

REDI TECHNOLOGIES LTD
STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

REGISTERED NUMBER: 08299297



REDI TECHNOLOGIES LTD

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REDI TECHNOLOGIES LTD

Company Information

DIRECTORS:

Ian Mawdsley

Neill Penney

Michael Chin (appointed 6 November 2019)

Rishi Nangalia (resigned 11 October 2019)

SECRETARY:

Carla O'Hanlon

REGISTERED OFFICE:

Five Canada Square

Canary Wharf

London

E14 5AQ

England

REGISTERED NUMBER:

08299297 (England and Wales)

AUDITOR:

Deloitte LLP

Statutory Auditor

1 New Street Square

London

EC4 3HQ

United Kingdom

Strategic Report for the year ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

DEFINITIONS

As used in the annual report, “the Group” and “the Refinitiv Group” refer to Refinitiv Holdings Limited and its subsidiary undertakings, including joint ventures and associates. “The Company” refers to REDI Technologies Ltd (REDI).

COMPANY OVERVIEW

The Company is a private Company limited by shares incorporated in the England and Wales. Its principal activity is a multi-asset electronic trading platform that services both the buy-side and sell-side communities, routing an investor's order to broker-dealer for purposes of executing and settling transactions.

REDI Technologies Ltd. is authorised and principally regulated in the United Kingdom by the Financial Conduct Authority (FCA) and classified as an exempt CAD firm.

BUSINESS MODEL

The Company generates turnover by charging connectivity fees to brokers to facilitate the flow of execution requests from users of the REDI+ application. These fees vary from by region and may be based on a fixed monthly amount or by a transaction fee by asset class based on quantity or notional value traded. The Company also collects terminal fees for certain terminal entitlements and fees for the exchanges datafeed.

The London location is primarily utilised for client support in EMEA and overlapping coverage for Asia and US offices.

The Company receives marketing support, transactional and technology services from other affiliates in the Group for which it pays monthly fees in accordance with relevant agreements.

REVIEW OF BUSINESS

The change in business model within the EMEA client base has seen revenue moved from REDI Technologies Ltd to the parent Company Refinitiv Ltd. So, whilst the fees attributed to connectivity increased during 2019, fees associated REDI+ terminals were migrated to the Refinitiv Eikon as the platform to deliver the REDI product.

Additionally, a number of smaller regional brokers have chosen to consolidated connectivity with another Refinitiv network Autex Trade Route and are billed directly by this entity.

On 1 August 2019 the shareholders of Refinitiv Holdings Limited, the parent Company of the Refinitiv group of companies, agreed definitive terms with the London Stock Exchange Group plc (LSEG) to acquire the Refinitiv business in an all share transaction. The transaction is subject to regulatory approvals and certain other closing conditions. Upon the closing of the transaction, Refinitiv shareholders will ultimately hold an approximate 37 per cent economic interest in LSEG and less than 30 per cent of the total voting rights of LSEG. Completion of the transaction is expected to occur during the second half of 2020.

Strategic Report for the year ended 31 December 2019 (continued)

Status of Brexit and potential impact

The UK left the EU on 31 January 2020. On February 1, the UK entered in a transition period, during which it will continue to apply and be bound by all EU laws. The transition period will last until December 31 2020. It remains unclear how Brexit will affect the country's trading relationships, corporate taxation policy, the movement of people, and regulatory affairs in the long-term. The directors have considered the impact of the UK leaving on the financial, regulatory and legal environment and concluded that it would depend on the nature of arrangements agreed. These arrangements are difficult to predict as the UK's future relationship with the EU is still to be finalised in 2020 and potentially beyond. Until these terms are finalised it is not possible to determine the impact on the economic conditions in the UK and on the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

During Spring 2020 the Covid-19 virus began spreading across the world causing health, social and economic disruption. Refinitiv Holdings Limited, the parent group, has responded to this in a variety of ways to ensure minimal disruptions to services provided to clients, continuity of production and supply, and the wellbeing of employees as far as possible.

Revenues are largely transactional based and are correlated to market volumes, volatility and client performance.

Management monitors the Company's revenue results on a monthly basis versus plan, prior month and prior year results in order to identify adverse trends in revenue, client counts, and node growth. Additionally, management monitors the Company's volumes versus relevant markets (US, International, Options and Futures markets) and the VIX volatility index.

CORPORATE STRATEGY

The Company has begun to couple its core Execution Management functionality with Portfolio Compliance and Risk Management capabilities through a combined policy of strategic partnerships and internal development. This, alongside expansion into execution across the asset classes, should establish the firm as a leading player in supplying the institutional buy-side with front-to-back technology solutions.

The Company continues to integrate the REDI functionality into Eikon through the creation of web-based applications, while enhancing the product to allow for additional cross sell opportunities with other Refinitiv product lines.

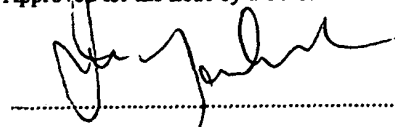
KEY PERFORMANCE INDICATORS

The Company measures its performance by reference to turnover, user terminals, client volumes and the number of broker connections.

COMPETITION

The Execution Management business is highly competitive and the Company competes with EZE EMS, Trading Screen, Bloomberg EMSX and others. The Company also competes with broker owned platforms.

Approved for the issue by the Board of Directors and signed on its behalf



Ian Mawdsley - Director

22 April 2020

Directors' Report for the year ended 31 December 2019

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2019.

The information in relation to the Company's future developments and risk management and policies is discussed within the Strategic Report.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of financial technology, providing software to the trading industry.

ASSESSMENT OF ENTITY'S GOING CONCERN

The Company is taking appropriate action to deal with the events arising from Covid-19 and to minimize its impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise the Company's ability to continue as a going concern.

The operations of the Company is structured such that there is reliance on ongoing support from its group parent to continue as a going concern. Having sought and received confirmation in terms of group structure and ongoing continuity of support from Refinitiv Holdings Limited and after considering the impact of the latest developments with regards to Covid-19, including those related to the latest financial position and solvency of Refinitiv Holdings Limited, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from approval of the financial statements.

FINANCIAL RISK MANAGEMENT POLICY

The financial risks of the Company are aligned with those of the Group and the management of financial risks is co-ordinated with those undertaken at Group level by Refinitiv Holdings Limited. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's and the Group's financial performance. More details of the Group's risk management programme can be found in the Refinitiv Holdings Limited 2019 Annual Report.

The Company's operations expose it to a variety of financial risks. These include the credit risk inherent in a customer base concentrated in the financial community, the liquidity risk associated with recovering that customer debt on a timely basis, and the interest rate cash flow risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring customer debt levels and the related financial risks to the business.

The management of financial risks is undertaken at a Group level. The Groups overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Groups financial performance. More details of the Groups risk management programme can be found in the Refinitiv Holdings Limited Annual Report 2019.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and cash flow interest rate risk.

Currency risk

Foreign exchange risk arises from cash flows relating to commercial transactions and recognised assets and liabilities. Transaction exposure occurs when the Company receives or pays cash in a currency different from US dollars, the functional currency of the entity. The majority of Company's transactions are recorded in the functional currency and therefore this risk is not considered as high. However, the Company approach to mitigate currency risk is to settle the transactions in non functional currency as soon as they arise.

Directors' Report for the year ended 31 December 2019 (continued)

Credit risk

The Company is exposed to concentrations of credit risk. Trade debtors are concentrated in the financial institutions sector. The maximum exposure to credit risk at 31 December 2019 was as follows: trade debtors \$1,384,135 (2018: \$793,302), amounts owed by Group undertakings \$56,838 (2018: \$1,448,809), and cash \$304,779 (2018: \$1,156,963).

Cash flow risk

The Company's interest rate risk arises from interest-bearing assets. Amounts owed by Group undertakings subject to variable rates expose the Company to cash flow interest rate risk, which is the risk that future cash flows will fluctuate because of changes in market interest rates. To minimise this exposure, the majority of the Company's amounts owed by Group undertakings have been interest free since 13 January 2017 and, as such, this risk is not considered as material for the Company.

Covid-19

On 11 March 2020 the World Health Organization labelled the public health emergency situation caused by the coronavirus (Covid-19) outbreak a global pandemic. The rapid escalation of events, in both the United Kingdom and worldwide, is resulting in an unprecedented health crisis that will have an impact on the macroeconomic environment and business evolution. To tackle the issue, the United Kingdom issued orders to stay at home, closed certain businesses and venues, prohibited public gatherings, and other guidelines.

Refinitiv Holdings Limited, the parent group, has responded to this in a variety of ways to ensure minimal disruptions to services provided to clients and the wellbeing of employees as far as possible. Most of its staff are currently working from home, except for essential staff that must be in the office. The Company is closely monitoring its technology infrastructure due to the changing requirements of employees working from home and the increased client activity and trading volume on our platforms.

FINANCIAL RESULTS AND DIVIDENDS

The Company's loss for the financial year was (\$50,632) (2018: profit \$197,445).

No dividends were paid in 2019 (2018: \$Nil).

DIRECTORS' IDEMNITY INSURANCE

REDI Director's idemnity insurance is provided by a Group global Director & Officers insurance program which protects all directors and officers of Refinitiv companies and subsidiaries. Refinitiv purchases extensive limits of cover to respond in a number of areas, including but not limited to legal defence costs and damages for which the Director or Officer may be legally liable to pay to other parties following a wrongful act in their role as a Director or officer.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

POST BALANCE SHEET EVENTS

The Company has concluded that Covid-19, of which the principal risks and uncertainties are discussed in the Strategic Report, is a non-adjusting event which does not require any adjustment to the financial statements for the year ended 31 December 2019. However, it could have an impact on the Company's future operations and, therefore, future results and cash flows. Given the complexity and rapid escalation of events, it is not currently practicable to make a reliable quantified estimate of their potential impact on the Company. Should there be an impact, it would be recorded prospectively in the 2020 financial statements.

**Directors' Report
for the year ended 31 December 2019 (continued)**

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 these 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;
- 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 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 who held office during the year and up to the date of signature of the financial statements were as follows:

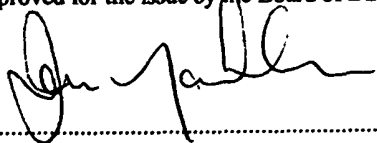
Ian Mawdsley

Neill Penney

Michael Chin (appointed 6 November 2019)

Rishi Nangalia (resigned 11 October 2019)

Approved for the issue by the Board of Directors and signed on its behalf



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Ian Mawdsley - Director

22 April 2020

Independent auditors' report to the members of REDI Technologies Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of REDI Technologies Ltd (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Independent auditors' report to the members of REDI Technologies Ltd (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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 the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

**Independent auditors' report
to the members of REDI Technologies Ltd (continued)**

Matters on which we are required to report by exception

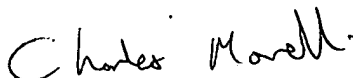
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Charles Morelli FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

24 April 2020

REDI TECHNOLOGIES LTD

**Statement of Comprehensive Income
for the year ended 31 December 2019**

		2019	2018
	Note	\$	\$
Turnover	1	3,827,340	2,550,831
Cost of sales		(3,521,610)	(2,122,380)
Gross profit		<u>305,730</u>	<u>428,451</u>
Administrative expenses		(293,377)	(167,507)
Operating profit	4	<u>12,353</u>	<u>260,944</u>
Interest payable and similar expenses	5	(2,819)	(7,515)
Profit before taxation		<u>9,534</u>	<u>253,429</u>
Tax on profit	6	(60,167)	(55,984)
(Loss)/profit for the financial year		<u>(50,633)</u>	<u>197,445</u>

The results for current and prior years above derive from continuing operations.

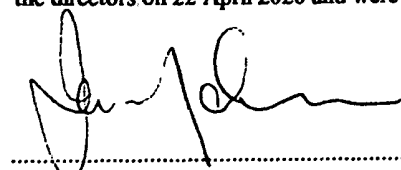
The Company has no other comprehensive income for the year other than the results above, so no separate statement of other comprehensive income is presented.

REDI TECHNOLOGIES LTD

**Statement of Financial Position
as at 31 December 2019**

	Note	2019 \$	2018 \$
Fixed assets			
Intangible assets	7	291,667	-
Deposits	8	<u>203,214</u>	<u>243,339</u>
		494,881	243,339
Current assets			
Debtors: amounts falling due within one year	8	1,577,357	2,562,497
Cash at bank		<u>304,779</u>	<u>1,156,963</u>
Total current assets		<u>1,882,136</u>	<u>3,719,460</u>
Creditors			
Amounts falling due within one year	9	<u>(1,424,271)</u>	<u>(2,959,420)</u>
Net current assets		457,865	760,040
Total assets less current liabilities		<u>952,746</u>	<u>1,003,379</u>
Net assets		<u>952,746</u>	<u>1,003,379</u>
Capital and reserves			
Called up share capital	11	61,646	61,646
Capital contributions		3,332,235	3,332,235
Profit and loss account		(2,441,135)	(2,390,502)
Total equity		<u>952,746</u>	<u>1,003,379</u>

The financial statements of REDI Technologies Ltd. (the Company number 08299297) on pages 11 to 21 were approved by the directors on 22 April 2020 and were signed by:



.....
Ian Mawdsley - Director

REDI TECHNOLOGIES LTD

**Statement of Changes in Equity
for the year ended 31 December 2019**

	Called up Share capital	Retained earnings	Capital Contributions	Total shareholders' funds
	\$	\$	\$	\$
Balance at 1 January 2019	61,646	(2,390,502)	3,332,235	1,003,379
Loss and the total comprehensive expense for the financial year	-	(50,633)	-	(50,633)
Balance at 31 December 2019	61,646	(2,441,135)	3,332,235	952,746
Balance at 1 January 2018	61,646	(2,587,947)	3,332,235	805,934
Profit and the total comprehensive income for the financial year	-	197,445	-	197,445
Balance at 31 December 2018	61,646	(2,390,502)	3,332,235	1,003,379

Notes to the Financial Statements for the year ended 31 December 2019

1. ACCOUNTING POLICIES

The Company is incorporated in England and Wales and its registered address is Five Canada Square, Canary Wharf, London E14 5AQ, England.

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102 issued by the Financial Reporting Council).

The functional currency of the Company is considered to be US dollars because that is the currency of the primary economic environment in which the Company operates.

The principal accounting policies applied in the preparation of these financial statements are set out below.

Summary of disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Refinitiv Holdings Limited.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of capital management;
- Disclosures in respect of the compensation of key management personnel.
- Disclosures in respect of the financial instruments

Going concern

The Company is taking appropriate action to deal with the events arising from Covid-19 and to minimize its impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise the Company's ability to continue as a going concern.

The operations of the Company is structured such that there is reliance on ongoing support from its group parent to continue as a going concern. Having sought and received confirmation in terms of group structure and ongoing continuity of support from Refinitiv Holdings Limited and after considering the impact of the latest developments with regards to Covid-19, including those related to the latest financial position and solvency of Refinitiv Holdings Limited, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from approval of the financial statements.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised when services have been provided.

	2019 \$	2018 \$
<u>By geographical market</u>		
Europe, Middle East & Africa	3,827,340	2,550,831
<u>By category</u>		
Transactional fee	1,335,826	1,464,459
Terminal fee	1,538,520	742,440
Exchange fee	952,994	343,932
	<u>3,827,340</u>	<u>2,550,831</u>

Cost of sales

Cost of sales represents transfer pricing fees payable to the fellow group companies. The fees are recognised in line with the turnover and expenses recorded by the Company in the year.

Intangible assets

Intangible assets are represented by the customer contracts acquired by REDI Technologies Limited from REDI Global Technologies LLC on 1 March 2019. The contracts were recognised at fair value as at date of purchase. Fair value was derived from market value of assets or using a discounted cash flow method. The assets are amortised on the straight line basis over 5 years. The assets are disclosed net of amortisation and any impairment.

Impairment of non-financial assets

At each balance sheet date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the assets (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal or an impairment loss is recognised in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred 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 related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Foreign currencies

The Company's functional and presentational currency is USD.

Monetary assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into US dollar at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability. Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including debtors and other receivables, cash and bank balance and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cashflows from the asset expire or are settled or, (b) substantially all the risks and rewards of ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including creditors and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

Ordinary share are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting judgements and estimation uncertainty

There are no other critical accounting judgements and estimation uncertainty in the Company. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Financial Statements
for the year ended 31 December 2019 (continued)

2. EMPLOYEES AND DIRECTORS

REDI UK does not employ staff (2018: Nil)

3. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company (2018: \$Nil).

4. OPERATING PROFIT

The operating profit is stating after charging/(crediting):

	2019	2018
	\$	\$
Depreciation on fixed assets	-	1,750
Foreign exchange expense	68,810	(25,653)
Amortisation on intangible assets	58,333	-
Fees payable to the auditor for the audit of the Company's annual accounts	130,616	144,938

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	\$	\$
Interest payable	-	1,537
Foreign exchange expense	2,819	5,978
	<u>2,819</u>	<u>7,515</u>

6. TAX CHARGED ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Tax expense included in profit on ordinary activities:

	2019	2018
	\$	\$
Current tax:		
UK corporation tax on profit for the year	-	8,338
Adjustment in respect of prior periods	(8,338)	-
Total current tax	<u>(8,338)</u>	<u>8,338</u>
Deferred tax:		
Origination and reversal of timing differences	12,895	31,476
Adjustment in respect of prior years	56,967	916
Impact of changes in tax rate	(1,357)	15,254
Total deferred tax	<u>68,505</u>	<u>47,646</u>
Total tax on profit on ordinary activities	<u>60,167</u>	<u>55,984</u>

Tax expense for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018 - 19%).

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

6. TAX CHARGED ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

The differences are explained below:

	2019 \$	2018 \$
Profit before tax	<u>9,534</u>	<u>253,429</u>
Loss multiplied by standard rate of tax in the UK of 19.0% (2018: 19%)	1,811	48,151
Effects of:		
Expenses not deductible for tax purposes	11,084	-
Adjustments to tax charges in respect of prior years	48,629	916
Impact of change in tax rate	(1,357)	15,254
Tax losses for which no deferred asset is recognised	-	(8,338)
Total tax credit for the year	<u><u>60,167</u></u>	<u><u>55,983</u></u>

The tax rate for the current year is the same as for the prior year. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act 2016 (Royal Assent 15 September 2016). These include reductions to the main rate of corporation tax to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

7. INTANGIBLE ASSETS

Intangible assets are represented by the customer contracts acquired by REDI Technologies Limited from REDI Global Technologies LLC on 1 March 2019. The contracts were recognised at fair value as at date of purchase. Fair value was derived from market value of assets or using a discounted cash flow method. The assets are amortised on the straight line basis over 5 years.

	Customer contracts \$
Cost	
At 1 January 2019	-
Additions	350,000
At 31 December 2019	<u><u>350,000</u></u>
Amortisation	
As 1 January 2019	-
Amortisation charged for 2019	(58,333)
At 31 December 2019	<u><u>(58,333)</u></u>
Net book value as at 31 December 2019	<u><u>291,667</u></u>
Net book value as at 31 December 2018	<u><u>-</u></u>

Notes to the Financial Statements
for the year ended 31 December 2019 (continued)

8. DEBTORS

	Note	2019 \$	2018 \$
Amounts falling due within one year:			
Trade debtors		1,384,135	793,302
Amounts owed by group undertakings		56,838	1,448,809
VAT receivable		75,236	190,733
Deferred tax asset	10	61,148	129,653
		<u>1,577,357</u>	<u>2,562,497</u>
Amounts falling due after more than one year:			
Rental deposits		<u>203,214</u>	<u>243,339</u>
Total debtors		<u>1,780,571</u>	<u>2,805,836</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Trade debtors are stated after provisions for impairment of \$Nil (2018: \$Nil).

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Note	2019 \$	2018 \$
Amounts owed to parent companies		258,257	731,544
Amounts owed to group undertakings		1,005,566	2,026,313
Other creditors		28,358	21,986
Tax creditor		-	8,338
Accruals		132,090	171,239
		<u>1,424,271</u>	<u>2,959,420</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. DEFERRED TAX ASSET

The provision for deferred tax consists of the following deferred tax asset:

		2019 \$	2018 \$
Deferred tax asset as 1 January		129,653	177,299
Adjustment in respect of prior years	6	(56,967)	(916)
Deferred tax charge for the year	6	<u>(11,538)</u>	<u>(46,730)</u>
Deferred tax asset at 31 December		<u>61,148</u>	<u>129,653</u>
Recoverable within 12 months			
		<u>61,148</u>	<u>129,653</u>

Notes to the Financial Statements
for the year ended 31 December 2019 (continued)

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		2019	2018
Number:	Class Nominal:	\$	\$
50,100	Ordinary £1	61,646	61,646

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

12. POST BALANCE SHEET EVENTS

The Company has concluded that Covid-19, of which the principal risks and uncertainties are discussed in the Strategic Report, is a non-adjusting event which does not require any adjustment to the financial statements for the year ended 31 December 2019. However, it could have an impact on the Company's future operations and, therefore, future results and cash flows. Given the complexity and rapid escalation of events, it is not currently practicable to make a reliable quantified estimate of their potential impact on the Company. Should there be an impact, it would be recorded prospectively in the 2020 financial statements.

13. ULTIMATE PARENT AND CONTROLLING COMPANY

The Company's immediate parent Company is Refinitiv Limited. Within the meaning of the Companies Act 2006 ("CA2006"), The Blackstone Group Inc. is regarded by the Directors of the Company as being the Company's ultimate parent Company and controlling party. Refinitiv Holdings Limited is the parent undertaking of the only group of undertakings for which group financial statements were drawn up and of which the Company was a member for the period ended 31 December 2019. The Blackstone Group Inc. is incorporated in Delaware, USA and Refinitiv Holdings Limited is incorporated under the laws of Cayman Islands. The address of the ultimate parent is 345 Park Avenue, New York, NY 10154, USA.

Copies of Refinitiv Holdings Limited financial statements will be appended with the Company's while filing with Companies House.