

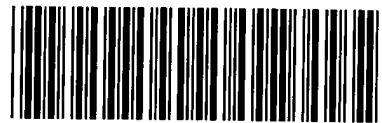
REFINITIV TRANSACTION SERVICES LIMITED

Annual report and financial statements

Registered number 02089076

31 December 2019

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REFINITIV TRANSACTION SERVICES LIMITED

CONTENTS	Page
Strategic report	2
Directors' report	5
Statement of directors' responsibilities in respect of the annual report and the financial statements	7
Independent auditors' report to the members of Refinitiv Transaction Services Limited	8
Profit and Loss Account and Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14

REFINITIV TRANSACTION SERVICES LIMITED

Strategic report

Definitions

"The Group" and "The Refinitiv Group" refer to the Refinitiv Holdings Limited and its subsidiary undertakings, including joint ventures and associates. "The Company" and "RTSL" refer to Refinitiv Transaction Services Limited thereafter.

Principal activities

The Company provides an automated electronic service that connects customers in order to communicate and trade a number of FX instruments. The FX Products are, in broad terms, trading solutions (i.e. trading platforms and execution mechanisms) enabling participants to access a variety of over-the-counter FX instruments.

RTSL is a private company limited by shares. It has subsidiaries in Brazil and Malaysia, branches in Russia, Singapore and Thailand and a representative office in China. The Company has customers throughout the world, trading primarily through its head office in the UK.

RTSL is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FCA) and has permission to operate a Multilateral Trading Facility and arrange deals in investments and make arrangements with a view to transaction in investments. As per the FCA's classification RTSL is an IFPRU €730k Firm. The Company is authorised as a Money Broker by both the Monetary Authority of Singapore (MAS) and the Hong Kong Monetary Authority (HKMA), as a Recognised Markets Operator by MAS and as a provider of Automated Trading Services by the Hong Kong Securities and Futures Commission (SFC). RTSL holds an Australian Market License from the Australian Securities and Investments Commission (ASIC). In Switzerland, the Swiss Financial Markets Supervisory Authority (FINMA) has recognised RTSL as a Foreign Trading Venue. RTSL has also been granted an exemption from an Organized Trading license by the Federal Service for Financial Markets (FSFM) in Russia. RTSL has accreditation from the Central Bank in Brazil. RTSL Thailand also has a money broking licence with the Bank of Thailand. RTS Malaysia is authorised by the Bank Negara (Central Bank) in Malaysia to provide an electronic money-broking platform to licenced onshore banks in the Malaysian wholesale foreign exchange market.

As part of RTSL's obligations under the Capital Requirements Directive, an Internal Capital Adequacy Assessment Process (ICAAP) document is prepared annually. The ICAAP is used by the RTSL Board to assess the Company's risks, determine the actions necessary to mitigate those risks and the current and future capital requirements. Following BIPRU 12 Liquidity Standards, RTSL maintains a Liquidity Policy to manage liquidity risk.

The Pillar 3 report is available by contacting the RTSL Company Secretary at Five Canada Square, Canary Wharf, London E14 5AQ, England.

Review of business and future developments

RTSL's turnover in 2019 was \$206m, a decrease of 12% vs 2018 which was a result of two primary drivers. The first driver was that Spot volumes continued the ongoing decline that has been occurring for several years now. There are a number of factors driving this decline, including (i) greater fragmentation of the FX market, meaning that FX market participants have more venues on which to trade; and (ii) greater internalization of FX volume by Refinitiv's bank customers. The second driver was the September 30, 2019 migration of MTF trading volumes from RTSL to Financial and Risk Transaction Services Ireland Limited (FRTSIL) which is outlined in Note 3. FRTSIL is part of the Refinitiv Group but not a subsidiary of RTSL. As this migration occurred after 9 months of 2019 had elapsed, we would expect to see the migration have a continued negative impact on turnover in 2020 when compared to 2019.

RTSL profit before tax decreased by \$4.9m in 2019 from \$9.7m to \$4.8m, driven primarily by the one-off disposal of contracts in both years, partially offset by lower Administrative expenses. As outlined in Note 3, RTSL recorded a pre-tax profit of \$2.8m in 2019 related to a disposal of contracts to FRTSIL, an Irish company, for \$5.1m. In 2018, RTSL recorded a pre-tax profit of \$6.9m from the disposal of contracts to Refinitiv Transaction Services PTE Limited for \$8.0m.

REFINITIV TRANSACTION SERVICES LIMITED

Strategic report (continued)

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

Status of Brexit and potential impact

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

Key performance indicators

RTSL measures and tracks its performance by looking at both Revenue and, where applicable, Transacted Volume for each of its products. These reviews generally compare monthly results at a product level with (a) budgetary expectations, which are generated through normal course business planning efforts, and (b) results from prior years, with the intention of highlighting any deviation from expected performance and thus raise any issues which warrant further investigation.

Principle risks and uncertainties

The company has described the principle risk in relation to Brexit, its regulatory compliance and Covid-19 elsewhere in this report.

Financial risk management

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

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

Currency risk

Foreign exchange risk arises from cash flows relating to commercial transactions and recognised assets and liabilities. Transaction exposure occurs when the Company receives or pays cash in a currency different from US dollars, the functional currency of the entity. The key foreign currencies that the company transacts in are Euros and Pound Sterling. The company suffered from a net foreign exchange impact of \$8k during the year.

Credit risk

The Company is exposed to concentrations of credit risk. Trade debtors are concentrated in the financial institutions sector. The maximum exposure to credit risk at 31 December 2019 was as follows: trade debtors \$17.7 million (2018: \$25.8 million), amounts owed by Group undertakings \$169.2 million (2018: \$165.1 million), short-term investments \$2.6 million (2018: \$2.5 million) and cash \$1.2 million (2018: \$0.8 million).

Strategic report (continued)

Cash flow and fair value interest rate risk

The Company's interest rate risk arises from interest-bearing assets. Short-term investments, which are subject to variable rates, expose the Company to cash flow interest rate risk, which is the risk that future cash flows will fluctuate because of changes in market interest rates. Short-term investments which are subject to fixed rates expose the Company to fair value interest rate risk, as the fair value of the financial instrument fluctuates because of changes in market interest rates. The company earned interest of \$142k during the year on its unlisted investments and loan to the Group company Treasury, and accrued \$812k of interest on its uncertain tax positions.

Liquidity risk

There is liquidity risk associated with recovering customer debt on a timely basis. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring customer debt levels and the related liquidity risks to the business. The company suffered a bad debt expense of \$8k during the year and no bad debt provision was made at the balance sheet date.

Covid-19

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

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

The Company does not seek to manage these risks in isolation and instead makes use of the wider Refinitiv Group treasury function to manage these risks as part of a group-wide arrangement. Monitoring of this activity is controlled by way of a Service Level Agreement with the Treasury function. All Treasury activity takes place within a formal control framework under policies approved by the Refinitiv Board. As such, all transactions which are undertaken are designed to mitigate risk within the business or to secure committed funding. More details of the risk management programme can be found in the Refinitiv Holdings Limited 2019 year end Consolidated Financial Statements.

Approved by the board of directors and signed on behalf of the board



Bart Paul Charles Joris
Director

23 April 2020

REFINITIV TRANSACTION SERVICES LIMITED

Directors' report

The directors present their annual report and audited financial statements of Refinitiv Transaction Services Limited for the year ended 31 December 2019.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Clarke, Paul Eric (resigned 1 October 2019)
Glanvill, Christopher Paul (resigned 1 October 2019)
Johnston, Mark Daniel (resigned 13 September 2019)
Leonard-Appleton, Christopher (resigned 1 October 2019)
Wellard, Philip James (resigned 13 September 2019)
Penney, Neill Martin
Joris, Bart Paul Charles

Secretary

O'Hanlon, Carla

Going concern

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

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

Post balance sheet event

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

Overseas branches

The company has subsidiaries in Brazil and Malaysia, branches in Russia, Singapore and Thailand and a representative office in China.

Financial statements

A separate statement of the directors' responsibilities in respect of the financial statements is set out on page 7.

The Profit and Loss account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the financial statements are set out on pages 11, 12, 13 and 14 respectively. The Financial Risk Management and Future Development is as set out in the Strategic Report.

Financial results and dividends

The Company's profit for the financial year was \$3.4 million (2018: profit \$6.0 million).

There is no proposed final dividend in 2019 (2018: \$nil)

REFINITIV TRANSACTION SERVICES LIMITED

Directors' report (continued)

Directors' indemnity insurance

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

Disclosure of information to Auditors

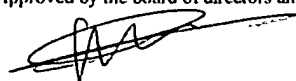
Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the board of directors and signed on behalf of the board



Bart Paul Charles Joris
Director
23 April 2020

REFINITIV TRANSACTION SERVICES LIMITED

Statement of directors' responsibilities in respect of the annual report and financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 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.

On behalf of the Board



Bart Paul Charles Joris
Director

23 April 2020

REFINITIV TRANSACTION SERVICES LIMITED

Independent auditors' report to the members of Refinitiv Transaction Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Refinitiv Transaction Services Limited (the "company"):

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

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 17.

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

**Independent auditors' report to the members of Refinitiv Transaction Services Limited
(continued)**

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

**Independent auditors' report to the members of Refinitiv Transaction Services Limited
(continued)**

Use of our report

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



Paul Schofield FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom.

24 April 2020

REFINITIV TRANSACTION SERVICES LIMITED

Profit and Loss Account and Statement of Comprehensive Income

For the year ended 31 December 2019

	Note	2019			2018		
		Continuing operations	Discontinued operations	Total	Continuing operations (as restated)	Discontinued operations (as restated)	Total
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Turnover	2	161,980	44,135	206,115	172,507	61,216	233,723
Cost of sales		(156,920)	(43,252)	(200,172)	(167,366)	(59,991)	(227,357)
Gross profit		<u>5,060</u>	<u>883</u>	<u>5,943</u>	<u>5,141</u>	<u>1,225</u>	<u>6,366</u>
Administrative expenses		(2,849)	(363)	(3,212)	(3,520)	(477)	(3,997)
Operating profit	4	<u>2,211</u>	<u>520</u>	<u>2,731</u>	<u>1,621</u>	<u>748</u>	<u>2,369</u>
Profit on disposal of operations	3	-	2,772	2,772	120	6,820	6,940
Interest receivable and similar income	5	112	30	142	455	40	495
Interest payable and similar expenses	6	(833)	(5)	(838)	(43)	(16)	(59)
Profit before taxation		<u>1,490</u>	<u>3,317</u>	<u>4,807</u>	<u>2,153</u>	<u>7,592</u>	<u>9,745</u>
Tax on profit	7	(347)	(1,042)	(1,389)	(3,853)	108	(3,745)
Profit for the financial year		<u>1,143</u>	<u>2,275</u>	<u>3,418</u>	<u>(1,700)</u>	<u>7,700</u>	<u>6,000</u>
Change in fair value of asset held for sale		-	-	-	204	-	204
Total comprehensive income for the year		<u>1,143</u>	<u>2,275</u>	<u>3,418</u>	<u>(1,496)</u>	<u>7,700</u>	<u>6,204</u>

REPINTIV TRANSACTION SERVICES LIMITED

Balance Sheet

As at 31 December 2019	Note	2019 \$000s	2018 \$000s
Fixed assets			
Intangible assets	8	1,588	4,609
Tangible assets	9	2	63
Investments	10	<u>364</u>	<u>1,028</u>
		1,954	5,700
Current assets			
Debtors	11	195,808	198,130
Investments	13	2,584	2,544
Cash at bank		<u>1,215</u>	<u>792</u>
		199,607	201,466
Creditors: Amounts falling due within one year	14	<u>(59,429)</u>	<u>(68,452)</u>
Total assets less current liabilities		<u>142,132</u>	<u>138,714</u>
Net assets		<u>142,132</u>	<u>138,714</u>
Capital and reserves			
Called up share capital	15	96,600	96,600
Share premium account		16,000	16,000
Profit and loss account		29,532	26,114
Total shareholders' funds		<u>142,132</u>	<u>138,714</u>

The financial statements on pages 11 to 24 were approved by the board of directors on 23 April 2020 and signed on its behalf by:



Bart Paul Charles Joris
Director

23 April 2020
Company registered number
2089076

REFINITIV TRANSACTION SERVICES LIMITED

Statement of Changes in Equity

	Called up Share capital \$000s	Share Premium account \$000s	Profit and Loss account \$000s	Total shareholders' funds \$000s
Balance at 1 January 2019	96,600	16,000	26,114	138,714
Profit for the financial year	-	-	3,418	3,418
Total comprehensive income	-	-	3,418	3,418
Balance at 31 December 2019	96,600	16,000	29,532	142,132

	Called up Share capital \$000s	Share Premium account \$000s	Profit and Loss account \$000s	Total shareholders' funds \$000s
Balance at 1 January 2018	96,600	16,000	19,910	132,510
Profit for the financial year	-	-	6,000	6,000
Change in fair value of asset held for sale	-	-	204	204
Total comprehensive income	-	-	6,204	6,204
Balance at 31 December 2018	96,600	16,000	26,114	138,714

REFINITIV TRANSACTION SERVICES LIMITED

Notes to the financial statements

Refinitiv Transaction Services Limited is a company incorporated and domiciled in England and Wales.

The company's registered address is Five Canada Square, Canary Wharf, London E14 5AQ, England.

1. Accounting policies

Basis of preparation

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

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

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

Summary of disclosure exemptions

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

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

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

The financial statements contain information about RTSI as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Refinitiv Holdings Limited. The consolidated financial statements of Refinitiv Holdings Limited are prepared in accordance with US Generally Accepted Accounting Principles.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments which are stated at their fair value.

Notes to the financial statements (continued)

1.2 Going concern

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

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

1.3 Foreign currency

The financial statements have been presented in US dollars, which in the opinion of the directors is the currency of the primary economic environment in which the Company operates. Transactions in foreign currencies are translated to USD, the Company's functional currency, at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Tangible assets

Fixed assets are represented by the equipment installed at the customer sites. The associated costs were capitalised and are to be amortised on a straight line basis over three years. Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

1.5 Intangible assets

Intangible assets are represented by the contracts acquired by RTSI from FX Alliance Ltd. and FX Alliance, LLC on purchase of FXall by Thomson Reuters. The contracts from FX Alliance Ltd. and FX Alliance, LLC were recognised at fair value as at date of purchase. Fair value was derived from market value of assets or using a discounted cash flow method. The assets are amortised on the straight line basis over 10 years. The assets are disclosed net of amortisation and any impairment.

1.6 Debtors

Trade and other debtors are recognised initially at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. A provision for doubtful debts has been made where there is evidence that the Company may not be able to collect all amounts due according to the original terms of these debtors.

1.7 Investments

Investments in subsidiaries are carried at cost less impairment. Current investments are stated in the balance sheet at amortised cost.

1.8 Cash and cash equivalents

Cash includes cash in hand and bank deposits repayable on demand.

Notes to the financial statements (continued)

1.9 Turnover

Turnover represents the fees, net of discounts, derived from the use of transactional products, commission receivable from introducing trades to other brokers and the provision of subscription based services. Turnover from transactional services and products is accounted for on a trade date basis, whilst subscription based turnover is recorded as earned. The contracts in non-USD, RTSL's functional currency, and not in the currency the clients operate in are the embedded derivatives that require bifurcation. MTM (Mark-to-Market) gain / losses on these derivatives are shown through Administrative Expenses.

1.10 Embedded derivatives

Embedded derivatives are held on the Balance Sheet at fair value through profit and loss.

1.11 Cost of sales

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

1.12 Interest receivable and Interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest receivable and payable are recognised in the profit and loss account on an accruals basis. Foreign currency gains and losses are reported on a net basis.

1.13 Other expenses

Other expenses are charged against profit in the year in which they were incurred. The Company bears infrastructure and other administrative expenses through intragroup arrangements.

1.14 Current and deferred tax

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

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Notes to the financial statements (continued)

1.15 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-derivative instruments that are equity of the issuer (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

REFINITIV TRANSACTION SERVICES LIMITED

Notes to the financial statements (continued)

1.16 Leasing commitments

Rentals payable under operating leases are charged in the Profit and loss account on a straight line basis over the lease term.

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

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

1.17 Offsetting

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

1.18 Share capital

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

1.19 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical accounting judgements

Management have not identified any critical judgements in applying the company's accounting policies.

Key sources of estimation uncertainty

Management have not identified any key sources of estimation uncertainty in applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Turnover

Turnover represents fees arising from the provision of an automated electronic matching service for a number of financial instruments, commission receivable from introducing trades to other brokers and fees earned for the provision of routing and trading message transmission services. The split of income by geographical segment is as follows:

<u>By geographical market</u>	<u>2019</u> <u>\$000s</u>	<u>2018</u> <u>\$000s</u>
Europe, Middle East & Africa	157,269	178,260
Americas	10,922	16,752
Asia/Pacific	37,924	38,711
	<u>206,115</u>	<u>233,723</u>

RTSL operates electronic foreign exchange trading and conversational platforms within one class of business and activity.

REFINITIV TRANSACTION SERVICES LIMITED

Notes to the financial statements (continued)

3. Profit on disposal of operations

As explained in the Strategic Report, on 30 September 2019, the Company transferred its Relationship Trading and Forwards Matching products to Financial and Risk Transaction Services Ireland Limited, a company incorporated in Ireland and regulated by Central Bank, in preparation for Brexit. During the year, these two products contributed to post-tax profits of \$2.3m (2018: \$7.7m).

The Company sold the customer contracts in respect of Forwards Matching and Relationship Trading services with carrying value of \$2.3m to Financial and Risk Transaction Services Ireland Limited for \$5.1m, and a profit on disposal of \$2.8m was recognised in the profit and loss account.

4. Operating profit

Administrative expenses included in operating profit are the following:

	Note	2019 \$000s	2018 \$000s
<u>Auditors' remuneration</u>			
Audit of these financial statements		178	177
Audit related assurance services		13	13
Amounts receivable by the Company's auditors and its associates in respect of regulatory advice		-	29
Net foreign exchange (gain)/loss		(18)	204
Impairment on investment in subsidiary in Malaysia		664	-
Depreciation	9	61	93
Amortisation	8	695	801

RTSL does not have any employees (2018: nil).

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

5. Interest receivable and similar income

	2019 \$000s	2018 \$000s
Interest receivable on unlisted investments	142	154
Dividend income	-	341
	<u>142</u>	<u>495</u>

6. Interest payable and similar expenses

	2019 \$000s	2018 \$000s
Interest payable	812	-
Net foreign exchange loss	26	59
	<u>838</u>	<u>59</u>

REFINITIV TRANSACTION SERVICES LIMITED

Notes to the financial statements (continued)

7. Tax on profit

Tax expense included in profit or loss	Note	<u>2019</u> <u>\$000s</u>	<u>2018</u> <u>\$000s</u>
Current tax			
UK corporation tax on profits for the year		(44)	3,032
Adjustment in respect of prior periods		1,268	(2,423)
Foreign tax relief		(21)	(68)
Foreign income tax suffered		60	63
Withholding taxes		252	3,279
Total current tax		<u>1,515</u>	<u>3,883</u>
Deferred tax:			
Origination and reversal of timing differences		(160)	(106)
Adjustment in respect of previous periods		16	(32)
Impact of change in tax rate		18	-
Total deferred tax	12	<u>(126)</u>	<u>(138)</u>
Total tax on profit or loss		<u>1,389</u>	<u>3,745</u>

Tax expense for the year is higher (2018: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19.0% (2018: 19.0%).

The differences are explained below:

	<u>2019</u> <u>\$000s</u>	<u>2018</u> <u>\$000s</u>
Profit before tax	4,807	9,745
Profit multiplied by the standard rate of tax in the UK of 19.0% (2018: 19.0%)	913	1,852
Effects of:		
Adjustments to tax charge in respect of prior years	1,284	(2,455)
Expenses not deductible for tax purposes	287	55
Unrealised FX	-	92
Uncertain tax provision	49	2,874
Income not subject to tax	(56)	(88)
Impact of change in tax rate	18	-
Foreign tax suffered	292	2,650
Effect of group relief	(1,283)	(1,235)
Indian WFT provision	(115)	-
Total tax charge for the year	<u>1,389</u>	<u>3,745</u>

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

The current year tax charges include a provision for prior years. The provision is the subject of ongoing correspondence with relevant tax authorities regarding transfer pricing and represents the best estimate of the final liability.

REFINITIV TRANSACTION SERVICES LIMITED

Notes to the financial statements (continued)

8. Intangible assets

	Note	2019 \$000s	2018 \$000s
Costs			
Opening balance as at 1 January		8,352	10,678
Disposals		(4,857)	(2,326)
Closing balance as at 31 December		3,495	8,352
Accumulated Amortisation			
Opening balance as at 1 January		(3,743)	(3,808)
Amortisation for the year	4	(695)	(801)
Disposals		2,531	866
Closing balance as at 31 December		(1,907)	(3,743)
Net book value as at 31 December		1,588	4,609

Intangible assets are represented by the contracts acquired by RTSI from FX Alliance Ltd. and FX Alliance, LLC on purchase of FXall by Thomson Reuters in 2014. On 30 September 2019 RTSI sold certain customer contracts in respect of Forwards Matching and Relationship Trading services to Financial and Risk Transaction Services Ireland Limited, for \$5.1m. The sale of the contracts resulted in the reduction in intangible assets as shown above and in the profit on sale of \$2.8m. The remaining contracts will be amortised until 2024.

9. Tangible assets

	Note	2019 \$000s	2018 \$000s
Costs			
Opening balance as at 1 January		924	924
Closing balance as at 31 December		924	924
Accumulated Depreciation			
Opening balance as at 1 January		(861)	(768)
Depreciation for the year	4	(61)	(93)
Closing balance as at 31 December		(922)	(861)
Net book value as at 31 December		2	63

10. Investments

The Company has the following investments in subsidiaries:

	Country of incorporation	Class of shares held	Ownership, %	
			2019	2018
Refinitiv Transaction Services Malaysia Sdn. Bhd.	Malaysia	Ordinary	100	100
RTSL Brasil - Tecnologia em Sistemas Eletrônicos Ltda	Brazil	Ordinary	99.99	99.99

Registered addresses:

Refinitiv Transaction Services Malaysia Sdn. Bhd.

Lot 6. 05, Level 6 KPMG Tower 8 First Avenue 47800 Bandar Utama Petaling Jaya Selangor Malaysia.

RTSL Brasil - Tecnologia em Sistemas Eletrônicos Ltda

Av. Doutor Cardoso de Melo, no 1.855 Andar 4, Conj. 42 Vila Olímpia São Paulo 04548-005 Brazil.

REFINITIV TRANSACTION SERVICES LIMITED

Notes to the financial statements (continued)

11. Debtors

	Note	<u>2019</u> <u>\$000s</u>	<u>2018</u> <u>\$000s</u>
Trade debtors		17,662	25,803
Amounts owed by Group undertakings		169,235	165,141
Overseas sales taxes recoverable		4,258	5,537
Tax debtor		3,431	579
Deferred tax	12	137	11
Prepayments		74	64
Embedded derivatives		7	-
Asset available for sale		<u>1,004</u>	<u>995</u>
		<u>195,808</u>	<u>198,130</u>
Due within one year		194,667	197,124
Due after more than one year		1,141	1,006

Amounts owed by Group undertakings include a non interest bearing loan of \$156m to Refinitiv Group Treasury and balances with the other companies within the Group payable on expedited basis.

Asset available for sale is the investment made in Swift company which provides RTSL with messaging service. As at December 2019 RTSL has 166 shares valued at \$6,050 (2018: \$5,993) each.

12. Deferred tax

The provision for deferred tax which consists of the following deferred tax (liabilities)/assets:

	Note	<u>2019</u> <u>\$000s</u>	<u>2018</u> <u>\$000s</u>
Provision at start of year		11	(127)
Adjustment in respect of prior periods	7	(16)	32
Deferred tax charge to profit and loss for the year	7	<u>142</u>	<u>106</u>
Provision at end of year		<u>137</u>	<u>11</u>
		<u>2019</u> <u>\$000s</u>	<u>2018</u> <u>\$000s</u>
Fixed assets		6	(146)
Embedded derivatives		<u>131</u>	<u>157</u>
		<u>137</u>	<u>11</u>

There are no unrecognised tax losses or tax credits.

13. Current assets investments

	<u>2019</u> <u>\$000s</u>	<u>2018</u> <u>\$000s</u>
Term deposits	<u>2,584</u>	<u>2,544</u>

The balance represents the short term investment of \$2.4 million (2018: \$2.3 million) with Standard Chartered bank renewable monthly and investment for \$0.2m placed upon the request and under lien of Foreign Exchange Dealers' Association of India.

REFINITIV TRANSACTION SERVICES LIMITED

Notes to the financial statements (continued)

14. Creditors: Amounts falling due within one year

	<u>2019</u> <u>\$000s</u>	<u>2018</u> <u>\$000s</u>
Amounts owed to Group undertakings	45,936	58,341
Other creditors	617	389
Sales tax payable	1	4
Tax creditor	12,122	9,016
Accruals	734	512
Deferred income	19	146
Embedded derivatives	-	44
	<u>59,429</u>	<u>68,452</u>

Amounts owed by Group undertakings represent the balances with the other companies within Refinitiv Group and settled on expedited basis.

15. Capital and reserves

	Ordinary shares	
	<u>2019</u>	<u>2018</u>
Called up share capital		
On issue at 1 January	<u>60,000,001</u>	<u>60,000,001</u>
On issue at 31 December	<u>60,000,001</u>	<u>60,000,001</u>
Issued and fully paid		
	<u>2019</u>	<u>2018</u>
	<u>\$000s</u>	<u>\$000s</u>
60,000,001 (2018: 60,000,001)	96,600	96,600
Share premium account	<u>16,000</u>	<u>16,000</u>
	<u>112,600</u>	<u>112,600</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

No dividends were proposed in 2019 (2018: nil).

16. Non adjusting events after the financial year

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

Notes to the financial statements (continued)

17. Ultimate parent company and parent company of larger group

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

Copies of Refinitiv Holdings Limited financial statements will be appended with these financial statements while filing with Companies House.