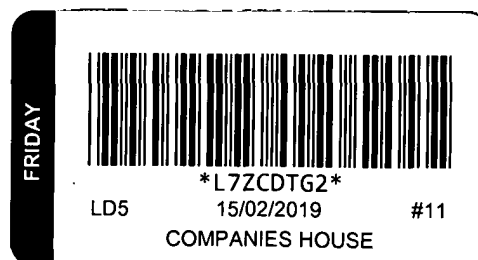


Company Number: 07508665

**ABIDE FINANCIAL LTD
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2018**



ABIDE FINANCIAL LTD

Strategic Report for the period 1 July 2017 to 31 March 2018

Company Number: 07508665

The directors present their Strategic Report and the audited financial statements of Abide Financial Ltd (the 'Company') for the period 1 July 2017 to 31 March 2018 (the 'period').

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the year end financial position was satisfactory and do not anticipate any changes to the principal activities.

As at 31 March 2018, the Company was a wholly owned indirect subsidiary of NEX Group Limited (formerly NEX Group plc, the "ultimate parent") and was included in the group headed by NEX Group Limited (formerly NEX Group plc, the "Group").

At the court meeting and general meeting of NEX Group Limited (formerly NEX Group plc), held on 18 May 2018, shareholders passed resolutions relating to an offer from CME Group Inc. to acquire NEX Group Limited (formerly NEX Group plc) ("the Offer"); the deal was completed on 2 November 2018 after obtaining all regulatory clearances. Since 2 November 2018, the ultimate parent has been CME Group Inc.

RESULTS

The results of the Company are set out in the profit and loss account on page 6.

The loss for the financial period of £3,679,000 (year ended 30 June 2017: loss of £2,521,000) has been transferred to reserves.

The net liabilities of the Company are £2,784,000 (30 June 2017: net assets of £819,000).

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group (NEX Group Limited (formerly NEX Group plc), the ultimate parent undertaking, and its subsidiaries) and are not managed separately. Accordingly, the principal risks and uncertainties of NEX Group Limited (formerly NEX Group plc), which include those of the Company, are discussed on pages 17 to 23 of the Group's annual report.


The core activities impacted by Brexit from a NEX Group Ltd perspective are regulated services offered from the UK to EU27 customers. To safeguard the majority of the revenue at risk in the case of a hard Brexit, the most viable option is to set up a fully permissioned legal entity inside the EU27. On 30 June 2018, NEX submitted an application to set up a Market Operator entity (CME Amsterdam BV) in the Netherlands to operate a regulated market for data reporting services (APA and ARM).

For the Company, Brexit will not have a direct impact on its current operations, revenue or existing customer base as the company does not provide a regulated service to clients. However, to ensure EU and UK clients' data will continue to be delivered to EU and UK trade repositories respectively, the Group has proactively, during 2017, set up a subsidiary 'NEX Abide Trade Repository AB' in Sweden, where all EU27 clients' data will be transferred and serviced by this subsidiary. This is in addition to the existing connectivity to the CME European Trade Repository, based in the UK, which will remain the repository for UK client data. The Swedish subsidiary, Nex Abide Trade Repository AB, carries on the business of the provision of Trade Repository services for the purposes of enabling reporting of the conclusion, modification or termination of a derivative contract pursuant to Regulation (EU) No 648/2012.

KEY PERFORMANCE INDICATORS

The directors of NEX Group Limited (formerly NEX Group plc) manage the Group's operations on a divisional basis. For this reason, the Company's director believes that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of NEX Group Limited (formerly NEX Group plc), which includes the Company, are discussed on pages 10 and 11 of the Group's annual report, which does not form part of this report.

This report has been approved by the board of directors and signed on behalf of the board:



B Robey-Pott

14 February 2019

ABIDE FINANCIAL LTD

Directors' Report for the period 1 July 2017 to 31 March 2018

Company Number: 07508665

The directors present their Directors' Report and the audited financial statements of the Company for the period.

PRINCIPAL ACTIVITIES

The Company provides regulatory reporting services, helping market participants ensure that they are compliant with evolving reporting obligations. The Company acts as a reporting hub for European Market Infrastructure Regulation ('EMIR') and as an Approved Reporting Mechanism ('ARM') for Markets in Financial Instruments Directive ('MiFID'). It is anticipated that the Company will continue its present business activities next year.

The Company was incorporated on 27 January 2011 and is domiciled in England and Wales. The Company changed its registered office on 6 February 2018 from 78 Cannon Street, London, EC4N 6HL to 2 Broadgate, London, EC2M 7UR.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The business review and future developments of the Company are detailed in the Strategic Report.

GOING CONCERN

On 2 November 2018 the deal between CME and NEX Group was completed after obtaining all regulatory clearances. Following completion some of the NEX entities might be part of an ongoing organizational restructure and simplification effort. As of the date of signing the financial statements however, there is no plan for the reorganization and the directors are satisfied that the Company has adequate resources to continue to operate for at least twelve months from the date of signing of these financial statements and confirm that the Company is a going concern.

The financial statements have been prepared on a going concern basis as the immediate parent company, NEX Group Holdings Limited (formerly NEX Group Holdings plc), confirmed its undertaking to provide financial support to the Company so that the Company is able to meet its liabilities as and when they fall due for a period of 12 months from the date of the approval of the financial statements.

DIVIDENDS

No dividends were recommended or paid during the year (2017: nil).

DIRECTORS

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

J Abel	(resigned 7 February 2018)
C Bates	(resigned 7 February 2018)
C Coleman	(resigned 11 May 2018)
J Davies	(appointed 21 May 2018)
M Gopaul	(resigned 11 May 2018)
S Gibson	(resigned 14 August 2018)
J Knott	(resigned 24 October 2017)
B Robey-Pott	

INDEPENDENT AUDITORS

Deloitte LLP has held office as auditor of the company for the year ending 31 March 2018. It is the intention of CME Group Inc. to appoint Ernst & Young as auditors for all the companies within the NEX Group for consistency purposes. A resolution to appoint Ernst & Young as the NEX Group's new auditors will be passed within the first quarter of 2019.

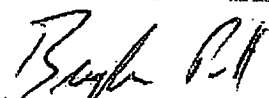
PROVISION OF INFORMATION TO THE AUDITORS

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

- So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.
- The directors have taken all the steps they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

This report has been approved by the board of directors and signed on behalf of the board:


B. Robey-Pott
Director

14 February 2019

ABIDE FINANCIAL LTD

Statement of Directors' Responsibilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, 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 hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABIDE FINANCIAL LTD

Independent Auditors' Report to the members of Abide Financial Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Abide Financial Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the period 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; and
- the related notes 1 to 18.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

ABIDE FINANCIAL LTD

Independent Auditors' Report to the members of Abide Financial Ltd

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

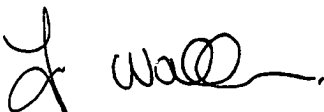
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Fiona Walker, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

15 February 2019

ABIDE FINANCIAL LTD

Profit and Loss Account for the period 1 July 2017 to 31 March 2018

	<u>Note</u>	<u>Period ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>30/06/2017</u> £'000
Turnover		7,210	5,243
Impairment of investment in subsidiaries	8	(116)	-
Administrative expenses	3	(11,577)	(7,990)
Operating loss		<u>(4,483)</u>	<u>(2,747)</u>
Interest payable and similar expenses	6	(94)	(49)
Loss before taxation		<u>(4,577)</u>	<u>(2,796)</u>
Tax on loss	7	898	275
Loss for the financial period/year		<u><u>(3,679)</u></u>	<u><u>(2,521)</u></u>

The loss of the Company for the period is derived from continuing operations.
The notes on pages 10 to 21 are an integral part of these financial statements.

ABIDE FINANCIAL LTD

Statement of Comprehensive Income for the period 1 July 2017 to 31 March 2018

	<u>Period ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>30/06/2017</u> £'000
Loss for the financial period/year	(3,679)	(2,521)
Other comprehensive income	-	-
Total comprehensive loss for the period / year	<u><u>(3,679)</u></u>	<u><u>(2,521)</u></u>

The notes on pages 10 to 21 are an integral part of these financial statements.

ABIDE FINANCIAL LTD
Balance Sheet as at 31 March 2018

Company Number: 07508665

	<u>Note</u>	<u>31/03/2018</u> £'000	<u>30/06/2017</u> £'000
Non-current assets			
Investments in subsidiaries	8	519	-
Intangible assets	9	4,011	2,475
Tangible assets	10	232	220
		<u>4,762</u>	<u>2,695</u>
Current assets			
Debtors	11	3,681	1,964
Cash at bank and in hand	12	1,063	333
Tax receivable		898	285
		<u>5,642</u>	<u>2,582</u>
Total assets		<u>10,404</u>	<u>5,277</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(9,767)	(1,458)
		<u>(9,767)</u>	<u>(1,458)</u>
Net current (liabilities)/assets		(4,125)	1,124
Non-current liabilities			
Creditors: amounts falling due after more than one year	14	(3,421)	(3,000)
		<u>(3,421)</u>	<u>(3,000)</u>
Total liabilities		<u>(13,188)</u>	<u>(4,458)</u>
Total assets less current liabilities		<u>637</u>	<u>3,819</u>
Net (liabilities)/assets		<u>(2,784)</u>	<u>819</u>
Capital and Reserves			
Share capital	16	281	281
Share premium account		2,369	2,369
Accumulated losses		(5,434)	(1,831)
Shareholders's (deficit) / funds		<u>(2,784)</u>	<u>819</u>

The notes on pages 10 to 21 are an integral part of these financial statements.

The financial statements on pages 6 to 21 were approved by the board of directors on 14 February 2019 and were signed on its behalf by:


 B Robey-Pott
 Director

ABIDE FINANCIAL LTD

Statement of Changes in Equity for the period 1 July 2017 to 31 March 2018

	<u>Share capital</u> <u>(note 16)</u> £'000	<u>Share premium</u> <u>account</u> £'000	<u>Retained earnings/</u> <u>(Accumulated</u> <u>losses)</u> £'000	<u>Total</u> <u>equity</u> £'000
As at 1 July 2016	255	1,944	690	2,889
Loss for the financial year	-	-	(2,521)	(2,521)
Total comprehensive loss for the year	-	-	(2,521)	(2,521)
Shares issued during the year	26	425	-	451
As at 30 June 2017	281	2,369	(1,831)	819
Loss for the financial period	-	-	(3,679)	(3,679)
Total comprehensive loss for the period	-	-	(3,679)	(3,679)
Shares issued during the year	-	-	-	-
Adjustment in Retained earnings / (Accumulated losses)*	-	-	76	76
As at 31 March 2018	281	2,369	(5,434)	(2,784)

The notes on pages 10 to 21 are an integral part of these financial statements.

*Adjustment in Retained earnings / (Accumulated losses) is posted in order to reverse out expense previously recognised in the Company.

ABIDE FINANCIAL LTD

Notes to the financial statements for the year ended 31 March 2018

I. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 (the 'Act') and under the historic cost convention. The accounting policies have been applied consistently, other than where new policies have been adopted.

FRS 102 sets out reduced disclosures for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities. The Company is a qualifying entity for the purposes of FRS 102. Note 17 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following disclosure exemptions have been adopted:

- cash flow statements;
- certain financial instrument disclosures;
- related party transactions between wholly owned group companies; and
- key management compensation;

The company has changed its accounting reference date from 30 June to 31 March.

The financial statements have been prepared on a going concern basis.

Basis of preparation – Going concern

As at 31 March 2018, the Company's total liabilities exceeded its total assets by £2,807,000. The financial statements have been prepared on a going concern basis as the immediate parent company, NEX Group Holdings Limited (formerly NEX Group Holdings plc), confirmed its undertaking to provide financial support to the Company so that the Company is able to meet its liabilities as and when they fall due for a period of 12 months from the date of the approval of the financial statements.

The Company has exercised its entitlement not to produce consolidated financial statements since consolidated financial statements have been prepared by its ultimate parent company as at 31 March 2018, NEX Group Limited (formerly NEX Group plc).

b) Foreign currencies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in British pounds (£), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are taken to the profit and loss account, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken directly to profit and loss account. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

c) Turnover

Turnover is measured to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

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

ABIDE FINANCIAL LTD

Notes to the financial statements for the year ended 31 March 2018

1. PRINCIPAL ACCOUNTING POLICIES (continued)

d) Interest payable and similar expenses

Interest payable and similar expenses are charged to the profit and loss account over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

e) Investment in subsidiaries

Investments comprise equity shareholdings. These investments are recorded at historical cost less provision for any impairment in their values.

A subsidiary is an entity over which the Company has control. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

f) Tax

Tax on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also dealt with in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted by the balance sheet date.

Deferred tax is recognised using the liability method, in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the tax bases of the assets and liabilities. Deferred tax is calculated at the rate of tax expected to apply when the liability is settled or the asset is realised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Calculations of current and deferred tax liability have been based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected Calculations of current and deferred tax liability have been based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were recorded initially, such differences will impact the current and deferred tax amounts in the year in which a reassessment of the liability is made.

g) Intangible assets

Intangible assets are initially recognised at cost. After recognised, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development expenditure has been capitalized where a clearly defined project exists that meets the criteria for being an intangible asset as set out in FRS 102. Capitalised development expenditure is amortised over three to seven years in line with the life of the projects.

Development expenditure on electronic trading platforms is recognised as an intangible asset in accordance with the criteria of IAS 38, "Intangible assets". Intangible assets are stated at historical cost less provision for any impairment in its value and accumulated amortisation.

Capitalised software	3-5 years
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ABIDE FINANCIAL LTD

Notes to the financial statements for the year ended 31 March 2018

I. PRINCIPAL ACCOUNTING POLICIES (continued)

h) Tangible assets

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. Depreciation is charged on a straight-line basis as follows:

- Short leasehold improvements Period of lease
- Furniture, fixtures and equipment 3-5 years

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

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

i) Financial assets

i) Recognition

Financial assets are classified as "loans and receivables" on initial recognition.

Loans and receivables: loans and receivables are non-derivative financial instruments which have a fixed or easily determined value. They are subsequently carried at amortised cost using the effective interest method, less any impairment. These assets are included in debtors (note 11).

ii) De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

iii) Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, ageing profile, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Financial assets not held at fair value are impaired where there is objective evidence that the value may be impaired. The amount of the impairment is calculated as the difference between carrying value and the present value of any expected future cash flows, with any impairment being recognised in the profit and loss account. Subsequent recovery of amounts previously impaired are credited to the profit and loss account.

ABIDE FINANCIAL LTD

Notes to the financial statements for the period 1 July 2017 to 31 March 2018

1. PRINCIPAL ACCOUNTING POLICIES (continued)

j) Financial liabilities

i) Recognition

Financial liabilities consist of creditors classified as "other financial liabilities".

Financial liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

ii) De-recognition

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

k) Cash and cash equivalents

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

l) Equity

Ordinary shares are classified as equity. Dividends are recognised as deductions from retained earnings in the period in which they are declared.

2. KEY ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes various judgments in applying its accounting policies and various assumptions and estimates, including about the future, when determining the carrying value of certain assets and liabilities.

As at 31 March 2018 there were no such judgments or assumptions that had a significant effect on the amounts recognised in the financial statements.

ABIDE FINANCIAL LTD

Notes to the financial statements for the period 1 July 2017 to 31 March 2018

3. ADMINISTRATIVE EXPENSES

	<u>Period ended</u>	<u>Year ended</u>
	<u>31/03/2018</u>	<u>30/06/2017</u>
	£'000	£'000
Administrative expenses including the following:		
Wages and salaries and social security costs (note 4)	4,493	3,548
Other staff costs	216	274
Staff costs	<u>4,709</u>	<u>3,822</u>
Licence fees	263	849
Travel and entertainment	272	280
Rent and rates	371	366
Professional fees	1,700	1,177
Depreciation and amortisation	305	282
IT costs	1,347	1,175
Intercompany expenses	2,400	-
Other operating costs	210	39
	<u>11,577</u>	<u>7,990</u>

The fee paid to Deloitte (the Company's external auditors) for the statutory audit of the Company for the period ended 31 March 2018 was £24,000. The fee paid to PwC (the Company's external auditors in the prior year) for the statutory audit of the Company for the year ended 30 June 2017 was £25,000. Fees paid to the Company's external auditors and their associates for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of NEX Group plc disclose these fees on a consolidated basis.

ABIDE FINANCIAL LTD

Notes to the financial statements for the period 1 July 2017 to 31 March 2018

4. SALARY AND PAYROLL COSTS

	<u>Period ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>30/06/2017</u> £'000
Wages and salaries	2,468	2,359
Social security costs	1,977	1,167
Other pension costs	48	22
Wages and salaries and social security costs	4,493	3,548

The monthly average number of persons employed by the Company during the year was 80 (2017: 77).

5. DIRECTORS' REMUNERATION

No fees were paid to the directors in respect of services to the Company during the year (2017: nil).

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	<u>Period ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>30/06/2017</u> £'000
Interest payable to group undertakings	94	49
	94	49

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Notes to the financial statements for the period 1 July 2017 to 31 March 2018

7. TAX ON LOSS

	<u>Period ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>30/06/2017</u> £'000
a) Analysis of credit for the period/year		
Current tax:		
UK Corporation tax – current period/year	(822)	-
UK Corporation tax - prior year	(76)	(188)
	<u>(898)</u>	<u>(188)</u>
Deferred tax:		
Deferred tax – current period/year	-	-
Deferred tax - prior year	-	(87)
	<u>-</u>	<u>(87)</u>
	<u>(898)</u>	<u>(275)</u>
b) Factors affecting the tax charge for the period/year		
Loss before taxation	<u>(4,577)</u>	<u>(2,796)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.75%)	(870)	(552)
Effects of:		
Expenses not deductible for tax purposes	48	5
Prior year adjustment - current tax	(76)	(188)
Prior year adjustment - deferred tax	-	(87)
Derecognition of tax losses	-	547
	<u>(28)</u>	<u>277</u>
Tax credit for the period/year	<u>(898)</u>	<u>(275)</u>
Effective tax rate	0%	0%

The standard rate of Corporation Tax in the UK changed from 20% to 19% with effect from 1 April 2017 and will fall to 17% from 1 April 2020.

c) Deferred taxation

	<u>2018</u> £'000	<u>2017</u> £'000
As at 1 July 2017/1 July 2016	-	87
Transferred to the income statement	-	(49)
Derecognition of deferred tax	-	(38)
As at 31 March 2018/30 June 2017	<u>-</u>	<u>-</u>

ABIDE FINANCIAL LTD

Notes to the financial statements for the period 1 July 2017 to 31 March 2018

8. INVESTMENTS IN SUBSIDIARIES

	<u>2018</u> £'000	<u>2017</u> £'000
As at 1 July 2017/1 July 2016	-	-
Additions	635	-
Impairment	(116)	-
As at 31 March 2018/30 June 2017	<u>519</u>	<u>-</u>

As at 31 March 2018, the Company's subsidiary companies were as follows:

Name	Country of incorporation	Percentage held (%)
Abide Financial DRSP Limited	England and Wales	100%
Abide Financial Repository Limited	England and Wales	100%
NEX Abide Trade Repository AB	Sweden	100%

On 18 July 2017, the Company increased its share capital in NEX Abide Trade Repository AB by £550,000 (2017: £nil). The paid up share capital of the subsidiary companies listed above is held by the Company and these relate to ordinary shares. All subsidiaries are involved in regulatory services and have a 31 March year end. Each subsidiary operates in their country of incorporation. All subsidiaries incorporated in England and Wales have the registered office at NEX Group Plc, No.2 Broadgate Circle, London, EC2M 7UR. NEX Abide Trade Repository AB has a registered office at Mäster Samuelsgatan 17, 111 44, Stockholm.

The Company has waived the loan receivable from Abide Financial Repository Limited amounting to £85,000. As this was a capital contribution, the investment has been increased by the same amount.

ABIDE FINANCIAL LTD

Notes to the financial statements for the period 1 July 2017 to 31 March 2018

9. INTANGIBLE ASSETS

	<u>Capitalised development expenditure</u> £'000	<u>Computer software</u> £'000	<u>Total</u> £'000
Cost			
As at 1 July 2016	1,433	-	1,433
Additions	1,503	17	1,520
As at 30 June 2017	2,936	17	2,953
Depreciation			
As at 1 July 2016	328	-	328
Charge for the year	145	5	150
As at 30 June 2017	473	5	478
Net book value			
As at 30 June 2017	<u>2,463</u>	<u>12</u>	<u>2,475</u>
As at 30 June 2016	<u>1,105</u>	<u>-</u>	<u>1,105</u>

	<u>Capitalised development expenditure</u> £'000	<u>Computer software</u> £'000	<u>Total</u> £'000
Cost			
As at 1 July 2017	2,936	17	2,953
Additions	1,727	-	1,727
As at 31 March 2018	4,663	17	4,680
Depreciation			
As at 1 July 2017	473	5	478
Charge for the period	187	4	191
As at 31 March 2018	660	9	669
Net book value			
As at 31 March 2018	<u>4,003</u>	<u>8</u>	<u>4,011</u>
As at 30 June 2017	<u>2,463</u>	<u>12</u>	<u>2,475</u>

ABIDE FINANCIAL LTD

Notes to the financial statements for the period 1 July 2017 to 31 March 2018

10. TANGIBLE ASSETS

	<u>Leasehold improvements</u> £'000	<u>Fixtures and fittings</u> £'000	<u>Equipment</u> £'000	<u>Total</u> £'000
Cost				
As at 1 July 2016	90	30	290	410
Additions	<u>1</u>	<u>15</u>	<u>124</u>	<u>140</u>
As at 30 June 2017	91	45	414	550
Depreciation				
As at 1 July 2016	43	14	137	194
Charge for the year	<u>18</u>	<u>12</u>	<u>106</u>	<u>136</u>
As at 30 June 2017	61	26	243	330
Net book value				
As at 30 June 2017	<u>30</u>	<u>19</u>	<u>171</u>	<u>220</u>
As at 30 June 2016	<u>47</u>	<u>16</u>	<u>153</u>	<u>216</u>

	<u>Leasehold improvements</u> £'000	<u>Fixtures and fittings</u> £'000	<u>Equipment</u> £'000	<u>Total</u> £'000
Cost				
As at 1 July 2017	91	45	414	550
Additions	-	-	136	136
Disposals	<u>(35)</u>	<u>-</u>	<u>-</u>	<u>(35)</u>
As at 31 March 2018	56	45	550	651
Depreciation				
As at 1 July 2017	61	26	243	330
Charge for the period	11	8	95	114
Disposals	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>(25)</u>
As at 31 March 2018	47	34	338	419
Net book value				
As at 31 March 2018	<u>9</u>	<u>11</u>	<u>212</u>	<u>232</u>
As at 30 June 2017	<u>30</u>	<u>19</u>	<u>171</u>	<u>220</u>

ABIDE FINANCIAL LTD

Notes to the financial statements for the period 1 July 2017 to 31 March 2018

11. DEBTORS

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>30/06/2017</u> £'000
Current		
Trade debtors	2,785	391
Amounts owed by Group undertakings	260	-
Other debtors	12	72
Prepayments and accrued income	624	1,501
	<u>3,681</u>	<u>1,964</u>

12. CASH AND CASH EQUIVALENTS

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>30/06/2017</u> £'000
Cash at bank and in hand	1,063	333
	<u>1,063</u>	<u>333</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>30/06/2017</u> £'000
Trade creditors	1,413	121
Amounts owed to Group undertakings	6,786	49
Taxation and social security	322	276
Other creditors	26	55
Accruals and deferred income	1,220	957
	<u>9,767</u>	<u>1,458</u>

Amounts owed to Group companies are unsecured, non-interest bearing and payable on demand.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>30/06/2017</u> £'000
Amounts owed to Group undertakings	3,421	3,000
	<u>3,421</u>	<u>3,000</u>

Amounts owed to Group undertakings comprise of a loan from the ultimate holding company which bears interest of GBP Libor +3% and is repayable by 30 June 2019.

ABIDE FINANCIAL LTD

Notes to the financial statements for the period 1 July 2017 to 31 March 2018

15. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2018, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>30/06/2017</u> £'000
Not later than one year	11	67
More than one year	-	-
	<u>11</u>	<u>67</u>

16. SHARE CAPITAL

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>30/06/2017</u> £'000
Allotted and fully paid:		
2 Ordinary A shares of £1 each (2017: 2)	-	-
160,997 Ordinary B shares of £0.133333 each (2017: 675,425)	21	90
26,402 Ordinary C shares of £0.50 each (2017: 163,250)	13	81
739,001 Ordinary D shares of £0.133333 each (2017: 224,573)	99	30
296,137 Ordinary E shares of £0.50 each (2017: 159,289)	148	80
	<u>281</u>	<u>281</u>

17. IMMEDIATE, INTERMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent is NEX Optimisation Limited, which does not prepare consolidated financial statements.

The Company's intermediate parent is NEX Group Holdings Limited (formerly NEX Group Holdings plc), which is incorporated in England and Wales, and heads the smallest group of companies of which the Company is a member. NEX Group Holdings Limited (formerly NEX Group Holdings plc) prepares consolidated financial statements in accordance with IFRS and copies may be obtained from the Company Secretary, NEX Group Holdings Limited (formerly NEX Group Holdings plc), 2 Broadgate, London, EC2M 7UR, which is its registered office.

As at 31 March 2018, the Company's ultimate parent was NEX Group Limited (formerly NEX Group plc), which is incorporated in England and Wales, and heads the largest group of companies of which the Company is a member. NEX Group Limited (formerly NEX Group plc) prepares consolidated financial statements in accordance with IFRS and copies may be obtained from the Company Secretary, NEX Group Limited (formerly NEX Group plc), 2 Broadgate, London, EC2M 7UR, which is its registered office. Since 2 November 2018 the ultimate parent company is CME Group Inc.

18. POST BALANCE SHEET EVENTS

On 18 May 2018, the NEX Group plc shareholders voted to approve the offer from CME Group Inc. to acquire NEX Group Limited (formerly NEX Group plc) ("the Offer"); the deal was completed on 2nd November 2018 after obtaining all regulatory clearances.

On 18 October 2018, NEX Abide Trade Repository AB issued 5,484,596 ordinary shares with a quotient value of €0.103736 each to Abide Financial Ltd for total consideration of €568,950.050656. The consideration was paid up on 1 November 2018.