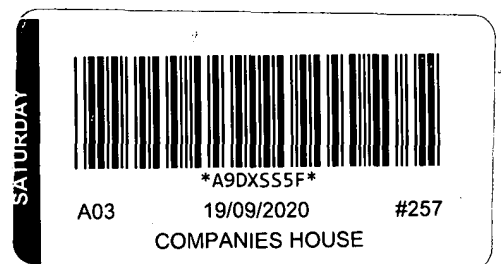


**FTSE International Limited**

**Report and Financial Statements**

**For the year ended 31 December 2019**

**Company Registration Number 03108236**



# FTSE INTERNATIONAL LIMITED

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**FTSE INTERNATIONAL LIMITED**  
**DIRECTORS AND OFFICERS**  
**YEAR ENDED 31 DECEMBER 2019**

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**DIRECTORS**

N Bertrand  
D Jenkins  
J Ehnes  
W Samad  
C Thomas

**COMPANY SECRETARY**

T Hogan

**REGISTERED OFFICE**

10 Paternoster Square  
London  
EC4M 7LS

**INDEPENDENT AUDITORS**

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

**BANKERS**

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

# FTSE INTERNATIONAL LIMITED

## STRATEGIC REPORT

### YEAR ENDED 31 DECEMBER 2019

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The Directors present their strategic report for FTSE International Limited (the "Company") for the year ended 31 December 2019.

## REVIEW OF BUSINESS

FTSE International Limited's (the "Company") objective is to provide investment professionals globally with the best index solutions and the Company seeks to differentiate its offering through ongoing investment in product development. The Company continues to invest in new technology and operational processes to ensure that it can continue to deliver its index products on an accurate, timely and consistent basis. The Company has an overseas branch that operates out of Singapore.

The Company recorded a total income of £284.0 million for the year ended 31 December 2019 (year ended 31 December 2018: £268.8 million), profit after tax of £61.7 million (year ended 31 December 2018: £70.7 million) and its net assets were £265.2 million as at 31 December 2019 (31 December 2018: £202.4 million). The strength of the Company's product offering generated consistent revenue performance in the year.

The Directors have concluded that there are no other relevant KPIs except for the aforementioned.

The Company is a regulated provider of stock market indices and associated data services, under the supervision of the Financial Conduct Authority ("FCA").

The Company published its statement of compliance with the recommendations made by the International Organization of Securities Commissions ("IOSCO"), as laid out in the Principles for Financial Benchmarks (the "IOSCO Principles"). The IOSCO Principles aim to promote reliability of benchmarks addressing issues surrounding governance, the quality of benchmark design and methodology, and accountability. The Company is committed to leading best global practice standards and has published a statement on <http://www.ftse.com/products/indices/iosco>, with independent assurance from KPMG, explaining how its business operates within IOSCO's proposed framework.

The Company is part of London Stock Exchange Group plc ("LSEG", the "group", the "ultimate parent"). The immediate parent is London Stock Exchange Group Holdings Limited (the "parent").

## FUTURE DEVELOPMENTS

We expect further growth across the indices business, driven by the macroeconomic environment and increased take-up of our product offering in the markets in which we operate. Global cash flows into passively tracked products are expected to continue, driving year-on-year growth of our asset-based index revenues. We anticipate our data products will be in demand as we continue to develop indices attractive to clients.

## EMPLOYEES

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

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

# FTSE INTERNATIONAL LIMITED

## STRATEGIC REPORT

### YEAR ENDED 31 DECEMBER 2019

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## 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 management structure is based on the 'three lines of defence' model:

- The First line (Management), is responsible and accountable for identifying, assessing and managing risk.
- The Second line (Risk Management and Compliance), is responsible for defining the risk management process and policy framework and providing challenge to the First line on risk management activities assessing risks and reporting to the Group Board Committees on risk exposure.
- The Third line (Internal Audit), provides independent assurance to the Board and other key stakeholders over the effectiveness of the systems of controls and the Risk Framework.

The Company's principal risks are considered to arise from customers and competition (with client alignment paramount to the successful operation and growth of our business), 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 Company has well established and regularly tested business continuity procedures and where events are detected, response support services are mobilised to support as required.

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.

## 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 and give consideration to those factors when discharging those duties. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include our relationship with regulators and government. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders and we do, however, aim to make sure that our decisions are consistent and predictable. 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.

# FTSE INTERNATIONAL LIMITED

## STRATEGIC REPORT

### YEAR ENDED 31 DECEMBER 2019

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As is normal for large 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 at every Board meeting. We also review other areas over the course of the financial year including the Company's business strategy; key risks (including risks relating to Brexit and Cyber risk) the Company's risk appetite, operational resilience and workforce matters (including culture and conduct, wellbeing and diversity). This is done through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board.

The Company's key stakeholders are its customers, regulators and the workforce. Our suppliers are also important stakeholders of the Company. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the directors when making relevant decisions. 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 51 to 52 of the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2019.

During the period we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, risk, ESG matters and the outcomes of specific pieces of engagement.

As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our section 172 duty to promote success of the company. We set out below some examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty and the effect of that on decisions taken by us.

#### **Annual review of the Company's budget and business plan**

The Board carries out a review of the Company's budget on an annual basis. This includes approving the business plan for the following three years. In 2019 the Board's review included a review of progress against 2019 strategic priorities and the Company's long-term strategic goals. The review also focused on investment decisions around the Company's control environment, internally driven resilience activity and regulatory requirements.

This review is carried out in parallel to the Group's divisional budget process and the Company's CEO participates in the overall Group Exco Budget and three-year business plan target setting for divisions. All financials are aligned to the divisional numbers presented to the Group Board annually in December.

In making its decision to approve the business plan and future strategy of the Company, the Board also considered amongst other things, its impact on the long-term position of the Company and its reputation as well as feedback from engagement exercises with the workforce and dialogue with customers and regulators.

#### **Customers**

Our engagement with customers takes a variety of different forms, we engage with customers at events, conferences and through the Company's annual Net Promoter Survey (NPS). In 2019, the NPS was conducted in November and focused on five core areas: Operational Quality, Client Service, Account Management, Product Innovation and Thought Leadership. The results of the NPS are used by the Company to look at further ways it can improve its offering to customers.

We believe that aligning our strategy, services and products to the needs and interests of our customers is central to supporting long-term value creation and enabling innovation.

#### **Regulators**

In 2019, we engaged with the FCA on a number of matters including: governance, technology and cyber resilience and regulatory change including the Senior Managers' Certification Regime that will apply to the Company from December 2020.

#### **Workforce**

Engagement with our workforce includes formal and informal meetings, an annual engagement survey and town hall meetings. The Board also received the results of the annual "Have your say survey". The survey enables employees to share their views on what it

# FTSE INTERNATIONAL LIMITED

## STRATEGIC REPORT

### YEAR ENDED 31 DECEMBER 2019

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is like to work for the Company and it provides management and the Board with insight into employees' views on a number of topics as well as a way to track engagement within the organisation.

Much of this activity is supported by Group led mechanisms. For details on the some of the engagement that takes place with the Company's workforce at a Group level please see the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2019.

#### 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. As part of our desire to foster good relationships with our suppliers, in 2019, steps were taken to accelerate the payment process and focus was given to ensuring purchase orders are raised and receipted promptly and compliance with the Group's procurement policy. This information is published on a government portal every six months and allows current and prospective suppliers to see the company's payment policy, practice and performance, which could help reduce the administrative and financial burden suppliers face when not paid on time.

By order of the Board:

  
Catherine Anne Thomas (Jul 15, 2020 14:46 GMT+1)

Catherine Anne Thomas  
Director  
15 July 2020

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

# FTSE INTERNATIONAL LIMITED

## DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2019

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

## REVIEW OF BUSINESS

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

## DIVIDENDS

During the year ended 31 December 2019, a dividend of £nil was paid to the immediate parent Company (year ended 31 December 2018: £134m).

## 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:

N Bertrand	
M Makepeace	(resigned 22 January 2019)
D Jenkins	
J Ehnes	
W Samad	
C Thomas	
M Ghassemieh	(resigned 16 December 2019)

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

## DIRECTORS' LIABILITIES

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

## 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 and customers can be found in the s172 Statement on page 3-5 of these financial statements.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS 101 have been followed, subject to any

# FTSE INTERNATIONAL LIMITED

## DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2019

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

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

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

### GOING CONCERN

The Directors have reviewed the Company's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Company has sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### EVENTS AFTER THE REPORTING PERIOD

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

### DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

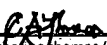
In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

By order of the Board:

  
Catherine Anne Thomas (Jul 15, 2020 14:46 GMT+1)

Catherine Anne Thomas  
Director  
15 July 2020

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FTSE INTERNATIONAL LIMITED YEAR ENDED 31 DECEMBER 2019

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## OPINION

We have audited the financial statements of FTSE International Limited for the year ended 31 December 2019 which comprise the Income Statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 25, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

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

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

## EMPHASIS OF MATTER – EFFECTS OF COVID-19

We draw attention to notes 1 and 25 of the financial statements, which describe the going concern basis of the Company and the impact of the COVID-19 pandemic on global financial markets and FTSE International's data license income, subsequent to the year end. Our opinion is not modified in respect of this matter.

## CONCLUSIONS RELATING TO GOING CONCERN

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

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

## OTHER INFORMATION

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FTSE INTERNATIONAL LIMITED YEAR ENDED 31 DECEMBER 2019

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## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

## USE OF OUR REPORT

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FTSE  
INTERNATIONAL LIMITED  
YEAR ENDED 31 DECEMBER 2019

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Ernst & Young LLP

Nicholas Dawes (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

20 JULY 2020

Notes:

1. The maintenance and integrity of the FTSE International Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**FTSE INTERNATIONAL LIMITED**  
**INCOME STATEMENT**  
Year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Revenue	3	264,687	249,786
Other income	3	19,348	19,036
<b>Total income</b>		<b>284,035</b>	<b>268,822</b>
Cost of sales		(109,410)	(106,053)
<b>Gross profit</b>		<b>174,625</b>	<b>162,769</b>
<b>Expenses</b>			
Administrative expenses	4	(116,296)	(81,135)
Depreciation, amortisation and impairment	4	(12,361)	(12,547)
<b>Total expenses</b>		<b>(128,657)</b>	<b>(93,682)</b>
<b>Operating profit</b>		<b>45,968</b>	<b>69,087</b>
Finance income	7	25,832	16,228
Finance expense	7	(93)	(141)
<b>Net finance income</b>		<b>25,739</b>	<b>16,087</b>
<b>Profit before taxation</b>		<b>71,707</b>	<b>85,174</b>
Taxation	8	(9,967)	(14,470)
<b>Profit for the financial year</b>		<b>61,740</b>	<b>70,704</b>

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

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


The notes on pages 14 to 31 form an integral part of these financial statements.

**FTSE INTERNATIONAL LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2019

	Notes	2019 £'000	2018 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	1,843	2,406
Intangible assets	11	57,008	48,661
Investment in subsidiary undertakings	12	163,647	156,708
Deferred tax assets	13	1,533	1,697
Other receivables		49	50
		<b>224,080</b>	<b>209,522</b>
<b>Current assets</b>			
Trade and other receivables	16	351,885	298,882
Cash and cash equivalents	17	381	31
Current tax		2,974	-
		<b>355,240</b>	<b>298,913</b>
<b>Total assets</b>		<b>579,320</b>	<b>508,435</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	245,469	241,717
Contract liabilities	18	64,354	61,797
Derivative financial instruments	14	-	78
Provisions	19	4,292	561
Current tax		-	1,123
		<b>314,115</b>	<b>305,276</b>
<b>Non-current liabilities</b>			
Provisions	19	-	755
<b>Total liabilities</b>		<b>314,115</b>	<b>306,031</b>
<b>Net assets</b>		<b>265,205</b>	<b>202,404</b>
<b>Equity</b>			
Share capital	20	1	1
Retained earnings		265,204	202,403
<b>Total equity</b>		<b>265,205</b>	<b>202,404</b>

The notes on pages 14 to 31 form an integral part of these financial statements.

The financial statements on pages 11 to 31 were approved by the Board on 07 July 2020 and signed on its behalf by:

  
Catherine Anne Thomas (Jul 15, 2020 14:46 GMT+1)

Catherine Anne Thomas  
Director  
FTSE International Limited  
15 July 2020

Registered number 03108236

**FTSE INTERNATIONAL LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
Year ended 31 December 2019

	Share capital	Retained earnings	Total attributable to equity holders
	£'000	£'000	£'000
<b>31 December 2017</b>	<b>1</b>	<b>265,143</b>	<b>265,144</b>
Profit for the financial year	-	70,704	70,704
Dividends paid in the year	-	(134,000)	(134,000)
Tax in relation to Employee share scheme expenses	-	556	556
<b>31 December 2018</b>	<b>1</b>	<b>202,403</b>	<b>202,404</b>
Profit for the financial year	-	61,740	61,740
Tax in relation to Employee share scheme expenses	-	1,061	1,061
<b>31 December 2019</b>	<b>1</b>	<b>265,204</b>	<b>265,205</b>

The notes on pages 14 to 31 form an integral part of these financial statements.

# FTSE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

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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 Financial Reporting Standards ("IFRS") adopted by the European Union ("EU").

The Company is a qualifying entity for the purposes of FRS 101. Note 23 gives details of the Company's ultimate parent and from where its financial statements prepared in accordance with IFRS as adopted by the EU 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 as adopted by the EU was not material on the shareholders' equity as at the date of transition and as at 31 December 2019 or on the profit for the year ended 31 December 2019.

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

- IAS 7 *Statement of Cash Flows* and related notes;
- reduced IFRS 2 disclosure for share-based payment arrangements in a subsidiary's financial statements;
- reduced IFRS 3 disclosure for business combinations during and after the period;
- reduced IFRS 5 disclosure for discounted operations;
- 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 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 amendments were endorsed by the EU during the year and have been adopted in these financial statements:

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

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

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

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

These financial statements contain information about FTSE International 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

# FTSE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2019

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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 financial statements which are publicly available.

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

#### Going concern

The Directors have reviewed the Company's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Company has sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Board considered the impact of Novel Coronavirus (COVID-19) on going concern of the Company in the most recent Board meeting to review and approve the financial statements. Please refer to Note 25 in these financial statements for details on the details and matters discussed by the Board, however the Board concluded that it continues to support that the Company will continue to operate as a going concern for a period of at least 12 months from the date of approving these financial statements.

## Accounting Policies

#### Income Statement

##### Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer. Amounts deducted from revenue relate to discounts, value added tax 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. Further details of the Company's revenue accounting policy are set out below:

<i>Information and data products and licences</i>	Revenues from the provision of information and data products including indexes, benchmarks (subscription- and asset-based), and reference data solution services.  Data subscription and index licence fees are recognised over the licence or usage period as the Company meets its obligation to deliver data consistently throughout the licence period. Services are billed on a monthly, quarterly and annual basis.
<i>Royalties</i>	Revenue is recognised at the date at which they are earned or measurable with certainty.
<i>Other</i>	All other income, including recharges to other group companies; sales and distribution and management fees are recognised in the months in which the service is provided.

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

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

##### Cost of sales

Cost of sales comprises data and licence fees, data feed costs, expenses incurred in respect of revenue share arrangements and any other costs linked and directly incurred to generate revenues and provide services to customers.

# FTSE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2019

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#### *Pension costs*

The Company operates a defined contribution personal pension scheme under which the Company pays fixed contributions. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets. The Company provides no other post-retirement benefits to its employees. Contributions are charged to the income statement as incurred.

#### *Share-based compensation*

The Company operates share-based compensation plans for employees, settled in shares of the ultimate parent company, London Stock Exchange Group plc, or in cash. For schemes settled in shares of the ultimate parent, the charge to the income statement is determined by the fair value of the options granted or shares awarded at the date of grant as an indirect measure of the value of employee services received by the Company and recognised over the relevant vesting period. For shares settled in cash, the liability is recorded at fair value with changes in the fair value recognised in the income statement. The Company is recharged costs from LSEG to settle the share-based awards made to employees of the Company.

#### *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 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.

#### *Finance income and expense*

Finance income and expense comprise dividends from subsidiary undertakings, interest earned on cash deposited with financial counterparties, interest earned on loans to financial counterparties, and interest paid and earned 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.

#### *Statement of Financial Position*

##### *Property, plant and equipment*

Property, plant and equipment are included in the financial statements at cost less accumulated depreciation and any provision for impairment.

Fixed plant, and plant and equipment, are stated at cost and are depreciated to residual value on a straight-line basis over their estimated useful economic lives, which are as follows:

Computer hardware	3 to 5 years
Fixtures, fittings and equipment	3 to 5 years

Leasehold properties and improvements are included at cost and depreciated to residual value over the shorter of the period of the lease or the useful economic life of the asset.

Internally generated computer equipment and assets under construction are not depreciated until the asset is in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

##### *Intangible assets*

On the acquisition of a business, fair values are attributed to the assets and liabilities acquired. These may include brand names, customer relationships, licences and software intellectual property, all of which are recorded as intangible assets and held at cost less accumulated amortisation. These assets are amortised on a straight-line basis over their useful economic lives which are as follows:

- a) customer and supplier relationships – 2 to 20 years (material assets are amortised over a life exceeding 15 years);
- b) brands – 10 to 25 years (material assets are amortised over a life of 25 years); and
- c) software licences and intellectual property – 2 to 25 years (the majority of assets are amortised over a life not exceeding 5 years).

# FTSE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2019

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The useful economic lives are based on management's best estimate such as attrition rates on customer relationships, and product upgrade cycles for software and technology assets.

Third-party software costs for the development and implementation of systems which enhance the services provided by the Company are capitalised and amortised over their estimated useful economic lives of 3 to 5 years.

Internal product development expenditure is capitalised if the costs can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable, and the group has sufficient resources to complete the development and to use or sell the asset. Judgement is required as to whether these tests are met. The assets are recorded at cost including labor, directly attributable costs and any third-party expenses, and amortised over the useful economic life of 3 years.

Intangible assets are assessed for any indicators of impairment at each balance sheet date. Where indicators of impairment for a particular intangible asset are identified, a full impairment assessment is performed, with any diminution in value recognised in the income statement. When performing any impairment assessment, in addition to considering matters particular to the relevant Company business area, management evaluates the overall value of the asset from the perspective of a market participant.

#### *Contract costs*

Incremental costs of obtaining a customer contract, such as sales commissions paid to employees, are recognised as an intangible asset if the benefit of such costs is expected to be longer than 1 year. The associated asset is amortised over the period from which a customer benefits from existing software technology supporting the underlying product or service, which the Company has determined to be between 3 to 5 years and is presented as an intangible asset in the Company's balance sheet.

The Company also applies the practical expedient in IFRS 15 to recognise the incremental cost of obtaining a contract as an expense when incurred, if the amortisation period is 1 year or less.

#### *Goodwill*

Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.

After initial recognition, the acquirer shall measure goodwill acquired in a business combination at cost less any accumulated impairment losses.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment.

#### *Investment in subsidiary undertakings*

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated in the Company's financial statements at cost less impairment, if any. On disposal, the difference between the net disposal proceeds and the investment's carrying amount is included in the income statement. Loans to subsidiaries which are determined as capital contributions are recorded as investments in subsidiary undertakings.

#### *Current and deferred taxation*

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

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

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

# FTSE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2019

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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), and amortised cost. The classification is based on the Company's business model for managing its financial instruments and that the cash flows generated are 'solely payments of principal and interest' ("SPPI").

#### *Initial recognition:*

- a) *Financial assets at amortised cost* are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. This includes the Company's cash and cash equivalents, trade and other receivables and other non-current receivables.
- b) *Financial assets at FVPL* include all other financial assets not classified as held at amortised cost or fair value through other comprehensive income (FVOCI) including derivative instruments held by the Company. There is no change to the previous treatment for these instruments.
- c) *Financial liabilities at amortised cost* are all financial liabilities that are not included within financial liabilities at FVPL. This comprises the Company's trade and other payables and borrowings.
- d) *Financial liabilities at FVPL* include any derivative instruments held by the Company.

#### *Subsequent measurement:*

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

- a) *Financial assets at amortised cost* – the ECL for trade and other receivables including fees receivable and cash and cash equivalents is calculated using IFRS 9's simplified approach using lifetime ECL. The provision 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.

- 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*

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

Other receivables include amounts due from other companies within the group on loans, interest on these loans and other settlements for intercompany recharges. 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. Other receivables are also recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

**FTSE INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2019**

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*Impairment of non-financial assets*

Assets that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment at the balance sheet date and whenever events indicate that the carrying amount may not be recoverable. An impairment is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

Non-financial assets other than goodwill that have previously been impaired are reviewed for possible reversal of the impairment at each reporting date.

Value in use is calculated with reference to the future cash flows expected to be generated by an asset (or group of assets where cash flows are not identifiable to specific assets). The discount rate used in impairment reviews is based on the Company's weighted average cost of capital including, where appropriate, an adjustment for the specific risks associated with the relevant asset.

**FTSE INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 December 2019

**2. Significant Judgements and Estimates**

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The significant estimates for the year ended 31 December 2019 are as follows:

- Goodwill - tested for impairment annually. The recoverable amounts of relevant cash generating units are based on value-in-use calculations using management's best estimate of future performance and estimates of the return;
- Purchased intangible assets - valued on acquisition using appropriate methodologies and amortised over their estimated useful economic lives. These valuations and lives are based on management's best estimates of future performance and periods over which value from the intangible assets is realised.

The significant judgements for the year were as follows:

- Valuation of subsidiary undertakings - for the purposes of impairment assessment, this is determined based on forecast cash flows and an appropriate discount rate. The basis of such values cannot be precise and is subject to market variations in both cases.

**3. Revenue and Other Income**

Revenue comprises the following:

	2019	2018 <sup>1</sup>
	£'000	£'000
<b>Revenue:</b>		
Index – subscription	169,675	157,627
Index – asset based	82,758	82,360
Data solutions	12,254	9,799
	<b>264,687</b>	<b>249,786</b>
<b>Other income:</b>		
Royalty income	5,059	4,638
Sales and distribution	3,376	2,953
Recharges to other group companies	10,913	11,078
Management fees	-	367
	<b>19,348</b>	<b>19,036</b>
<b>Total</b>	<b>284,035</b>	<b>268,822</b>

<sup>1</sup>Revenues from Data solution services for the year ended 31 December 2018 of £9,799k has been re-presented from index-subscription to Data solutions, consistent with current year product presentation of revenues.

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

**FTSE INTERNATIONAL LIMITED**  
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**4. Expenses by Nature**

Expenses comprise the following:

	Notes	2019 £'000	2018 £'000
<b>Depreciation, amortisation and impairment</b>			
Depreciation of property, plant and equipment	10	640	494
Amortisation of intangible assets	11	11,721	7,314
Impairment	10,11	-	4,739
		<b>12,361</b>	<b>12,547</b>
<b>Administrative expenses</b>			
Employee costs	5	35,911	33,239
Property costs		2,706	2,759
IT and data costs		33,017	24,566
Sales and marketing costs		19,382	15,426
Legal and professional fees		2,478	700
Foreign exchange losses/(gains)		2,684	(4,141)
Other costs		5,151	8,386
Other recharges from fellow group companies		14,967	200
		<b>116,296</b>	<b>81,135</b>
<b>Total</b>		<b>128,657</b>	<b>93,682</b>

Sales and marketing, IT and data costs include charges from fellow group companies.

Other recharges from fellow group companies represent charges from shared service entities. The re-charge model is continually reviewed to reflect the functions and services provided in the year.

Employee costs of £0.2m in the financial statements for the year ended 31 December 2018 have been represented as other recharges from fellow group companies to reflect the current year presentation and the reviewed re-charge model.

**5. Employee Costs**

Employee costs comprise the following:

	Note	2019 £'000	2018 £'000
Salaries and other short-term benefits		27,329	25,552
Social security costs		3,959	3,575
Pension costs	15	1,763	1,778
Share-based compensation		2,860	2,334
<b>Total</b>		<b>35,911</b>	<b>33,239</b>

The number of employees in the Company was:	2019	2018
At year end	195	229
Average for the year	186	223

The year-end number of employees in the Company by category was:	2019	2018
Marketing	7	10
Administration	188	219
<b>Total</b>	<b>195</b>	<b>229</b>

**FTSE INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. Director's Remuneration**

The Directors' aggregate remuneration in respect of qualifying services were:

	2019	2018
	£'000	£'000
Emoluments received	486	866
Benefits	8	74
Share-based payments	984	1,015
Value of contributions to money purchase schemes	16	43
<b>Total</b>	<b>1,494</b>	<b>1,999</b>

During the year, no Directors (31 December 2018: 3) had retirement benefits accruing under money purchase pension schemes. The Directors have not exercised any share options of London Stock Exchange Group plc, the ultimate parent of the Company.

The remuneration of Directors disclosed above includes the following amounts for the highest paid Director:

	2019	2018
	£'000	£'000
Remuneration received	448	384
Benefits	8	19
Share-based payments	980	665
Value of contributions to money purchase schemes	16	23
<b>Total</b>	<b>1,452</b>	<b>1,091</b>

**7. Finance Income and Expense**

	2019	2018
	£'000	£'000
<b>Finance income</b>		
Interest on loan and receivables to group companies	2,278	3,278
Dividend received from investment in subsidiary	9	12,950
	<b>25,832</b>	<b>16,228</b>
<b>Finance expense</b>		
Other finance expense	-	(27)
Interest on loan from group companies	(89)	(110)
Interest payable on bank and other borrowings	(4)	(4)
	<b>(93)</b>	<b>(141)</b>
<b>Net finance income</b>	<b>25,739</b>	<b>16,087</b>

**FTSE INTERNATIONAL LIMITED**  
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**8. Taxation**

The standard UK corporation tax rate was 19% for the year ended 31 December 2019 (year ended 31 December 2018: 19%).

Taxation charged/(credited) to the income statement	Note	2019 £'000	2018 £'000
<b>Current UK tax</b>			
Corporation tax for the year		9,282	15,419
Adjustment in respect of previous years		(934)	(35)
<b>Current overseas tax</b>			
Corporation tax for the year		859	1,081
Adjustment in respect of previous years		2	-
<b>Total current tax</b>		<b>9,209</b>	<b>16,465</b>
<b>Deferred tax</b>	<b>13</b>		
Deferred tax for the current year		(512)	(2,027)
Adjustment in respect of previous years		1,186	(64)
Impact of change of rate		84	96
<b>Total deferred tax</b>		<b>758</b>	<b>(1,995)</b>
<b>Tax on profit on ordinary activities</b>		<b>9,967</b>	<b>14,470</b>
		<b>2019</b>	<b>2018</b>
<b>Taxation on items not charged/(credited) to the income statement</b>		<b>£'000</b>	<b>£'000</b>
Current tax allowance on share options / awards in excess of expense recognised		(467)	(305)
Deferred tax allowance on share options / awards in excess of expense recognised		(594)	(252)
		<b>(1,061)</b>	<b>(557)</b>

**Factors affecting the tax charge for the year**

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

	2019 £'000	2018 £'000
Profit before taxation	71,707	85,174
Profit multiplied by standard rate of corporation tax in the UK	13,624	16,183
Income not taxable	(4,381)	(2,355)
Adjustment in respect of previous years	254	(99)
Adjustments relating to change in UK tax rate	84	96
Withholding tax unrecoverable	386	645
<b>Taxation charge</b>	<b>9,967</b>	<b>14,470</b>

On 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020. The deferred tax balances included within the accounts have been calculated with reference to the rate of 17%, as required under International Financial Reporting Standards. However, following the substantive enactment of the rate of 19%, it is anticipated that the reversal of temporary differences will occur at this rate and that the maximum impact on the quantum of the net deferred tax asset recognised will be £184k.

**9. Dividends**

During the year ended 31 December 2019, no interim dividend was paid (2018: £134m) to the immediate parent company. This has been presented in the statement of changes in equity of the Company. No dividend has been proposed for the year ended 31 December 2019 (2018: £Nil).

During the year ended 31 December 2019, an interim dividend of £23.6m (2018: £13.0m) was received from subsidiary undertakings.

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**10. Property, Plant and Equipment**

	Leasehold improvements	Computer equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2019	89	3,596	1,153	4,838
Additions	-	-	77	77
Transfers	-	1,202	(1,202)	-
Write off	-	(1,437)	-	(1,437)
<b>At 31 December 2019</b>	<b>89</b>	<b>3,361</b>	<b>28</b>	<b>3,478</b>
<b>Accumulated depreciation</b>				
At 1 January 2019	89	2,343	-	2,432
Depreciation charge	-	640	-	640
Write off	-	(1,437)	-	(1,437)
<b>31 December 2019</b>	<b>89</b>	<b>1,546</b>	<b>-</b>	<b>1,635</b>
<b>Net book values</b>				
<b>At 31 December 2019</b>	<b>-</b>	<b>1,815</b>	<b>28</b>	<b>1,843</b>
At 31 December 2018	-	1,253	1,153	2,406

The write off of computer equipment relates to fully depreciated assets that are no longer in use.

**11. Intangible Assets**

	Purchased intangible assets						Total
	Goodwill	Customer & supplier relationships	Brands	Software, licences & intellectual property	Developed software & other	Contract costs	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>							
At 31 December 2018	864	16,433	615	1,440	54,029	8,905	82,286
Additions	-	-	-	-	15,854	4,214	20,068
Write off	-	-	(615)	(618)	(1,258)	(1,854)	(4,345)
<b>At 31 December 2019</b>	<b>864</b>	<b>16,433</b>	<b>-</b>	<b>822</b>	<b>68,625</b>	<b>11,265</b>	<b>98,009</b>
<b>Accumulated amortisation</b>							
At 31 December 2018	-	8,816	615	1,440	19,274	3,480	33,625
Amortisation charge for the year	-	822	-	-	8,825	2,074	11,721
Write off	-	-	(615)	(618)	(1,258)	(1,854)	(4,345)
<b>At 31 December 2019</b>	<b>-</b>	<b>9,638</b>	<b>-</b>	<b>822</b>	<b>26,841</b>	<b>3,700</b>	<b>41,001</b>
<b>Net book values</b>							
<b>At 31 December 2019</b>	<b>864</b>	<b>6,795</b>	<b>-</b>	<b>-</b>	<b>41,784</b>	<b>7,565</b>	<b>57,008</b>
At 31 December 2018	864	7,617	-	-	34,755	5,425	48,661

Developed software and other intangible assets at the year end include £9.9m (31 December 2018: £16.6m) representing assets not yet brought into use. No amortisation has been charged on these assets. The remaining balance of £31.9m (31 December 2018: £18.2m) relates to software intangible assets that have been fully developed and are being amortised annually.

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**12. Investment in Subsidiary Undertakings**

	£'000
31 December 2018	156,708
Capital injection into FTSE International (Japan) Limited	1,100
Capital injection into FTSE International (Taiwan) Limited	2,751
Capital injection into FTSE Global Debt Capital Markets Limited	3,000
Investment in FTSE Italy S.p.A.	88
<b>31 December 2019</b>	<b>163,647</b>

On 6 August 2019, FTSE Italy S.p.A. was incorporated and FTSE International Limited contributed €50k as an investment. A further €50k was provided to FTSE Italy S.p.A as a capital injection. FTSE International holds 100% shareholding of FTSE Italy S.p.A..

A list of the Company's subsidiaries as at 31 December 2019 is given below. The percentage of share capital of subsidiaries held by the Company is shown through the Company's ownership percentages below. These percentages give the Company's ultimate percentage and therefore allow for the situation where subsidiaries are owned by partly owned intermediate subsidiaries.

Name of subsidiary undertaking	Principal activity	Country of incorporation	Country of principal operations	% equity and votes held
<b>Held directly by the Company:</b>				
FTSE Americas Inc	Sales & marketing	USA	USA	100
FTSE International (France) Limited	Sales & marketing	UK	France	100
FTSE (Japan) Limited	Sales & marketing	UK	Japan	100
FTSE (Australia) Limited	Sales & marketing	UK	Australia	100
FTSE International (Italy) Limited	Sales & marketing	UK	Italy	100
FTSE Global Debt Capital Markets Limited	Fixed income indices	UK	UK	100
FTSE International (Hong Kong) Limited	Sales & marketing	Hong Kong	Hong Kong	100
FTSE China Index Limited	Index value quotations	Hong Kong	China	100
FTSE International (MEA) Limited	Sales & marketing	Dubai	UAE	100
FTSE Internacional Brasil Representações Ltda.	Sales & marketing	Brazil	Brazil	100
FTSE International Taiwan Ltd	Sales & marketing	Taiwan	Taiwan	100
LSEG Malaysia Sdn. Bhd.	Data collection, processing & analysis	Malaysia	Malaysia	100
FTSE Mexico Sociedad	Sales & marketing	Mexico	Mexico	99
FTSE Italy S.p.A.	Sales & marketing	Italy	Italy	100
<b>Held indirectly by the Company:</b>				
FTSE (Beijing) Consulting Limited	Sales & marketing	China	China	100
FTSE Global Debt Capital Markets Inc	Fixed income indices	Canada	Canada	100
MTSNext Ltd	Fixed income indices	UK	UK	100

The % equity represents the effective interest of the Company in the subsidiaries held indirectly.

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**13. Deferred Tax**

	Accelerated tax depreciation	LTIP provisions	Other	Total
	£'000	£'000	£'000	£'000
1 January 2018	(68)	980	(1,461)	(549)
Tax (charged)/credited to income statement	373	229	1,487	2,089
Impact of change of rate	(31)	(35)	-	(66)
Tax (charged)/credited to other comprehensive income:	-	-	-	-
Allowance on share options / awards	-	253	-	253
Impact of change of rate	-	(30)	-	(30)
31 December 2018	274	1,397	26	1,697
Tax (charged)/credited to income statement	(25)	64	(713)	(674)
Impact of change of rate	2	(34)	(52)	(84)
Tax (charged)/credited to other comprehensive income:	-	-	-	-
Allowance on share options / awards	-	695	-	695
Impact of change of rate	-	(101)	-	(101)
<b>31 December 2019</b>	<b>251</b>	<b>2,021</b>	<b>(739)</b>	<b>1,533</b>
<b>Assets/(Liabilities) at 31 December 2019</b>	<b>251</b>	<b>2,021</b>	<b>(739)</b>	<b>1,533</b>
Assets at 31 December 2018	274	1,397	26	1,697

The deferred tax asset is recoverable against future taxable profits and is due after more than one year. There are no unrecognised deferred tax assets as at 31 December 2019 and 31 December 2018.

**14. Investment in Financial Assets and Liabilities**

The Company has no derivative liabilities as at 31 December 2019 (2018: £77.6k). The derivative liabilities as at 31 December 2018 were related to a forward dated FX trade and were classified as Fair Value through Profit and Loss (FVTPL) and £77.6k was recognised and presented within administrative expenses in the prior year. The forward dated FX trade was disposed of in January 2019 with immaterial fair value gain recognised in the Income Statement.

**15. Retirement Benefit Obligations**

The Company participates in a Personal Pension Scheme operated by Legal and General Fund Managers Limited. The Legal and General personal pension offers individuals a choice of funds in which employees may choose to invest pension contributions. The contributions of the Company depend upon the employee's personal contribution. The Scheme is a defined contribution scheme. The contributions made by the Company amounted to £1,763k (31 December 2018: £1,778k). The amounts outstanding at the reporting date were £180k (31 December 2018: £192k).

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**16. Trade and Other Receivables**

	2019	2018
	£'000	£'000
<b>Current</b>		
Trade receivables	58,713	104,535
Fees receivable <sup>1</sup>	24,909	24,270
Less: Provision for impairment of receivables	(1,037)	(2,547)
<b>Trade and fees receivables – net</b>	<b>82,585</b>	<b>126,258</b>
Amounts due from parent	137,739	41,388
Amounts due from ultimate parent	478	803
Amounts due from companies under common control	59,458	82,985
Amounts due from subsidiary undertakings	65,331	40,975
Other receivables	774	1,288
Prepayments	5,520	5,185
<b>Total trade and other receivables</b>	<b>351,885</b>	<b>298,882</b>

Amounts due from parent include a GBP denominated loan to London Stock Exchange Group Holdings Limited of £105.8m (2018: £41.3m). Interest on this loan is charged at LIBOR plus 1.5% and both loan and interest are repayable on demand.

Included within amounts due from subsidiary undertakings is £6.3m (31 December 2018: £6.6m) due from FTSE Global Debt Capital Markets Limited, £2.3m due from LSEG Malaysia Sdn. Bhd (31 December 2018: £2.3m) and £1.6m due from FTSE International Taiwan Limited (31 December 2018: £0.8m), which consists of the following amounts:

**FTSE Global Debt Capital Markets Limited:**

- Loan of £6.3m which accrues interest at LIBOR +1.5% per annum and is repayable on demand;

**LSEG Malaysia Sdn. Bhd:**

- Loan of £2.3m (US\$3.1m) which accrues interest at LIBOR +4.0% per annum and is repayable on demand;

**FTSE International Taiwan Limited:**

- Loan of £1.6m which accrues interest at LIBOR +1.5% per annum and is repayable on demand.

All other amounts due from the ultimate parent, parent, companies under common control and subsidiary undertakings are interest free and repayable on demand.

The carrying values less impairment provisions of receivables are reasonable approximations of fair value. Trade receivables not past due are not considered to be impaired; as at 31 December 2019, these balances are spread across a number of high-quality counterparties.

**<sup>1</sup>Fees receivable and contract assets**

In 2018, contract assets primarily related to the Company's rights to consideration for work completed but not invoiced at the reporting date. The Company has decided that these amounts are not conditional except for the passage of time and has therefore opted to include these amounts within trade and other receivables as "fees receivable".

Where assets exist that are conditional on certain outcomes, these continue to be recognised as contract assets and are also included in trade and other receivables.

There is no change in the total of assets recognized or the measurement basis.

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**16. Trade and Other Receivables (Cont'd)**

The ageing of past due trade and fees receivables is as follows:

	£'000
<b>31 December 2017</b>	2,031
Provision for receivables impairment	516
<b>31 December 2018</b>	2,547
Provision no longer required	(1,510)
<b>31 December 2019</b>	1,037

The creation and release of the provision for impaired receivables are included in administrative expenses in the income statement. Amounts charged to the allowance account are written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables and the other categories of financial assets do not contain impaired assets.

**17. Cash and Cash Equivalents**

	2019	2018
	£'000	£'000
Cash at bank	381	31

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

**18. Trade and Other Payables and Contract Liabilities**

	2019	2018
	£'000	£'000
<b>Current</b>		
Trade payables	11,312	8,895
Amounts owed to parent	44,864	42,326
Amounts owed to ultimate parent	1,705	4,377
Amounts owed to companies under common control	80,854	109,287
Amounts owed to subsidiary undertakings	78,923	55,221
Group relief owed	2,854	-
Social security and other taxes	7,153	7,127
Other payables	18	467
Accruals	17,786	14,017
<b>Total trade and other payables</b>	<b>245,469</b>	<b>241,717</b>

<b>Current</b>		
Contract liabilities	64,354	61,797
<b>Total contract liabilities</b>	<b>64,354</b>	<b>61,797</b>

Contract liabilities primarily relate to the consideration received from customers for which services have not yet been rendered.

The carrying value of trade and other payables is a reasonable approximation of fair value.

Included within group relief owed is £2.9m (31 December 2018: £nil) owed to the ultimate parent company.

Included within amounts owed to subsidiary undertakings is £2.8m (31 December 2018: £4.3m) due to FTSE Global Debt Capital Markets Limited and consists of the following amounts:

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**18. Trade and Other Payables and Contract Liabilities (Cont'd)**

**FTSE Global Debt Capital Markets Limited:**

- Loan of £0.50m (US\$0.66m) which accrues interest at LIBOR +1.5% per annum and is repayable on demand;
- Loan of £1.98m (EUR2.32m) which accrues interest at LIBOR +1.5% per annum and is repayable on demand; and
- Loan of £0.32m (CAD0.56m) which accrues interest at LIBOR +1.5% per annum and is repayable on demand.

As at 31 December 2019 all other amounts owed to the parent, ultimate parent, subsidiary undertakings and companies under common control are interest free and repayable on demand.

**19. Provisions**

	2019	2018
	£'000	£'000
<b>Current provision:</b>		
Other provision	4,292	561
<b>Non-current provision:</b>		
Other provision	-	755
<b>Total provision</b>	<b>4,292</b>	<b>1,316</b>

Other provisions primarily relate to the expected costs arising on the restructuring and integration of fellow group undertakings into the Company's targeted operating model.

**20. Share Capital**

	2019		2018	
	Number of shares	Share capital £	Number of shares	Share Capital £
<b>Issued, called up and fully paid</b>				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

**21. Commitments and Contingencies**

Contracted capital commitments and other contracted commitments not provided for in the financial statements of the Company were £nil (31 December 2018: £nil) and £nil (31 December 2018: £nil), respectively.

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**22. Share Schemes**

The London Stock Exchange Group Long Term Incentive Plan ("LTIP"), approved at the 2014 AGM, has 2 elements, a conditional award of Performance Shares and an award of Matching Shares linked to investment by the executive of annual bonus in LSEG shares – the latter element is not applicable to executive Directors. Vesting of these awards is dependent upon LSEG total shareholder return ("TSR") performance and adjusted basic earnings per share. 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 2019, which does not form part of this report.

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. Vesting of awards is subject to achievement of TSR and financial performance targets. For initial grants under the LTIP, awards are subject to absolute TSR and adjusted earnings per share measures. Measures will normally be equally weighted but in any event, any total shareholder return element will represent at least 50% of the award.

For each performance element, achievement of the threshold performance level will result in no more than 25% of the maximum award paying out. For achievement of the maximum performance level, 100% of the maximum pays out. Normally, there is straight-line vesting between these points.

The SAYE scheme provide for grants of options to employees who enter into a SAYE savings contract and options were granted at 20% below fair market value. Share awards were granted at nil cost to employees and other share options were granted at fair market value or above.

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

	2019		2018	
	Number	Weighted average exercise price	Number	Weighted average exercise price
SAYE	18,695	£22.84	8,972	£20.50
LTIP	68,972	-	54,683	-

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

	2019		2018	
	Number outstanding	Weighted average remaining contractual life (years)	Number outstanding	Weighted average remaining contractual life (years)
<b>SAYE</b>				
Less than £10	-	-	-	-
Between £10 and £20	-	-	-	-
Between £20 and £30	-	-	18,121	0.1
More than £30	45,909	1.40	35,826	1.4
<b>LTIP</b>				
Nil	241,778	1.10	333,582	1.3
<b>Total</b>	<b>287,687</b>	<b>1.16</b>	<b>387,529</b>	<b>1.3</b>

# FTSE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

### 23. Ultimate Parent Company

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

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.

### 24. Other Statutory Information

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

	2019	2018
	£'000	£'000
Audit of the Company's financial statements - Ernst & Young LLP	257	206
<b>Total</b>	<b>257</b>	<b>206</b>

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.

### 25. Events After the Reporting Period

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

Management have considered the potential impact on the Company and consider this to be a non-adjusting event after the reporting period. In addition to the going concern considerations noted in the Going Concern section of note 1 to these financial statements, management has considered the impact on going concern in the most recent Board meeting to review and approve the financial statements. The following matters were discussed and concluded:

- The business activities of the Company have continued to be operational since the outbreak;
- Demand for the services provided by the Company has continued to exist since the outbreak;
- Financial performance of the Company has not been impacted to a material extent since the outbreak and
- The Company's main income stream is data licences where cash flows are generated from subscription based revenue streams for data supplied to customers. There is also a component of the Company's licence revenue streams which are linked to the value of assets under management (AUMs) benchmarked against the Company's indices. Whilst there remains uncertainty as to how the spread of the virus will impact the global economy, the Board recognise that global financial markets volatility will impact the valuation of our customer's AUMs against ETFs and passive funds benchmarked to the Company's indices, and index derivative contracts. The impact is difficult to forecast given the macroeconomic and geopolitical factors, however given the majority of the Company's revenue comes from the subscription based services which are not linked to asset prices, the Company is expected to have sufficient financial resources for the foreseeable future and at least twelve months from the date of approval of the financial statements.
- The Company's customer base predominately operates in the wealth & asset management sector. The Board acknowledges that some of its customers will be impacted by the trading and financial implications from the spread of the virus however the extent to which is not expected to have a material impact on the Company's trade and other receivables and financial position.

On this basis, management have concluded that the going concern assessment remains appropriate.