

MATRIX-DATA LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020

MATRIX-DATA LIMITED
REGISTERED NUMBER: 01934498

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 restated £
Fixed assets			
Tangible assets	4	405,534	444,065
		<u>405,534</u>	<u>444,065</u>
Current assets			
Debtors	5	5,518,284	3,703,535
Cash at bank and in hand	6	459,750	29,460
		<u>5,978,034</u>	<u>3,732,995</u>
Creditors: amounts falling due within one year	7	(7,241,298)	(7,788,222)
Net current liabilities		<u>(1,263,264)</u>	<u>(4,055,227)</u>
Total assets less current liabilities		<u>(857,730)</u>	<u>(3,611,162)</u>
Creditors: amounts falling due after more than one year	8	(195,154)	(9,811)
Net liabilities		<u>(1,052,884)</u>	<u>(3,620,973)</u>
Capital and reserves			
Called up share capital		2,274	2,274
Other reserves		188,007	188,007
Profit and loss account		(1,243,165)	(3,811,254)
		<u>(1,052,884)</u>	<u>(3,620,973)</u>

MATRIX-DATA LIMITED
REGISTERED NUMBER: 01934498

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 March 2022.

Allen Heery
Director

The notes on pages 3 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Matrix-Data Limited is a company limited by shares incorporated in England and Wales. The address of the registered office is No.1 London Bridge Fourth Floor, West Building, London, SE1 9BG. The presentational and functional currency is GBP. These financial statements are rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

At the balance sheet date, the company had net current liabilities of £1,263,264 (2019: £4,055,227) and net liabilities of £1,052,884 (2019: £3,620,973). The company is dependent on the continuing financial support from its parent company Institutional Shareholder Services Inc. (the Group).

The company has received a support letter from its parent company which has expressed its willingness to provide support to the company so that it can operate as a going concern and meet its obligations as they fall due for at least 12 months from the date of signing these financial statements. Therefore, in assessing the going concern position of the company for the year ended 31 December 2020, the directors have considered the Group's ability to provide support based on its assessment on the Group's cash flow, liquidity and business activities. The Group repaid its long term debt in 2021 and is projected to generate sufficient additional cash in 2022. The 2022 budget reflects continued growth in all business units globally, however the consolidated balance sheet as at 31 January 2022 included net current liabilities of nearly \$93m including deferred revenue. The Group has not obtained a support letter from its ultimate listed parent company Deutsche Börse Group on the basis that the Group has access to a \$40m revolving line of credit from Deutsche Börse Group and it has little external debt and can access debt markets easily if ever necessary.

The directors acknowledge that the company remains dependent upon the support of the wider group to continue in existence. In the event that support ceased, there is significant doubt whether the company could continue trading and the directors therefore acknowledge that a material uncertainty exists.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20%
Fixtures and fittings	-	20%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Financial instruments (continued)

to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including directors, during the year was 51 (2019 - 62).

MATRIX-DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2020	42,241	39,719	488,273	570,233
Additions	-	-	105,905	105,905
Disposals	-	(13,059)	-	(13,059)
At 31 December 2020	<u>42,241</u>	<u>26,660</u>	<u>594,178</u>	<u>663,079</u>
Depreciation				
At 1 January 2020	1,059	17,139	107,970	126,168
Charge for the year on owned assets	714	7,073	134,472	142,259
Disposals	-	(10,882)	-	(10,882)
At 31 December 2020	<u>1,773</u>	<u>13,330</u>	<u>242,442</u>	<u>257,545</u>
Net book value				
At 31 December 2020	<u>40,468</u>	<u>13,330</u>	<u>351,736</u>	<u>405,534</u>
<i>At 31 December 2019</i>	<u>41,182</u>	<u>22,580</u>	<u>380,303</u>	<u>444,065</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Short leasehold	40,468	41,182
	<u>40,468</u>	<u>41,182</u>

MATRIX-DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Debtors

	2020 £	2019 restated £
Trade debtors	887,592	924,865
Amounts owed by group undertakings	4,352,173	2,439,205
Other debtors	16,676	177,932
Prepayments and accrued income	261,843	161,533
	<u>5,518,284</u>	<u>3,703,535</u>

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	459,750	29,460
	<u>459,750</u>	<u>29,460</u>

7. Creditors: Amounts falling due within one year

	2020 £	2019 restated £
Trade creditors	15,212	135,040
Amounts owed to group undertakings	2,969,496	4,118,806
Other taxation and social security	835,850	343,512
Accruals and deferred income	3,420,740	3,190,864
	<u>7,241,298</u>	<u>7,788,222</u>

8. Creditors: Amounts falling due after more than one year

	2020 £	2019 restated £
Accruals and deferred income	195,154	9,811
	<u>195,154</u>	<u>9,811</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Prior year adjustment

Some expenses have been reclassified to better reflect the nature of the transactions in the Statement of Comprehensive Income in the prior year which resulted in the decrease of £176,020 in cost of sales and increase of £176,020 in administrative expenses. The net impact on the profit for the year was £nil.

Some balances have been reclassified to better reflect the nature of the transactions in the Statement of Financial Position in the prior year which resulted in the decrease in trade debtors of £293,106, increase in amounts owed by group undertakings of £2,439,205, decrease in trade creditors of £293,106, increase in amounts owed to group undertakings of £2,439,205, decrease in other taxation and social security of £25,610, increase in accrual and deferred income of £15,800 and increase in creditors due after more than one year of £9,811. The net impact on the net assets for the year was £nil.

10. Controlling party

The immediate parent company is AI Financial Information UK Ltd, a company registered in the UK.

During the year the ultimate controlling party is Institutional Shareholder Services Inc., a company based in the US.

The parent undertaking of the smallest and largest group, which includes the company and for which group accounts are prepared, is Institutional Shareholder Services Inc..

Institutional Shareholder Services Inc. is incorporated in Delaware, the United States of America. Copies of the financial statements for Institutional Shareholder Services Inc. are not publicly available.

After the year end, Deutsche Börse Group, a company listed on Frankfurt Stock Exchange Market, has acquired approximately 81% stake in Institutional Shareholder Services Inc..

11. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 2 March 2022 by Rajeev Shaunak FCA (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.