

London Stock Exchange Reg Holdings Limited
Report and Financial Statements
For year ended 31 December 2018

Company Registration Number: 07378551



LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

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LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

C Thomas
L Condrón
M Freedman

COMPANY SECRETARY

T Hogan

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

BANKERS

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

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

London Stock Reg Holdings Limited (the "Company") operates as an investment holding Company.

REVIEW OF BUSINESS

The Company incurred a loss after tax for the year ended 31 December 2018 of £0.4m (period ended 31 December 2017: £9.9m), driven mainly by interest charges on loans payable.

During the year the Company made an investment of £9.6m in London Stock exchange LEI Limited. Following a detailed review of the investments, it has been considered that the carrying value of £11.8m (31 December 2017: £2.2m) is appropriate with no factors to indicate any impairment. The Directors have concluded that there are no other relevant KPIs except for the value of the investments.

The Company is part of London Stock Exchange Group plc (the "Group").

FUTURE DEVELOPMENTS

The Company is expected to continue to operate as an investment holding company.

DIVIDENDS

No dividends have been paid or proposed during the current year and previous year.

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:

C Thomas	
L Condrón	
D Warren	(resigned 20 February 2018)
M Freedman	(appointed 29 April 2018)

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

EMPLOYEES

The Company has no employees.

PRINCIPAL RISKS AND UNCERTAINTIES

London Stock Exchange Group plc (LSEG, the Group) 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 the 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:

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DIRECTORS' REPORT

- 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 operational risks are considered to arise from its status as an investment holding company. The value and management of the company's investments in subsidiary undertakings are given by the underlying performance of the investments.

On 23 June 2016 the UK voted to exit the EU. The Company relies on a number of rights that are available to it to conduct business with EU members. This includes, without limitation, the right for the UK trading venues to offer services to members in the EU. The Company has analysed the potential impact as an investment holding company, as have its subsidiaries, and considered contingency plans that it may choose to execute should these rights not be replaced by rights that persist outside EU membership.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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DIRECTORS' REPORT

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 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.

STRATEGIC REPORT

In accordance with section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has taken the exemption not to prepare a strategic report as the Company qualifies as a small company in accordance with sections 382(2) and 383(3) of the Companies Act 2006. In the current year, the Company's turnover was not more than £10,200,000 and the number of employees was not more than 50.

AUDIT EXEMPTION

For the year ended 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

By order of the Board



Mark Freedman
Director

9th September 2019

REGISTERED OFFICE:

- 10 Paternoster Square, London, EC4M 7LS

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

INCOME STATEMENT

Year ended 31 December 2018

	Notes	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Other expenses	3	(2.8)	(9,633.4)
Operating loss		(2.8)	(9,633.4)
Finance income	4	-	1.1
Finance expense	4	(521.2)	(310.6)
Net finance expense		(521.2)	(309.5)
Loss before taxation		(524.0)	(9,942.9)
Taxation credit	5	100.4	47.4
Loss for the financial period		(423.6)	(9,895.5)

The transactions in the current year and in the prior period 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 2018 and for the year ended 31 December 2017.

The notes on pages 8 to 13 form an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Notes	31 December 2018 £'000	31 December 2017 £'000
Assets			
Non-current assets			
Investments in subsidiary undertakings	6	11,850.0	2,200
		11,850.0	2,200
Current assets			
Trade and other receivables	7	0.01	42.0
Current tax assets	7	142.3	
		142.4	42.0
Total assets		11,992.4	2,242.0
Liabilities			
Current liabilities			
Trade and other payables	8	(28,387.3)	(27,863.2)
Total liabilities		(28,387.3)	(27,863.3)
Net liabilities		(16,394.9)	(25,621.2)
Equity			
Share capital	9	9,650.0	-
Retained losses		(29,310.8)	(28,887.1)
Other reserves		3,265.9	3,265.9
Total Equity		(16,394.9)	(25,621.2)

The notes on pages 8 to 13 form an integral part of these financial statements.

For the year ended 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

- the members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with 476; and
- the directors acknowledge their responsibilities for complying with the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 5 to 13 were approved by the Board on 9th September 2019 and signed on its behalf by:



Mark Freedman
Director
London Stock Exchange Reg Holdings Limited
9th September 2019

Registered number: 07378551

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Share capital £'000	Retained earnings/ (losses) £'000	Other reserves £'000	Total attributable to equity holders £'000
31 December 2016	-	(18,991.6)	3,265.9	(15,725.7)
Loss for the financial year	-	(9,895.5)	-	(9,895.5)
31 December 2017	-	(28,887.2)	3,265.9	(25,621.2)
Share capital issued	9,650.0	-	-	9,650.0
Loss for the financial year	-	(423.6)	-	(423.6)
31 December 2018	9,650.0	(29,310.8)	3,265.9	(16,394.9)

Issued share capital of the Company consists of 1 share of nominal value £1, fully paid as at 31 December 2018 and 31 December 2017.

The notes on pages 8 to 13 form an integral part of these financial statements.

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

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

The Company's date of transition to FRS 101 was 1 April 2012. The Company has notified its shareholders in writing, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the Company's previously adopted accounting policies in accordance with IFRS was not material on the shareholders' equity as at the date of transition and as at 31 December 2018 or on the profit for the year ended 31 December 2018.

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

- IAS 7 cash flow statements and related notes;
- reduced IFRS 2 disclosure for share-based payment arrangements in a subsidiary's financial statements;
- IAS 8 the listing of new or revised standards that have not been adopted (and information about their likely impact) may be omitted;
- reduced IAS 36 disclosure of impairment review;
- reduced IFRS 3 disclosure for business combinations during and after the period;
- reduced IFRS 5 disclosure for discounted operations;
- reduced IFRS 7 disclosure of 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; and
- reduced IAS 1.134-1.136 disclosure on capital management.

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

- IFRS 9 'Financial Instruments' on classification and measurement and amendments regarding general hedge accounting
- IFRS 15 'Revenue from Contracts with Customers'
- Amendment to IFRS 4 'Insurance Contracts' regarding the implementation of IFRS 9, 'Financial instruments'
- Amendments to IAS 40 'Transfers of Investment Property'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- IFRIC 23 'Uncertainty over Income Tax Treatments'

The adoption of these standards do not have a material affect on the financial statements.

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 London Stock Exchange Reg Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken the exemption from producing consolidated financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of London Stock Exchange Group plc which prepares consolidated financial statements which are publicly available.

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

Going concern

The Directors have reviewed the Company's forecasts and projections, taking into account reasonably possible changes in trading performance, which show that the Company has sufficient financial resources. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and 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.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

Accounting Policies

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 or at the monthly average as a proxy. 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 expenses

Finance income and expense comprise interest earned on cash deposited with financial counterparties and interest paid on borrowings which reflect the agreed market-based or contractual rate for each transaction undertaken during the period, and calculated using the effective interest rate method. In conditions where negative interest rates apply, the Company recognises interest paid on cash deposits as an expense and interest received on liabilities as income.

Investments in subsidiary companies

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 taxation

Current tax is recognised in the income statement except to the extent that it relates to items recognised in the Statement of Comprehensive Income or directly in equity. In this case the tax is also recognised in the Statement of Comprehensive Income or directly in equity, 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 country where the Company operates and generates taxable income and any adjustment to tax payable in respect of previous periods.

Trade and other receivables

Trade and other receivables include amounts due from the parent and subsidiary undertakings on loans and interest on these loans and are measured at amortised cost using the interest rate method. Interest is charged at variable rates as stated within the relevant group loan agreement as set out by management. These loans are repayable either on demand or on dates stipulated within the relevant group loan agreement.

Trade and other payables

Trade and other payables relate to loans from other companies within the London Stock Exchange Group. Trade payables are classified as 'Trade and other payables' within current liabilities, if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as 'Other non-current payables' within non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

The share capital of the Company consists of only one class of ordinary Shares and these are classified as equity.

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 2018 are as follows:

- Valuation of investments in subsidiary undertakings: for purpose of impairment assessment, 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.

There were no principal judgements that were applied by management for the year ended 31 December 2018.

LONDON STOCK EXCHANGE REG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Other expenses

Other expenses comprise of the following:

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Impairment of loan	-	(9,476.6)
Foreign exchange gain/(loss)	7.7	(148.8)
IT Costs	(10.0)	(7.5)
Other operating expenses	(0.5)	(0.5)
Tax on loss on ordinary activities	(2.8)	(9,633.4)

The Company is exempt from audit and therefore no audit fees were incurred by the Company for the year ended 31 December 2018 (year ended 31 December 2017: nil).

4. Net Finance Income

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Finance income		
Interest on loan to subsidiaries	-	1.1
	-	1.1
Finance expense		
Interest on loan payable to Parent	(390.6)	(220.5)
Interest on loan payable to Group companies	(130.6)	(90.1)
	(521.2)	(310.6)
Net finance expense	(521.2)	(309.5)

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

5. Taxation

The standard UK corporation tax rate was 19% (year ended 31 December 2017: 19.25%).

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Taxation credited to the income statement		
Current tax:		
UK corporation tax for the year	(99.5)	(47.4)
Adjustment in respect of previous periods	(0.9)	-
Tax on loss on ordinary activities	(100.4)	(47.4)

Factors affecting the tax charge for the year:

The income statement tax credit for the year is differs from the standard rate of corporation tax in the UK of 19% (year ended 31 December 2017: 19.25%) as explained below:

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Loss before taxation	(524.0)	(9,942.9)
Loss multiplied by standard rate of corporation tax in the UK	(99.5)	(1,914.0)
Interest not deductible	-	42.4
Write off loan to subsidiary	-	1,824.2
Adjustment in respect of previous periods	(0.9)	-
Taxation credit	(100.4)	(47.4)

The UK Finance Bill 2016 was enacted in September 2016 reducing the standard rate of corporation tax to 17% effective from 1 April 2020.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

6. Investments in Subsidiary Undertakings

	Total £'000
31 December 2017	2,200.0
Investment in London Stock Exchange LEI Limited	9,650.0
31 December 2018	11,850.0

During the year the Company made an investment of £9.6m in London Stock Exchange LEI Limited.

A list of the Company's subsidiaries as at 31 December 2018 is given below. The entire share capital of subsidiaries is held within the Company except where the Company's ownership percentages are shown. These percentages give the Parent's ultimate percentage and therefore allow for the situation where subsidiaries are owned by partly owned intermediate subsidiaries.

Name of subsidiary undertaking	Country of incorporation	Identity of each class of share held in the subsidiary undertaking	Direct or indirect holding	Share ownership %	LSE Reg Holdings Ltd ultimate economic interest %
Held directly by the Company					
GlobeSettle S.A.	Luxembourg	Ordinary	Direct	100	100
UnaVista Limited	England and Wales	Ordinary	Direct	100	100
London Stock Exchange LEI Limited	England and Wales	Ordinary	Direct	100	100
UnaVista TRADEcho B.V.	Netherlands	Ordinary	Direct	100	100

7. Trade and Other Receivables

	31 December 2018 £'000	31 December 2017 £'000
Amounts due from subsidiary undertakings	0.1	0.1
Corporation tax receivable	142.3	41.9
Total trade and other receivables	142.4	42.0

Amounts due from subsidiary undertakings are interest free and repayable on demand.

The carrying values are reasonable approximations of fair values.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

8. Trade and Other Payables

	31 December 2018 £'000	31 December 2017 £'000
Amounts owed to Parent	20,533.0	21,282.1
Amounts owed to subsidiary undertakings	7,854.3	6,573.7
Other payables	-	7.4
Total trade and other payables	28,387.3	27,863.2

Amounts owed to the Parent include a loan from the Parent £4,470(€4,959) (31 December 2017 of £976,400 (€1,098,400)). Interest on this loan is charged at EURIBOR plus 1.2%. The loan is payable on demand or by July 2023.

Amounts owed to the Parent include a loan from the Parent £20,428,000 (31 December 2017 of £20,235,000). Interest on this loan is charged at LIBOR plus 1.2%. The loan is payable on demand or by July 2023.

Amounts owed to subsidiary undertakings include a loan from UnaVista Limited, a fellow group company, of £7,816,700 (31 December 2017: £6,548,500). Interest on this loan is charged at LIBOR plus 1.2%. The loan is payable on demand or by March 2024.

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

9. Share Capital

	31 December 2018		31 December 2017	
	Number	£	Number	£
Issued, called up and fully paid				
Ordinary shares of £1 each	9,650,001	9,650,001	1	1

In the current year there was a capital injection from the parent of 9,650,000 Ordinary £1 shares, which have been issued and fully paid.

10. Commitments and Contingencies

The Company has no contracted commitments, nor has it any contingent liabilities (31 December 2017: nil).

11. Ultimate Parent Company

As at 31 December 2018, the Company's immediate and ultimate parent undertaking and the parent that headed the smallest and largest group of undertakings for which consolidated financial statements were prepared was London Stock Exchange Group plc, a company incorporated in England and Wales. One hundred per cent 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.