Company Registration No. SC222302

Wood Mackenzie Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

Wood Mackenzie Limited

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Wood Mackenzie Limited

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Kenneth Edward Thompson

Company Secretary

Brian Aird

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Solicitors

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Independent Auditor

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Statutory auditor
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Wood Mackenzie Limited

Strategic report

This Strategic Report has been prepared for Wood Mackenzie Limited ("the Company"), but recognition is given to the international global footprint that its multiple subsidiaries provides via distribution and service agreements. The financial statements are for the Company only and the results of the subsiary companies have not been incorporated into these presented results for the year ended 31 December 2019 unlike in prior years where consolidated business results have been presented. The comparatives reflect the Company only performance.

The Company's business

The Company is ultimately owned and controlled by Verisk Analytics Inc., who is a leading provider of information about risk to professionals in insurance, healthcare, financial services, government and risk management and is headquartered in Jersey City, New Jersey, United States. Verisk Analytics Inc. is a quoted company on NASDAQ in the United States. Wood Mackenzie Limited heads up a large group of related entities that operate under the name Wood Mackenzie.

The core operational business of the Company is a leading content, analytics and consulting business operating in the Energy, Mining and Metals industries. The Company, along with its subsidiaries, is a premier supplier of commercially orientated, forward-looking research and knowledge-based consulting to virtually every major company in the Energy, Mining and Metals and Petrochemical industries, as well as leading financial services organisations, governments and government agencies across the globe. In 2019 the Company generated approximately 91% (2018: 91%) of its revenue from research and the distribution services associated with its research services that are currently provided to over 2,000 companies worldwide.

Strategy and objectives

Wood Mackenzie's vision is to be the most comprehensive source of knowledge about the world's energy, metals & mining and petrochemical industries. Within the global energy and commodities information market, the Company (and its subsidiaries) has chosen to focus on information required for forward-looking commercial decisions.

Wood Mackenzie's strategy has been to progressively expand the coverage of its Research services and to provide clients with a consistent and integrated view of the global energy, metals & mining, petrochemicals and more recently power and renewables value chain. This strategy has been implemented through continuous investments in new products, supplemented by targeted acquisitions who are operating in these energy sectors.

The Company has been preparing for the next phase of growth by continuing to invest in content, within existing and new sectors, as well as continued investment in areas such as the user experience on the web portal, the organisational platform and new sales channels. The Directors believe that these investments have enabled Wood Mackenzie's ability to achieve the next level of growth.

During the financial year and in line with its strategy the Company has continued to invest in its core offerings whilst also integrating acquisitions completed in the prior periods as well as working with its related parties in terms of combined offerings.

Business review and key performance indicators

Profit and loss account

2019 was another successful and active year for Wood Mackenzie. The Company delivered a strong underlying financial performance in the year with revenue growing by 8.1% to a total of £226.7m (2018: £209.6m). This increased revenue of £17.1m combined with a slower increase in the year on year operational expenses helped increase overall operational profit by 24.3% to a total of £56.3m (2018: £45.3m) and delivering an operational sales margin of 25.0% (2018: 21.6%).

In November 2019, our acquisition of Genscape, a global provider of real-time data and intelligence for the commodity and energy markets, further enhanced Wood Mackenzie's leading research and consultancy across the natural resources sector. Genscape operates the world's largest private network of more that 4,000 power line electromagnetic in-field monitors and, along with satellites and other tracking networks, collects and refines more than 130 million data points daily across oil and gas, power, biofuels, and other alternative energy sources. The intelligence gleaned from this data, along with Wood Mackenzie's analysis, helps commodity traders, hedge fund managers, oil and gas companies, government entities, and others more deeply understand the defining issues facing key energy commodities

Profit and loss account (continued)

Wood Mackenzie launched the world's first Global Upstream Valuation solution, enabling organizations in the natural resources sector to access up-to-the-minute insight into upstream oil and gas exploration and production opportunities and value assets around the globe in seconds. Accessed through Wood Mackenzie's Lens® data analytics platform, customers can quickly visualize fields, blocks, pipelines, and wells using a detailed mapping interface. They can then scrutinize reserves, production, and cost data to gain a clearer picture at the field, country, or regional level. Wood Mackenzie also continued to transform our Upstream Analytics through the new Lens platform, making it even faster and easier for customers to leverage reliable, results-driven intelligence and perform complex analyses. Our commercial upstream insights, data, and analytics help customers make accurate valuations, benchmark against peers, and inform exploration, appraisal, and development plans so they can strategically direct capital to the most promising areas of their portfolios.

We continue to enrich and expand our deep domain expertise by establishing new ways for our researchers and analysts to develop and share insights and experience. Expanding on last year's restructuring of Wood Mackenzie's Research organization, in which we transitioned from regionally structured teams to global commodity teams, we've been developing a cross-commodity approach for enriching the expertise of our specialists. By participating in collaborative group sessions, our teams are building stronger integrated analysis and offerings for customers. To ready our next generation of researchers and analysts to become established and widely recognized thought leaders, we've formalized and expanded our sponsorship and development program for subject matter experts. Begun as a pilot in 2018, the ongoing program accelerates our analysts' growth through mentoring, training, and skills development as well as knowledge sharing with senior leaders in their respective areas of expertise. Both initiatives strengthen our deep domain expertise to support our customers and the organization helping us remain competitive, generate demand, and add value for our customers.

Balance sheet

The Company reported a net assets position as at 31 December 2019 of £837m (2018: £765m). The increase in the overall net assets position of the Company can be attributed to the strong profit and cash generation of the business. This cash has then been subsequently used to reinvest in the business or lent to related parties to facilitate the acquisitions of other business units within the wider Verisk Analytics Group of companies. So has effectively been translated to related party receivables/loans.

Key Performance Indicators

Management focus on a number of key performance indicators to measure the ongoing performance of the business which include revenue growth (as discussed throughout the Profit and loss section above), research renewal rates, usage statistics of our business portal to highlight a few.

Research renewal rates

As in prior years the main driver of this performance was Research subscriptions. The strong committed subscription customer base, the diversity of the customer base (which includes major blue-chip companies in the Oil & Gas and Metals & Mining industries and major players in the financial services industry helped in generating a resilient and predictable income stream. Research clients enrol in our retainer services on an annual (or multi-year) basis, to access content and analytical tools, much of which is based upon proprietary information and delivered via the web.

Whilst we regularly seek the views of our clients, in both a formal and informal fashion, arguably the best measure of client satisfaction is their willingness to reward our efforts with repeat business. In this regard, the directors are particularly pleased to report that, once again, retention rates for our research offerings were very strong at over 97%. The directors would once again like to thank our clients, many of whom have been with us consistently for well over 40 years, for their exceptional loyalty.

Usage statistics of our business portal

Wood Mackenzie has a policy of investing in its research products and analytical tools, both existing and new and the current year was another strong year in terms of investment with over £16.4m (*note 8*) of cost being capitalised on new product and content development for future revenue generation.

Key performance indicators (continued)

Client and staff relationships

We believe that to build a successful business we need to continue to maintain strong relationships with our clients. This is easier if staff are located close to clients, enabling them to become part of the local client community. Staff numbers continued to grow not only within the Company but also in its subsidiaries during 2019.

Our consulting revenue also had a strong performance and is a lead generator for new product ideas and future revenue growth. We continue to build a growing successful consulting business and it is an important source of new product development ideas. Many clients do not differentiate between research and consulting; they simply have a business problem - and it is important that we can provide the help clients need in whatever form best suits their needs.

A number of clients will choose the provision of both business revenue streams. In addition to contributing revenue in its own right, consulting also allows Wood Mackenzie to identify, at a very early stage, the key issues facing our clients, enabling us to stay at the forefront of industry developments.

With our combination of proprietary information, the knowledge of our analysts and professional consulting skills, we are uniquely positioned to help our clients meet the structural challenges, which continue to emerge in the industry. Our in-depth understanding and industry-specific expertise can be brought to bear on an issue, enabling more appropriate solutions to be rapidly developed.

Principal risks and uncertainties

Financial risk management

Wood Mackenzie's activities expose it to a number of financial risks including cash flow risk, credit risk, liquidity risk, interest rate and foreign exchange risk as well as business risks, all outlined below. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The business generates strong cash flow allowing it to both successfully provide surplus cash for the parent company as well as continue to invest in the business for the future.

Credit risk

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of any provision for doubtful receivables. A provision for impairment would be made where there was an identified loss event which, based on previous experience, was evidence of a reduction in the recoverability of the cash flows.

The Company has no significant concentration of credit risk, with exposure spread over a large number of customers and no client accounting for more than 4% of revenue.

Liquidity risk

The Company is cash generative with a relatively minimal capital expenditure commitment within the short to medium term timeframe. The aforementioned ownership structure provides a significant level of additional working capital facility if there was ever a need to draw on it and fundamentally supports the directors' assessment that the accounts are prepared on a going concern basis.

Principal risks and uncertainties (continued)

Interest rate risk

The Company provide loans to related parties at agreed fixed interest rates and does not have any third-party debt borrowings, which would expose it to interest expense. Therefore, the Company does not consider itself to have a material exposure to interest rate fluctuations.

Foreign exchange risk

The Company's activities expose it to the financial risks of changes in foreign currency rates, although the majority of its revenue and costs continue to be denominated in sterling. The Company does have exposure to other currencies (most notably Singapore dollars from related party services) it is not considered material in management's opinion. The recent referendum decision for the UK to leave the European Union ("Brexit") has created volatility in the currency markets but given the high percentage of GBP based sales and the previously highlighted mix of currency spend we do not view this decision to be a major risk to the business for the foreseeable future.

Climate risk

We support and have contributed to the large body of scientific evidence that clearly demonstrates the changes occurring in Earth's climate system and the attendant risks to people, property, and financial assets. We concur with the scientific consensus that anthropogenic carbon emissions contribute to global warming trends. Current trends in global climate change, if unchecked, can lead to acutely negative consequences due to rising sea levels, increased frequency and severity of extreme weather and climate events, and increased ocean acidification.

Addressing climate change is made more complicated by its interrelationship with economic development and the energy deficit facing many people around the world, especially in emerging economies. Serious consideration must go into designing and assessing options that balance care for the climate with economic progress and rising standards of living. Effort and planning are required to define approaches that are effective and produce the best outcomes for the greatest number of people around the planet.

We urge all governments to actively collaborate to address this amalgam of complex issues and to do so with urgency.

We will continue to take responsibility for our business practices by:

- monitoring, measuring, disclosing, and reducing the emissions associated with our operations;
- researching and contributing our knowledge of climate change and clearly analysing the potential implications of climate change for risk to people, property, and financial assets;
- researching and contributing our knowledge of energy production, including fossil fuel, solar, and wind sources, thereby supporting industry in choosing an optimal mix of options over time.

As a business committed to the long-term stewardship of our organization and the global society in which we operate, we remain committed to addressing the very real impacts of climate change today and for the benefit of future generations.

Business risks

Our risk and compliance group supports our business in all operational aspects including the expansion into new geographies. In addition, if any new legislation is introduced we ensure that all our operations are fully compliant and that we have robust governance in place at all times.

Principal risks and uncertainties (continued)

Economic downturn

While expenditure on accessing information can be influenced by economic conditions, Wood Mackenzie's positioning at the 'premium' end of the market, offering 'must have' solutions, reduces its exposure to the economic environment. The subscription-based revenue model and the portfolio of multi-year subscription also drive the resilience of the business to economic cycles. In addition, economic uncertainty fuels demand for information as our clients in, or servicing, the Energy industry face strategic challenges during times of high volatility.

More generally, as a content business operating across the entire Energy sector, Wood Mackenzie is able to diversify this risk across each area. In addition, we are able to monitor how client needs are evolving in each of these sectors, which helps us to stay at the forefront of information delivery.

Finally, Wood Mackenzie enjoys a diversity of revenue by geography, with c.35% of 2019 revenues originating in the UK and Europe, c.36% in the Americas and c.29% in the Rest of the World. It is therefore less heavily exposed to the risk of economic downturn in a particular market or region.

Commodity price risk

Commodity price risk can have a considerable impact on the financial performance of many of our upstream clients. However, the 'must have' nature of our products provides considerable help in mitigating this risk. In addition, as the proportion of revenue generated from our non-upstream offerings increases over time, Wood Mackenzie's exposure to oil price risk is reducing.

Managerial risk

Wood Mackenzie has a highly regarded and experienced management team which has been in place for a number of years. In addition the majority of senior managers within the organisation are shareholders of the ultimate parent company (Verisk Analytics Inc), with a financial incentive to grow and remain with the business.

Quality assurance risk

The quality of the data in the Company's database, and therefore the quality of Wood Mackenzie's research and consulting services, is in significant part due to a detailed and multi-stage internal information verification process, facilitated by a team dedicated to this purpose.

Also, in addition to the constant feedback which we receive through client contact, we undertake regular formal client surveys measuring client satisfaction in a number of areas, including quality.

Vendor, systems/infrastructure and premises risk

We have undertaken an assessment of key vendors whose services are critical to Wood Mackenzie. Given that we have developed our own proprietary information, we are not heavily reliant on data feeds from third parties.

With most of our vendors, risk has been mitigated because we know there are other vendors who could undertake the same service with a manageable level of disruption. In the limited number of areas where there is a true risk from vendor failure, risk has been mitigated by ensuring best practice in areas such as disaster recovery and avoidance of single-point failure.

High availability and recoverability options have been built in to more standard internal systems, such as email, telephony, central database and the content authoring system.

Perhaps most crucially, given that the majority of revenue is generated from services delivered across the web, a lengthy disruption in this area could delay product delivery, damage our reputation and ultimately impact renewal rates (and hence revenue). Wood Mackenzie has dealt with this issue by making use of third-party hosting, with a provider who offers full back-up and disaster recovery. In 2019, as in preceding years, the Wood Mackenzie web site was available greater than 99.9% of the time to clients, well within our client service level agreements.

Principal risks and uncertainties (continued)

Acquisition risk

It is our belief that our exposure to acquisition risk in this area remains limited due to the fact that the acquisitions being targeted by Wood Mackenzie are niche, in-fill acquisitions which offer access to proprietary information, filling in gaps in the Company's core offerings which, in themselves, are not acquisition dependent. This is reflected by the acquisitions that have been completed in the previous years.

Other risk

The referendum result in June 2016 which resulted in the decision for the UK to leave the European Union ("Brexit") has created a great deal of uncertainty. Arguably, four years later and little has changed. Brexit continues to dominate headlines and the outcome remains uncertain at this point despite the formal exit of the UK from the EU on 31 January 2020. Whilst is it difficult to plan in the face of such uncertainty of what the final outcome will be it has been possible for Wood Mackenzie to take some prudent measures to assess what risk the end result of Brexit might pose our business and where possible, mitigate that risk.

Shortly after the Brexit result Wood Mackenzie formed a Brexit working committee who were tasked with identifying Wood Mackenzie's interaction with the EU and to assess the potential impact of Brexit on the business. The Brexit working committee consisted of professionals from different functions within the business each of whom would be responsible for examining these interactions that the business had with the EU, assessing the risk of Brexit in respect of their function and determining to what extent those risks could be mitigated. The working group was made up of employees from procurement, risk / legal / compliance, human resources and tax. Together the group looked at the following areas of risk; supply chain, sales to EU customers, data protection/GDPR, intellectual property, contract law, EU national employees and taxation.

Brexit continues to be an area of uncertainty for businesses and individuals in the UK and EU, however we believe that as a business we have conducted appropriate reviews to ensure that the impact of Brexit is minimal. Furthermore, we do not believe that the services we supply will be disrupted by any additional form of legislation, restrictions or taxation following the UK's departure from the EU.

On the 11th March 2020, the World Health Organisation declared COVID-19 as a pandemic. The immediate impact of the recent COVID-19 pandemic appears to have had a lower economic impact on the Company relative to other businesses who are operating directly in the leisure and retail industries. The main impact has been on the restriction of movement globally which whilst impacting on face to face contact with our clients which has reduced some consultancy transactional revenue opportunities it has also resulted in a reduction in our largest variable expenditure line of travel costs and provided some other opportunities to review our cost base. The result being that our operational cash flow has remained robust across this period and has increased year over year. This has in turn created new opportunities of how we engage, support and interact with both our staff and clients. We will continue to monitor the COVID-19 impact on our business but believe we have the resources and capability to manage our cost base through this situation in a positive manner. We do not believe that any adjustment is required to the balance sheet to reflect any potential impact on the business as a result of this event.

Future developments

The company (Wood Mackenzie Limited) will continue to invest in its research products and analytical tools whilst also investing in our sales and marketing resources in order to improve our ability to service what is a truly global industry and new ways of reaching our existing and potential client base.

Approved by the Board of Directors and signed on behalf of the Board:

Brian Aird, Director

30/9/20

Directors' report (continued)

The Directors present their annual report and the audited financial statements for the year ended 31 December 2019 for Wood Mackenzie Limited.

Principal activities

The principal activity of the Company is that of a specialist provider of research products and consultancy services to the Energy, Mining, Metals and Petrochemical industries. The financial position of the Company, together with the factors that are likely to affect its future development, performance and financial position are set out in the Strategic Report.

Matters included in the Strategic Report

Details of the business review; future developments; principal risks and uncertainties; and financial risk management can be found in the Strategic Report from page 2 and form part of this report by cross-reference.

Events since after the balance sheet date

There have been no significant events since the balance sheet date with the exception of the aforementioned COVID19 pandemic, which we are confident can be managed appropriately and does not require any restatement of the balance sheet reported within these financial statements.

Dividends

No dividends were paid during the year (2018: £nil) and none have been recommended or paid since the balance sheet date.

Directors

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

The Directors who held office throughout the year and to the date of this report are set out below:

Brian Robert Aird	
Stephen James Halliday	(Resigned 30 June 2019)
Kenneth Edward Thompson	(Appointed 1 July 2019)

Qualifying third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its directors (which extend to the performance of any duties as a director of any associated company) and these remain in force at the date of this report.

Employee involvement

As a key part of the Company's philosophy, we place great importance on involving our staff in our operations. Regular meetings are held between management, employees and employee representatives through which we seek to keep staff informed and involved in the progress and performance of the Group.

Political contributions and charitable donations

The Company made no political contributions during the year (2018: £nil) and made charitable donations during the year amounting to £26,000 (2018: £56,000).

Employment of disabled persons

Our policy is to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. This policy has the commitment that appropriate training will be arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the Company.

Directors' report (continued)

Existance of branches outside the UK

The company has branches, as defined in s1046(3) of the Companies Act 2006, outside the UK as follows:

Dubai, United Arab Emirates
Moscow, Russia
Johannesburg, Republic of South Africa
Vienna, Austria
Nur-Sultan, Republic of Kazakhstan
Abu Dhabi, United Arab Emirates
Manama, Bahrain

Going concern

The Directors, in their consideration of going concern, have reviewed the Company's future cash forecasts and revenue projections, which they believe are based on a combination of prudent market data recognising the COVD19 pandemic effect, past experience and current trading conditions of improved operational cash flow year on year and believe, based on those forecasts and projections, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

The Board's statement on s172(1) of the Companies Act 2006

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Illustrations of how s172 factors have been applied by the Board can be found throughout the Strategic Report. For example, information on how we respond to the challenges facing our clients and the evolving natural resources market can be found on pages 2 -3; for details on how we have considered the impact of the Company's operations on the community and environment see page 5; for capital allocation and investment decisions, see page 3 ; and decisions on the expansion of our acquisition investments, industry coverage and products offerings, see page 2.

The following comments highlights some of the ways we have continued to engage with the key stakeholder groups throughout the year and how we measured the effectiveness of that engagement.

Shareholders
As owners of our Group we rely on the support of shareholders and their opinions are important to us. We have an open dialogue with our shareholders, our ultimate parent company, Verisk Analytics Inc., through one-to-one meetings, group meetings, quarterly and annual operational excellence reviews. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices.

Colleagues
Our people are key to our success and we want them to be successful individually and as a teams. There are many ways we engage with and listen to our people including colleague surveys, forums, listening groups, face-to-face briefings, internal communities, newsletters and quarterly briefings. Key areas of focus include health and well-being, development opportunities, pay and benefits.

Wood Mackenzie Limited

Directors' report (continued)

Customers
Our ambition is to deliver best-in-class service to our clients. We build strong lasting relationships with them and spend time collaborating with them to understand their needs and views and listen to how we can improve our offer and service for them. We use this knowledge to inform our decision-making, for example to tailor our product development to suit customer needs.

Suppliers
We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis.

Communities
We engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We support local charities and organisations at a site level through encouraging staff to give their time to support local causes.

Government and regulators
We regularly engage with the governments around the world through a range of industry consultations, forums, meetings and conferences to communicate our views to policy makers relevant to our business. Key areas of focus for the Company are compliance with laws and regulations, health and safety and ensuring timely and accurate filing. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

Independent Auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Deloitte LLP have indicated their willingness to continue in office and a resolution to reappoint them as the company's auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Brian Aird
Company Secretary
Date: 30/9/20.

Directors' responsibilities statement

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Wood Mackenzie Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Wood Mackenzie Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of total comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes to the financial statements 1 to 19.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

Independent auditor's report to the members of Wood Mackenzie Limited (continued)

Report on the audit of the financial statements (continued)

Responsibilities of directors (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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.

David Crawford.

David Crawford, CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Glasgow, United Kingdom

Date: 30 September 2020

Wood Mackenzie Limited

Profit and loss account
For the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Turnover	3	226,703	209,631
Cost of sales		(119,735)	(109,314)
Gross profit		106,968	100,317
Administrative expenses		(51,632)	(55,000)
Operating profit	4	56,336	45,317
Interest receivable from related group undertakings		16,526	13,282
Interest receivable		29	2
Share of gain/(loss) from shares in associate undertaking		289	(1,379)
Profit before taxation		72,180	57,222
Tax on profit	6	(2,382)	(1,262)
Profit for the financial year attributable to owners of the Company		69,798	55,960

The profit for the current and prior years was derived from continuing operations.

The accompanying notes are an integral part of these financial statements.

Wood Mackenzie Limited

Statement of total comprehensive income
For the year ended 31 December 2019

	2019 £'000	2018 £'000
Profit for the financial year	69,798	55,960
Other comprehensive income	-	-
Total comprehensive income for the year	69,798	55,960

Wood Mackenzie Limited

Balance sheet
As at 31 December 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Goodwill	8	50,670	54,104
Intangible assets	8	63,936	66,347
Tangible assets	9	5,486	7,365
Investments	10	67,894	23,330
		187,986	151,146
Current assets			
Debtors	11	1,207,748	872,405
Cash at bank and in hand		39,682	37,706
		1,247,610	910,111
Creditors: amounts falling due within one year	12	(599,832)	(296,464)
Net current assets		647,778	613,647
Total assets less current liabilities		835,764	764,793
Provisions for liabilities	13	(1,173)	-
Net assets		834,591	764,793
Capital and reserves			
Called-up share capital	14	17,910	17,910
Share premium account		3,488	3,488
Profit and loss account		813,193	743,395
Shareholders' funds		834,591	764,793

The accompanying notes form an integral part of these financial statements.

The financial statements of the Wood Mackenzie Limited, registered number SC222302, were approved by the Board of Directors.

Signed on behalf of the Board of Directors

....

Brian Aird,
Director

Date: 30 September 2020.

Wood Mackenzie Limited

Statement of changes in equity
For the year ended 31 December 2019

	Called-up Share Capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2018	17,910	3,488	687,435	708,833
Profit for the year and total comprehensive income	-	-	55,960	55,960
At 31 December 2018	17,910	3,488	743,395	764,793
Profit for the year and total comprehensive income	-	-	69,798	69,798
At 31 December 2019	17,910	3,488	813,193	834,591

The accompanying notes are an integral part of these financial statements.

Wood Mackenzie Limited

Notes to the financial statements
Year ended 31 December 2019

1. **Accounting policies**

The accounting policies set out below apply to Wood Mackenzie Limited (the "Company"). Investments in subsidiaries held by the company are carried at historical cost less accumulated impairment per the below policy.

General information and basis of accounting

The Compamny is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the registered office is given on page 1. The nature of the Company's operations and their principal activities are set out in the strategic report on pages 2 to 7.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company and all of its subsidiaries are consolidated in the financial statements of its ultimate parent, Verisk Analytics Inc., which may be obtained at 545 Washington Boulevard, Jersey City, New Jersey, United States. Exemptions have been taken in these separate financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

As outlined in the directors' report, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the signing of these financial statements given the current performance levels recorded. As a result, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Acquisitions

On the acquisition of a business, the gross amount paid for the business is reflected within investments. At the end of each reporting period the Company assesses the recoverable amount of the investment to test for any impairment of the asset. The recoverable amounts are assessed by reference to the cash-generating unit's value in use.

Disposals

On disposal of a subsidiary or segment of the business, the resultant profit or loss on disposal of that subsidiary or segment are included within the results of the Company.

1. Accounting policies (continued)

Intangible fixed assets

Goodwill

Goodwill that has primarily arisen on the hive up of previously acquired busineses, is capitalised in the year of the hive up activity. Under FRS 102, Goodwill has been amortised over twenty years as the directors believe that the acquired businesses have useful economic life on the basis of their assessment of the strength of the acquired brands, the underlying businesses and their assets including their intellectual property, research data, customer relationships and market position, as evidenced by the strength of historic and projected cash flows.

In addition to this amortisation treatment Goodwill is subject to a further annual impairment test based on a discounted future cash flow model to ensure it reflects a true and fair view of the carrying value.

Database

The databases, which were acquired and have a value which is substantial and long term, were attributed a fair value on acquisition, calculated on a discounted future cash flow basis. Such assets are only recognised where title is clear, earnings are separately identifiable, and the assets could be sold separately from the rest of the business.

Under FRS 102 the databases are amortised over a twenty-year period recognising the likely future cashflows that these databases will generate. The research data within the databases, regarding historical and geographic trends and statistics in oil and gas reserves production and costs, generates direct third-party subscription income streams and cash flows over the long term. Any ancillary costs in maintaining and updating the research data are expensed as incurred. Consequently, the directors are of the opinion that the enduring value of the databases are supported and evidenced by the related third-party subscriber base and the consistent annual renewal rate therein. In the opinion of the directors, the databases have a long useful economic life in their current state and, subject to annual impairment reviews based on a discounted cash flow model, are amortised over a twenty-year period. The directors are of the opinion that this amortisation period combined with the impairment review gives a true and fair view.

Development costs

Where a specific project meets the recognition criteria of FRS 102 Section 18 'Intangible Assets Other than Goodwill' the related product development costs are capitalised and amortised over the expected life of the specific product developed, usually between 3 to 5 years.

Design and content website development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering measurable economic benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

Sales Relationships

Sales relationships which were acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of sales relationships over their estimated useful lives of 20 years.

1. **Accounting policies (continued)**

Amortisation

Amortisation on intangible assets is expensed within the administrative expenses line of the statement of profit and loss.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided so as to write off the cost of tangible fixed assets in equal instalments over the estimated useful economic lives of the assets. The rates of depreciation are as follows:

Leasehold improvements	Over the life of the lease
Computer equipment	3 years
Fixtures & fittings	3 – 10 years

Revenue recognition

The Company enters into contracts for the supply of research products and consultancy services.

Research

Research revenue from subscribers to the research database is deferred and released to the profit and loss account over the life of the related subscription contract. Costs incurred in providing these services are recognised in the period in which they are incurred.

Consultancy contracts

Revenue from consultancy contracts is recognised over the contract term based on the percentage of services provided during the period compared to the total estimated cost of services to be provided over the entire contract.

Multi-client contracts

Multi-client contracts are generally paid upfront by customers and the revenue is deferred and released to the profit and loss account based on the percentage of services provided during the period compared to the total estimated cost of services to be provided over the entire contract.

Profit on all long-term contracts is recognised as the work is carried out and the services are delivered if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end by recording turnover and related costs as contract activity progresses. Any losses on contracts are recognised during the period in which the loss first becomes probable and can be reasonably estimated.

Interest receivable

Interest receivable from related party loans outstanding is recognised on an accrued basis where the amount is calculated based on the annual interest percentage applicable for the relevant period.

1. **Accounting policies (continued)**

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Pension costs

The Company operates a defined contribution scheme on behalf of its employees. The assets of the scheme are separately held in an independently administered fund. Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency transactions

Foreign currency transactions are translated at the rate prevailing at the date of the transaction. All gains and losses on translation are taken to the profit and loss account in the period in which they arise. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date.

The financial statements of subsidiary undertakings are translated into sterling on consolidation on the following basis:

- profit and loss account items at the average rate of exchange during the period, and
- assets and liabilities at the rate ruling at the balance sheet date.

Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the statement of total recognised gains and losses.

Financial instruments

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

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

(i) Financial assets and liabilities

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

1. Accounting policies (continued)

Financial instruments (continued)

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

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

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

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

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

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

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

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

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

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Notes to the financial statements (continued)
Year ended 31 December 2019

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

At the end of each reporting period, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual investment, the company estimates the recoverable amount of the cash-generating unit to which the investment belongs.

Critical judgements in applying the Company's accounting policies

During the year, management considered the recoverability of its Development Costs which are included in the balance sheet at a total of £28.9 million net book value at 31 December 2019 (2018: £28.0 million). Management reviews individual projects to ensure that their development continues to progress in a satisfactory manner, and that the projected revenues and costs are in line with previous estimates, and more then recover the current carrying value. This situation will continue to be closely monitored.

Key source of estimation uncertainty

The directors note no key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Turnover

Turnover represents amounts derived from the provision of services which fall within the Company's ordinary activities after deduction of trade discounts and any applicable value added tax.

The analysis of turnover in terms of destination is as follows:

	2019 £'000	2018 £'000
United Kingdom	22,755	22,940
Americas	81,768	74,227
Europe/Rest of World	122,180	112,463
	226,703	209,631

Notes to the financial statements (continued)
Year ended 31 December 2019

4. Operating profit

	2019 £'000	2018 £'000
Operating profit is after charging/(crediting):		
Depreciation	3,086	2,553
Amortisation of intangible assets	22,241	27,358
Research and development capital expenditure	(16,396)	(9,453)
Rentals under operating leases – land and buildings	2,827	2,595
Loss/(gain) on disposal of tangible fixed assets	5	(10)
Foreign exchange loss	384	827

The analysis of auditor's remuneration is as follows:

	2019 £'000	2018 £'000
Total audit fees	351	360
- Tax advisory services	-	-
- Tax compliance services	-	-
Total non-audit fees	-	-

Included in the total audit fee is £82,400 (2018: £80,000) relating to audit fees paid on behalf of the companys direct/indirect parent companies. These fees are not recharged to the individual companies.

Notes to the financial statements (continued)
Year ended 31 December 2019

5. Information regarding directors and employees

	2019 £'000	2018 £'000
Directors' remuneration		
Emoluments including other awards	300	468
Pension contributions	10	10
	310	478

	No.	No.
Number of directors who are members of the defined contribution pension scheme	2	2

The highest paid director in 2019 received emoluments of £296,000 (2018: £298,000) and pension contributions of £10,000 (2018: £10,000).

	2019 £'000	2018 £'000
Staff costs during the year:		
(including directors emoluments)		
Wages and salaries (*including discretionary awards)*	47,467	45,818
Social security costs	7,138	6,013
Pension contributions	5,978	5,872
	60,583	57,703

	2019 No.	2018 No.
Average number of persons employed		
Consultancy and research	362	380
Sales and distribution	128	115
Administration	220	169
	710	664

Total contributions made to retirement benefit schemes and equivalents in 2019 totalled £5,978,000 (2018: £5,872,000). There were no pension scheme contributions outstanding at the balance sheet date.

Notes to the financial statements (continued)
Year ended 31 December 2019

6. Tax on profit

	2019 £'000	2018 £'000
Current taxation		
UK corporation tax charge	245	384
Overseas tax relief current period	(245)	(384)
Non UK corporation tax	245	384
Adjustments in respect of prior periods	715	590
Total current tax	960	974
Deferred taxation		
Origination and reversal of timing differences	1,010	480
Adjustments in respect of prior periods	412	(192)
Total deferred tax	1,422	288
Total tax on profit	2,382	1,262

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19.00% (2018: 19.00%). The actual current tax charge for the current year differed from the standard rate for the reasons set out in the following reconciliation:

	2019 £'000	2018 £'000
Profit before taxation	72,180	57,222
Tax on profit at standard rate 19.00% (2018: 19.00%)	13,714	10,872
Factors affecting the charge for the year:		
Transfer pricing adjustment	3,969	3,969
Expenses not deductible for tax purposes	1,158	1,188
Overseas tax	245	384
Double tax relief	(245)	(384)
Group relief not paid for	(17,468)	(15,193)
Adjustments in respect of prior periods	1,127	397
Effects of changes in tax rates	(118)	29
Total tax	2,382	1,262

6. Tax on profit (continued)

Reductions in the corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020 were substantively enacted on 26 October 2015. In the Budget on 16 March 2016, the UK Government proposed to further reduce the rate of UK corporation tax to 17% with effect from 1 April 2020. The reduction in the UK corporate tax rate to 17% was enacted on 15 September 2016.

The above rate changes will reduce any future UK corporation tax liabilities of the company and will have a material impact on the deferred tax liabilities recognised at 31 December 2019.

The tax rate used for tax on profit is the effective standard rate for UK corporation tax for the year ended 31 December 2019.

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2019 continue to be measured at a rate of 17%. If the amended tax rate had been used, the deferred tax liability would have been £138,000 higher.

There are no current or deferred tax amount disclosed within the accounts in relation to items recognised in other comprehensive income.

7. Dividends

No dividend was proposed or paid during the year (2018: nil). There have been no dividends proposed or paid after the year end balance sheet date.

Notes to the financial statements (continued)
Year ended 31 December 2019

8. Intangible fixed assets

	Development costs £'000	Goodwill £'000	Database £'000	Sales Relationships £'000	Total £'000
Cost					
At 1 January 2019	113,697	68,675	44,300	3,880	230,552
Additions	16,396	-	-	-	16,396
Disposals	(9,157)	-	-	-	(9,157)
Reclassifications	3,973	-	-	-	3,973
At 31 December 2019	124,909	68,675	44,300	3,880	241,764
Accumulated amortisation					
At 1 January 2019	85,671	14,571	9,115	744	110,101
Charge for the year	15,474	3,434	3,139	194	22,241
Disposals	(9,157)	-	-	-	(9,157)
Reclassifications	3,973	-	-	-	3,973
At 31 December 2019	95,961	18,005	12,254	938	127,158
Net book value					
At 31 December 2019	28,948	50,670	32,046	2,942	114,606
At 31 December 2018	28,026	54,104	35,185	3,136	120,451

9. Tangible fixed assets

	Leasehold Improvements £'000	Computer Equipment £'000	Development costs £'000	Fixtures and fittings £'000	Total £'000
Cost					
At 1 January 2019	5,457	11,979	3,973	1,399	22,808
Additions	303	866	-	43	1,212
Disposals	(45)	(1,497)	-	(28)	(1,570)
Reclassifications	-	-	(3,973)	-	(3,973)
At 31 December 2019	5,715	11,348	-	1,414	18,477
Accumulated depreciation					
At 1 January 2019	3,693	7,357	3,973	420	15,443
Charge for the year	338	2,615	-	133	3,086
Disposals	(40)	(1,497)	-	(28)	(1,565)
Reclassifications	-	-	(3,973)	-	(3,973)
At 31 December 2019	3,991	8,475	-	525	12,991
Net book value					
At 31 December 2019	1,724	2,873	-	889	5,486
At 31 December 2018	1,764	4,622	-	979	7,365

10. Investments

	Debentures £'000	Subsidiary undertakings £'000	Total £'000
The investments are as follows:			
Cost and net book value			
At 1 January 2019	99	23,231	23,330
Additions	-	44,564	44,564
At 31 December 2019	99	67,795	67,894

At the end of this reporting period the Company has assessed the recoverable amount of its investment and determined that these are not impaired. The recoverable amount was assessed by reference to the cash-generating unit's value in use. A pre-tax discount factor of 3.70% per annum was applied in the value in use model. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The value in use model uses the budgeted and projected operational cash flows of the business for five-year period 2020-2025 respectively and then an in-perpetuity cash flow after this period with a long-term growth rate of 1%. This rate is well below the projected CAGR for revenues and cash flow across this period. We use a lower rate to test the potential of any impairment.

On this basis the directors do not consider any impairment to the carrying value of the assets is required.

During the year the Company acquired 100 per cent of the issued share capital of Commodity Vectors Limited and a number of its wholly owned subsidiaries which form part of the group of companies known as Genscape. Genscape is a global provider of real-time data and intelligence for the commodity and energy markets and operates the world's largest private network of more that 4,000 power line electromagnetic in-field monitors and, along with satellites and other tracking networks, collects and refines more than 130 million data points daily across oil and gas, power, biofuels, and other alternative energy sources. The remaining parts of the Genscape business operating in countries outwith the UK were acquired by other parts of the Verisk group of companies. The fair value of the total consideration for acquiring Commodity Vectors Limited and its subsidiaries was £44,564,000 and this is the value the Compnay has recorded as the cost of the investment.

Wood Mackenzie Limited

Notes to the financial statements (continued)
Year ended 31 December 2019

10. Investments held as fixed assets (continued)

The following information relates to the directly and indirectly held subsidiary undertakings:

Name of company	Country of incorporation	Proportion of issued share capital held	Share class	Principal activity
Wood Mackenzie CO Ltd	China	100%	Ordinary	Trading
Wood Mackenzie Hong Kong Limited	Hong Kong	100%	Ordinary	Trading
Wood Mackenzie Australia Pty Limited	Japan	100%	Ordinary	Trading
Wood Mackenzie Japan Kabushiki Kaisha	Australia	100%	Ordinary	Trading
Verisk do Brasil Informações Analíticas Ltda.	Brazil	100%	Ordinary	Trading
Wood Mackenzie (Nigeria) Limited	Nigeria	100%	Ordinary	Trading
Wood Mackenzie Canada Limited	Canada	100%	Ordinary	Trading
Wood Mackenzie Peru S.r.l	Peru	100%	Ordinary	Trading
Wood Mackenzie Asia Pacific PTE Limited	Singapore	100%	Ordinary	Trading
Wood Mackenzie Malaysia	Malaysia	100%	Ordinary	Trading
Barlow Jonker Pty Limited *	Australia	100%	Ordinary	Trading
Barlow Jonker (Proprietary) Limited *	South Africa	100%	Ordinary	Trading
Wood Mackenzie Argentina S.r.l.	Argentina	100%	Ordinary	Trading
Wood Mackenzie de Mexico S. de R.L. de CV	Mexico	100%	Ordinary	Trading
Brook Hunt & Associates Limited	UK	100%	Ordinary	Dormant
Infield Systems Limited	UK	100%	Ordinary	Trading
PCI Xylenes & Polyesters Limited	UK	100%	Ordinary	Trading
PCI Xylenes & Polyesters China Limited	Hong Kong	100%	Ordinary	Trading
PCI Xylenes & Polyesters Asia SDN.BHD	Malaysia	100%	Ordinary	Trading
PCI Research GmbH	Germany	100%	Ordinary	Trading
PCI Films Consulting Limited	UK	100%	Ordinary	Trading
PCI (PET Packaging, Resin & Recycling) Limited**	UK	100%	Ordinary	Trading
DMS Projects Limited	UK	100%	Ordinary	Holding
MAKE Consulting A/S	Denmark	100%	Ordinary	Trading
Commodity Vectors Limited	UK	100%	Ordinary	Trading
Commodity Vectors (Ireland) Limited ***	Ireland	100%	Ordinary	Trading
Genscape Mexico S.de R.L. de C.V. ***	Mexico	100%	Ordinary	Trading
Petronaz Inc. ***	Canada	100%	Ordinary	Trading
Genscape Japan K.K. ***	Japan	100%	Ordinary	Trading
Energy Fundementals Gmbh ***	Switzerland	100%	Ordinary	Trading

* Held indirectly through Wood Mackenzie (Australia) Pty Limited.

** Held indirectly through DMS Projects Limited.

*** Held indirectly through Commodity Vectors Limited.

Notes to the financial statements (continued)
Year ended 31 December 2019

10. Investments held as fixed assets (continued)

The following information relates to the registered office address of the principal subsidiary and that of the indirect subsidiary undertakings:

Name of company	Registered office address
Wood Mackenzie CO Ltd	2619 China World Office, 1 China World Trade Center, No.1 Jianguomenwai Avenue, Beijing 100004 China
Wood Mackenzie Hong Kong Limited	VC House, 4-6 On Lau Street, Central, Hong Kong
Wood Mackenzie Australia Pty Limited	Level 13, 50 Pitt Street, Sydney, NSW 2000, Australia
Wood Mackenzie Japan Kabushiki Kaisha	Tekko Building, 1-8-2 Marunouchi, Chiyoda-ku Tokyo 100-0005, Japan
Verisk do Brasil Informações Analíticas Ltda.	Avenida Nilo Pecanha 50/3018, Rio de Janeiro, Brazil
Wood Mackenzie (Nigeria) Limited	Rivers House, 83 Ralph Shodeinde St, CBD, Abuja
Wood Mackenzie Canada Limited	335, 8th Avenue SW, Calgary, AB T2P 1C9, Canada
Wood Mackenzie Peru S.r.l	Jiron Huascar, 2055 Jesus Maria, Lima 11, Peru
Wood Mackenzie Asia Pacific PTE Limited	3 Church Street, #29-01 Samsung Hub, Singapore 049483
Wood Mackenzie Malaysia	Menara Maxis, Kuala Lumpur City Centre, Kuala Lumpur 50088, Malaysia
Barlow Jonker Pty Limited *	Level 13, 50 Pitt Street, Sydney, NSW 2000, Australia
Barlow Jonker (Proprietary) Limited *	Lakeside Place, Ernest Oppenheimer Av.,Bruma, 1709 SA
Wood Mackenzie Argentina S.r.l.	Avenida del Libertador 101, Piso 10, Buenos Aires, Arg.
Wood Mackenzie de Mexico S. de R.L. de CV	Paseo de la Reforma 483, Cuauhtemoc, 06500 Ciudad de Mexico, CDMX
Brook Hunt & Associates Limited	Broadgate Tower, Primrose Street, London, EC2A 2EW
Infield Systems Limited	Broadgate Tower, Primrose Street, London, EC2A 2EW
PCI Xylenes & Polyesters Limited	Broadgate Tower, Primrose Street, London, EC2A 2EW
PCI Xylenes & Polyesters China Limited	VC House, 4-6 On Lau Street, Central, Hong Kong
PCI Xylenes & Polyesters Asia SDN.BHD	Menara Maxis, Kuala Lumpur City Centre, Kuala Lumpur 50088, Malaysia
PCI Research GmbH	Holzweg 14, 61440 Oberursel, Essen, Germany
PCI Films Consulting Limited	Broadgate Tower, Primrose Street, London, EC2A 2EW
PCI (PET Packaging, Resin & Recycling) Limited**	Broadgate Tower, Primrose Street, London, EC2A 2EW
DMS Projects Limited	Broadgate Tower, Primrose Street, London, EC2A 2EW
MAKE Consulting A/S	Sonder Alle 9, 8000 Aarhus C, Denmark
Commodity Vectors Limited	Broadgate Tower, Primrose Street, London, EC2A 2EW
Commodity Vectors (Ireland) Limited ***	Iveagh Court, Harcourt Road, Dublin 2, Ireland
Genscape Mexico S.de R.L. de C.V. ***	Avenida Paseo de las Palmas 755-1102, Lomas de Chapultepec, Miguel Hidalgo, 11000 Ciudad de Mexico.
Petronaz Inc. ***	3500, 855-2 Street SW, Calgary, Alberta, T2P4J8, Canada
Genscape Japan K.K. ***	Ark Hills Sengokuyama Mori Tower 28F 1-9-10 Roppongi, Minato-ku, Tokyo, 106-0032, Japan
Energy Fundementals Gmbh ***	Taxcoach AG, Seestrasse 344 8038, Zurich, Switzerland

* Held indirectly through Wood Mackenzie (Australia) Pty Limited.

** Held indirectly through DMS Projects Limited.

*** Held indirectly through Commodity Vectors Limited.

Notes to the financial statements (continued)
Year ended 31 December 2019

11. Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year		
Trade debtors	44,507	39,357
Amounts owed by ultimate parent company	76,015	2,377
Amounts owed by immediate parent compamy	1,753	1,524
Amounts owed by other group related undertakings	600,015	457,985
Amounts owed by direct/indirect subsidiaries	109,797	65,657
Other debtors	1,759	1,250
Prepayments and accrued income	3,794	3,650
VAT and other sales taxes	-	48
Corporate tax	2,818	4,356
Deferred tax (*note 13*)	-	249
	840,458	576,453

Amounts due from related undertakings reflect operational trading relationships with the Company's subsidiaries as well as the ultimate parent company and it's subsidiaries. These balances are unsecured, repayable on demand and do not accrue interest.

	2019 £'000	2018 £'000
Amounts falling due after one year		
Amounts owed by other group related parties	367,290	295,952
	367,290	295,952
Total debtors	1,207,748	872,405

The amounts due in more than one year relate to loans made to related parties for the purposes of acquisitions with a total principal amount of £314,003,000 (2018: £259,146,000).

Interest accrues at a weighted average of 5.50%.

Notes to the financial statements (continued)
Year ended 31 December 2019

12. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts falling due within one year		
Trade creditors	354	1,632
Amounts owed to ultimate parent company	78,584	4,603
Amounts owed to other group related undertakings	350,675	171,012
Amounts owed to direct/indirect subsidiaries	122,355	71,638
Other taxes and social security	1,427	2,263
VAT and other sales taxes	578	-
Other creditors	11,241	11,098
Deferred income	34,618	34,218
	599,832	296,464

Amounts due to related undertakings reflect operational trading relationships with the Company's subsidiaries as well as the ultimate parent company and its subsidiaries. These balances are unsecured, repayable on demand and do not accrue interest.

Deferred income represents unearned income on invoiced research subscriptions and consultancy contracts.

The directors consider the carrying value of deferred income approximates to its fair value and does not represent a liability to repay the customer unless there is a failure to deliver the required goods and services under the terms of the contract.

13. Provisions for liabilities

Deferred taxation

	2019 £'000
(Asset) at 1 January 2019	(249)
Charge for the year (*note 6*)	1,010
Adjustment in respect of prior years	412
Liability at 31 December 2019	1,173

The amounts of deferred tax provided are as follows:

	2019 £'000	2018 £'000
Capital allowances in advance of depreciation	(148)	(32)
Short-term timing differences	1,321	(217)
Deferred tax liability/(asset)	1,173	(249)

Notes to the financial statements (continued)
Year ended 31 December 2019

13. Provisions for liabilities (continued)

Deferred taxation (continued)

The UK Government has announced new rules will be introduced which affect the future utilisation of tax losses and deductibility of interest expenses. This is expected to result in a disallowance of interest expense incurred by the Company and a restriction on the use of tax losses held by other group companies. The rules have yet to be substantively enacted, but the rules are expected to apply retrospectively from 1st April 2017.
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	2019 £'000	2018 £'000
Deferred tax due to unwind in 12 months	(3)	(32)
Deferred tax due to unwind in more than 12 months	1,176	(217)
Deferred tax liability/(asset)	1,173	(249)

14. Called-up share capital

	2019 £'000	2018 £'000
Called-up, allotted and fully paid		
930,000 Ordinary shares of £0.10 each	93	93
176,062,203 A ordinary shares of £0.10 each	17,606	17,606
2,108,202 B ordinary shares of £0.10 each	211	211
	17,910	17,910

The main rights attaching to the various classes of share are as follows:

Ordinary Shares, A Ordinary Shares and B Ordinary Shares

Any dividend shall be paid to the Ordinary Shareholders, the A Ordinary Shareholders and the B Ordinary Shareholders (pari passu) in proportion to the amounts paid up on the shares held by them.

On a return of assets, whether in a winding-up or reduction in capital or otherwise, the assets and retained profits of the Company available for distribution among the members shall be applied in distributing such assets and retained profits amongst the Ordinary Shareholders, the A Ordinary Shareholders and the B Ordinary Shareholders (pari passu) in proportion to the amounts paid up on the shares held by them.

On a poll every holder of Ordinary shares shall have three votes for every Ordinary share held and every holder of A Ordinary shares shall have one vote for every A Ordinary share held. The B Ordinary shares shall carry no right to attend or vote in any circumstances at any general meeting of the Company.

Notes to the financial statements (continued)
Year ended 31 December 2019

16. Financial commitments

Operating lease commitments

Total minimum lease payments at 31 December under non-cancellable operating leases are as follows:

	Land and buildings	
	2019	2018
	£'000	£'000
Leases which expire:		
Within one year	2,829	2,884
Within two to five years	7,229	7,717
After more than five years	3,293	4,881
	13,351	15,482

17. Related party transactions

As the Company is a wholly owned subsidiary within a group that prepares consolidated financial statements, Verisk Analytics Inc., the Company has taken advantage of the exemption from disclosing transactions with other group entities. Transactions with related undertakings reflect operational trading relationships with the Company's subsidiaries as well as the ultimate parent company and its subsidiaries. Any outstanding balances are unsecured, repayable on demand and do not accrue interest. Copies of the consolidated financial statements of Verisk Analytics Inc. can be obtained from 545 Washington Boulevard, Jersey City, New Jersey, United States.

The Company provided services to Petroleum Edge Limited (a 50% owned joint venture subsidiary). A total of £266,000 (2018: £1,175,000) of services were invoiced during the year to the joint venture prior to its closure in December 2019. Included within related party receivables as at 31 December 2019 is an amount of £nil (2018: £452,000) with respect the provision of services to Petroleum Edge Limited. As at 31 December 2019 a gross loan totalling £nil (2018: £3,299,000) was receivable from the joint venture.

18. Ultimate controlling party

The immediate parent company is Wood Mackenzie Holdings Limited, which has a registered address in the United Kingdom of 16 Charlotte Square, Edinburgh, Midlothian, EH2 4DF. The smallest and largest group into which the company's results are consolidated is Verisk Analytics Inc. Copies of the consolidated financial statements of Verisk Analytics Inc. can be obtained from 545 Washington Boulevard, Jersey City, New Jersey, United States.

At 31 December 2019 Verisk Analytics Inc., who is a leading provider of information about risk to professionals in insurance, healthcare, financial services, government and risk management and is headquartered in Jersey City, New Jersey, United States, is the ultimate parent company, and controlling party.

Verisk Analytics Inc. is a quoted company on NASDAQ in the United States. Copies of the consolidated financial statements of Verisk Analytics Inc. can be obtained at their registered office at 545 Washington Boulevard, Jersey City, NJ 07310-1686.

19. Post balance sheet events

As previously highlighted in the Strategic and Directors Reports, the World Health Organisation declared COVID-19 as a pandemic on 11th March 2020. The immediate impact on the business has been a requirement to operate remotely which has been very effective and we we have continued to engage with our staff and clients in a highly positive manner. We continue to monitor the economic impact of this event on our business but do not believe it to have a material effect that would require any retstament of the balance sheet presented wthin these financial statements or any adverse consequence of our view with regards going concern given the current improvement being recorded in year on year operational cash flow.