Registration number: SC066475

Pilgrim Systems Limited

Annual Report and Financial Statements

for the period from 1 October 2011 to 31 December 2012

Pilgrim Systems Limited
Directors' Report for the period from 1 October 2011 to 31 December 2012

The directors present their report and the audited financial statements of the Company for the period from 1 October 2011 to 31 December 2012.

Definitions

As used in this annual report, "the Group" and "Thomson Reuters" refer to the Thomson Reuters Corporation and its subsidiary undertakings, including joint ventures and associates. "The Company" refers to Pilgrim Systems Limited.

Principal activity

The principal activity of the Company was the development, sale and support of computer software, until the business was sold on 1 April 2012 to a fellow group undertaking. Since that date the Company has become an investment holding Company.

Review of business and likely future developments

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Thomson Reuters Corporation, which include those of the Company, are discussed in Thomson Reuters Corporation's annual report which does not form part of this report.

Given the nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The Company changed its financial period end date from 30 September to 31 December in the current period. Accordingly, these financial statements cover a period of 15 months from 1 October 2011 to 31 December 2012.

On 5 December 2011 the Company reregistered as a private company limited by shares (formerly Pilgrim Systems PLC).

On 1 April 2012 the Company sold its trade and assets for consideration of £13,100,000 to a fellow group undertaking. As of this date the Company ceased trading.

On 12 December 2012 the Company paid an interim dividend of £11,000,000.

On 17 December 2012 the entire issued share capital of the Company was acquired by Thomson Reuters Finance S.A..

On 18 December 2012 the Company acquired the entire issued share capital of Thomson Reuters Finco AG in consideration for the allotment and issue of one ordinary share of £0.10 in the capital of the Company to a fellow group undertaking. This acquisition resulted in the change of functional currency from GB Pound to US Dollar. The presentation currency was changed accordingly. The change of presentation currency has been accounted for retrospectively with comparative amounts being restated into the new presentation currency and the balancing amount being reported in a revaluation reserve.

On 18 December 2012 Thomson Reuters Finance S.A. sold all of its shares in the Company to Thomson Reuters Holdings AG. On the same day, Thomson Reuters Holdings AG sold all of its shares in the Company to Rufeta Unlimited.

Results and dividend

The profit for the financial period amounted to US$19,370,564 (2011: US$625,444). During the period the directors declared and paid an interim dividend of US$17,682,613 to the Company's sole shareholder.

Post balance sheet events

On 9 April 2013 the Company reduced its share capital by transferring US$4billion from its share premium account to distributable reserves.

On 9 April 2013 the directors of the Company declared and paid an interim dividend of US$138,100,000 to the Company's sole shareholder.

On 28 June 2013 the directors of the Company declared and paid an interim dividend of US$151,731,555 to the Company's sole shareholder.

On 20 December 2013 the directors of the Company declared and paid an interim dividend of US$256,303,395 to the Company's sole shareholder.

Financial risk management

The management of financial risks is co-ordinated with those undertaken at Group level by Thomson Reuters Corporation. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's and Group's financial performance. More details of the Group's risk management programme can be found in the Thomson Reuters Corporation 2012 Annual Report.

Directors of the Company

The directors who held office during the period and up to the date of signing of the financial statements were as follows:

J.C. Cummings (resigned 6 December 2011)

R. O. Greener (appointed 6 December 2011 and resigned 14 March 2013)

S. L. Jenner (appointed 13 December 2012 and resigned 5 April 2013)

C. Kennedy (resigned 6 December 2011)

D.M. Mitchley (appointed 6 December 2011)

H. Shawkat (appointed 6 December 2011 and resigned 31 January 2013)

P. Thorn (appointed 13 December 2012)

M. W. Wallace (resigned 6 December 2011)

The following director was appointed after the period end:

H.E. Campbell (appointed 14 March 2013)

Pilgrim Systems Limited
Directors' Report for the period from 1 October 2011 to 31 December 2012

Statement of directors responsibilities

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the Board

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H . E . C a m p b e l l

Director

Registered office: 21 Alva Street, Edinburgh, EH2 4PS.

Date: 5 March 2014

Pilgrim Systems Limited
Independent Auditors' Report to the Members of Pilgrim Systems Limited

We were engaged to audit the financial statements of Pilgrim Systems Limited for the period from 1 October 2011 to 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. Because of the matter described in the Basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.Basis for disclaimer of opinion on financial statementsThe audit evidence available to us was limited because, as a result of the change of ownership, underlying supporting documents for past transactions for Cost of sales ($0.6 million), Administrative expenses (S2.2 million) and Tax on profit (£nil) have not been kept. Additionally, evidence was not available in relation to the valuation of Investments included in the balance sheet at $4,996 million. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning Cost of sales, Administrative expenses, Tax on profit and Investments, and also Gross profit ($1.2 million), Operating loss ($1.1 million), Profit for the financial period ($19.4 million) and the Result of sale of business recorded at $20.5 million, which are dependent on the Cost of sales and Administrative expenses, together with notes 3, 5, 8, 10, 11, 14 and 15 to the financial statements related to these items.Disclaimer of opinion on financial statementsBecause of the significance of the matter described in the Basis for disclaimer of opinion on financial statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.Opinion on other matter prescribed by the Companies Act 2006Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit;
- we were unable to determine whether adequate accounting records have been kept.

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

- 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.

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Simon Friend (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 5 March 2014

Pilgrim Systems Limited
Profit and Loss Account for the Period from 1 October 2011 to 31 December 2012

	Note	1 October 2011 to 31 December 2012 US$	Year ended 30 September 2011 US$
Turnover	2	1,696,499	6,422,226
Cost of sales		(644,670)	(2,448,916)
Gross profit		1,051,829	3,973,310
Administrative expenses		(2,191,151)	(3,254,689)
Operating (loss)/profit	3	(1,139,322)	718,621
Profit/result on sale of business	11	20,506,207	-
Profit on ordinary activities before interest and taxation		19,366,885	718,621
Interest receivable and similar income	7	3,679	10,118
Profit on ordinary activities before tax		19,370,564	728,739
Tax on profit on ordinary activities	8	-	(103,295)
Profit for the financial period		19,370,564	625,444

All activities of the Company are classed as discontinuing following the sale of business and assets to a fellow group undertaking on 1 April 2012.

The Company has no recognised gains or losses for the period other than the results above, so no separate statement of total recognised gains and losses is presented.

There is no difference between the profit on ordinary activities before tax and the profit for the financial period stated above and their historical cost equivalents.

Pilgrim Systems Limited
(Registration number: SC066475)
Balance Sheet as at 31 December 2012

	Note	31 December 2012 US$	30 September 2011 US$
Fixed assets			
Tangible assets	9	-	60,108
Investments	10	4,996,756,797	-
		4,996,756,797	60,108
Current assets			
Debtors	12	3,385,200	2,549,620
Cash at bank and in hand		-	2,022,788
		3,385,200	4,572,408
Creditors: amounts falling due within one year	13	-	(1,583,848)
Net current assets		3,385,200	2,988,560
Total assets less current liabilities		5,000,141,997	3,048,668
Net assets		5,000,141,997	3,048,668
Capital and reserves			
Called up share capital	16	159,641	166,907
Share premium account	19	4,997,679,765	669,722

Currency translation reserve	19	98,408	(226,426)
Capital redemption reserve	19	33,382	-
Profit and loss account	19	2,170,801	2,438,465
Total shareholders' funds	20	5,000,141,997	3,048,668

The financial statements on pages 6 to 21 were approved by the Board of Directors on 5 March 2014 and signed on its behalf by:

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H . E . C a m p b e l l

Director

The notes on pages 8 to 21 form an integral part of these financial statements.

1 Accounting policies

Basis of preparation
These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Exemption from preparing group financial statements
The financial statements contain information about Pilgrim Systems Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Thomson Reuters Corporation, a company incorporated under the laws of the Province of Ontario, Canada. Copies of the Thomson Reuters annual report can be obtained from the address provided in note 23.

Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary company of a group headed by Thomson Reuters Corporation, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption within FRS 1(5)(a) 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

The Company is also exempt under the terms of FRS 8(3)(c) 'Related party disclosures' from disclosing related party transactions with entities that are part of the Thomson Reuters Group.

A summary of the significant accounting policies, which have been consistently applied throughout the period, is set out below.

Use of estimates
Management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical information and other factors which management consider reasonable. The accounts affected by these are provisions, accruals, impairments, fair values for share schemes, revenue recognition, depreciation and deferred tax.

Turnover
Turnover represents amounts chargeable in respect of the sale of goods and services to customers net of VAT.

Interest
Interest receivable and payable are recorded in the profit and loss account as they accrue.

Operating lease

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

Pensions
The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the profit and loss account in the period to which they relate.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Asset class	Depreciation method and rate
Leasehold improvements	over term of lease
Computer equipment	33%
Computer software	33%
Fixtures and fittings	10%

Fixed asset investments

The Company holds investments in other companies. These are recognised as fixed asset investments and are stated at cost less any impairment.

Asset impairment

Tangible fixed assets and fixed asset investments are tested for impairment when an event that might affect asset values has occurred. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the assets or by the discounted future earnings from operating the assets.

Current taxation

Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity. In this case the tax is directly recognised in equity.

The current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax

In accordance with FRS19 'Deferred tax', deferred tax is recognised on all timing differences originated but not reversed, on a non-discounted basis, where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold. The deferred tax asset reported in the accounts in respect of accelerated capital allowances does not include amounts which are not considered to be recoverable in the short term.

Revenue recognition

Revenue for the supply of software is recognised upon installation. Revenue for the supply of services is recognised on the performance of those services. Revenue for the supply of support services is recognised on a straight line basis over the period of the support contract. Revenue for the lease of software is recognised on a straight line basis over the period of the lease.

2 Segmented information

An analysis of turnover by geographical market is given below:

	1 October 2011 to 31 December 2012 US$	Year ended 30 September 2011 US$
United Kingdom	1,676,603	6,375,231
Europe	14,282	34,151
Africa	5,614	12,844
	1,696,499	6,422,226

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	1 October 2011 to 31 December 2012 US$	Year ended 30 September 2011 US$
Employment costs (note 5)	1,800,544	3,872,352
Operating leases - plant and machinery	59,353	83,780
Operating leases - other assets	50,280	128,440
Loss on sale of tangible fixed assets	-	1,495
Depreciation (note 9)	18,532	44,895

4 Auditors' remuneration

The auditors' remuneration is paid by a fellow group undertaking and is not recharged to the Company.

5 Employees

The average number of employees till 31 March 2012, analysed by category was as follows:

	1 October 2011 to 31 December 2012 No.	Year ended 30 September 2011 No.
Office and management	4	5
Research and development	21	21
Sales	33	32
	58	58

Staff cost during the period amounts to:

	1 October 2011 to 31 December 2012 US$	Year ended 30 September 2011 US$
Wages and salaries	1,570,364	3,372,433
Social security costs	153,179	325,828
Other pension costs (note 15)	77,001	174,091
	1,800,544	3,872,352

6 Directors' emoluments

	1 October 2011 to 31 December 2012 US$ '000	Year ended 30 September 2011 US$ '000
Aggregate emoluments	78,318	626,105
Pension contributions (defined contribution)	3,328	55,241
Compensation for loss of office	-	46,961
	81,646	728,307

During the period the number of directors who were receiving benefits and share incentives was as follows:

	1 October 2011 to 31 December 2012 No.	Year ended 30 September 2011 No.

Accruing benefits under money purchase pension scheme	3	4

7 Interest receivable and similar income

	1 October 2011 to 31 December 2012 US$	Year ended 30 September 2011 US$
Interest receivable and similar income	3,679	10,118

8 Taxation

Tax on profit on ordinary activities

	1 October 2011 to 31 December 2012 US$	Year ended 30 September 2011 US$
Current tax		
Corporation tax charge	-	92,876
Total current tax	-	92,876
Deferred tax		
Origination and reversal of timing differences	4,913	10,419
Adjustments to previously estimated recoverable amounts	(5,312)	-
Effect of changes in tax rates	399	-
Total deferred tax (note 14)	-	10,419
Total tax on profit on ordinary activities	-	103,295

The table below reconciles tax calculated at the UK standard rate on the profit on ordinary activities before tax to the actual tax charge recognised in the profit and loss account. The differences were attributed to the following factors:

	1 October 2011 to 31 December 2012 US$	Year ended 30 September 2011 US$

Profit on ordinary activities before tax	19,370,564	728,739
Corporation tax at standard rate of 26% (2011: 20%)	5,036,346	145,748
Expenses not deductible for tax purposes	19,902	6,061
Income not taxable for tax purposes	(5,229,867)	-
Capital allowances in excess of depreciation	2,215	(206)
Enhanced research and development	-	(52,047)
Utilisation of tax losses	171,404	(9,251)
Change in standard tax rate during year	-	2,571
Total current tax	-	92,876

The Finance Act 2012, which received Royal Assent on 17 July 2012, includes legislation to reduce the main rate of corporation tax from 26% to 24% from 1 April 2012 and from 24% to 23% from 1 April 2013.

In addition to the changes in rates of corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2013 UK Budget Statement. Legislation to reduce the main rate of corporation from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015 is expected to be included in the Finance Act 2013. Neither of these rate changes had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

9 Tangible fixed assets

	Leasehold improvements US$	Computer software US$	Fixtures and fittings US$	Computer equipment US$	Total US$
Cost					
At 1 October 2011	87,791	117,111	70,092	171,553	446,547
Revaluation	1,562	2,082	1,246	3,050	7,940
Additions	-	6,742	-	6,236	12,978
Disposals	(89,353)	(125,935)	(71,338)	(180,839)	(467,465)
At 31 December 2012	-	-	-	-	-
Accumulated depreciation					
At 1 October 2011	76,005	91,399	70,092	148,943	386,439
Charge for the period	1,983	8,320	-	8,229	18,532
Revaluation	1,363	1,640	1,258	2,673	6,934
Eliminated on disposals	(79,351)	(101,359)	(71,350)	(159,845)	(411,905)
At 31 December 2012	-	-	-	-	-
Net book value					
At 31 December 2012	-	-	-	-	-

At 30 September 2011	11,786	25,712	-	22,610	60,108

10 Investments

	Subsidiary undertakings US$
Cost	
At 1 October 2011	-
Additions	4,996,756,797
At 31 December 2012	4,996,756,797
Net book value	
At 31 December 2012	4,996,756,797
At 30 September 2011	-

On 18 December 2012 the Company acquired the entire issued share capital of Thomson Reuters Finco AG at its fair value of $4,996,756,797 for consideration comprising the allotment and issue of one ordinary share of £0.10 in the capital of the Company to a fellow group undertaking.

There are no listed investments included within fixed asset investments.

Investments in subsidiary undertakings is stated at cost.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Company	Country of incorporation	Class of share	Percentage of class held	Principal activity
Subsidiary undertakings				

Thomson Reuters Finco AG	Switzerland	Ordinary shares	100%	Finance company

11 Disposals

On 1 April 2012 the Company sold the trade and assets of its business for US$20,764,646. This resulted in a profit on disposal of US$20,506,207. No tax arose on the profit on disposal as it was a transfer between group companies.

	US$
Fixed assets	55,560
Debtors	2,807,177
Cash	485,752
Creditors	(3,090,050)
Net assets	258,439
Profit on disposal	20,506,207
Tax on disposal	-
Intercompany loan consideration	20,764,646

12 Debtors

	31 December 2012 US$	**30 September 2011 US$**
Trade debtors	-	1,812,441
Amounts owed by fellow group undertakings	3,385,200	-
Other debtors	-	2,597

Deferred tax (note 14)	-	525
Prepayments and accrued income	-	734,057
	3,385,200	2,549,620

13 Creditors: amounts falling due within one year

	31 December 2012 US$	30 September 2011 US$
Trade creditors	-	117,502
Corporation tax payable	-	87,860
Other taxes and social security	-	373,945
Other creditors	-	21,431
Accruals and deferred income	-	983,110
	-	1,583,848

Amounts owed to fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

14 Deferred tax

Deferred tax is provided for in full on certain timing differences. The Company does not discount the provision.

	31 December 2012 US$	30 September 2011 US$
Asset at 1 January	525	10,944
Deferred tax charge in the profit and loss account	-	(10,419)
Disposal of business	(525)	-
Asset at 31 December	-	525

15 Pension schemes

Defined contribution scheme

The Company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The unpaid contributions outstanding at the period end were US$nil (2011: US$21,431).

The cost of contributing to the funds is charged to the profit and loss account as it is incurred. The total defined contribution pension cost for the Company was US$77,001 (2011: US$174,091).

16 Called up share capital

	2012		2011	
	No.	**US$**	**No.**	**US$**
Ordinary shares of £0.10 each	1,024,263	159,641	857,142	133,525
Cumulative convertible participating preferred ordinary shares of £0.10 each	-	-	214,287	33,382
	1,024,263	159,641	1,071,429	166,907

	31 December 2012 US$	**30 September 2011 US$**
Ordinary shares		
Balance at the start of the period - 857,142 shares of £0.1 each	133,525	133,525
New shares alloted - 167,121 shares of £0.1 each	26,116	-
Balance at the end of the period - 1,024,263 shares of £0.1 each (2011: 857,142 shares)	159,641	133,525

	31 December 2012 US$	30 September 2011 US$
Cumulative convertible participating preferred ordinary shares		
Balance at the start of the period - 214,287 shares of £0.1 each	33,382	33,382
Purchase of shares	(33,382)	-
Balance at the end of the period - nil shares (2011: 214,287 shares of £0.1 each)	-	33,382

17 Share-based payments

The Company operated an Enterprise Management Incentive share option scheme "the Scheme" under the rules of which it grants options over £0.10 ordinary shares to employees.

Vesting conditions for the scheme were based on the company achieving financial targets, or the Company being sold.

At 1 October 2011, options existed over 152,120 ordinary £0.10 shares with exercise prices between £0.91 and £1.35. All options were exercised on 6 December 2011 when the ordinary share capital of the Company was sold.

No options were issued in the period to 31 December 2012 and no options remained as 31 December 2012.

18 Dividends

	2012	2011
	US$	US$
Equity interim dividend - US$17.263743 per 1,024,263 ordinary shares	17,682,613	-

19 Reserves

	Share premium account US$	Capital redemption reserve US$	Currency translation reserve US$	Profit and loss account US$	Total US$
At 1 October 2011	669,722	-	(226,426)	2,438,465	2,881,761
Profit for the financial period	-	-	-	19,370,564	19,370,564
Dividends	-	-	-	(17,682,613)	(17,682,613)
Premium on issue of shares	4,997,010,043	-	-	-	4,997,010,043
Purchase of own shares	-	33,382	-	(1,955,615)	(1,922,233)
Currency translation differences	-	-	324,834	-	324,834
At 31 December 2012	4,997,679,765	33,382	98,408	2,170,801	4,999,982,356

214,287 preference shares of £0.1 each with an aggregate nominal value of US$33,382 were purchased during the period and were subsequently cancelled. The Company reduced its share capital by the aggregate nominal value of the cancelled shares and transferred this amount to a capital redemption reserve.

On 18 December 2012 the Company acquired the entire issued share capital of Thomson Reuters Finco AG in consideration for the allotment and issue of one ordinary share of £0.10 in the capital of the Company to a fellow group undertaking. This acquisition resulted in the change of functional currency from GB Pound to US Dollar. The presentation currency was changed accordingly. The change of presentation currency has been accounted for retrospectively with comparative amounts being restated into the new presentation currency and the balancing amount being reported in a revaluation reserve.

20 Reconciliation of movements in shareholders' funds

	31 December 2012 US$	30 September 2011 US$
Profit for the financial period	19,370,564	625,444
Currency translation reserve movement	324,834	(226,426)
Dividends paid	(17,682,613)	-
Nominal value of shares issued (note 16)	26,116	-
Premium on shares issued (note 19)	4,997,010,043	-
Purchase of own shares (note 19)	(1,922,233)	-
Nominal value of shares repurchased (note 16)	(33,382)	-
Net movement to shareholders' funds	4,997,093,329	399,018
Shareholders' funds at start of period	3,048,668	2,649,650
Shareholders' funds at end of period	5,000,141,997	3,048,668

21 Operating lease and other commitments

As at 31 December 2012 the Company had annual commitments under non-cancellable operating leases as follows:

	31 December 2012 US$	30 September 2011 US$
Land and buildings		
Over five years	-	99,699
	-	99,699
Other		
Within two to five years	-	79,580
	-	79,580

The operating lease commitments were assigned to a fellow group undertaking as part of the sale of the Company's trade and trading assets on 1 April 2012.

22 Post balance sheet events

On 9 April 2013 the Company reduced its share capital by transferring US$4billion from its share premium account to distributable reserves. On 9 April 2013 the directors of the Company declared and paid an interim dividend of US$138,100,000 to the Company's sole shareholder. On 28 June 2013 the directors of the Company declared and paid an interim dividend of US$151,731,555 to the Company's sole shareholder. On 20 December 2013 the directors of the Company declared and paid an interim dividend of US$256,303,395 to the Company's sole shareholder.

23 Company status and ultimate parent undertaking

The Company's immediate parent company is Rufeta Unlimited. Until 6 December 2011 J.C. Cummings was the controlling party. Within the meaning of the Companies Act 2006 ("CA2006"), Thomson Investments Limited ("TIL") is regarded by the Directors of the Company as being the Company's ultimate parent company and controlling party. Within the meaning of CA2006, Thomson Reuters Corporation ("Thomson Reuters") is the parent undertaking of the only group of undertakings for which group financial statements were drawn up and of which the Company was a member for the period ended 31 December 2012. TIL and Thomson Reuters are incorporated under the laws of the Province of Ontario, Canada.

Copies of Thomson Reuters' annual reports are available from: The Thomson Reuters Building, South Colonnade, Canary Wharf, London E14 5EP, and are publicly available at www.thomsonreuters.com.

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