

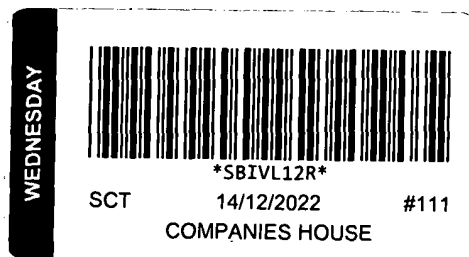
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Wood Mackenzie Limited

Annual Report and Financial Statements

For the year ended 31 December 2021



Wood Mackenzie Limited

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Wood Mackenzie Limited

Officers and professional advisers

Directors

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Thomas C Wong

Company Secretary

Brian Aird

Registered office

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EH2 4DF
United Kingdom

Bankers

HSBC
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G1 3LB
United Kingdom

Solicitors

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Edinburgh
EH2 4DF
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Independent Auditor

Deloitte LLP
Statutory auditor
110 Queen Street
Glasgow
G1 3BX
United Kingdom

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 subsidiary companies have not been incorporated into these presented results for the year ended 31 December 2021.

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, USA. Verisk Analytics Inc. is a quoted company on NASDAQ in the US. 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 2021 the Company generated approximately 88% (2020:86%) of its revenue from research and the distribution services associated with its research services that are currently provided to over 2,000 companies worldwide. This increase in research is partly down to the lower levels of consultancy income generated in the year as a result of the continued impact of the COVID-19 pandemic during the year on transactional related revenues.

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, new sales channels and the ongoing Energy Transition that is taking place.

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

Business review and key performance indicators

Profit and loss account

Despite the many challenges of the year, 2021 can be considered another successful for Wood Mackenzie. The Company delivered a strong underlying financial performance in the year with revenue of £231.1m (2020: £232.1m).

We continued to move forward, creating decision support platforms including expanding the Lens energy analytic platform, underpinned by hundreds of analysts, trusted data, and models, provides insights and valuation expertise for natural resources decision-makers. We launched Lens Upstream Optimization in 2020, transforming how exploration and production companies, banks, and institutional investors conduct their upstream mergers and acquisition deal ideation and analysis as well as portfolio grading. Users can simulate the economic impact and tax implications of M&A activity on company portfolios within seconds, realizing significant business workflow efficiencies and eliminating manual, error-prone tasks. We also launched Subsurface Discovery, analytics-ready, global subsurface data to optimize resource portfolios. The solution—a unique integration of commercial and technical upstream data—helps

Wood Mackenzie Limited

Strategic report (continued)

Profit and loss account (continued)

exploration and resource development teams run custom analyses to inform critical investment decisions and provides insights to build and manage upstream portfolios that are resilient and sustainable through the Energy Transition.

The Company collaborated with PowerAdvocate, another Verisk Analytics business, and accelerated the development of Risk Intelligence, a new risk analytics platform to help customers understand their supply chains' risks. Analyzing risk data on supplier safety, cybersecurity vulnerability, financial resilience, and extreme events (including pandemics) that will allow customers to explore their supply chain risk holistically.

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. Since beginning 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.

We continued to grow our Energy Transition solutions in 2021 and furthered our goals to quantify the impact of new and emerging low/no carbon technologies and benchmark demand, supply, and net import opportunities across the globe out to 2040. We also provided energy customers with services and tools to deliver integrated energy market research based on expertise and proprietary models.

Balance sheet

The Company reported a net assets position as at 31 December 2021 of £1,004m (2020: £927m). The increase in the overall net assets position of the Company can be attributed to the strong profit and cash generation of the business.

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% (2020: 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.

Levels of organic investment in product development

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 £21.0m (*note 8*) (2020: £16.5m) of cost being capitalised on new product and content development for future revenue generation.

Wood Mackenzie Limited

Strategic report (continued)

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.

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.

Staff are a key component of the business and great focus is placed on staff well being with a number of initiatives focussed on this matter including psychological well being and employee diversity and inclusion to name but two.

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.

Wood Mackenzie Limited

Strategic report (continued)

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

Colleagues

Our people are key to our success and we want them to be successful individually and as a team. 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.

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.

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.

Wood Mackenzie Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

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.

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.

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.

Wood Mackenzie Limited

Strategic report (continued)

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. 9% of 2021 revenues originating in the UK, c.36% in the Americas and c.55% in the Rest of the World. It is therefore less heavily exposed to the risk of economic downturn in a particular market or region.

The energy transition presents both a threat and an opportunity for the sector and our revenues. Fossil fuels will meet much of global demand for some decades, but investments in zero carbon energy (renewables and emerging technologies such as electric vehicles and energy storage) and the associated infrastructure will grow in importance. Electrification of economies will drive demand for base metals, some bulk commodities and battery raw materials. Climate change and decarbonization are rising up the agenda, and policy on environmental and social governance is intensifying. Attracting the capital needed to meet future energy demand is one of the industry's challenges and data, analysis and insight will help our customers achieve this.

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.

Wood Mackenzie Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Vendor, systems/infrastructure and premises risk (continued)

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 2021, 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.

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 recently.

Other risk

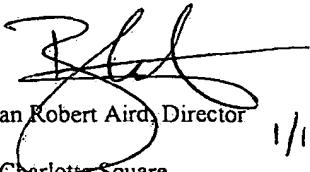
On the 11th March 2020, the World Health Organisation declared COVID-19 as a pandemic. The impact of the COVID-19 pandemic had a lower economic impact on the Company relative to other businesses who are operating directly in the leisure, hospitality and retail industries. The main impact has been on 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 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 in turn created new opportunities of how we engage, support and interact with both our staff and clients as it did for many other businesses. Over a year since declared, we continue to monitor the COVID-19 impact on our business but believe we have the resources and capability to continue to manage our business 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

On 28 October 2022, Verisk Analytics announced that as the ultimate parent company they have entered into a definitive agreement under which an affiliate of Veritas Capital has agreed to acquire Verisk's Energy business, of which the Company, its subsidiaries and holding companies form a part thereof. The directors view this acquisition as an affirmation of the strength of the business and as a platform from which the business can continue to grow.

The company 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 Robert Aird, Director 1/12/2022
16 Charlotte Square
Edinburgh
EH2 4DF
United Kingdom

Wood Mackenzie Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2021 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; research and development; employee engagement and financial risk management can be found in the Strategic Report from page 2 and form part of this report by cross-reference.

Events after the balance sheet date

On 1 January 2022 we took the decision to transfer the trade and assets of the newly acquired Roskill Information Services and Roskill Consulting business to Wood Mackenzie Limited. This will add approximately £4m of net operational profit per annum to the business in future periods.

As a result of the ongoing conflict between Russia and Ukraine we have taken the decision to suspend our operations in the region. We will continue to monitor the situation as the situation looks to be resolved. We do not see this as having an impact on our view of future growth and development of the business globally but does result in a loss of approximately £10m of net operational profit to the business.

On 28 October 2022, Verisk Analytics announced that as the ultimate parent company they have entered into a definitive agreement under which an affiliate of Veritas Capital has agreed to acquire Verisk's Energy business, of which the Company, its subsidiaries and holding companies form a part thereof. The directors view this acquisition as an affirmation of the strength of the business and as a platform from which the business can continue to grow.

Dividends

No dividends were paid during the year (2020: £nil) and none have been declared or paid since the balance sheet date.

Directors

The Directors who held office throughout the year and to the date of this report, except as noted below:

Brian Robert Aird

Kenneth Edward Thompson (*resigned 8th April 2021*)

Thomas C Wong (*appointed 8th April 2021*)

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.

Research and development

During 2021 the company continued to develop and improve its product offerings whilst also enhancing the client experience through development of its delivery platform/

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 (2020: £nil).

Wood Mackenzie Limited

Directors' report (continued)

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.

Existence 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

* As previously highlighted we have currently suspended all Russian operations as a result of the ongoing conflict between Russia and Ukraine.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of approval of the financial statements and have therefore assessed that the going concern basis of accounting is appropriate in preparing the financial statements.

As referred to in note 1, on 31 October 2022 the Shareholders of Verisk Analytics Inc have approved the sale of Wood Mackenzie to Veritas Capital so the Directors have considered going concern under two scenarios; on an ordinary course basis and on the assumption that the sale completes within the going concern period.

No sale to Veritas

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, any potential lasting impacts of the COVID-19 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 given the forecast positive operational cash flow for at least the next 12 months.

Sale to Veritas

On the assumption that the sale of Wood Mackenzie completes during the going concern period, noting the analysis above regarding the Company's actual and forecast performance, stable nature of the business, and the opportunities Veritas have stated the acquisition brings, the Directors believe the going concern assumption is appropriate.

The Directors note that they do not have full visibility of the strategy, financing and organisational structure of the Company under ownership of Veritas and any material changes the acquirer could impose, may impact the Company's ability to continue as a going concern. Notwithstanding this uncertainty, the Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of approval of the financial statements should the transaction complete, given the strength of the Company's financial and forecast performance for 2023 and onwards.

Wood Mackenzie Limited

Directors' report (continued)

Independent Auditor

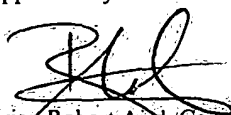
Each of the persons who is a director at the date of approval of this report confirms that:

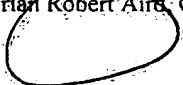
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor 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 Robert Aird, Company Secretary, 16 Charlotte Square, Edinburgh, EH2 4DF, United Kingdom

 11/12/2022

Wood Mackenzie Limited

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 (continued)

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 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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

We have nothing to report in this regard.

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Companies Act 2006 and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty

We discussed among the audit engagement team including relevant internal specialists such as tax and IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- There is a risk that capitalised development costs do not exist or are recorded at the wrong value due to being incorrectly capitalised. We have evaluated the design and implementation of internal controls that address this risk, verified that the selected samples are appropriate to capitalise under FRS 102. We have tested a sample of the internal and external additions in the current year by agreeing the amounts to third party invoices, and recalculating the capitalised amount for internal time recorded.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

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

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

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 CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Glasgow, United Kingdom

November 2022

Wood Mackenzie Limited

Profit and loss account For the year ended 31 December 2021

		2021 £'000	2020 £'000
	Notes		
Turnover	3	231,067	232,141
Cost of sales		(96,271)	(103,545)
Gross profit		<u>134,796</u>	<u>128,596</u>
Administrative expenses		(69,593)	(53,766)
Operating profit	4	<u>65,203</u>	<u>74,830</u>
Interest receivable from related group undertakings		18,517	17,700
Profit before taxation		<u>83,720</u>	<u>92,530</u>
Tax on profit	6	(6,296)	(885)
Profit for the financial year attributable to owners of the Company		<u><u>77,424</u></u>	<u><u>91,645</u></u>

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

The accompanying notes in pages 20 to 39 are an integral part of these financial statements.

Wood Mackenzie Limited

Statement of total comprehensive income For the year ended 31 December 2021

	2021 £'000	2020 £'000
Profit for the financial year	77,424	91,645
Other comprehensive income	-	-
Total comprehensive income for the year	<u>77,424</u>	<u>91,645</u>

Wood Mackenzie Limited

Balance sheet As at 31 December 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Goodwill	8	43,802	47,236
Intangible assets	8	74,144	67,586
Tangible assets	9	4,633	4,460
Investments	10	901,717	865,829
		<u>1,024,296</u>	<u>985,111</u>
Current assets			
Debtors	11	507,760	507,342
Cash at bank and in hand		86,728	30,474
		<u>594,488</u>	<u>537,816</u>
Creditors: amounts falling due within one year	12	<u>(615,124)</u>	<u>(596,691)</u>
Net current (liabilities)		<u>(20,636)</u>	<u>(58,875)</u>
Total assets less current liabilities		<u>1,003,660</u>	<u>926,236</u>
Provisions for liabilities		-	-
Net assets		<u>1,003,660</u>	<u>926,236</u>
Capital and reserves			
Called-up share capital	14	17,910	17,910
Share premium account		3,488	3,488
Profit and loss account		982,262	904,838
Shareholders' funds		<u>1,003,660</u>	<u>926,236</u>

The accompanying notes in pages 20 to 39 are 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 Robert Aird, Director

Date: 1 DECEMBER 2022

Wood Mackenzie Limited

Statement of changes in equity For the year ended 31 December 2021

	Called-up Share Capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2020	17,910	3,488	813,193	834,591
Profit for the year and total comprehensive income	-	-	91,645	91,645
At 31 December 2020	17,910	3,488	904,838	926,236
Profit for the year and total comprehensive income	-	-	77,424	77,424
At 31 December 2021	17,910	3,488	982,262	1,003,660

The accompanying notes in pages 20 to 39 are an integral part of these financial statements

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

1. Accounting policies

The accounting policies set out below apply to Wood Mackenzie Limited (the "Company").

General information and basis of accounting

The Company 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 8.

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 Company has applied the following amendments to FRS 102 issued by the FRC for the first time during the year:

- The amendments issued by the FRC in December 2020. The amendments enable the Company to reflect the effects of transitioning from LIBOR to SONIA without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Company is not exposed to LIBOR and hence this amendment has not had any impact on the financial statements.
- The amendments issued by the FRC in June 2021. The amendments extend the requirements introduced by the October 2020 amendments so that they apply to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions are met.

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.

The company is also exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the financial statements of Verisk Analytics Inc., a company registered in the USA. Verisk Analytics Inc. is the company's ultimate parent company and controlling party, heading up the smallest and largest group to consolidate these financial statements. The registered office of the ultimate parent company is located at 545 Washington Boulevard, Jersey City, New Jersey, United States. The financial statements of Verisk Analytics Inc. are publicly available and can be obtained from the Internet at <https://www.verisk.com>.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of approval of the financial statements and have therefore assessed that the going concern basis of accounting is appropriate in preparing the financial statements.

As referred to in note 1, on 31 October 2022 the Shareholders of Verisk Analytics Inc have approved the sale of Wood Mackenzie to Veritas Capital so the Directors have considered going concern under two scenarios; on an ordinary course basis and on the assumption that the sale completes within the going concern period.

Wood Mackenzie Limited

Notes to the financial statements (continued)

Year ended 31 December 2021

No sale to Veritas

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, any potential lasting impacts of the COVID-19 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 given the forecast positive operational cash flow for at least the next 12 months.

Sale to Veritas

On the assumption that the sale of Wood Mackenzie completes during the going concern period, noting the analysis above regarding the Company's actual and forecast performance, stable nature of the business, and the opportunities Veritas have stated the acquisition brings, the Directors believe the going concern assumption is appropriate.

The Directors note that they do not have full visibility of the strategy, financing and organisational structure of the Company under ownership of Veritas and any material changes the acquirer could impose, may impact the Company's ability to continue as a going concern. Notwithstanding this uncertainty, the Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of approval of the financial statements should the transaction complete, given the strength of the Company's financial and forecast performance for 2023 and onwards.

Investments

Investments in subsidiaries held by the company are carried at historical cost less accumulated impairment per the below policy. On the acquisition of a business, the gross amount paid for the business is reflected within investments. At the end of each annual 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.

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.

Intangible fixed assets

Goodwill

Goodwill that has primarily arisen on the hive up of previously acquired businesses, is capitalised in the year of the hive up activity. Under FRS 102, goodwill has been amortised on a straight line basis to administrative expenses 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.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

Under FRS 102 the databases are amortised on a straight line basis to administrative expenses 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 on a straight line basis to administrative expenses 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.

1. Accounting policies (continued)

Intangible Fixed Assets (continued)

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 to administrative expenses is calculated using the straight-line method to allocate the cost of sales relationships over their estimated useful lives of 20 years.

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.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

Tangible fixed assets

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

Depreciation as included in administrative expenses 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

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

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.

1. Accounting policies (continued)

Interest receivable

Interest receivable from related party loans outstanding is recognised on an accrual basis where the amount is calculated based on the annual interest percentage applicable for the relevant period multiplied by the outstanding capital amount of the loan.

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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1. Accounting policies (continued)

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.

Cash at bank and in hand

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

Cash at bank and in hand comprises cash balances and deposits held at bank which are repayable on demand and form an integral part of the Company's cash management.

Financial instruments

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

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

(i) Financial assets and liabilities

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

Financial assets and liabilities are only offset in the 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.

(i) Financial assets and liabilities (continued)

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

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

Financial instruments (continued)

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.

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.

Critical judgements in applying the Company's accounting policies

Impairment of Investments

At the end of each reporting period, the Company reviews the carrying amounts of its investments of £901,154,000 (2020: £865,829,000) 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. Refer to note 10 for further information.

During the year, management considered the recoverability of its development costs which are included in the balance sheet at a total of £44.0 million net book value at 31 December 2021 (2020: £35.0 million). Management reviews individual projects to ensure that their development continues to progress in a satisfactory and feasible manner for those in the development phase and that for those that are fully developed and in use are continuing to add value. This includes reviewing that the projected revenues and costs are in line with previous estimates, and that those ones that are completed are more than recovering the current carrying value on a discounted cash flow basis. This situation continues to be regularly 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.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

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:

	2021 £'000	2020 £'000
United Kingdom	19,731	22,593
Americas	83,109	84,497
Europe/Rest of World	128,227	125,051
	<u>231,067</u>	<u>232,141</u>

The analysis of turnover in terms of is as follows:

	2021 £'000	2020 £'000
Research	202,557	199,559
Transactional – consultancy	28,510	32,582
	<u>231,067</u>	<u>232,141</u>

4. Operating profit

	2021 £'000	2020 £'000
Operating profit is after charging/(crediting):		
Depreciation	1,998	2,472
Amortisation of intangible assets	17,899	18,442
Rentals under operating leases – land and buildings	1,812	2,807
Loss on disposal of tangible fixed assets	-	11
Foreign exchange loss/(gain)	6,193	(2,643)
	<u>27,802</u>	<u>31,079</u>

The analysis of auditor's remuneration is as follows:

	2021 £'000	2020 £'000
Total fees payable for the audit of the financial statements	<u>366</u>	<u>360</u>

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

Operating profit (continued)	-	-
- Tax advisory services	-	-
- Tax compliance services	-	-
Total non-audit fees	-	-

Included in the total audit fee is £86,000 (2020: £84,000) relating to audit fees paid on behalf of the company's direct/indirect parent companies for the audit of their financial statements. These fees are not recharged to the individual companies.

5. Information regarding directors and employees

	2021 £'000	2020 £'000
Directors' remuneration		
Emoluments including other awards	396	299
Pension contributions	4	4
	<u>400</u>	<u>304</u>
	No.	No.
Number of directors who are members of the defined contribution pension scheme	<u>1</u>	<u>1</u>

The highest paid director in 2021 received emoluments of £396,000 (2020: £298,500) and pension contributions of £4,000 (2020: £4,000).

One director (2020: one director) was paid by other related party entities and it is not possible to allocate their remuneration between entities.

	2021 £'000	2020 £'000
Staff costs during the year:		
<i>(including directors emoluments)</i>		
Wages and salaries <i>(including discretionary awards)</i>	51,727	49,738
Social security costs	6,262	6,743
Pension contributions	5,932	6,041
	<u>63,921</u>	<u>62,522</u>

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

Information regarding directors and employees (continued)

	2021	2020
	No.	No.
Monthly average number of persons employed		
Consultancy and research	428	459
Sales, marketing and distribution	140	132
Administration	119	115
	<u>687</u>	<u>706</u>

Total contributions made to defined contribution pension schemes and equivalents in 2021 totalled £5,932,000 (2020: £6,041,000). There were no pension scheme contributions outstanding at the balance sheet date.

6. Tax on profit

	2021	2020
	£'000	£'000
<i>Current taxation</i>		
UK corporation tax charge	4,801	2,591
Overseas tax relief current period	(108)	(193)
Non UK corporation tax	144	390
Adjustments in respect of prior periods	2,258	14
Total current tax	<u>7,095</u>	<u>2,802</u>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	(898)	(272)
Adjustments in respect of prior periods	99	(1,645)
Total deferred tax	<u>(799)</u>	<u>(1,920)</u>
Total tax on profit	<u>6,296</u>	<u>885</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19.00% (2020: 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:

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

Tax on profit (continued)

	2021 £'000	2020 £'000
Profit before taxation	83,720	92,530
Tax on profit at standard rate 19.00% (2020: 19.00%)	15,907	17,580
<i>Factors affecting the charge for the year:</i>		
Transfer pricing adjustment	4,060	3,969
Expenses not deductible for tax purposes	452	(30)
Overseas tax	144	390
Double tax relief	(108)	(193)
Group relief not paid for	(16,140)	(19,144)
Adjustments in respect of prior periods	2,356	(1,631)
Effects of changes in tax rates	(375)	(56)
Total tax	6,296	885

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 during the year and these changes are reflected within the tax figures. This included an increase to the main rate of corporation tax to 25% from 1 April 2023 and this is the rate which has been used in calculating deferred tax at the year-end. Finance Act 2022 which received Royal Assent on 24 February 2022 will not have any impact on the corporation tax figures.

7. Dividends

No dividend was proposed or paid during the year (2020: nil). There have been no dividends proposed or paid after the year end balance sheet date.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

8. Intangible fixed assets

	Development costs £'000	Goodwill £'000	Database £'000	Sales Relationships £'000	Total £'000
Cost					
At 1 January 2021	140,169	68,675	44,300	3,880	257,024
Additions	21,023	-	-	-	21,023
Disposals	(9,797)	-	-	-	(9,797)
At 31 December 2021	<u>151,395</u>	<u>68,675</u>	<u>44,300</u>	<u>3,880</u>	<u>268,250</u>
Accumulated amortisation					
At 1 January 2021	105,162	21,439	14,469	1,132	142,202
Charge for the year	12,056	3,434	2,215	194	17,899
Disposals	(9,797)	-	-	-	(9,797)
At 31 December 2021	<u>107,421</u>	<u>24,873</u>	<u>16,684</u>	<u>1,326</u>	<u>150,305</u>
Net book value					
At 31 December 2021	<u>43,974</u>	<u>43,802</u>	<u>27,616</u>	<u>2,554</u>	<u>117,946</u>
At 31 December 2020	<u>35,007</u>	<u>47,236</u>	<u>29,831</u>	<u>2,748</u>	<u>114,822</u>

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

9. Tangible fixed assets

	Leasehold Improvements £'000	Computer Equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 January 2021	5,510	12,327	1,432	19,269
Additions	205	1,923	107	2,235
Disposals	-	(433)	(7)	(440)
Reclassifications	-	10	(10)	-
At 31 December 2021	<u>5,715</u>	<u>13,827</u>	<u>1,522</u>	<u>21,064</u>
Accumulated depreciation				
At 1 January 2021	4,098	10,076	635	14,809
Charge for the year	217	1,714	67	1,998
Disposals	-	(376)	-	(376)
At 31 December 2021	<u>4,315</u>	<u>11,414</u>	<u>702</u>	<u>16,431</u>
Net book value				
At 31 December 2021	<u>1,400</u>	<u>2,413</u>	<u>820</u>	<u>4,633</u>
At 31 December 2020	<u>1,412</u>	<u>2,251</u>	<u>797</u>	<u>4,460</u>

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

10. Investments

	Debentures £'000	Subsidiary undertakings £'000	Other loans £'000	Total £'000
The investments are as follows:				
Cost and net book value				
At 1 January 2020	99	67,795	733,499	801,393
Additions in the year	-	-	64,436	64,436
Amounts as at 31 December 2020	99	67,795	797,935	865,829
Additions in the year	-	17,223	18,665	35,888
At 31 December 2021	99	85,018	816,600	901,717

Other loans

Other loans are measured at amortised cost and constitute financing transactions with wholly owned subsidiaries of the group. The loans are unsecured, and accrue interest at an average cost of 5.50% per annum (2020: 5.50%). These amounts are to be used on a continuing basis and there is no expectation for these to be repaid in the future.

The company assesses the value of the net assets held within the investments relative to the carrying value of the investment on the balance sheet. As the value of the net assets exceeded the investment carrying value no indicators of impairment were identified.

Additionally, 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 2022-2027 respectively and then an in-perpetuity cash flow after this period with a long-term growth rate of 1%. This rate is below the projected CAGR for revenues and cash flow across this period. We use a lower rate to test the potential of any impairment.

During the year the company acquired 100 per cent of the issued share capital of Roskill Holdings Limited and its wholly owned subsidiaries which form part of the group of companies known as Roskill which is a leader in metals and materials supply chain intelligence. Combining Roskill's capabilities with Wood Mackenzie reinforces the ability to provide comprehensive, integrated analysis across the energy, and metals and mining value chain. In particular, Roskill adds market-leading analysis, data, and insight on battery raw materials metals, which are an integral component of the all important energy transition as we switch away from fossil fuels and into renewable and clean sources of energy (solar, wind and water).

The fair value of the total consideration for acquiring Roskill Holdings Limited and its subsidiaries was £17,223,000 and this is the value the Company has recorded as the cost of the investment.

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

Pursuant to the related acquisition agreement, we have funded an escrow account to satisfy preacquisition indemnity and tax claims arising subsequent to the acquisition date as well as a portion of contingent payment. During the year we placed £3,445,000 in an escrow account with respect to the acquisition of Roskill. This balance has been included within Other Debtors and Other Liabilities within the notes to these accounts at notes 11 and 12 respectively.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

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	Australia	100%	Ordinary	Trading
Wood Mackenzie Japan Kabushiki Kaisha	Japan	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
Roskill Consulting Group Limited	UK	100%	Ordinary	Trading
Roskill Information Services Limited	UK	100%	Ordinary	Trading
Roskill Holdings Limited	UK	100%	Ordinary	Holding Co
Genscape Japan K.K. ***	Japan	100%	Ordinary	Trading
Energy Fundamentals 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.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

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, 8 th 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
Roskill Consulting Group Limited	Regis House, 45 King William Street, London EC4R 9AN
Roskill Information Services Limited	Regis House, 45 King William Street, London EC4R 9AN
Roskill Holdings Limited	Regis House, 45 King William Street, London EC4R 9AN
Genscape Japan K.K. ***	Ark Hills Sengokuyama Mori Tower 28F 1-9-10 Roppongi, Minato-ku, Tokyo, 106-0032, Japan
Energy Fundamentals 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.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

11. Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year		
Trade debtors	30,171	30,179
Accrued income	9,757	6,975
Amounts owed by ultimate parent company	4,118	1,417
Amounts owed by other group related undertakings	265,075	299,021
Amounts owed by direct subsidiaries	187,261	162,346
Other debtors	5,143	2,062
Prepayments	4,092	4,401
VAT and other sales taxes	600	197
Deferred tax (<i>note 13</i>)	1,543	744
	<u>507,760</u>	<u>507,342</u>

Amounts due from 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.

The 2020 Debtors note has been restated to correct a classification error in relation to the presentation of accrued income. Accrued income of £6,975k were incorrectly included within the Trade Debtors balance. This reclassification has no impact on the statement of comprehensive income and balance sheet in either the current year or prior year.

12. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts falling due within one year		
Trade creditors	934	50
Amounts owed to ultimate parent company	5,981	2,169
Amounts owed to other group related undertakings	318,048	358,888
Amounts owed to direct subsidiaries	240,144	198,322
Other taxes and social security	525	779
Corporate tax	3,155	748
Other creditors	19,633	10,326
Deferred income	26,704	25,409
	<u>615,124</u>	<u>596,691</u>

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.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

Creditors: amounts falling due within one year (continued)

Other creditors represents the employee bonus accrual, accrual for legal settlements and an escrow accounts (note 10).

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

	2021 £'000
(Asset) at 1 January 2021	(744)
Charge for the year (note 6)	(898)
Adjustment in respect of prior years	99
	<hr/>
(Asset) as at 31 December 2021	<u>(1,543)</u>

The amounts of deferred tax provided are as follows:

	2021 £'000	2020 £'000
Capital allowances in advance of depreciation	(890)	(624)
Short-term timing differences	(653)	(120)
	<hr/>	<hr/>
Deferred tax (asset)/liability	<u>(1,543)</u>	<u>(744)</u>

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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	2021 £'000	2020 £'000
Deferred tax due to unwind in 12 months	-	-
Deferred tax due to unwind in more than 12 months	(1,543)	(744)
	<hr/>	<hr/>
Deferred tax (asset)/liability	<u>(1,543)</u>	<u>(744)</u>

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

14. Called-up share capital

	2021 £'000	2020 £'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
	<u>17,910</u>	<u>17,910</u>

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.

15. Financial commitments

Operating lease commitments

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

	Land and buildings	
	2021 £'000	2020 £'000
Leases which expire:		
Within one year	1,977	2,203
Within two to five years	7,502	6,775
After more than five years	-	1,595
	<u>9,479</u>	<u>10,573</u>

16. 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.

Wood Mackenzie Limited

Notes to the financial statements (continued) Year ended 31 December 2021

17. Post Balance Sheet Events

On 1 January 2022 we took the decision to transfer the trade and assets of the newly acquired Roskill Information Services and Roskill Consulting business to Wood Mackenzie Limited. This will add approximately £4m of net operational profit per annum to the business in future periods.

As a result of the ongoing conflict between Russia and Ukraine we have taken the decision to suspend our operations in the region. We will continue to monitor the situation as the situation looks to be resolved. We do not see this as having an impact on our view of future growth and development of the business globally but does result in a loss of approximately £10m of net operational profit to the business.

On 28 October 2022, Verisk Analytics announced that as the ultimate parent company they have entered into a definitive agreement under which an affiliate of Veritas Capital has agreed to acquire Verisk's Energy business, of which the Company, its subsidiaries and holding companies form a part thereof. The directors view this acquisition as an affirmation of the strength of the business and as a platform from which the business can continue to grow.

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 2021 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.