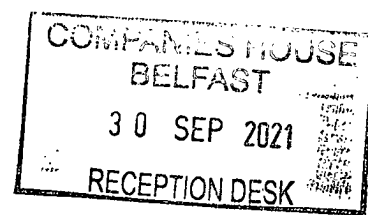


COMPANY NUMBER: 1438662

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Strategic Report for the year ended 31 December 2020

LEGAL FORM.

Private company limited by shares

COUNTRY OF INCORPORATION AND DOMICILE

England and Wales

DIRECTORS

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

R. J. Bodnum
K. M. Cronin
W.F. Knottenbelt
A. H. Seaman

AUDITORS

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast, BT2 7DT

REGISTERED OFFICE

London Fruit and Wool Exchange
1 Duval Square
London
E1 6PW

REGISTRATION NUMBER

1438662

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Strategic Report for the year ended 31 December 2020

The directors present their Strategic Report and the audited financial statements of the Company for the year 31 December 2020.

In the prior period, the Company changed its accounting reference date from 31 March to 31 December to align with the accounting reference date of CME Group Inc. As a result, the comparative numbers disclosed in these audited financial statements are for the 9-month period ended 31 December 2019.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Godsell Astley & Pearce (Holdings) Limited (the 'Company') is a wholly owned indirect subsidiary of CME Group Inc. (the 'Group') and is consolidated in the Group accounts. The Company is an investment holding company.

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

RESULTS

The results of the Company are set out in the profit and loss account on page 10.

The profit for the year of \$261,000 (period ended 31 December 2019: loss of \$28,000) has been transferred to reserves.

The net assets of the Company are \$5,857,000 (2019: net assets of \$4,212,000).

On 1 December 2020, Godsell Astley & Pearce (Holdings) allotted and issued 1,037,868 fully paid ordinary shares of GBP 1.00 each to its existing parent, NEX Group Holdings Limited, for a subscription price of GBP 1.00 per share.

KEY PERFORMANCE INDICATORS

The Company reviews the following financial metrics:

	2020	2019
	\$'000	\$'000
Profit/(loss) after taxation	261	(28)
Shareholders' funds	5,857	4,212

The company has moved into a profit-making position in the current year, after experiencing a loss in the prior year. This is as a result of the foreign currency gains increasing by 483% and a release of the expected credit loss provision in the current year. Total equity has increased by 39% as a result of the shares issued and profit made in the year

FUTURE DEVELOPMENTS

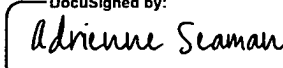
The principal activity of the Company will continue to be to act as an investment holding company.

For the company, the withdrawal of the UK from the European Union ("Brexit"), did not have a direct impact on its current operations as it is an investment holding company. The directors do not foresee any future impacts of Brexit.

PRINCIPAL RISKS AND UNCERTAINTIES

Details of risk management objectives, policies and exposure to risk are set out in note 2 of these financial statements.

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

DocuSigned by:

 DC8762BCAE1D407...
 A. H. Seaman
 Director
 29 September 2021

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Strategic Report for the year ended 31 December 2020

The directors present their Directors' Report and the audited financial statements of the Company for the year ended 31 December 2020.

DIRECTORS

The following directors have held office during the year:

R. J. Bodnum
K. M. Cronin
W.F. Knottenbelt
A. H. Seaman

PRINCIPAL ACTIVITIES

The Company is an investment holding company. It is anticipated that the Company will continue its present business activities next year.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

GOING CONCERN

The directors have performed a going concern assessment, including a review of the Company's financial position, future operations and cash flow forecasts for the period to 30 September 2022. This assessment indicates that the company will continue to be cash generative for the period to 30 September 2022. However, since the Company's activities are solely to provide services to fellow CME Group companies the Company is dependent on both the continuance of operations by the CME Group and also continuing finance being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due.

The directors of the Company's ultimate parent undertaking CME Group Inc. have provided a letter indicating that they intend to and are able to continue to provide financial support to the Company for a period at least 12 months from approval of the Company's financial statements. The directors are satisfied that the CME Group has sufficient cash and liquidity to provide this support. In particular, both the directors of the Company and those of CME Group Inc. have considered the financial performance and cash flows of the CME Group and which indicate the CME Group is expected to continue to be cash generative and meet its obligations as they fall due for the period to 30 September 2022.

On the basis of their enquiries of the CME Group's going concern assessment, the letter of support provided by CME Group Inc., and the reasonable expectations that the CME Group will continue as a going concern, the directors have concluded that the Company will be able to continue in operational existence for the period to 30 September 2022. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

DIVIDENDS

No dividends were paid during the year (period ended 31 December 2019: \$nil). The Directors do not recommend a final dividend for the year (period ended 31 December 2019: \$nil).

INDEPENDENT AUDITORS

Ernst & Young LLP have held office as auditor of the Company for the year. The auditor in office will be deemed to have been re-appointed pursuant to section 487(2) of the Companies Act 2006 unless the members or directors resolve otherwise.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Strategic Report for the year ended 31 December 2020

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:

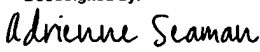
- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.
- the directors have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's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

DIRECTORS' INDEMNITIES

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

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

DocuSigned by:

DC8762BCAE1D407...
A. H. Seaman
Director
29 September 2021

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

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 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Independent Auditor's Report to the members of Godsell Astley & Pearce (Holdings) Limited

Opinion

We have audited the financial statements of Godsell Astley & Pearce (Holdings) Limited for the year ended 31 December 2020 which comprise Profit and Loss Account, the Balance Sheet, the statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 12 months from the date 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Independent Auditor's Report to the members of Godsell Astley & Pearce (Holdings) Limited

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Independent Auditor's Report to the members of Godsell Astley & Pearce (Holdings) Limited

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

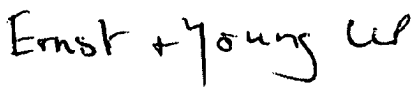
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our inquiries through reading board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. Our procedures involved testing journals identified by specific risk criteria.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria. We read the minutes of Directors' meetings to identify any non-compliance with laws and regulations. We also made enquiries with the Directors and of management of the company regarding compliance with laws and regulations.

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

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.



Michael Christie (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date 30 September 2021

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
Profit and Loss Account for the year ended 31 December 2020

	<u>Note</u>	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Other income	4	169	29
Administrative income / (expenses)	6	157	(155)
Operating profit/(loss)		326	(126)
Interest receivable and similar income	7	-	30
Interest payable and similar expenses	8	(41)	(36)
Profit/(loss) before taxation		285	(132)
Tax (charge)/credit	9	(24)	104
Profit/(loss) for the financial year / period		261	(28)

The profit of the Company for the financial year is derived from continuing operations.

Profit for the financial year is the same as total comprehensive income for the year.

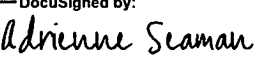
The notes on pages 13 to 22 are an integral part of these financial statements.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED**Balance Sheet as at 31 December 2020**

	<u>Note</u>	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Non-current assets			
Financial asset at fair value through other comprehensive income	10	-	-
Debtors: amounts falling due after more than one year	11	-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	11	5,881	5,413
		<u>5,881</u>	<u>5,413</u>
Total assets		<u>5,881</u>	<u>5,413</u>
Current liabilities			
Creditors: amounts falling due within one year	12	-	(1,197)
Tax payable		(24)	(4)
		<u>(24)</u>	<u>(1,201)</u>
Total assets less total liabilities		<u>5,857</u>	<u>4,212</u>
Equity			
Share capital	13	2,295	911
Share premium	14	2,592	2,592
Fair value reserve	14	(3,245)	(3,245)
Other reserves	14	1,222	1,222
Retained earnings	14	4,705	4,444
Translation reserve	14	(1,712)	(1,712)
Total equity		<u>5,857</u>	<u>4,212</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

The financial statements were authorised by the board of directors on 29 September 2021 and were signed on its behalf by:

DocuSigned by:

 DC8762BCAE1D407...
 A. H. Seaman
 Director

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
Statement of Changes in Equity for the year ended 31 December 2020

	Share capital \$'000	Share premium \$'000	Fair value reserve \$'000	Other reserves \$'000	Translation reserves \$'000	Retained earnings \$'000	Total equity \$'000
As at 31 March 2019 (restated)	911	2,592	(3,245)	1,222	(1,712)	4,472	4,240
Loss for the financial year	-	-	-	-	-	(28)	(28)
As at 31 December 2019	911	2,592	(3,245)	1,222	(1,712)	4,444	4,212
Shares issued	1,384	-	-	-	-	-	1,384
Profit for the financial year	-	-	-	-	-	261	261
As at 31 December 2020	2,295	2,592	(3,245)	1,222	(1,712)	4,705	5,857

The notes on pages 13 to 22 are an integral part of these financial statements.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Company have been prepared for the year to 31 December 2020. In the prior period, the Company changed its accounting reference date from 31 March to 31 December to align with the accounting reference date of CME Group Inc. As a result, the comparative numbers disclosed in these audited financial statements are for the 9-month period ended 31 December 2019. The accounting policies in the financial statements for the year have been applied consistently.

The financial statements are presented in US Dollars and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'), the Companies Act 2006 (the 'Act') as applicable to companies using FRS 101 and under the historic cost convention as modified by the revaluation of certain financial instruments. FRS 101 sets out a reduced disclosure framework 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 that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ('IFRS').

The financial statements of the Company will be included in the Group consolidated financial statements for the year ended 31 December 2020. Note 15 gives details of the Company's parent. These accounts are available to the public and may be obtained from the offices of CME Group Inc. or <http://investor.cmegroup.com>.

Per the FRS 101 Reduced Disclosure Framework, the Company is eligible to adopt the following qualifying exemptions:

- IFRS 7 'Financial instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1 'Presentation of financial statements'
 - i) Paragraph 10(d) of IAS 1 (statement of cash flows)
 - ii) Paragraph 16 (statement of compliance with all IFRS)
 - iii) Paragraph 38A (requirement for minimum of two primary statements, including cash flow statements)
 - iv) Paragraph 38B-D (additional comparative information)
 - v) Paragraph 11 (cash flow statement information)
 - vi) Paragraph 134-136 (capital management disclosures)
- IAS 7 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation)
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group
- Financial risk management, per 7Sch 6 CA 2006

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

b) Going concern

The directors have performed a going concern assessment, including a review of the Company's financial position, future operations and cash flow forecasts for the period to 30 September 2022. This assessment indicates that the company will continue to be cash generative for the period to 30 September 2022. However, since the Company's activities are solely to provide services to fellow CME Group companies the Company is dependent on both the continuance of operations by the CME Group and also continuing finance being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due.

The directors of the Company's ultimate parent undertaking CME Group Inc. have provided a letter indicating that they intend to and are able to continue to provide financial support to the Company for a period at least 12 months from approval of the Company's financial statements. The directors are satisfied that the CME Group has sufficient cash and liquidity to provide this support. In particular, both the directors of the Company and those of CME Group Inc. have considered the financial performance and cash flows of the CME Group and which indicate the CME Group is expected to continue to be cash generative and meet its obligations as they fall due for the period to 30 September 2022.

On the basis of their enquiries of the CME Group's going concern assessment, the letter of support provided by CME Group Inc., and the reasonable expectations that the CME Group will continue as a going concern, the directors have concluded that the Company will be able to continue in operational existence for the period to 30 September 2022. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

c) Interest receivable and similar income

Interest receivable and similar income is recognised using the effective interest rate method.

d) Interest payable and similar expenses

Interest payable and similar expenses are recognised using the effective interest rate method.

e) Tax

Tax on the loss for the year comprises current 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 tax is also accounted for 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.

Calculations of current 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 tax amounts in the period in which a reassessment of the liability is made.

f) Financial liabilities

(i) Recognition

Financial liabilities consist of creditors 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 expired.

(iii) Borrowings

Borrowing are initially recognised at fair value, being their issue proceeds net of transaction costs incurred. At subsequent reporting dates long-term borrowings are held at amortised cost.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

g) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from the profit and loss account in the period in which they are declared.

h) Financial assets

Financial assets are classified at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The Company's financial assets include amounts owed by group companies and the immediate holding company, which are all classified as debt instruments. The Company's financial assets also include investments which are classified as fair value through other comprehensive income. The Company measures all financial assets initially at fair value and debt instrument financial assets are subsequently carried at amortised cost, which are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. For trade receivables, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Investments in unquoted equity securities are designated as fair value through other comprehensive income if they are held as long-term strategic investments that are not expected to be sold in the short to medium term. All fair value movements in value in respect of those assets are recognised in other comprehensive income and are not recycled to profit or loss

i) Foreign currencies

(i) Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States Dollar (\$), which is the Company's functional and presentational 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.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

2. FINANCIAL RISK MANAGEMENT

General Objectives, policies and processes

The Company's operations expose it to some financial risks. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated below.

Credit risk

An impairment calculation is performed on trade intercompany receivables by using Global Corporate Average Cumulative Default Rates. This is on the basis that CME Group ultimately support all the intercompany debt. CME Group have a AA- rating and as such the default rate is 0.03% (Standard & Poors). The intercompany receivables impairment is calculated using the general approach and is based on lifetime expected credit losses using a discounted formula based on Bank of England target inflation, marginal probability of default for a AA- rated company and a assumed loss given default rate of 100%, the ECL is \$2k (2019 : \$155k).

Disclosures regarding trade debtors and other debtors, that are neither past due nor impaired, are provided below:

Debtors

Amounts owed by group undertakings are considered as trade debtors and are impaired for expected credit losses in accordance with IFRS 9 using the simplified approach. They are held at cost net of loss allowance and any fair value difference is not material.

As at 31 December 2020 amounts owed by group undertakings of \$nil (2019: \$nil) were past due but not impaired. The ageing analysis of these debtors is as follows:

	2020	2019
	\$'000	\$'000
Current	5,883	5,568
1 to 3 months	-	-
3 to 6 months	-	-
Over 6 months	-	-
At 31 December	<u>5,883</u>	<u>5,568</u>

Market risk

Market risk arises from adverse movements in foreign exchange rates, interest rates and securities prices. Those risks are managed by the Company on the basis of agreed limits which are kept under continuous review. Compliance is monitored through internal management reporting and internal audit process.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

2. FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk

The Company is exposed to foreign currency risk on a transactional basis, where receipts and payments occur in currencies other than United States Dollar, and on a translation basis, whereby assets and liabilities are denominated in currencies other than the United States Dollar. The Company does not have a policy of hedging its foreign risk exposure as the exposure is considered minimal.

The following table demonstrates the sensitivity to a reasonably possible change in United States Dollar against the exchange rates of foreign currencies with all other variables held constant. The analysis shows the impact on profit and loss of a strengthening (-%) or weakening (+%) of the currency against United States Dollar:

	Sensitivity %	2020 \$'000	Sensitivity %	2019 \$'000
Sterling	-5%	251	-6%	186
	11%	(423)	9%	(253)

Liquidity risk

The Company's policy is to manage liquidity risk by utilising the support provided by group companies to manage short-term liquidity requirements.

Liquidity risk is the risk that the Company is unable to fully or promptly meet payment obligations and potential payment obligations as and when they fall due.

The following table sets out the contractual maturities of financial liabilities, representing undiscounted contractual cash-flows:

	Within 1 year	Within 1 to 3 years	Within 3 to 5 years	Greater than 5 years	Total
At 31 Dec 2020	\$,000	\$,000	\$,000	\$,000	\$,000
Amounts due to related companies	-	-	-	-	-
Total	-	-	-	-	-
At 31 Dec 2019	\$,000	\$,000	\$,000	\$,000	\$,000
Amounts due to group undertaking	1,197	-	-	-	1,197
Total	1,197	-	-	-	1,197

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

2. FINANCIAL RISK MANAGEMENT (continued)

Operational risk

Operational risk is the risk of losses due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental, or natural occurrences. Internal processes include human resource systems, risk management and internal controls (including fraud prevention). Internal processes are subject to risks associated with human error, breaches of safety and failure of error prevention and detection systems. Operational risks also include possible failures of information technology systems. Operational risk is managed through the implementation of systems controls and policies, in which employees receive regular training, and the establishment of a business continuity plan, which is reviewed and tested on a regular basis under various scenarios.

Other than the risks outlined above, the Company is also exposed to the following operational risks:

Covid 19 Pandemic

Given the nature of the Company's activities there has been no direct or material impact from COVID-19.

Reputation risk

Reputation risk is the risk of damage to the Company arising from any association, action or inaction, perceived by stakeholders (e.g. customers, clients, colleagues, shareholders, regulators, opinion formers) to be inappropriate or unethical. The governance around the management of reputation risk is designed to promote a consistent approach and a risk-aware culture across the Company and CME Group. Every member of staff must take responsibility for managing reputation risk associated with their decisions and actions.

3. KEY ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes various judgements in applying its accounting policies and various assumptions and estimates, including about the future, when determining the carrying value of certain assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, as at 31 December 2020 there were no such judgements or assumptions that had a significant effect on the amounts recognized in the financial statements.

4. OTHER INCOME

	Year ended	Period ended
	31 Dec 2020	31 Dec 2019
	\$'000	\$'000
Foreign exchange gains	169	29
	169	29

5. DIRECTORS REMUNERATION

No fees were paid to the directors in respect of services to the Company during the year (period ended 31 December 2019: \$nil).

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
Notes to the Financial Statements for the year ended 31 December 2020

6. ADMINISTRATIVE INCOME / (EXPENSES)

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Other income / (expenses) ¹	<u>157</u>	<u>(155)</u>
	<u>157</u>	<u>(155)</u>

¹ Other income / (expenses) relate to expected credit losses provision.

The fee paid to Ernst & Young LLP (the Company's external auditors) for the statutory audit of the Company for the year ended 31 December 2020 was \$12,260 (31 December 2019: \$39,354) and was borne by a fellow subsidiary in the Group.

The Company had no employees during the current year and prior period.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Interest receivable from related companies	<u>-</u>	<u>30</u>
	<u>-</u>	<u>30</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
Interest payable to related companies	<u>41</u>	<u>36</u>
	<u>41</u>	<u>36</u>

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

9. TAX ON PROFIT/(LOSS)

	Year ended 31 Dec 2020 \$'000	Period ended 31 Dec 2019 \$'000
a) Analysis of the charge/(credit) for the year / period		
UK corporate tax		
- Current year / period	24	4
- Adjustments in respect of prior periods	-	(108)
	<u>24</u>	<u>(104)</u>
b) Factors affecting the tax charge for the year / period		
Profit/(loss) before tax	285	(132)
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	54	(25)
Effects of:		
Expenses not deductible for tax purposes	(30)	29
Adjustment in respect of prior years	-	(108)
	<u>24</u>	<u>(79)</u>
Tax charge/(credit) for the year / period	<u>24</u>	<u>(104)</u>
Effective tax rate	8%	80%

The headline rate of UK corporation tax remained at 19% for the period, following the enactment of Finance Act 2020 on 22 July 2020. Finance Bill 2021, published on 11 March 2021 and substantively enacted on 24 May 2021, includes a provision to change the standard rate of corporation tax from 19% to 25% with effect from 1 April 2023.

10. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2020 \$'000	2019 \$'000
Financial asset at fair value through other comprehensive income	-	-

The Company holds a 0.57% investment in Exotix Holdings Limited. The investment value was impaired and written down to nil during the year to 31 March 2019.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

11. DEBTORS

	2020 \$'000	2019 \$'000
Debtors: amounts falling due after more than one year		
- related group companies	654	632
- ECL on amounts due from related company	<u>(654)</u>	<u>(632)</u>
	-	-
Debtors: amounts falling due within one year		
- related group companies	5,755	5,568
- immediate holding company	128	-
- ECL on amounts due from group companies	<u>(2)</u>	<u>(155)</u>
	<u>5,881</u>	<u>5,413</u>
	<u>5,881</u>	<u>5,413</u>

Amounts due from fellow group companies falling due after more than one year includes an unsecured loan of \$654,000 with Exotix Partners LLP (2019: \$632,000) on which interest is charged at 10%. The loan is repayable on 30 June 2023.

12. CREDITORS

	2020 \$'000	2019 \$'000
Loan from:		
- immediate holding company	-	1,197
	<u>-</u>	<u>1,197</u>

Loan from immediate holding company relates to a revolving credit facility on which interest is charged at LIBOR plus 3%. This was settled in full on 1 December 2020.

13. SHARE CAPITAL

	2020 \$'000	2019 \$'000
Allotted and fully paid:		
1,438,268 Ordinary shares (2019: 400,400)	2,295	911
	<u>2,295</u>	<u>911</u>

On 1 December 2020, the Company allotted and issued 1,037,868 fully paid ordinary shares of GBP 1.00 each to its existing parent, NEX Group Holdings Limited, for a subscription price of GBP 1.00 per share.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Notes to the Financial Statements for the year ended 31 December 2020

14. RESERVES

Share capital

Share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising of £1 / \$1.5959 ordinary shares (31 December 2019: £1 (\$1.5763) ordinary shares).

Share premium

The share premium includes the value of the proceeds above nominal value on issue of the Company's share capital, comprising £1 (\$1.5763) ordinary shares each.

Fair value reserve

Fair value reserves relate to the revaluation of the financial asset at fair value through other comprehensive income held in Exotix Holdings Limited during the year ended 31 March 2019.

Other reserves

Other reserves relate to a capital contribution received from NEX Group Holdings Limited in the year ended 31 March 2016.

Translation reserves

Relates to the change in functional and presentational currency from GBP to USD.

Retained earnings

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

15. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent is NEX Group Holdings Limited, which is incorporated in England and Wales and does not prepare consolidated financial statements.

CME Group Inc. is the Company's ultimate parent undertaking and controlling party, whose principal address of business is 20 South Wacker Drive, Chicago, Illinois 60606, USA. It is a company incorporated in the United States of America and listed on NASDAQ.

CME Group Inc. is the smallest and largest group at which the results of the Company are consolidated. The consolidated financial statements of CME Group Inc. are available to the public and may be obtained from the offices of CME Group Inc. or <http://investor.cmegroup.com>.