange Group plc of £71.4m (31 December 2019: £33.6m) with interest charged at LIBOR +1.2%. The amount is repayable with 3 months' notice or on its maturity date of 20 January 2025.

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

**LSEG EMPLOYMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2020

**14. Provisions**

	31 December 2020 £'000	31 December 2019 £'000
Provisions	-	(1,317.2)

This provision primarily related to the expected costs arising on restructuring initiatives.

**15. Share Capital**

	31 December 2020		31 December 2019	
	Number of shares	Share capital £	Number of shares	Share capital £
<b>Issued, called up and fully paid</b>				
Ordinary shares of £1 each	1	1	1	1

**16. Commitments and Contingencies**

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

**17. Share Plans**

The Company is part of a group wide share-based compensation scheme. The Company's ultimate parent, LSEG, issues all grants and has the ultimate obligation to settle the share-based payment transaction. The service from the employees is received by the Company.

The London Stock Exchange Group Long Term Incentive Plan ("LTIP") approved at the 2014 AGM, is equity settled and includes an award of performance shares and an award of matching shares linked to investment by the employee of annual bonus in LSEG shares – the latter element is not applicable to executive directors. Vesting of these awards is dependent on both market and non-market performance conditions. These performance conditions include achievement of total shareholder return ("TSR") and adjusted basic earnings per share ("AEPS") targets.

Grants during the current year have replaced absolute TSR as a performance measure with relative TSR. Grants in prior years, continue to be measured with reference to absolute TSR. The performance weighting for TSR was reduced from 50% to 40% for the current year. The performance weighting of the AEPS was increased for the current year from 50% to 60%. Awards are granted at nil cost to employees. The group has not granted any matching share awards during the year.

# LSEG EMPLOYMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2020

The group's remuneration committee determines performance targets each year to ensure that the targets are stretching and support value creation for shareholders whilst remaining motivational for management. Further details are provided in the remuneration report in the annual report of the London Stock Exchange Group plc for the year ended 31 December 2020, which does not form part of this report.

Awards are granted under the Restricted Share Award Plan 2018 (RSAP) at nil cost to employees. RSAP awards are not subject to any performance conditions, other than a service condition. In the current year, such grants were small in number and typically made for the purpose of staff recruitment and retention.

Deferred bonus plan share awards (DBP) are structured as nil-cost options subject to continued employment and malus and clawback provisions. Such awards usually vest in full on the normal vesting dates.

The SAYE Option Scheme and International Sharesave Plan 2018 (SAYE) provide for grants of options over the Company's shares to employees who enter into a 3-year savings contract. The options are granted at 20% below fair market value on the date of grant and become exercisable 3 years later.

Share-based payment charges for LTIP awards including RSAP and DBP awards and SAYE options are recognised under IFRS 2.

Vesting periods on share plans vary by plan, but are typically 3 years and tranche vesting may apply.

Share options were exercised on a regular basis throughout the year and the weighted average exercise price was as follows:

	31 December 2020		31 December 2019	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
SAYE	41,903	31.20	35,479	23.68
LTIP	466,510	-	461,503	-

The weighted average share price of London Stock Exchange Group plc shares during the year was £81.75 (year ended 31 December 2019: £58.75).

The range of exercise prices and weighted average remaining contractual life of awards and options outstanding are as follows:

	31 December 2020		31 December 2019	
	Number outstanding	Weighted average remaining contractual life (years)	Number outstanding	Weighted average remaining contractual life (years)
SAYE				
Between £30 and £50	58,703	0.9	105,468	1.4

**LSEG EMPLOYMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2020

More than £50	37,625	2.4	-	-
<b>LTIP</b>				
Nil	1,063,638	1.3	1,180,675	1.2
	1,159,966	1.4	1,286,143	1.2

## 18. Ultimate Parent Company

As at 31 December 2020, 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 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.

## 19. Other Statutory Information

The Company paid £39,504 (year ended 31 December 2019: £38,540) to its auditors in respect of the audit of the financial statements of the Company.

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

## 20. Events After the Reporting Period

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