LSEGA Financing plc

Report and financial statements

For the year ended 31 December 2023

Company registration number 13091751

LSEGA FINANCING PLC
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LSEGA FINANCING PLC
DIRECTORS AND OFFICERS

DIRECTORS

Oliver David Wolfensberger	(resigned 16 February 2024)
Catherine Anne Thomas	
Lisa Margaret Condron	
Damien Patrick Scott Maltarp	(appointed 27 February 2024)

COMPANY SECRETARY

Andrei-Constantin Bosoiu

REGISTERED OFFICE

10 Paternoster Square
London
EC4M 7LS

BANKERS

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

INDEPENDENT AUDITORS

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

LSEGA FINANCING PLC
STRATEGIC REPORT

The directors present their strategic report for LSEGA Financing plc (the ‘Company’) for the year ended 31 December 2023.

The Company is a public limited company incorporated and domiciled in England and Wales. Its operations are in the UK. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS.

REVIEW OF BUSINESS

The Company is a wholly owned subsidiary of London Stock Exchange Group plc (‘LSEG’, the ‘parent’, the ‘Group’).

During 2023, the Company became the central treasury vehicle for the Group with the purpose of financing and risk management. The Company has taken on a number of new functions that were previously carried out by its parent company.

These include:
- Cash pooling and intercompany financing;
- Managing FX risk for the Group, through the use of forwards, swaps and in limited cases, options;
- Investment in money market funds; and
- Raising debt through bonds, credit facilities and commercial paper.

All instruments used by the Company are explicitly permitted by the Group’s Treasury Policy.

As a result of this change of purpose, it was agreed by the directors that the Company does not act autonomously from its parent and with no further conclusive evidence agreed that its functional currency is the same as its parent company. Consequently, from 1 January 2023 the Company uses GBP as its functional currency. The directors have also changed the presentation currency to GBP for the current year.

The US dollar bonds issued in 2021 remain in place and are listed on the Main Market of the London Stock Exchange (a related company) in the UK. No further bonds have been issued by the Company this year.

In September 2023, a Group company issued further bonds denominated in euros and the Company entered into various interest rate derivative contracts to hedge these amounts for the Group. They are not designated as hedging instruments for the Company.

The Company’s profit after tax for the year ended 31 December 2023 was £7,808k (2022: £4,055k) driven mainly by finance income. Net assets were £28,774k (2022: £23,582k). Due to the nature of the business, the directors have concluded that there are no other relevant KPIs.

FUTURE DEVELOPMENTS

The Company is expected to continue to act as the central treasury vehicle of the Group and manage the Group’s foreign exchange, interest rate and liquidity risk.

SECTION 172 (1) STATEMENT

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this Section 172 requires a Director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our community and the environment, our workforce, our customers, our suppliers, and our relationship with regulators. The Company does not have any direct employees; it instead utilises the workforce of LSEG Group companies (the "Group") We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders, however, we aim to ensure consistent and predictable outcomes by having a robust, documented decision-making process which considers the Company's purpose, vision and values, together with its strategic priorities.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies.

As the principal activity of the Company is to act as a financing vehicle for the Group and access bond markets and the Group's Revolving Credit Facilities, the Company has had no commercial business, and no employees, customers or suppliers other than other Group companies during the period and as such the breadth of stakeholder considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the Directors

The views of stakeholders, and the impact of the Company's activities on those stakeholders, are an important consideration for the Directors when making relevant decisions. The Board recognises that building strong relationships with our stakeholders will help to deliver the Company's strategy in line with our long-term values and operate the business in a sustainable manner. While there are cases where the Board judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Group means that sometimes our stakeholder engagement will take place at an operational or Group level. For details on the engagement that takes place with the Company's stakeholders at a Group level, please see pages 69 to 74 of the London Stock Exchange Group plc Annual Report for the financial period ended 31 December 2023.

During the period we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations. As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our section 172 duty to promote the success of the Company.

We set out below some examples of how we have had regard to the matters set out in Section 172(1)(a)-(f) when discharging our Section 172 duty and the effect of that on certain decisions taken by us.

Annual report and financial statements
The Board convened a meeting to approve the Company's annual report and financial statements for the year ended 31 December 2022. The Directors received presentations and had the opportunity to ask questions on the Company's financial performance. This allowed them to consider the strength of the Company's balance sheet and long-term financial position.

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Commercial Paper Programme
In February 2023, the Board approved the accession of the Company to the Group's euro commercial paper programme as a means to optimise the funding structure, minimise interest expense and diversify borrowing sources both for the Group and the Company.

The Company will use this programme, along with the US commercial paper programme to raise short-term finance denominated in sterling, euro and US dollars. Any FX risk arising on foreign currency borrowings will be managed as part of the Company's overall position in accordance with the Group Treasury Policy. Accession to the euro commercial paper programme should permit the Company to gain access to emergency market support programmes for the sterling commercial paper market established by the Bank of England. All issuance by the Company under both programmes will be guaranteed by London Stock Exchange Group plc.

Supplier considerations
The Company relies on external and internal suppliers for certain services which are required to maintain the efficiency and resilience of the Company's operations.

Regular meetings are held with Company's suppliers, which allow for open discussions and encourage a collaborative approach in order to identify and mitigate any risks to the key service provisions of the Company. At those meetings, service level agreements and KPIs are discussed, and feedback is exchanged. We believe that having solid long-term relationships with our suppliers is essential to continue to maintain access to such financing programmes.

Shareholder considerations
As a wholly owned direct subsidiary of London Stock Exchange Group plc, the Company operates within LSEG's strategic framework and in accordance with LSEG's policies and procedures, enjoying a constructive working relationship with the Group. The Company also operates a number of Company specific policies which may impose a higher set of standards, where required.

EMPLOYEES

The Company has no employees (2022: nil).

PRINCIPAL RISKS AND UNCERTAINTIES

LSEG has adopted a group wide risk management system that provides ongoing formal assurance that all subsidiary companies are appropriately controlling all the risks to which they are exposed, ensuring that internal controls operate efficiently and effectively.

The Company is subject to a variety of foreseeable and unforeseeable risks and uncertainties which may have an impact on the Company's ability to execute its strategy and deliver its expected performance. The identification, assessment and management of these risks are central to the Company's operating framework.
The Company's principal risks relate to credit risk, liquidity risk and interest rate risk.

- Credit risk arises from the possibility that the Company's debtors will not be able to repay their debts when called. This is mitigated by the fact that intercompany debts are covered by letters of support from the parent.
- Liquidity risk arises from the possibility that the Company will not be able to pay its liabilities as they fall due. The parent company, LSEG plc, has guaranteed the Company's external debts and is a highly rated listed company with access to adequate cash resources. The Company also has direct access to external funding if required.

LSEGA FINANCING PLC
STRATEGIC REPORT

- Interest rate risk arises from changes in market interest rates. To mitigate this risk, the Company uses interest rate and cross-currency interest rate swaps to manage its risks.

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 has considered the ongoing situations in Ukraine and Middle East and does not consider this to pose a significant threat to the Company, but the Group continues to monitor the situation.

CLIMATE CHANGE

The Company's approach to climate change is governed by the Group's policies and procedures. The Group's response to climate change can be found in the Climate Report in the Annual Report of LSEG.

By order of the board:

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Damien Patrick Scott Maltarp
Director
LSEGA Financing plc
22 March 2024

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

LSEGA FINANCING PLC
DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2023.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The review of the Company's business and future developments are set out within the strategic report on page 2.

DIVIDENDS

The directors do not recommend a dividend for the current year (2022: nil).

DIRECTORS AND DIRECTORS' INTERESTS

The following directors have held office throughout the period and up to the date of approval of the financial statements, unless otherwise stated:

Oliver David Wolfensberger	(resigned on 16 February 2024)
Catherine Anne Thomas	
Lisa Margaret Condron	
Damien Patrick Scott Maltarp	(appointed 27 February 2024)

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

DIRECTORS' LIABILITIES

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 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 these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

LSEGA FINANCING PLC
DIRECTORS' REPORT

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the relevant corporate and financial information included on the Group's website.

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. The Company is expected to continue to make profits as a result of its intercompany debt and has significant net assets. The interest rates suffered are fixed for the term of the debt and are lower than the rates charged by the Company on its intercompany loan receivables.

The Company has received a Letter of Support from its parent confirming that in the event of a default by the Company's debtors, the parent would pay the debts in full. The parent company also guarantees the Company's third-party liabilities.

The parent company, LSEG plc, is a well-respected and highly rated company with access to a number of liquidity sources.

On the basis of this review, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

FINANCIAL INSTRUMENTS

The Company holds both financial assets and financial liabilities at amortised cost and fair value through profit or loss (FVPL).

The financial assets are intra-group receivables, cash, and derivatives. The principal risks associated with these are described in the Strategic Report.

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DIRECTORS' REPORT

The financial liabilities are the listed bonds and accrued interest, intra-group payables or derivatives. The liquidity risk in respect of these amounts is described in the Strategic Report. The fair value of the listed debt is also disclosed where different from the book value. All derivatives are held at FVPL.

EVENTS AFTER THE REPORTING PERIOD

The Company performed a review of events subsequent to the balance sheet date to the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

On 30 June 2022, the ultimate parent of the Company, LSEG plc, announced the appointment of Deloitte LLP as its auditor for the year ending 31 December 2024. Consequently, Ernst & Young LLP will resign as the Company's statutory auditor at the conclusion of the 2023 audit and the Company will resolve to appoint Deloitte LLP, subject to shareholder approval at the LSEG plc Annual General meeting.

By order of the board:

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Damien Patrick Scott Maltarp
Director
LSEGA Financing plc
22 March 2024

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

INDEPENDENT AUDITORS REPORT TO THE MEMBER OF LSEGA FINANCING PLC

Opinion

We have audited the financial statements of LSEGA Financing Plc for the year ended 31 December 2023 which comprise of the Income statement, Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17 including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 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. 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 as applied to listed public interest entities, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following:

- Obtained an understanding of the Directors' use of the going concern basis of preparation. This included reviewing their going concern assessment and associated underlying forecasts and assumptions and performing inquiries of management and those charged with governance;

- Assessed the appropriateness of key assumptions made in the forecasts, including plausibility of Management's actions in the plan;

- Tested the clerical accuracy of the going concern assessment;

- Evaluated the level of liquidity of the parent company to which has provided a Letter of Support confirming that in the event of a default by the Company's debtors, the parent would pay the debts in full, for the duration of the going concern period;

- Evaluated the level of liquidity of the Company to support ongoing requirements for a period of 12 months from the date of signing the financial statements; and

- Assessed the appropriateness of the going concern disclosures by evaluating the consistency with the going concern assessment and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Revenue recognition
Materiality	• Overall materiality of £40m which represents 0.5% of Total Assets.

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been an increasing interest from stakeholders as to how the climate change will impact companies. Our audit efforts considering climate change was focused on the adequacy of the disclosures within the Company's financial statements and the conclusion that the impact is lower risk.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition The Company reported £262 million (2022: £80 million) of interest income calculated using the effective interest method. The Company generates interest income through lending to its parent and companies under common control, and on bank deposits and liquidity fund investments. The amounts are material in size and volume, and required the most audit effort. Refer to the; Accounting policies; and Note 3 of the Financial Statements. The risk has increased since the prior year due to the increase in intergroup lending.	**Control assessment:** We confirmed our understanding of the processes and controls relevant to the revenue recognition of the Company. We also evaluated the design effectiveness of key controls including IT systems and related IT controls. **Overall procedures:** We validated the interest income recorded through independent computation of the interest on loans, including verifying interest rates to legal agreements and market rates. We selected a sample and tested and validated loan balances with relevant counterparties, underpinning the interest calculations, and tested a sample of cash transactions to supporting evidence. **Disclosure:** We assessed the adequacy of the relevant disclosures made in the financial statements.	We are satisfied that interest income calculated using the effective interest method is not materially misstated and recorded in accordance with IFRS 9 'Financial Instruments'.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £40m which is 0.5%Total Assets (2022: $284k which is 1% of Equity).

We determined that Total Assets is the most suitable measurement basis as the Company's activities are predominantly the receipt and redistribution of funding within the London Stock Exchange Group plc. We consider users place more emphasis on assets, and claims, than on the Company's earnings or equity.

During the course of our audit, we reassessed initial materiality and made no changes.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 50% (2022: 50%) of our planning materiality, namely £20m (2022: $142k). We have set performance materiality at a lower end of percentage due to a higher likelihood of misstatement.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £2m (2022: $14k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

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 contained with the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS REPORT TO THE MEMBER OF LSEGA FINANCING PLC

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6 and 7, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal frameworks that are applicable to the Company and determined that the most significant are United Kingdom Accounting Standards, the UK Companies Act 2006, and tax legislation (governed by HM Revenue and Customs).
- We understood how LSEGA Financing Plc is complying with those frameworks by making enquiries of the London Stock Exchange Group plc senior management, the general counsel, the chief risk officer, the head of compliance and the head of internal audit. We also reviewed minutes of the Board, Risk Committee, and gained an understanding of the Company's approach to governance, demonstrated by the Board's approval of the Company's governance framework and the Board's review of the Company's risk management framework and internal control processes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing and inquiries of London Stock Exchange Group plc senior management, internal audit, the money laundering reporting officer (MLRO) and those responsible for legal, risk and compliance at the Company. We corroborated our enquiries through review of board and committee minutes, whistleblowing log, and Company policies. We increased our sample size to test the entire population of Intercompany loans both principal and interest amounts. Using the journal entry data, we wave reviewed and tested the manual journals in relation to intercompany.

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.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the Company on 25 October 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is three years, covering the year ending 31 December 2023.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to those charged with governance.

INDEPENDENT AUDITORS REPORT TO THE MEMBER OF LSEGA FINANCING PLC

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.

DocuSigned by:

Ernst & Young LLP

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Simon Michaelson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 22 March 2024

LSEGA FINANCING PLC

INCOME STATEMENT

Year ended 31 December 2023

	Notes	**Year ended 31 December 2023 £'000**	Year ended 31 December 2022* £'000
Interest income calculated using the effective interest method	3	**262,099**	79,554
Other finance income	3	**90,496**	-
Finance expenses	3	**(342,427)**	(74,564)
Administrative (expenses)/ income	4	**(2)**	12
Profit before taxation		**10,166**	5,002
Taxation	6	**(2,358)**	(947)
Profit for the financial year		**7,808**	4,055

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are re-presented in £. Refer to note 1 for more detailed information. Amounts relating to the amortisation of the gain recycled from the hedging reserve have been re-presented within finance expense (formerly other finance income). There is no change in overall net finance income (see note 3).

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

LSEGA FINANCING PLC
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022* £'000
Profit for the financial year		**7,808**	4,055
Amounts that may be recycled to the income statement:			
Items related to cash flow hedge			
Amount recycled to the income statement	13	**(3,423)**	(3,146)
Exchange gain on translation to presentation currency	1(b)	**-**	2,463
		(3,423)	(688)
Deferred tax on cash flow hedges		**807**	557
Other items			
Exchange gain on translation to presentation currency		**-**	5
Other comprehensive income/(loss)		**2,616**	(126)
Total comprehensive income for the financial year		**5,192**	3,929

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are re-presented in £. Refer to note 1 for more detailed information.

LSEGA FINANCING PLC
BALANCE SHEET
As at 31 December 2023

	Notes	2023 £'000	2022* £'000	2021* £'000
Assets				
Non-current assets				
Derivative financial assets	12	**92,645**	-	-
		92,645	-	-
Current assets				
Derivative financial assets	12	**8,142**	-	-
Other receivables	9	**7,532,494**	3,771,489	3,390,955
Cash and cash equivalents		**297,684**	53	276
		7,838,320	3,771,542	3,391,231
Total assets		**7,930,965**	3,771,542	3,391,231
Liabilities				
Current liabilities				
Derivative financial liabilities	12	**(11,421)**	-	-
Other payables	10	**(3,425,496)**	(22,604)	(54,335)
Borrowings	11	**(1,291,493)**	-	-
Current tax liabilities due as Group relief	6	**(3,305)**	(1,937)	(872)
		(4,731,715)	(24,541)	(55,207)
Non-current liabilities				
Derivative financial liabilities	12	**(47,726)**	-	-
Borrowings	11	**(3,118,559)**	(3,718,421)	(3,311,386)
Deferred tax	7	**(4,191)**	(4,998)	(4,985)
		(3,170,476)	(3,723,419)	(3,316,371)
Total liabilities		**(7,902,191)**	(3,747,960)	(3,371,578)
Net assets		**28,774**	23,582	19,653
Equity				
Share capital	13	**50**	50	50
Retained earnings		**11,958**	3,343	(1,269)
Translation reserve		**3**	3	(2)
Cash flow hedge reserve	13	**16,763**	20,186	20,874
Total equity		**28,774**	23,582	19,653

*Amounts in US$ as included in the financial statements for the years ended 31 December 2021 and 2022 are re-presented in £. Refer to note 1 for more detailed information.

LSEGA FINANCING PLC
BALANCE SHEET
As at 31 December 2023

The financial statements on pages 16 to 38 were approved by the board on 22 March 2024 and signed on its behalf by:

DocuSigned by:

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Damien Patrick Scott Maltarp
Director
LSEGA Financing plc
22 March 2024
Registered number 13091751

LSEGA FINANCING PLC

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital £'000	Retained earnings £'000	Cashflow Hedge reserve £'000	Translation reserve £'000	Total equity £'000
21 December 2020	-	-	-	-	-
Share capital issued	50	-	-	-	50
Profit for the period	-	3,646	-	-	3,646
Other comprehensive income/(loss)	-	(4,915)	20,874	(2)	15,957
31 December 2021*	**50**	**(1,269)**	**20,874**	**(2)**	**19,653**
Profit for the financial year	-	4,055	-	-	4,055
Other comprehensive income/(loss)	-	557	(688)	5	(126)
31 December 2022*	**50**	**3,343**	**20,186**	**3**	**23,582**
Profit for the financial year	-	7,808	-	-	7,808
Other comprehensive income/(loss)	-	807	(3,423)	-	2,616
31 December 2023	**50**	**11,958**	**16,763**	**3**	**28,774**

*Amounts in US$ as included in the financial statements for the years ended 31 December 2021 & 2022 are re-presented in £. Refer to note 1 for more detailed information.

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

1. Basis of preparation and accounting policies

Basis of preparation

(a) Statement of compliance

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

The financial statements have been prepared in accordance with Financial Reporting Standard 101 ('FRS 101') and the Companies Act 2006 on a going concern basis and cover the year ended 31 December 2023.

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

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

- IAS 7 Statement of Cash Flows and related notes;
- reduced IFRS 2 disclosure for share-based payment arrangements in a subsidiary's financial statements;
- IAS 8 the listing of new or revised standards that have not been adopted (and information about their likely impact) may be omitted;
- reduced IAS 36 disclosure of impairment reviews;
- reduced IFRS 3 disclosure for business combinations during and after the period;
- reduced IFRS 5 disclosure for discontinued operations;
- IAS 24 related party disclosures for intra-group transactions and disclosure of key management compensation;
- IAS 1 the requirement to present comparatives in roll-forward reconciliations for movements on share capital, property plant and equipment, intangible assets, and investment property;
- reduced IAS 1.134-1.136 disclosure on capital management;
- reduced disclosure for IFRS 15 Revenue from Contracts with Customers; and
- reduced disclosure for IFRS 16 Leases.
- IFRS 7 disclosure for financial instruments;
- IFRS 13 disclosure relating to fair value measurement

The Company recognises various derivative financial instruments at fair value through profit or loss and although exempt from IFRS 7and IFRS 13 disclosures, the Company has provided disclosures as required by the Companies Act 2006.

During the year, the following amendments to standards became effective. These have not had a material impact on the Company's financial statements:

- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12
- Definition of accounting estimates – Amendments to IAS 8
- Disclosure of accounting policies - Amendments to IAS 1 and IFRS Practice Statement 2
- IFRS 17 Insurance Contracts and its subsequent amendments

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

The directors have considered the impact of climate change on the Company's operations and as part of LSEG are fully committed to the Group's sustainability aims. The Group's climate report for the year ended 31 December 2023 may be read here: https://www.lseg.com/en/sustainability-strategy/climate-change.

Based on an assessment in each area by the Group, climate change is not expected to have a material impact on the Company's financial position, estimates or judgements. The directors monitor this on an on-going basis.

(b) Change in functional and presentation currency

During 2023, the Company became the central treasury vehicle for the Group with the purpose of financing and risk management. The Company has taken on a number of new functions that were previously carried out by its parent. The directors regard this as a change in principal activity and consider the Company to be an extension of its parent, with no significant degree of autonomy. Therefore, it is deemed that the functional currency of the Company is the same as the parent. Consequently, the functional currency is deemed to have changed from USD to GBP on 1 January 2023. In accordance with IAS 21.35, the change in functional currency has been applied prospectively. The presentation currency was also changed to GBP on that date which is regarded as a change in accounting policy and in accordance with IAS 8, this change has been applied retrospectively.

The prior year financial statements were prepared in USD. The balance sheets and statements of changes in equity have been re-presented for 2021 and 2022 as if GBP were always the presentation currency. For items included in the 2021 balance sheet a rate of 1.350 USD to GBP is used, which represents the closing rate as at 31 December 2021. For items included in the 2022 balance sheet a rate of 1.203 USD to GBP is used, which represents the closing rate as at 31 December 2022. The share capital was issued in GBP and the actual issued value has been used throughout. For items included in the income statement, statement of comprehensive income and movements in the year in the statement of changes in equity rates of 1.376 and 1.237 USD to GBP are used, which represent the average rates for the years ended 31 December 2021 and 31 December 2022. There were no transactions in the period from incorporation (21 December 2020) to 1 January 2021.

These financial statements are presented in GBP, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Accounting policies

Income statement

Foreign currencies
Foreign currency transactions are converted into the functional currency of the reporting entity using the rate ruling at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Amounts arising on loan balances or borrowings (i.e. financing activity) are recognised net within finance income or expense.

Net finance income
Net finance income includes income and expenses that are calculated using the effective interest method (see below) and other methods.

Finance income
Finance income calculated using the effective interest method includes interest earned on bank deposits, liquidity investment funds and amounts loaned to Group companies. Amounts calculated using the effective interest method are disclosed separately in the income statement.

Other finance income includes interest received and fair value gains on derivatives.

Finance expense
Finance expenses calculated using the effective interest method (see below) include interest on bonds and other borrowings, and the recycling of the gain on the cash flow hedge.

Other finance expenses include fair value losses on derivatives, interest on derivative instruments, and foreign exchange translation costs on loans and borrowings.

Effective interest method
The effective interest method is used for all financial instruments recorded at amortised cost, including any amortisation of fees.

The effective interest method takes into account transaction costs and other amounts considered integral to the financial asset or liability to calculate the effective interest rate that is used to calculated finance income or expense in the income statement.

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the United Kingdom 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.

On 23 May 2023, the International Accounting Standards Board (IASB) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12, which the Company has adopted. The Amendments provide a temporary mandatory exception from deferred tax accounting for the global minimum top-up tax, which is effective immediately, and require new disclosures about the Company’s exposure to Pillar Two income taxes. The mandatory exception applies retrospectively to the Company from 1 January 2023 however the retrospective application has no impact on the Company’s financial statements.

Balance sheet

Financial instruments

Recognition and measurement
Financial assets and financial liabilities are initially recognised at fair value on their settlement date. The Company classifies its financial instruments as fair value through profit or loss (FVPL) or amortised cost. The classification depends on the Company's business model for managing its financial instruments and whether the cash flows generated are 'solely payments of principal and interest'.

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. These comprise cash and other receivables (including loans). After initial recognition other receivables are measured using the effective interest method. Interest income from these financial assets is included in interest income calculated using the effective interest method. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other income or operating expenses.

b) *Financial assets at FVPL* include the Company's derivative assets which are marked to market on a regular basis and any changes in value are recognised directly in the Company's income statement.

c) *Financial liabilities at amortised cost* are all financial liabilities that are not classified as financial liabilities at FVPL. They comprise the Company's other payables and borrowings. After initial recognition they are measured using the effective interest method. Interest expense on these financial liabilities is included in finance expense. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other income or operating expenses.

d) *Financial liabilities at fair value* are all other liabilities, including the Company's derivative instruments which are marked to market on regular basis with any changes in value being recognised directly in the income statement.

Impairment
The Company adopts a forward-looking approach to estimating impairment losses on financial assets. An expected credit loss (ECL) arises if the expected cash flows are lower than the contractual cash flows due. The difference is discounted at the asset's original effective interest rate and recognised as an impairment of the original value of the asset.

Financial assets at amortised cost – the ECL on financial assets held at amortised cost is measured using the general approach. An allowance is calculated based on the 12-month ECL at each reporting date, unless there is a significant increase in the financial instrument's credit risk, in which case a loss allowance based on the lifetime ECL is calculated. The allowance is based on historical 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.

No ECL is calculated for assets at FVPL as any expected loss is already reflected in the fair value of the asset.

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

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank, short-term deposits and investments in liquidity investment funds, and other instruments and structures that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Other payables
Other payables relate to loans from other companies within the group. Other payables are classified as 'Other payables' within current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as 'other non-current payables' within non-current liabilities. Other payables are recognised initially at fair value and subsequently measured at amortised cost.

Borrowings
Borrowings are initially recorded at the fair value of the amounts received, net of capitalised issue costs and arrangement fees.

Subsequently, they are carried at amortised cost. Interest payable is recognised in the income statement over the period of the borrowing using the effective interest method.

Derivative financial instruments and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The method of recognising the resulting gain or loss depends on whether or not the derivative is designated as a hedging instrument and the nature of the item being hedged.

In order to qualify for hedge accounting, a transaction must meet strict criteria regarding documentation, effectiveness, probability of occurrence, and reliability of measurement. The Company documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objectives and strategy for undertaking various hedging transactions. The effectiveness of the hedge is tested at each reporting date and at the commencement and conclusion of any hedge in order to verify that it continues to satisfy all the criteria for hedge accounting. Any ineffective portion is recognised in the income statement as finance income or expense. Hedge accounting is not applied for the extant derivatives.

Amounts that have accumulated through other comprehensive income in the hedging reserve are recognised in the income statement in the period when the hedged item affects profit or loss. For example, the accumulated hedging gain is recycled to the income statement as finance income over the life of the underlying hedged item (the debt).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss remains in the hedging reserve, it is recognised in the income statement when the forecasted transaction (finance expense/income) itself is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported through other comprehensive income is immediately recognised in the income statement.

The profit or loss on a derivative which is not designated as a hedging instrument is recognised directly in the income statement.

Offsetting
Financial assets and financial 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 to realise the asset and settle the liability simultaneously.

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

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. Significant accounting estimates, assumptions, and judgements

Estimates, assumptions and judgements are regularly reviewed based on historical experience, current circumstances and expectations of future events. There are no significant accounting estimates, assumptions and judgements in the preparation of the financial statements that have a significant effect on the amounts recognised in the financial statements.

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3. Net finance income

As a consequence of the change in activity by the Company in 2023, the net finance income note for 2022 has been re-presented to better reflect the nature of the operations of the Company. Interest income and expense calculated using the effective interest method are shown separately from other finance income and expense. Amounts relating to the amortisation of hedging gain recycled to the income statement from the hedging reserve have been re-presented within finance expense (formerly other finance income). There is no change in overall net finance income.

	Year ended 31 December 2023 £'000	Year ended 31 December 2022* £'000
Interest income calculated using effective interest method		
Interest from parent	**103,570**	-
Interest from companies under common control	**147,675**	79,554
Interest income on bank deposits and liquidity fund investments	**10,854**	-
	262,099	79,554
Other finance income		
Fair value gain on derivative instruments	**46,960**	-
Interest income on derivative instruments	**43,536**	-
	90,496	-
Finance expense		
Interest expense calculated using effective interest method		
Interest payable on bonds	**(73,947)**	(74,556)
Amortisation of arrangement fees	**(3,169)**	(2,830)
Amortisation of hedging gain recycled from hedging reserve (note 13)	**3,423**	3,146
Interest payable to parent company	**(369)**	(107)
Interest payable to companies under common control	**(111,122)**	(200)
Interest payable on commercial paper	**(21,958)**	-
Interest on bank borrowings	**(5,855)**	-
	(212,997)	(74,547)
Other finance expenses		
Interest expense on derivative instruments	**(48,331)**	-
Fair value loss on derivative instruments	**(52,411)**	-
Foreign exchange loss on financing activities	**(27,270)**	-
Other finance expense	**(1,418)**	(17)
	(129,430)	(17)
	(342,427)	(74,564)
Net finance income	**10,168**	4,990

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

In 2023, net foreign exchange losses arising from financing activities are recognised within finance expenses.

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

4. Administrative expenses/income

	Year ended 31 December 2023	Year ended 31 December 2022*
	£'000	£'000
Professional fees	**(2)**	-
Foreign exchange (loss)/gain	**-**	12
	(2)	12

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.
In 2023, net foreign exchange losses arising from financing activities are recognised within finance expenses.

5. Directors' remuneration

No remuneration was received by the directors in respect of qualifying services to this Company in the period (2022: nil).

6. Taxation

The standard UK corporation tax rate was 23.5% for the year ended 31 December 2023 (2022: 19%)

	Year ended 31 December 2023	Year ended 31 December 2022*
Taxation charged to the income statement	**£'000**	£'000
Current tax		
UK corporation tax for the year	**(2,358)**	(947)
Taxation charge	**(2,358)**	(947)
Taxation on items not credited/(charged) to the income statement		
Deferred tax (credit)/charge		
- Deferred tax on cash flow hedging reserves	**856**	557
- Effect of changes in the UK rate of corporation tax	**(49)**	-
Total deferred tax charge on cash flow hedging reserve	**807**	557

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

An increase in the UK Corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

Factors affecting the tax credit /(charge) for the year
The income statement tax credit/(charge) for the year differs from that by applying the standard rate of corporation tax in the UK of 23.5% as explained below:

	Year ended 31 December 2023	Year ended 31 December 2022*
	£'000	£'000
Profit before taxation	**10,166**	5,002
Profit multiplied by the standard rate of tax	**(2,389)**	(950)
Expenses disallowed and income not taxable	**31**	3
UK corporation tax for the year	**(2,358)**	(947)

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

7. Deferred taxation

The deferred tax liability arose on the gain on the cash flow hedge recognised directly in equity in 2021. The movements in deferred tax assets and liabilities during the year are shown below.

Asset/(liability)	**Other timing differences* £'000**
1 January 2022	(4,985)
Tax charged to equity	557
Foreign exchange loss on translation to presentation currency*	(570)
31 December 2022	(4,998)
Taxation on items not credited/(charged) to the income statement	
- Total deferred tax charge on cash flow hedging reserve	807
31 December 2023	**(4,191)**
Assets at 31 December 2023	-
Liabilities at 31 December 2023	(4,191)
Net liabilities at 31 December 2023	**(4,191)**

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

8. Dividends

The directors have not recommended a dividend for the current year (2022: nil).

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

9. Other receivables

	2023	2022*
	£'000	£'000
Amounts due from companies under common control	**7,119,681**	3,771,439
Amounts due from parent company	**398,401**	50
Interest receivables on investments liquidity funds	**910**	-
Interest receivables on derivatives	**13,502**	-
	7,532,494	3,771,489

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information. Amounts above include interest accrued and day to day trading balances that are not loans.

Amounts due from companies under common control – loans (excluding interest receivable and trading balances)

The Company has intercompany loans due from various companies under common control, as follows:

Related company	Currency and amount	2023 £m	2022* £m	Interest rate %	Expiry date
LSEGH (Luxembourg) Limited	USD4,504.1m	3,533.2	3,744.3	2.15%	06/04/2024
	USD751.4m	589.4	6.5	SOFR + Credit adjustment spread + 1%	06/10/2026
	USD740.5m	580.8	-	SOFR + Credit adjustment spread + 1.0039%	29/09/2026
	USD741.8m	581.9	-	SOFR + Credit adjustment spread + 1.3898%	29/09/2030
LSEGH (Italy) Limited	EUR406.8m	352.5	-	EURIBOR + 0.25%	01/04/2028
Refinitiv UK Parent Limited	CZK3.9m	0.1	-	PRIBOR + 0.25%	26/04/2028
	HUF98.7m	0.2	-	BUBOR + 0.25%	26/04/2028
	THB134.5m	3.0	-	THIBFIX + 0.25%	01/04/2028
	USD1,839.2m	1,444.2	-	SOFR + Credit adjustment spread + 0.25%	01/04/2028
	ZAR220.1m	9.4	-	JIBAR + 0.25%	01/04/2028

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

Additional amounts due represent the interest accrued. The Company does not consider there is any likelihood of an expected credit loss on these amounts.

All loans are due for repayment on their expiry date or with five days' notice and are cash management loans within the Group on which amounts are loaned and repaid throughout the year.

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

Amounts due from parent company – loans (excluding interest receivable and trading balances)
The Company has intercompany loans due from its parent company, as follows:

Related company	Currency and amount	2023 £m	2022* £m	Interest rate %	Expiry date
London Stock Exchange Group PLC	EUR17.8m	15.5	-	EURIBOR + 1%	01/07/2028
	GBP206m	206	-	SONIA + Credit adjustment spread +1%	31/03/2028
	USD210.9m	165.5	-	SOFR + Credit adjustment spread + 1%	09/04/2026

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

Additional amounts due represent the interest accrued. The Company does not consider there is any likelihood of an expected credit loss on this amount.

All loans are due on their expiry date or with five days' notice.

10. Other payables

	2023 £'000	2022* £'000
Amounts due to companies under common control	**3,394,521**	-
Interest payable on external borrowings	**17,086**	18,107
Amounts due to parent company	**241**	4,497
Interest payable on derivatives	**13,648**	-
	3,425,496	22,604

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information. Amounts above include interest accrued and day to day trading balances that are not loans.

Amounts due to companies under common control – loans (excluding interest payable and trading balances)
The Company has intercompany loans due to various companies under common control, as follows:

Related company	Currency and amount	2023 £m	2022* £m	Interest rate %	Expiry date
LSE (C) Limited	EUR340.3m	294.9	-	EURIBOR + 0.125%	01/04/2028
LSEG Business Services RM SRL	RON129.9m	22.7	-	ROBOR + 0.125%	27/07/2028
London Stock Exchange Group Holdings Limited	GBP13.1m	13.1	-	SONIA + Credit adjustment spread +0.125%	01/04/2028

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

Related company	Currency and amount	2023 £m	2022* £m	Interest rate %	Expiry date
LSEG US Holdco Inc	USD329.2m	258.2	-	SOFR + Credit adjustment spread + 0.125%	01/04/2028
Quantile Technologies Limited	GBP2.4mm	2.4	-	SONIA + Credit adjustment spread + 0.125%	09/10/2028
AcadiaSoft Inc.	EUR16.2m	14.1	-	EURIBOR + 0.125%	01/04/2028
	USD16.4m	12.9		SOFR + Credit adjustment spread + 0.125%	02/04/2028
LSEGA Limited	USD12.0m	9.4	-	SOFR + Credit adjustment spread + 0.125%	19/12/2028
LSEGA 2 Limited	USD0.4m	0.3	-	SOFR + Credit adjustment spread + 0.125%	19/12/2028
LSEG Netherlands B.V.	EUR329.1m	285.2	-	EURIBOR + 0.125%	01/04/2028
	EUR700m	606.6	-	ESTR + Credit adjustment spread + 0.7223%	29/09/2026
	EUR700m	606.6	-	ESTR + Credit adjustment spread + 1.0525%	29/09/2030
LSEG US Fin Corp.	USD692.5m	543.2	-	SOFR + Credit adjustment spread + 0.125%	01/04/2028
Refinitiv UK Parent Limited	AUD40.8m	21.9	-	BBSW + 0.125%	01/04/2028
	CAD22.2m	13.2	-	CDOR + 0.125%	01/04/2028
	CHF9.2m	8.6	-	SARON + Credit adjustment spread + 0.125%	01/04/2028
	DKK61.9m	7.2	-	CIBOR +0.125%	01/04/2028
	EUR564.6m	489.3	-	EURIBOR + 0.125%	01/04/2028
	GBP80.1m	80.1	-	SONIA + Credit adjustment spread + 0.125%	01/04/2028
	HKD314.0m	31.5	-	HIBOR +0.125%	01/04/2028
	JPY5,280.3m	29.4	-	TONA + Credit adjustment spread + 0.125%	01/04/2028
	NOK67.1m	5.2	-	NIBOR + 0.125%	01/04/2028
	NZD4.0m	2.0	-	BKBM + 0.125%	01/04/2028
	PLN12.1m	2.4	-	WIBOR + 0.125%	01/04/2028
	SEK83.3m	6.5	-	STIBOR + 0.125%	01/04/2028
	SGD37.5m	22.3	-	SGD SOR + 0.125%	01/04/2028

LSEGA FINANCING PLC
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

Amounts due to parent company – loans (excluding interest payable and trading balances)
The Company has intercompany loans due from its parent company, as follows:

Related company	Currency and amount	2023 £m	2022* £m	Interest rate %	Expiry date
London Stock Exchange Group PLC	Nil	-	4.5	SOFR + Credit adjustment spread + 1%	Loan settled

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

Additional amounts due represent the interest accrued. The carrying values of other payables are reasonable approximations of fair value. All loans are due on their expiry date or with five days' notice.

11. Borrowings

	2023 £'000	2022* £'000
Non-current		
Bonds	**3,118,559**	3,718,421
	3,118,559	3,718,421
Current		
Bonds	**392,070**	-
Commercial paper	**899,423**	-
	1,291,493	3,718,421
	4,410,052	3,718,421

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

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Bonds
Borrowings comprise five senior unsecured bonds issued using the Group's Global Medium-Term Note Programme. All the bonds were issued in 2021 and are listed on the Main Market of the London Stock Exchange (a related company). Amounts are shown net of capitalised arrangement fees. Arrangement fees are amortised through the income statement using the effective interest method (see note 3).

	Expiry date	Debt £m	Carrying value £m	Fair value £m	Interest rate %
$500m	Apr 2024	392	**392**	387	0.650
$1,000m	Apr 2026	784	**782**	727	1.375
$1,000m	Apr 2028	784	**781**	702	2.000
$1,250m	Apr 2031	981	**976**	843	2.500
$750m	Apr 2041	588	**580**	458	3.200
Total bonds		3,529	**3,511**	3,117	

The Company's borrowings are recognised at amortised cost on the balance sheet. Bonds are classified as Level 1 (see note 12) in the fair value hierarchy and the fair values disclosed are as quoted on the Main Market of the London Stock Exchange on 31 December 2023.

Commercial paper
During the year, the Group updated its US Commercial Paper and Euro Commercial Paper programmes. As at 31 December 2023, £165m (2022: nil) and US$937m (£734m) (2022: nil) was outstanding under these programmes.

12. Derivative financial instruments

As a consequence of the change in the Company's principal activity in 2023 to be the Group's central treasury vehicle, the Company manages the Group's foreign exchange risk. In order to do that, the Company entered into a number of derivative contracts in 2023. These derivatives act as hedges for the bonds issued in 2023 by related companies in the Group but are not hedge accounted in the Company.

Interest rate swaps
In September 2023, the Company entered into a series of euro interest rate swaps with tenures of 3 and 7 years, each with aggregate notional amounts of €700m. The Company receives a fixed rate of interest and pays interest at a variable rate based on ESTR plus a spread. On the same date the Company entered into back-to-back intra-group interest rate swaps with LSEG Netherlands BV. The interest and fair value movements on the external swaps offset against the intra-group swaps in the income statement.

Cross-currency interest rate swaps
In September 2023, the Company entered into a series of cross-currency interest rate swaps to swap €700m to US$740m, with a tenure of 3 years, and €700m to US$742m with a tenure of 7 years. The foreign exchange movements on the cross-currency interest rate swaps are naturally hedged against the foreign exchange movements on intercompany loans.

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Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs, which have a significant effect on the recorded fair value, that are not based on observable market data

For Level 1, the fair value is based on market price quotations at the reporting date.

For assets and liabilities classified as Level 2, the fair value is calculated using one or more valuation techniques (e.g. the market approach or the income approach) with market observable inputs. The selection of the appropriate valuation techniques may be affected by the availability of the relevant inputs as well as the reliability of the inputs. The inputs may include currency rates, interest rates and forward rate curves, and net asset values.

When observable market data is not available, the Company uses one or more valuation techniques (e.g. the market approach or the income approach) for which sufficient and reliable data is available. The inputs used in estimating the fair value of Level 3 financial instruments include expected timing and level of future cash flows, timing of settlement, discount rates and the net asset values of certain investments.

The Company determines whether a transfer between levels has occurred by reviewing the categorisation of assets and liabilities at the end of each reporting period, based on the lowest level input that is significant to the valuation.

Financial instruments measured at fair value

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities measured at fair value:

Level 2	2023 £m	2022 £m
Non-current derivative assets	92,645	-
Current derivative assets	8,142	-
Non-current derivative liabilities	(47,726)	-
Current derivative liabilities	(11,421)	-

There were no transfers between levels during the year. Changes in the fair value of derivatives are recorded in the income statement within finance income and expense (see note 3).

The following table shows the impact of netting arrangements on all financial assets and financial liabilities that are reported net on the balance sheet and where balances have not been netted but there is a right to offset in the event of default.

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	Note no.	Gross Amount	Netted balances	Amounts per balance sheet	Amounts available for netting in the event of a default	Net balance
Assets						
FX forwards		8,142	-	8,142		
Swaps		92,645	-	92,645		
Interest receivable	9	13,986	(484)	13,502		
		114,773	**(484)**	**114,289**	**(9,628)**	**104,661**
Liabilities						
FX forwards		(11,421)	-	(11,421)		
Swaps		(47,726)	-	(47,726)		
Interest payable	10	(14,132)	484	(13,648)		
		(73,279)	**484**	**(72,795)**	**9,628**	**(63,167)**

The Company is subject to master netting arrangements in force with financial counterparties with whom the Company trades derivatives. The master netting arrangements determine the proceedings should either party default on their obligations. In the event of default, the non-defaulting party will calculate the sum of the replacement cost of outstanding transactions and amounts to be settled.

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13. Share capital and other reserves

Share capital Issued, called up and fully paid	**2023** **Number of shares**	**2023** **Share capital £'000**	2022* Number of shares	2022* Share capital £'000
Ordinary shares of £1 each	**50,000**	**50**	50,000	50

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

Cashflow hedging reserve

	2023 **£m**	2022* £m
At 1 January	**20,186**	20,874
Amount recycled to income statement	**(3,423)**	(3,146)
Exchange gain on translation to presentation currency	**-**	2,458
31 December	**16,763**	20,186

*Amounts in US$ as included in the financial statements for the year ended 31 December 2022 are presented in £. Refer to note 1 for more detailed information.

In February 2021, the Company entered into US$ denominated interest rate swaps designated as cash flow hedges which were settled in March and April 2021. At the date of settlement, a gain of US$31.3m (£20.8m) was recognised in the hedging reserve. This amount is being recycled to the income statement over the life of the underlying debt instruments. During the year, £3.4m (2022: £3.1m) was recycled to the income statement and was netted with the interest payable on the bonds.

Translation reserve
The translation reserve arises from the translation of the balance sheets of 2021 and 2022 into the presentation currency, GBP.

14. Commitments and contingencies

Contracted capital commitments and other contracted commitments not provided for in the financial statements of the Company were nil (2022: nil) and nil (2022: nil), respectively.

15. Ultimate parent company

As at 31 December 2023, the Company's immediate parent and ultimate parent company and the parent that headed the smallest and largest group of undertakings for which consolidated financial statements were prepared was London Stock Exchange Group plc, a company incorporated in England and Wales. 100% of the issued share capital of the Company is beneficially owned by the parent entity.

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.

16. Other statutory information

Audit fees of £55,000 (2022: £12,109) payable to Ernst & Young LLP are borne and paid by another Group company. Statutory information on remuneration for other services provided by the Company's auditors for the group is given in the consolidated financial statements of London Stock Exchange Group plc, which is the largest group into which the results of the Company are consolidated. Non-audit services provided to the Company during the year amounted to £6,000, relating to procedures in respect of the Group's EMTN prospectus and have been borne by other Group companies.

17. Events after reporting period

There are no post balance sheet events from the year end to the date of approval of these financial statements.