EUROMTS LIMITED

Report and Financial Statements

For the year ended 31 December 2018

Company Registration Number 03615752

EUROMTS LIMITED
CONTENTS

PAGE

EUROMTS LIMITED
DIRECTORS AND OFFICERS

DIRECTORS

A. Giovannini
J Jeffery
C Pietroluongo
F Testa
P Poletto
M Quarti
A Maldi

COMPANY SECRETARY

F Rochlitzer

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

EUROMTS LIMITED
STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

EuroMTS Limited (the "Company" or "EuroMTS"), a wholly-owned subsidiary of MTS S.p.A. which is controlled by the London Stock Exchange Group plc ("LSEG or the Group"), the Ultimate Parent, operates pan-European inter-dealer markets and a dealer-to-client trading system for Euro denominated government bonds and other fixed-income securities. The Company is based in the United Kingdom and is authorised and regulated by the Financial Conduct Authority ("FCA").

REVIEW OF BUSINESS

Total revenues for the year ended 31 December 2018 were €22.9 million (year ended 31 December 2017: €20.9 million), with an operating profit for the period of €8.9 million (year ended 31 December 2017: €5.6 million).

Profit after tax for the year ended 31 December 2018 was €7.3 million (year ended 31 December 2017: €4.6 million).

Trading activity on EuroMTS' cash markets (MTS Cash Domestic Markets MTF and EBM MTF - Multilateral Trading Facility) totalled €638 billion for the period January to December 2018, a decrease of 15% versus prior year (January to December 2017: €750 billion). Volumes on BondVision UK MTF totalled €244 billion for the period January to December 2018 compared to €126 billion in January to December 2017, an increase of 94%.

During 2018, the MTS Data business saw continued growth and development reflecting the increasing focus on the fixed income markets by a variety of market participants. The continuing volatility and uncertainty in the markets has highlighted the value of our data with many institutions viewing us as the benchmark source in the European government bond market.Interest in fixed income data and government bond data in particular has driven new business sales in MTS Live and Historical data packages.

As of 31 December 2018 there were 19 participants using MTS Live (compared to 17 at the end of 2017) and this number is expected to increase throughout 2019. There has however been a reduction of MTS Real-Time Data users to 1,879 (from 2,009 as at 31 December 2017) which can be generally attributed to cost-cutting exercises.

The key drivers of total revenue for EuroMTS can be split into two distinct areas: Volumes traded drives revenue for commission and brokerage, whereas the number of terminals and number of MTS Live subscribers drives the revenue for data sales. *These key performance indicators are included above.*

The net asset position of the Company at 31 December 2018 was €22.3 million (31 December 2017: €19.3million).

FUTURE DEVELOPMENTS

Following the business disposal described on page 8, overall revenues and profit before tax are expected to reduce in 2019. Notwithstanding this, EuroMTS plans for growth are based on four key initiatives:

1. BondVision UK Client expansion – continue to increase penetration of UK based buy-side clients

2. BondVision UK Product expansion - Continue to strengthen our competitive position through enhancing our product offering, with a focus on Credit and Auto-Execution.

3. Improved service levels – Focusing on the following:

   i. *Customer retention / satisfaction*
   ii. First line support and problem resolution
   iii. Monitoring and reporting
   iv. Stability of EuroMTS systems
   v. Consistency and latency
   vi. Timely and flawless rollout of new functionality

4. Development of Data business – develop and deploy value add data products and focus on the enforcement of non-display policies.

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 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 concem to them in their work, through regular briefing meetings and intemal publications.

PRINCIPAL RISKS AND UNCERTAINTIES

London Stock Exchange Group plc (LSEG, the Group) has implemented a Risk Management Framework which ensures that the management and assessment of risk remains a fundamental component of the Group's strategic decision-making process.

The LSEG Board is responsible for the Group's Risk Management Framework and maintaining an appropriate system of intemal controls. The system of internal controls is designed to facilitate the management of the Group and its businesses within the Board's risk appetite rather than eliminate the risk of failure to achieve the Group's objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss, fraud or breaches of laws and regulations. Executive management is accountable for risk identification, evaluation, mitigation, monitoring and reporting in accordance with the framework. A divisional intemal control and Risk Management self-certification process is also performed semi-annually to support this process.

The Company is subject to a variety of foreseeable and unforeseeable risks and uncertainties which may have an impact on the Company's ability to execute its strategy and deliver its expected performance. The identification, assessment and management of these risks are central to the Company's operating framework. The Company's risk control structure is based on the '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 Management Framework.

The Company's principal risks are considered to arise from clients 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.

Whilst EuroMTS' revenues and profitability, as a provider of services to the financial services sector, are highly dependent on the levels of activity within that industry, the Company does not carry the significant balance sheet risks or liabilities typically associated with that sector. The financial services industry is dynamic and unpredictable and is directly affected by many macro-economic variables beyond our control, including economic, political and geopolitical market conditions, changes in price levels and volatility in the financial markets, changes in government monetary or tax policy and other legislative and regulatory changes.

On 23 June 2016, the UK voted to exit the European Union ("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 UK trading venues to offer services to members in the EU. The Company has analysed the potential impact and has decided that it will sell its two MTFs; EBM and MTS Cash Domestic Markets to MTS SpA. This transaction took place on 01st March 2019, for more information see the 'Post Balance Sheet Events' section of the Directors' Report.

During the year, the EuroMTS Board approved the following Risk Appetite:

Category	Area	Risk Appetite
	Culture	Employees are accountable for management of risk and their conduct should reflect the highest levels of integrity and risk awareness such that full transparency of risks and practices that might adversely impact the achievement of the Company strategic objectives is encouraged. The Company has no appetite for failing to identify and report major risk exposures in a timely manner and it has no appetite for unethical behaviour. The Governance structure of the Company should reflect the diversity of the markets, products and geographies of our business and key stakeholders. Effective governance should ensure appropriate expertise and capability to adequately oversee and challenge risk positions.
Strategic	Earnings	• The Company will aim not to undertake activities which would cause the cumulative adjusted earnings for the next 3 years to fall below 100% of Base Case plan (Budget and business plan) in normal economic conditions. • Indicative Economic Capital metrics have been included to monitor stability and the Risk department continues to refine the model inputs through ongoing consultation with stakeholders.
Strategic	Economic Capital	• The Company aims to ensure that it has adequate earnings to cover potential losses as modelled by the Group's Economic Capital
Strategic	Stakeholder Confidence	• The Company maintains the confidence of its stakeholders through the application of its culture, risk framework and policies. Specific quantitative measures are monitored in respect of our: Investors, regulators, members, clients, partners and employees. We seek to maintain the confidence of general participants in the markets we support. • The Company aims to avoid engaging in activities which are likely to lead to negative outcomes on its business and stakeholders.
Financial	Capital	The Company has no appetite to fail to meet regulatory capital requirements.
Financial	Liquidity	The Company will maintain targeted corporate liquidity headroom at all times.
Operational	Compliance	The Company has no appetite to fail to meet applicable legal and regulatory requirements. The Company has no appetite for its employees to fail to comply with internal policies and with applicable legal and regulatory requirements.
Operational	Operational Stability	The Company's appetite is to provide core servicing capability to the market and its clients even under stressed events.
Operational	Security	The Company has no appetite for material compromise of the security standards deployed to protect out people, infrastructure, data and other assets. The Company adopts standards that are designed to ensure security and availability of our assets and the avoidance of material adverse financial, regulatory or reputational impacts to the Company.
Operational	Operational Excellence	The Company aims to design and implement processes that are consistently efficient and effective under a control environment that ensures products and services are delivered to meet customer and stakeholder expectations.

The following section covers the principal risks and uncertainties currently facing the Company, which are specific to our business.

FINANCIAL RISKS

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and regulatory capital risk. The Company is part of London Stock Exchange Group plc (the "Group") and financial risk management is carried out by the Group through its finance, compliance and central treasury functions. The Group's risk management approach seeks to minimise the potential adverse effects of these risks on the financial performance of the Company.

CREDIT RISK

Credit risk is the risk that the Company's counterparties will be unable to meet their obligations to the Company either in part or in full and arises from credit exposures to customers as well as on cash and cash equivalent balances and deposits with banks and financial institutions.

Credit risk is controlled through policies and procedures developed either at the Group level and, where appropriate, with regulators, or by the Company itself.

The Company assesses the credit quality of its customers, based upon the customer's financial position and considering past experience and other factors. Trade receivables, net of impairment, are concentrated in the financial community, and are managed as one class of receivables. There is a limited concentration of credit risk with respect to trade receivables as the Company has a low historic incidence of customer defaults. Given this, the recurring nature of the billing management assesses the credit risk facing the Company will be low.

Credit risk on cash and deposits at banks and other financial institutions is managed at the Group level by limiting the exposure to up to £50 million placed for 12 months with counterparties rated long term AAA (or equivalent) through to a maximum of £10 million overnight with counterparties rated short term A-2 (or equivalent). For cash held specifically for regulatory purposes, deposits are limited to a maximum tenor of three months unless a formal break clause is agreed with the counterparty.

MARKET RISK

Foreign exchange risk
The Company operates in the UK and reports its results in Euros and is exposed to foreign exchange risk arising from currency exposures principally between Euros and Sterling.

Foreign exchange risk is identified by the Group's central treasury function and, if deemed material, is hedged in accordance with a Group's approved policy framework.

Interest rate risk
The Company is exposed to interest rate risk through its revolving loan facility which attracts interest at variable rates. In considering the size and nature of the arrangements, the Company does not believe that this is a material risk for the Company.

LIQUIDITY RISK

The Company is exposed to liquidity risk to the extent that it is unable to meet its daily payment obligations. The Company maintains sufficient cash and cash equivalents, to meet all its financial obligations as they fall due. In addition, it has, upon the giving of reasonable notice, access to the net loan assets it holds with other Group companies (including London Stock Exchange Group plc which maintains significant committed bank facilities).

When the Company's business generates significant free cash flow, this free cash flow is available to the Company to invest in capital expenditure, acquisitions, dividend payments, other returns of capital or to reduce debt.

REGULATORY CAPITAL RISK MANAGEMENT

The Company is required to maintain certain minimum levels of capital and liquidity for regulatory and operational purposes. These requirements are agreed with the Financial Conduct Authority ("FCA"), including an appropriate, additional buffer above these minimum requirements. As at 31 December 2018, the Company held capital and cash and cash equivalents that exceeded its agreed minimum regulatory requirements.

RISKS RELATING TO THE INDUSTRY

ECONOMIC ENVIRONMENT

The ongoing current economic environment could reduce customer demand for our services and the ability of our customers, lenders and other counterparties to meet their obligations to us.

On 23 June 2016, the UK voted to exit the European Union ("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 UK trading venues to offer services to members in the EU. The Company has analysed the potential impact and has decided that it will sell its two MTFs; EBM and MTS Cash Domestic Markets to MTS SpA. This transaction took place on 01st March 2019, for more information see the 'Post Balance Sheet Events' section of the Directors' Report. Brexit still poses a residual risk for the remaining markets operated by EuroMTS.

REGULATION

The securities industry is closely regulated and as such, in addition to having to comply with Company law, local government and EU legislative requirements, EuroMTS is subject to authorisation and continuous oversight by the FCA. Comprehensive market rules are in place to ensure ongoing compliance with all legal and supervisory requirements.

EuroMTS is already being affected by new regulations, Basel III through Capital Requirements Directive ("CRD") IV and MiFID II for example. EuroMTS continuously monitors developments and engages in dialogue with regulatory and government authorities at both the national and EU level.

EuroMTS Limited produces an Internal Capital Adequacy Assessment Process ("ICAAP") on an annual basis, which is to inform the Board of the ongoing assessment of the Company's risk, how the Company intends to mitigate those risks and how much current and future capital is necessary having considered other mitigating factors. The ICAAP document is prepared in accordance with the FCA guidelines and is regularly tested and constantly updated and promoted within the Company. In order to comply with BRRD (Bank Recovery and Resolution Directive) EuroMTS also produces a Recovery Plan and Resolution Pack.

COMPETITION

The EuroMTS Marketing & Sales Department operates within a competitive environment and faces the risk of not responding quickly and adequately to changes introduced by the competition. This competition may further intensify in the near future, especially as technological advances create pressure to reduce the costs of trading. In addition, a high proportion of our business is becoming increasingly concentrated in a smaller number of institutions which may lead to increased pressure on pricing.

The Company is well placed to respond to these developments and continues to focus on developing and delivering competitive products, technology, pricing structures and services to reduce the overall cost of trading which is key to maintaining strong customer relationships and deep pools of liquidity.

RISKS RELATING TO THE BUSINESS

TECHNOLOGY

An inability to anticipate and respond, in a timely and cost-effective manner, to the need for new and enhanced technology may result in EuroMTS being unable to compete effectively. The markets in which we compete are characterised by rapidly changing technology, evolving industry standards, frequent enhancements to existing products and services, the introduction of new services and products and changing customer demands.

Our business depends on technology which is secure, stable and performs to high levels of availability and throughput. If our systems cannot expand to cope with increased demand or otherwise fail to perform, we could experience unanticipated disruptions in service, slower response times and delays in the introduction of new products and services.

By order of the Board

Fabrizio Testa
Director and Chief Executive Officer
23 April 2019

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

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

REVIEW OF BUSINESS

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

DIVIDENDS

The Directors recommend a final dividend of €2.7 per share (total dividend to distribute €7,284,816) for the year ended 31 December 2018 (year ended 31 December 2017: €4,316,928, €1.6 per share). No interim dividend has been declared or paid during the year ended 31 December 2018 (year ended 31 December 2017: Nil).

DIRECTORS AND DIRECTORS' INTERESTS

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

A. Giovannini
J Jeffery
C Pietroluongo
P Poletto
M Quarti
F Testa
A Maldi

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

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

DIRECTORS' LIABILITIES

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, 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.

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 at least 12 months from the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

POST BALANCE SHEET EVENTS

As a consequence of uncertainty resulting from Brexit and in order to preserve the integrity of the business, MTS S.p.A. has developed a corporate reorganization that also involves the sale of assets from EuroMTS ltd to MTS S.p.A. the assets related to the two MTF market (EBM and MTS Cash Domestic) resulting in the closure of the same in the UK market. BondVision UK, MTS UK and the Data business will continue to be managed by EuroMTS Ltd.
This sale took place with a notary deed dated 25 February 2019 for a value of € 18.78 million, supported by an appropriate sworn appraisal which determines its consistency. Following this operation MTS S.p.A. has become operational on the Italian MTF markets from 1 March 2019.

With the exception of the above the Directors confirm that there were no significant events occurring after the balance sheet date, up to the date of this report that would meet the criteria to be disclosed or adjusted in the financial statements for the year ended 31 December 2018.

DIRECTORS' STATEMENTS 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 he ought to have taken as a Director to make himself 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

Fabrizio Testa
Director and Chief Executive Officer
23 April 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROMTS LIMITED

Opinion

We have audited the financial statements of EuroMTS Limited (the "Company") for the year ended 31 December 2018 which comprise the Income Statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 24, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 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.

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 annual report, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROMTS LIMITED

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 the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 7 to 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP

Gary Adams (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
25 April 2019

EUROMTS LIMITED
INCOME STATEMENT
Year ended 31 December 2018

	Notes	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Revenue	4	22,859,615	20,926,335
Cost of sales	5	(5,678,266)	(6,649,449)
Gross profit		**17,181,349**	**14,276,886**
Administrative expenses	6	(8,240,061)	(8,682,528)
Operating profit		**8,941,288**	**5,594,358**
Interest receivable and similar income	9	123,450	111,856
Profit before taxation		**9,064,738**	**5,706,214**
Taxation	10	(1,724,104)	(1,098,808)
Profit for the financial year		**7,340,634**	**4,607,406**

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

The notes on pages 15 to 31 form an integral part of these financial statements.

EUROMTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	Year ended 31 December 2018	Year ended 31 December 2017
		€	€
Profit for the financial year		7,340,634	4,607,406
Items that may be subsequently reclassified to profit or loss:			
Revaluation of Investments	13	8,600	-
		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		7,349,234	4,607,406

The notes on pages 15 to 31 form an integral part of these financial statements

EUROMTS LIMITED
STATEMENT OF FINANCIAL POSITION
At 31 December 2018

	Notes	31 December 2018 €	31 December 2017 €
Non-current assets			
Investments	13	51,600	43,000
Deferred tax assets	11	321,373	358,540
		372,973	401,540
Current assets			
Debtors: amounts falling due within one year	14	26,653,053	25,742,784
Contract assets	14	178,454	-
Cash and cash equivalents	15	1,359,542	1,131,020
		28,191,031	26,873,804
Total assets		**28,564,004**	27,275,344
Current liabilities			
Creditors: amounts falling due within one year	16	5,656,559	7,840,149
Contract liabilities	16	73,030	-
Current tax		487,955	173,483
Total liabilities		**6,217,544**	8,013,632
Net assets		**22,346,460**	19,261,712
Equity			
Capital and reserves attributable to the Company's equity holder			
Share capital	17	3,926,196	3,926,196
Share premium	17	981,549	981,549
Retained Earnings		15,932,928	12,926,416
Other reserves	12/17	1,505,787	1,427,551
Total equity		**22,346,460**	19,261,712

The notes on pages 15 to 31 form an integral part of these financial statements.

The financial statements on pages 11 to 31 were approved by the Board on 23 April 2019 and signed on its behalf by:

Fabrizio Testa
Director and Chief Executive Officer

23 April 2019

Registered number: 03615752

EUROMTS LIMITED
STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Attributable to equity holder of the Company					
				Other reserves		
	Share capital	Retained Earnings	Share premium	Fair value reserve	Share scheme	Total equity
	€	€	€	€	€	€
31 December 2016	3,926,196	12,905,745	981,549	23,500	1,091,386	18,928,376
Profit for the financial year	-	4,607,406	-	-	-	4,607,406
Dividend relating to the year ended 31 December 2016 (Note 12)	-	(4,586,735)	-	-	-	(4,586,735)
Employee share scheme expenses	-	-	-	-	(474,858)	(474,858)
Employee share scheme recharges	-	-	-	-	474,858	474,858
Tax in relation to employee share scheme expenses	-	-	-	-	312,665	312,665
31 December 2017	3,926,196	12,926,416	981,549	23,500	1,404,051	19,261,712
Impact of adopting new accounting standards (Note 2)	-	(17,194)	-	-	-	(17,194)
1 January 2018 (restated)	3,926,196	12,909,222	981,549	23,500	1,404,051	19,244,518
Profit for the financial year	-	7,340,634	-	-	-	7,340,634
Dividend relating to the year ended 31 December 2017 (Note 12)	-	(4,316,928)	-	-	-	(4,316,928)
Employee share scheme expenses	-	-	-	-	(479,785)	(479,785)
Employee share scheme recharges	-	-	-	-	479,785	479,785
Tax in relation to employee share scheme expenses	-	-	-	-	69,636	69,636
Investment revaluation (Note 13)	-	-	-	8,600	-	8,600
31 December 2018	**3,926,196**	**15,932,928**	**981,549**	**32,100**	**1,473,687**	**22,346,460**

The notes on pages 15 to 31 for an integral part of these financial statements.

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 21 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS as adopted by the EU may be obtained. The Company's date of transition to FRS 101 was 1 April 2013.

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 2018 or on the profit for 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;
- reduced IAS 1.134-1.136 disclosure on capital management; and
- reduced IFRS 15 revenue contracts with customers;

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'
- IFRIC 22 'Foreign currency transactions and advance consideration' and
- Amendment to IFRS 2, 'Share-based payment' on classification and measurement of share-based payment transactions

The impact of adopting IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' is explained further in note 2. The adoption of the other standards 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 (See Note 2).

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

Going concern

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

Accounting policies

Income statement

Revenue
On 1 January 2018, the Company adopted IFRS 15 'Revenue from contracts with customers'. The impact of adopting the standard is detailed in Note 2.

The adoption of IFRS 15 resulted in no material changes to the measurement or timing of revenue recognition for the Company.

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, and revenue share arrangements whereby as part of an operating agreement amounts are due back to the customer and pass-through costs where the Company has arrangements to recover specific costs from its customers with no mark up.

The Company recognizes 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:

a) Commission and brokerage-fees revenues are services generate fees for trades, which are recognised as revenue at the point when the service is rendered on a per transaction basis. Services are billed on a monthly basis;

b) Data sales includes revenues to data vendors (i) for data sales - revenue is recognised on a straight-line basis over the period to which the fee relates; (ii) for royalties - revenue is recognised at the date at which they are earned or measurable with certainty.
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.; and

c) Management fees – service is recognised as revenue at the point the service is rendered and becomes payable when invoiced.

Customer contracts that contain a single performance obligation at a fixed price do not require variable consideration to be constrained or allocated to multiple performance obligations. Any variable element is subsequently recognised in the period in which the variable factor occurs. Services provided under a tiered and tariff pricing structure 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.

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.

Pension costs
The Company operates defined contribution pension schemes. For defined contribution schemes, the Company pays a core contribution and will match employee contributions up to a maximum of four per cent of pensionable pay. 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 (LSEG), 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. The Company is recharged costs from LSEG to account for the share awards made to employees of the Company. In the prior year, these amounts were unsettled and recorded in share scheme reserve. In the current period, the recharge has been settled.

Foreign currencies
These financial statements are presented in Euro, which is the Company's presentational 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.

The GBP-EUR spot exchange rate used for translating monetary assets and liabilities as at 31 December 2018 is 1.1093. (31 December 2017 1.1249)

Interest income and expenses
Interest 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.

Statement of Financial Position

Current and deferred taxation
Income tax on the profit for the year 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 countries where the Company operates and generates taxable income and any adjustment to tax payable in respect of previous years.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

Financial instruments
On 1 January 2018, the Company adopted IFRS 9 'Financial instruments'.

The Company classifies its financial instruments as fair value through other comprehensive income (FVOCI) or amortised cost.

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 and trade and other receivables.

b) **Financial assets at fair value through other comprehensive income (FVOCI)**: this category includes investments in financial assets. Any profit or loss recognised in other comprehensive income on debt instruments is recycled to the income statement if the asset is sold. Any profit or loss on an equity investment remains in retained earnings and is not recycled through the income statement.

c) **Financial liabilities at amortised cost**: all financial liabilities that are not at FVPL are held at amortised cost. This comprises the Company's trade and other payables balances and borrowings.

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

Financial assets at amortised cost – the ECL for trade receivables, contract assets and cash and cash equivalents are calculated using IFRS 9's simplified approach using lifetime ECL. The provision 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.

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 receivables
Trade receivables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, probability that the trade receivable will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the portion deemed recoverable. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off or provided for are credited to the income statement.

Contract assets
Contract assets are recognised when there is the conditional right to consideration from a customer in exchange for goods or services transferred.

Contract assets are transferred to and presented as trade receivables when the entitlement to payment becomes unconditional and only the passage of time is required before payment is due.

Contract liabilities
Revenue relating to future periods is classified as a contract liability on the balance sheet to reflect the Company's obligation to transfer goods or services to a customer for which it has received consideration, or an amount of consideration is due, from the customer.

Contract liabilities are amortised and recognised as revenue in the income statement over period the services are rendered.

Cash and cash equivalents
Cash and cash equivalents comprises deposits held at call with banks, term deposits and investments in money market funds that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as 'Creditors: amounts falling due within one year 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 'Creditors: amounts falling due after more than one year'.

Trade 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.

Fair value reserve
Fair value reserve, a non-distributable reserve set up as a result of the available for sale investment revaluation.

Share scheme reserve
Share scheme reserve, a non-distributable reserve set up as a result of the award of London Stock Exchange Group plc shares to employees of the Company.

Dividend distributions
Dividend distributions to the Company's equity holders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholder.

2. Adoption and impact of new accounting standards and interpretations

On 1 January 2018, the Company adopted two new accounting standards: IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'. The impact of adopting the new standard has been reflected through transition adjustments to the Company's opening retained earnings at the start of the current year, as presented in the consolidated statement of changes in equity. The table below provides a summary of the impact at the date of transition:

			Transition adjustments		
		As previously reported	IFRS 15[1]	IFRS 9	After adoption
		31 December 2017			1 January 2018
	Notes	€	€	€	€
In vestments		43,000	-	-	43,000
Deferred tax asset	11	358,540	-	4,033	362,573
Trade and other receivables	14	25,742,784	(155,401)	(21,227)	25,566,156
Contract Assets			155,401	-	155,401
Cash and cash equivalents		1,131,020	-	-	1,131,020
Total assets		27,275,344	-	(17,194)	27,258,150
Contract Liabilities		-	8,242	-	8,242
Other liabilities		8,013,632	(8,242)	-	8,005,390
Total liabilities		8,013,632	-		8,013,632
Share capital, share premium Other reserves		6,335,296	-	-	6,335,296
Retained earnings		12,926,416	-	(17,194)	12,909,222
Total equity		19,261,712	-	(17,194)	19,244,518

[1] Under IFRS 15, accrued income and deferred income are now referred to as 'contract assets' and 'contract liabilities' respectively, and are presented as separate line items on the face of the Company's balance sheet.

IFRS 15 Revenue from Contracts with Customers – impact of adoption

On 1 January 2018 the Company adopted IFRS 15 'Revenue from Contracts with Customers'. This new accounting standard requires the Company to recognise revenue when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The new guidance requires more detailed revenue disclosures and policies to identify the Company's performance obligations to customers.

The Company has adopted IFRS 15 prospectively from 1 January 2018 under the modified retrospective approach, and consequently the comparative amounts in the Company's financial statements remain unchanged and are reported under IAS 18 'Revenue'. As permitted by IFRS 15, the Company applied the new standard to contracts that were not completed as the 1 January 2018 transition date. There is not any impact to current year reporting.

IFRS 9 Financial instruments – impact of adoption

On 1 January 2018 the company adopted IFRS 9 'Financial Instruments' and applied the standard retrospectively.

The Company has not restated comparative amounts in the financial statements, as this would require the use of hindsight in factors influencing measurement such as fair values and expected credit loss calculations and therefore is proscribed by the standard. Instead it has recognised any differences between the carrying amounts measured in accordance with IFRS 9 at the date of transition with previously reported carrying amounts, in the opening retained earnings of the current period. This has resulted in an €17,194 adjustment to opening retained earnings as at 1 January 2018, as presented in the statement of changes in equity. This comprises a €21,227 increase in the provision for impairment of trade receivables as the Company modified its previous impairment model to an expected credit loss approach which takes into account historic collection rates as well as forward-looking information, and a consequential €4,033 increase in deferred tax asset.

Amounts presented in the Company's financial statements as at 31 December 2017 have been updated to adopt the new terminology under IFRS 9. The previously reported 'loans and receivables' classified in the Financial Statement as "Debtors: amounts falling due within one year" and 'available for sale at fair value through other comprehensive income' classified in the Financial Statement as "Available for sale investment" are now referred to as 'financial assets at amortised cost' and 'financial assets at fair value through other comprehensive income' ('FVOCI') respectively.

The new standard requires financial instruments to be classified as fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) or amortised cost, the impact of which are explained further below:

a) **Financial assets at amortised cost**: At the date of transition, amounts previously reported as loans and receivables are now referred to as financial assets at amortised cost.

b) **Financial assets at fair value through other comprehensive income (FVOCI)**: this category includes investments in financial assets. Previously these assets were classified as either 'available for sale at FVOCI' or 'FVPL'. At the date of transition, the assets previously designated as available for sale at FVOCI are now referred to as FVOCI with no change in valuation.

c) **Financial liabilities at amortised cost**: this category includes all financial liabilities that are not included within financial liabilities at fair value through profit or loss and comprises the Company's trade and other payables balances and borrowings. There was no change on the previous treatment for these instruments.

IFRS 9 adopts a new approach to calculating impairment losses on financial instruments, a forward-looking approach to estimate expected credit losses (ECLs). ECLs are based on the difference between the contractual cash flows due and the expected cash flows, which is then discounted at the asset's original effective interest rate. The impact of the new approach on the Company's financial statements is as follows:

Financial assets at amortised cost – the ECL for trade receivables, contract assets and cash and cash equivalents has been calculated using IFRS 9's simplified approach using lifetime ECL. The new provision is calculated using an expected loss matrix which has been developed using the Company's historic experience of collection rates, adjusted for forward looking factors specific to each counterparty and the economic environment at large.

Applying this approach to the trade receivables as at 31 December 2017 created a lower provision than previously recognised: accordingly, a €17,194 net of tax debit to the opening reserves has been recognised in the statement of changes in equity. There is no expected loss on cash and cash equivalents on transition to the new standard.

Financial assets at fair value through profit or loss (FVPL) – in accordance with IFRS 9, no ECLs are required for assets held at FVPL.

3. Significant judgements and estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The only significant estimates are as follows:

- Provision for impairment of trade receivables (see note 14);
- Deferred tax assets - (see note 11) The Company recognises deferred tax assets to the extent it is probable they will be recoverable against future taxable profits the actual achievement of which is not certain.

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

4. Revenue

	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Commission and brokerage fees	**13,719,870**	12,604,056
Data sales and royalties	**7,903,211**	7,073,824
Management fees [1]	**1,236,534**	1,248,455
Total	**22,859,615**	20,926,335

[1] *At year ended 31 December 2017 €63,348 related to royalties was reclassified from Management fees to Data sales and royalties to report a correct comparable.*

The Directors consider that the Company has one class of business constituting a single business segment, with principal operations and customers of the Company in the European Union. Therefore, no further information on business or geographical segments is disclosed.

Management fees mainly relate to services provided to MTS S.p.A for sales and product development team activities.

5. Cost of sales

Cost of sales comprise the following:

	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Technology costs	**4,636,223**	5,364,085
Data sales royalties	**867,025**	1,104,631
Settlement	**75,620**	82,350
Information providers for markets data	**99,398**	98,383
Total	**5,678,266**	6,649,449

6. Expenses by nature

Expenses comprise the following:

	Notes	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Fee payable to the Company's auditors for audit of financial statements and other assurance services	**22**	**46,468**	46,121
Employee costs	**7**	**5,256,470**	5,648,491
Rent costs		**516,695**	515,349
Professional fees		**1,630,412**	1,736,842
Marketing costs		**351,291**	345,876
Foreign exchange gains		**100,680**	(38,953)
Other costs		**338,045**	428,802
Total		**8,240,061**	8,682,528

Other costs mainly includes the provision for impairment of receivables (€26,125) (2017: €49,654), travel costs €220,545 (2017: €272,810) and recoverable VAT (€92,514) (2017: (€132,811)).

7. Employee costs

Employee costs comprise the following:

	Note	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Salaries and other short term benefits		3,723,715	3,852,122
Social security costs		592,763	917,529
Pension costs	19	294,388	297,269
Share based compensation		479,785	474,858
Other staff costs		165,819	106,713
Total		5,256,470	5,648,491

In 2009, the Company joined the London Stock Exchange Group Long Term Incentive Plan ("Share schemes") for Company management. The charge for the year ended 31 December 2018 was to €479,785 (2017: €474,858) (See Note 18 for details).

The number of employees in the Company was:	Year ended 31 December 2018	Year ended 31 December 2017
Marketing and Sales	15	14
Operations	13	11
At the year end	28	25
Monthly average for the year:		
Marketing and Sales	14	14
Operations	13	13
Monthly average for the year	27	27

8. Directors' remuneration

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

	Year ended 31 December 2018	Year ended 31 December 2017
Remuneration received	**311,597**	321,249
Benefits	**2,317**	2,103
Value of contributions to pension schemes	**17,937**	18,108
Share based payments	**424,341**	330,850
Total expenses	**756,192**	672,310

During the year, one Director (2017: one) had retirement benefits accruing under Group Personal Pension schemes.

50% of remuneration, benefits and pension scheme contributions of the highest paid director are recharged to another company under common control; accordingly, only 50% of the total amounts expensed by the company is presented in the table above. Shared based payment expenses are not recharged and so 100% of the amount incurred is shown in the above table.

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

	Year ended 31 December 2018	Year ended 31 December 2017
Remuneration received	278,434	285,021
Benefits	2,217	2,103
Value of contributions to pension schemes	17,937	18,108
Share based payments	424,341	330,850
	723,029	636,082

The highest paid director has exercised 9,839 share options of London Stock Exchange Group plc, the ultimate parent of the Company, during the year (2017: 15,029). The highest paid director was awarded 10,292 share options during the year (2017: 9,585). No other directors were awarded or exercised share options during the year (2017: nil) in respect of qualifying services to the Company.

9. Interest receivable and similar income

	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Bank deposit and other interest	**123,450**	**111,856**

Interest income derived from London Stock Exchange Group Holdings Ltd for the Euro denominated loan amounted to €127,507 (2017: €115,421).

The balance includes bank charges for €4,057 (2017: €3,565).

10. Taxation

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

Taxation charged to the income statement	Note	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Current tax:			
Corporation tax for the year		**1,735,117**	1,136,362
Adjustments in respect of prior years		**(1,373)**	(2,992)
Total current tax		**1,733,744**	1,133,370
Deferred tax:	11		
Deferred tax for the current year		**(5,698)**	(42,840)
Effect of changes in the tax rate		**(3,942)**	8,278
Total deferred tax		**(9,640)**	(34,562)
Tax on profit for the year		**1,724,104**	1,098,808

The adjustments in respect of previous years' corporation tax are mainly in respect of tax returns agreed with relevant tax authorities.

Taxation on items not (credited)/charged to the income statement	Notes	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Current tax credit:			
Tax allowance on shares options/awards in excess of expense recognised		**(120,477)**	(146,236)
Deferred tax charge/(credit):			
Tax allowance on shares options/awards in excess of expense recognised	11	**57,018**	(181,529)
Effect of change in tax rate	11	**(6,178)**	15,100
Total		**(69,637)**	(312,665)

Factors affecting the tax charge for the year

The tax assessment for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 19% (19.25% for the year ended 31 December 2017). The difference is explained below:

	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Profit before taxation	**9,064,738**	5,706,214
Profit multiplied by standard rate of corporation tax in the UK	**1,722,300**	1,098,446
(Income not taxable)/ expenses not deductible	**7,119**	(4,924)
Adjustments in respect of prior years	**(1,373)**	(2,992)
Effect of rate change on deferred tax	**(3,942)**	8,278
Taxation charge	**1,724,104**	1,098,808

10. Taxation (continued)

The UK Finance Bill 2016 was enacted in September 2016 reducing the standard rate of corporation tax to 17% effective from 1 April 2020. Accordingly the UK deferred tax balances at December 2018 have been stated at 19% or 17% dependent on when the temporary differences are expected to reverse.

11. Deferred tax

	Accelerated tax depreciation	Other temporary differences	Total
	€	€	€
1 January 2017	**11,681**	**145,868**	**157,549**
Tax (charged)/credited to income statement	(2,381)	45,221	42,840
Effect of rate change	278	(8,556)	(8,278)
Tax debited to equity:			
- allowance on share options/awards	-	181,529	181,529
Effect of rate change	-	(15,100)	(15,100)
31 December 2017 (as previously reported)	**9,578**	**348,962**	**358,540**
Impact of adopting new standards (note 2)		**4,033**	**4,033**
1 January 2018 (restated)	**9,578**	**352,995**	**362,573**
Tax (charged)/credited to income statement	(1,926)	7,624	5,698
Effect of rate change	203	3,739	3,942
Tax debited to equity:			
- allowance on share options/awards	-	(57,018)	(57,018)
Effect of rate change	-	6,178	6,178
31 December 2018	**7,855**	**313,518**	**321,373**
Deferred tax assets at 31 December 2018	**7,855**	**313,518**	**321,373**
Deferred tax assets at 31 December 2017	9,578	348,962	358,540

The deferred tax asset is recoverable against future taxable profits and is due after more than one year.

The deferred tax asset on other temporary differences of €313,518 (31 December 2017: €348,962) is in respect of share based payments €313,518 (31 December 2017: €342,666) and retirement benefits €nil (31 December 2017: €6,296).

There is no unrecognised deferred tax asset at 31 December 2018 and 31 December 2017.

12. Dividends

	31 December 2018	31 December 2017
	€	€
Final dividend for period ended 31 December 2016 paid in April 2017: €1.7 per Ordinary share	-	4,586,735
Final dividend for period ended 31 December 2017 paid in April 2018: €2.6 per Ordinary share	**4,316,928**	-

The Board has declared a final dividend in respect of the year ended 31 December 2018 of €7,284,816, €2.7 per ordinary share, to be paid in April 2019. This is not reflected in these financial statements.

13. Investments

	31 December 2018 €	31 December 2017 €
Investments at fair value through OCI	**51,600**	43,000

The investments included above represent investments in non-quoted equity securities (Swift Scrl) that present the Company with opportunity for return through capital appreciation. They have no fixed maturity or coupon rate. The fair values of securities are based on last traded price offered by the issuing party for redemption of the securities and is defined as level 2 under IFRS 7 fair value hierarchy. Included within retained earnings is €32,100 (31 December 2017: €23,500) of fair value reserve relating to this asset.

14. Debtors: amounts falling due within one year and Contract Assets

	31 December 2018 €	31 December 2017 €
Current		
Trade receivables	**2,546,255**	2,676,382
Less: Provision for impairment of trade receivables [1]	**(196,197)**	(212,882)
Trade receivables - net	**2,350,058**	2,463,500
Amounts due from immediate parent company	**1,823,164**	1,758,884
Amounts due from companies under common control	**22,464,904**	21,277,068
Prepayments	**14,909**	35,459
Accrued income [2]	**-**	155,401
Other debtors	**-**	52,832
Total debtors	**26,653,035**	25,742,784
Current		
Contract assets [2]	**178,454**	-
Total Contract assets	**178,454**	-

[1] The Company recognised a €21,227 reduction in the provision for impairment of receivables at the date of application of IFRS 9, as a result of adopting the expected credit loss model on the Company's trade receivables. This has been presented as an adjustment to opening retained earnings as at 1 January 2018 in the condensed statement of changes in equity. Refer to Note 2 for further details.

[2] Prior to the adoption of IFRS 15 on 1 January 2018, contract assets were previously referred to as 'accrued income'. Refer to Note 2 for further details.

Contract assets primarily relate to the Company's rights to consideration for work completed but not invoiced at the reporting date.

The carrying values less impairment provisions of trade receivables and other receivable are reasonable approximations of fair values. All trade and other receivables are denominated in Euro.

Amounts due from the companies under common control include a Euro denominated loan to London Stock Exchange Group Holdings Ltd of €22,319,715 (31 December 2017: €20,276,921). The loan is repayable on demand in two business days. Interest on this loan is charged at EURIBOR 1 month + 100bps. The amounts due from Parent and other amounts due from companies under common control are interest free and repayable on demand.

14. Debtors: amounts falling due within one year (continued)

Movements on the Company's provision for impairment of trade receivable are as follows:

	31 December 2018	31 December 2017
	€	€
At the beginning of the year	**212,882**	275,388
Adoption of new accounting standard (note 2)	21,227	-
1 January 2018 restated	**234,109**	-
Receivables written off during the year as uncollectible	**(11,788)**	(109,976)
Provision for impairment of receivables	**(26,124)**	47,470
At the end of the year	**196,197**	212,882

The recognition of and release of in the provision for impaired receivables is included in operating expenses in the income statement.

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

15. Cash and cash equivalents

	31 December 2018	31 December 2017
	€	€
Cash at bank	1,359,542	1,131,020
Total	1,359,542	1,131,020

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

16. Creditors: amounts falling due within one year

	31 December 2018	31 December 2017
	€	€
Current		
Trade payables	**76,255**	15,818
Amounts owed to immediate parent company	**-**	1,601,695
Amount owed to companies under common control	**3,102,820**	3,178,437
Social Securities and other taxes	**328,952**	394,448
Other payables	**2,148,532**	2,641,509
Deferred income [1]	**-**	8,242
Total creditors	5,656,559	7,840,149
Current		
Contract liabilities [1]	**73,030**	-
Contract liabilities	**73,030**	-

[1] Prior to the adoption of IFRS 15 on 1 January 2018, contract liabilities were previously referred to as 'accruals'. Refer to Note 2 for further details.

Amounts due to companies under common control and Amounts due to parent company are interest free and repayable on demand.

Other payables mainly relate to payables for staff costs.

The carrying amount of creditors: amounts falling due within one year are reasonable approximations of fair value.

17. Share capital and share premium

	31 December 2018			31 December 2017		
	Number	Share Capital (€)	Share Premium (€)	Number	Share Capital (€)	Share Premium (€)
Issued, called up and fully paid						
Ordinary shares of 1£ each	**2,698,080**	**3,926,196**	**981,549**	2,698,080	3,926,196	981,549

The authorised number of shares is 2,922,920 (31 December 2017: 2,922,920).

18. Share schemes

The London Stock Exchange Group Long Term Incentive Plan ("LTIP"), approved at the 2014 AGM, has two 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 2018, 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 per cent of the award.

For each performance element, achievement of the threshold performance level will result in no more than 25 per cent of the maximum award paying out. For achievement of the maximum performance level, 100 per cent 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 per cent 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.
A total of 20,283 shares awards were issued to employees of the Company during the period (2017: 24,613).
A total of 22,965 shares were exercised during the period (2017: 24,587). No shares were forfeited during the period (2017: nil).
The number of share options and awards outstanding are as follows:

	31 December 2018		31 December 2017	
	Number	**Weighted average exercise price £**	**Number**	**Weighted average exercise price £**
SAYE	**8,750**	**20.42**	10,314	13.94
LTIP	**61,922**	**0.00**	64,087	0.00

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

18. Share schemes (continued)

Range of exercise price	31 December 2018 Number outstanding	31 December 2018 Weighted average remaining contractual life Years	31 December 2017 Number outstanding	31 December 2017 Weighted average remaining contractual life Years
SAYE				
Between £20 and £30	**3,695**	**0.18**	7,402	1.08
More than £30	**5,055**	**1.28**	2,912	2.92
LTIP				
Nil	**61,922**	**1.13**	64,087	1.47
Total	**70,672**		74,401	

19. Pension commitments

The Company operates a defined contribution pension scheme whose assets are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company, which was paid on its behalf by another Group company, for the year and amounted to €294,388 (2017: €297,269). Outstanding amount at year end is €34,565 (2017: €37,038).

20. Transaction with related parties

MTS S.p.A. owns 2,698,080 ordinary shares of £1 each in the Company which represents the Company's entire issued ordinary share capital. The nature of the relationship and the amount of transactions with related parties during the year were as follows:

20. Transaction with related parties (continued)

Related party	Nature of transaction	Total value of transaction during the period (expense)/ income 31/12/2018	31/12/2017	Amount owed (to)/by EuroMTS Limited 31/12/2018	31/12/2017
MTS S.p.A.	Fee for services during the year	**1,236,534**	1,248,455	**(1,236,534)**	(1,248,455)
MTS S.p.A.	Secondment recharge	**339,371**	369,561	**(129,919)**	(369,561)
MTS S.p.A.	Recharge of BondVision Membership fees [1]	-	-	**(456,711)**	(140,869)
MTS S.p.A.	Monitoring and Client services	**(360,769)**	(356,005)	-	-
MTS S.p.A.	Recharges of technology costs	**(4,713,620)**	(5,422,765)	-	1,601,695
MTS S.p.A.	Charges for Data sales services	**(484,106)**	(768,431)	-	-
MTSNext Ltd	Royalties for licensing of indices	-	163,272	**162,610**	(118,567)
MTS France	Charges for Data sales services, References prices rendered and royalties	**(200,000)**	(198,213)	-	28,611
MTS France	Recharges of expenses	**(36,019)**	(36,019)	**10,430**	8,576
CC&G S.p.A.	Fee for Market Data Licence	**25,000**	25,000	-	-
Borsa Italiana S.p.A.	Management fees for corporate functions	**(56,896)**	(55,968)	-	-
BIT Market Services S.p.A.	Fee for Market Data Licence	-	8,425	-	-
LCH S.A.	Fee for Market Data Licence	**20,000**	20,000	-	-
MTS Markets Int. Inc.	Fee for Market Data Licence	**(123,289)**	(116,781)	**13,463**	27,046
London Stock Exchange Plc	Recharge of rent	**(480,511)**	(477,034)	**117,605**	-
London Stock Exchange Plc	Management fees and corporate functions	**(315,936)**	(244,865)	-	858,611
London Stock Exchange Plc	Other costs recharge	**(19,965)**	-	**19,965**	-
London Stock Exchange Plc	Recharge of costs and contributions	-	-	**(132,945)**	(870,909)
London Stock Exchange Plc	Recharge of costs and contributions	-	-	**2,270,944**	1,280,962
London Stock Exchange Group plc	Insurance recharge	-	-	**2,066**	52,794
London Stock Exchange Group plc	Recharge of share awards	**(479,785)**	(474,858)	**479,785**	654,433
London Stock Exchange Group plc	Management fees	**(35,477)**	(58,094)	**2,075**	157,595
London Stock Exchange Group plc	Other costs recharge	-	-	**3,900**	951
London Stock Exchange Group Holdings Ltd	Loan	**127,507**	115,421	**(22,331,959)**	(20,287,593)
London Stock Exchange Group Holdings (Italy) Ltd	Recharge of costs	-	-	-	54,605
LSEG Business Services Ltd	Finance system recharge	**(11,132)**	(54,255)	**11,093**	54,255
Unavista Ltd	Technology services	**(9,049)**	-	**8,879**	-
FTSE International Ltd	Royalties for licensing of indices	**277,500**	-	-	-

[1] Amounts reported for these relationships pertain to disbursements made, or amounts collected, by other companies in the Group, but where those amounts relate directly to revenue/costs for the Company. Income statement items are therefore reported as third party costs, with the corresponding receivable or payable shown as a related party balance.

21. Ultimate parent company

As at 31 December 2018, the Company's immediate parent is MTS S.p.A. which is a company incorporated and operates in Italy. The 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 the United Kingdom. One hundred per cent of the issued share capital of the Company was beneficially owned by its immediate 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.

22. Other statutory information

Auditors' remuneration payable to Ernst & Young LLP and its associates comprise the following:

	Year ended 31 December 2018	Year ended 31 December 2017
	€	€
Audit of the Company's financial statements	39,699	39,372
Other assurance service	6,769	6,749

Statutory information on remuneration for other services provided by the Company's auditors to the LSEG 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 included. In the current year and prior year, Ernst & Young LLP provided audit related assurance services to the Company. There were no other non-audit services provided to the Company in the current and prior year.

23. Commitments and contingencies

Contracted capital commitments and other contracted commitments not provided for in the financial statements of the Company were both nil (31 December 2017: nil).

24. Post balance sheet Events

As a consequence of uncertainty resulting from Brexit and in order to preserve the integrity of the business, MTS S.p.A. has developed a corporate reorganization that also involves the sale of assets from EuroMTS ltd to MTS S.p.A. The assets related to the two MTF markets (EBM and MTS Cash Domestic) resulting in the closure of the same in the UK market. BondVision UK, MTS UK and the Data business will continue to be managed by EuroMTS Ltd.
This sale took place with a notary deed dated 25 February 2019 for a value of €18.78 million, supported by an appropriate sworn appraisal which determines its consistency. Following this operation MTS S.p.A. has become operational on the Italian MTF markets from 1 March 2019.