

COMPANY NUMBER: 03611426

NEX INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2019

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NEX INTERNATIONAL LIMITED

General information

PROFILE

NEX International 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 incorporated and domiciled in England and Wales and is a private company limited by shares.

The Company is a wholly-owned non trading company for certain subsidiaries of CME Group Inc. (the ultimate parent company, together the Group) during the year and as such does not generate revenue. The Company's financial performance therefore is reliant on the performance of its trading subsidiaries.

DIRECTORS

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

K. Cronin	(Appointed 6 th December 2019)
B.T. Durkin	(Appointed 6 th December 2019, Resigned 13 th January 2021)
J.W Pietrowicz	(Appointed 6 th December 2019)
A.S. Aldridge	(Resigned 30 th September 2019)
D.A. Williamson	(Resigned 6 th December 2019)

REGISTERED OFFICE

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

REGISTRATION NUMBER

03611426

NEX INTERNATIONAL LIMITED

Strategic Report for the period 1 April 2019 to 31 December 2019

The directors present their Strategic Report and the audited financial statements of the Company for the period 1 April 2019 to 31 December 2019.

The Company previously had a 31 March accounting reference date but this has been changed to 31 December in order to align with the accounting reference date of CME Group Inc. Accordingly, these financial statements have been prepared for the nine-month period 1 April 2019 to 31 December 2019 (the 'period').

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the period 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 8.

The loss for the period of \$6,522,000 (31 March 2019: profit of \$2,391,479,000) has been transferred to reserves.

The net assets of the Company are \$2,756,935,000 (31 March 2019: net assets of \$2,663,395,000).

PRINCIPAL RISKS AND UNCERTAINTIES

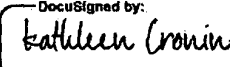
The principal risks, uncertainties and financial instruments of the Company are integrated with the principal risks, uncertainties and financial instruments of the Group and are not managed separately. The principal risks, uncertainties and financial instruments of the Group, which include those of the Company, are discussed on pages 14 to 24 of the Group's annual report for the year ended 31 December 2019 which does not form part of this report and copies may be obtained from the Company Secretary, CME Group Inc., 20 South Wacker Drive, Chicago, Illinois, 60606, which is its registered office.

COVID-19 risks and uncertainty have been discussed in the Post Balance Sheet Events section of the Directors Report for the Company.

KEY PERFORMANCE INDICATORS

The directors of the Group manage the Group's operations on a divisional basis. For this reason, the Company's directors believe 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 the Group, which includes the Company, are discussed in the Group's annual report for the year ended 31 December 2019, 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:

DocuSigned by:

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K Cronin
Director

22 January 2021

NEX INTERNATIONAL LIMITED

Directors' Report for the period 1 April 2019 to 31 December 2019

Company Number: 03611426

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

PRINCIPAL ACTIVITIES

The Company is a wholly-owned non trading company for certain subsidiaries of CME Group Inc (the ultimate parent company, together the Group) during the year and as such does not generate revenue. The Company's financial performance therefore is reliant on the performance of its trading subsidiaries. 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.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006

Under section 414(a) of the Companies Act 2006, the Company is required to include a section 172 statement describing how it has had regard to matters set forth in S172(1) of the Act. The directors acknowledge and understand their duties and responsibilities, including that, under s172 of the Companies Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company for maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

In addressing these matters the directors would like to expand on the following:

(a) Principal Decisions

The Board considers the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of the Company and the long-term consequences of its decisions. In making its decisions, the Board considers stakeholder interests, and how relevant decisions made on behalf of the Company affect those stakeholders, while also promoting the success of the Company for the long-term value creation for the broader CME Group. On behalf of the Company, CME Group frequently engages with its creditors, vendors and stakeholders as part of CME Group's financial risk management processes.

We define Principal Decisions as decisions which are material or strategic to the Company, key stakeholders and the long-term value creation of the Company.

(b) Employees

To further the professional advancement of its workforce, the Company is committed to a best practice approach in the treatment of its employees which considers their professional development, career opportunities and emotional well-being. The Company has adopted a pension plan and assurance schemes with other discretionary incentives provided to employees annually. Diversity, inclusion, adherence to the principles of Equal Employment and a commitment to facilitating employment opportunities for people with disabilities are key facets of CME Group. CME Group offers an Employee Assistance Program (EAP), which provides counselling sessions, giving employees an opportunity to confidentially discuss any family or personal issues. This includes legal counselling.

(c) Business Relationships with Suppliers, Customers and Others

The Company's approach is to conduct business in a manner which balances costs and risks while taking into account its stakeholders and protecting the Company's performance and reputation. The directors acknowledge that they have responsibility for the Company's systems of internal control and monitoring its design and effectiveness. The purpose of the internal control systems is to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management

NEX INTERNATIONAL LIMITED

Directors' Report for the period 1 April 2019 to 31 December 2019

Company Number: 03611426

information and to maintain proper control over the income, expenditures, assets and liabilities of the Company whilst maintaining a strong relationship with all of its stakeholders.

(d) Impact on the Community and Environment

The directors are aware of their responsibilities towards the wider community and environment when making principal decisions. As such, the Company has adopted energy saving lighting, renewable electricity and continues to monitor and review its energy efficiency. In addition to designing the operations of the Company to be environmentally friendly, the Company has adopted a number of Employee Network Groups (ENGs) where employee engagement is actively encouraged. One of these ENGs is SEED (Sustaining and Enhancing our Environmental Direction) which is focused on environmental sustainability and the wider impact on the community. SEED host various panel discussions throughout the year with some of the recent events looking at recycling, composting at home and climate change; the purpose of these discussions being raising awareness and to promote collaboration across the organisation.

(e) High Standards of Business Conduct

The directors recognise that the Company's success is dependent on establishing business relationships built on integrity and high standards. Key business achievements and the Group Strategy are discussed in detail and reviewed accordingly. The Company has adopted the CME Group Code of Conduct (the Code), CME Group policies and CME Group's corporate governance arrangements, which ensure the implementation of appropriate business conduct in the day-to-day activities of the Company. Adherence to the Code ensures that dealings with third-party vendors, clients, suppliers, consultants and all other stakeholders involved in the business operations of the Company are conducted appropriately.

(f) Members of the Company

S 172 of the Companies Act 2006 requires directors to run the company for the benefit of its shareholders as a whole and as such the directors have taken and continue to take into consideration any long-term effects that may impact the members of the Company.

GOING CONCERN

After reviewing the liquidity requirements, capital requirements, plans and financing arrangements, the directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and confirm that the Company is a going concern. For this reason, the Company continues to adopt the going concern basis in preparing these financial statements.

The COVID-19 pandemic is causing widespread disruption on world markets and the global economy. As the outbreak continues to evolve, the unpredictable nature of the pandemic means that there is uncertainty on the full extent and duration of the business and economic impact. Therefore, the impact on the Company being a going concern was revisited and sensitivity analysis was produced incorporating both possible and remote impacts to the Company. This analysis indicated there was no material impact which would change the Directors' position of the Company being a going concern as CME Group Inc, the ultimate parent, has confirmed its undertaking to provide financial support to the Company and assist in meeting the Company's liabilities as and when they fall due for at least 12 months from the date of the approval of the financial statements.

DIVIDENDS

No dividends were paid during the period (31 March 2019: \$2,391,931) The Directors do not recommend a final dividend for the period (31 March 2019: nil).

INDEPENDENT AUDITORS

Ernst & Young LLP have held office as auditor of the Company for the period.

NEX INTERNATIONAL LIMITED

Directors' Report for the period 1 April 2019 to 31 December 2019

Company Number: 03611426

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 period and remain in force at the date of this report.

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.

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

DocuSigned by:

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K Cronin
Director

22 January 2021

NEX INTERNATIONAL LIMITED

Independent Auditor's Report to the members of NEX International Limited

Opinion

We have audited the financial statements of NEX International Limited for the period ended 31 December 2019 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, 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 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 2019 and of its loss for the period 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 below. 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.

Emphasis of matter – Effects of COVID-19

We draw attention to Note 1(b) and Note 17 of the financial statements which describes the impact of the COVID-19 pandemic on global financial markets and the company's operations since the period end. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

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.

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.

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

We have nothing to report in this regard.

NEX INTERNATIONAL LIMITED

Independent Auditor's Report to the members of NEX International 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 director's report for the financial period 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 5, 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 <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.

NEX INTERNATIONAL LIMITED

Independent Auditor's Report to the members of NEX International Limited

Ernst & Young LLP

Simon Michaelson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date 28th January 2021

NEX INTERNATIONAL LIMITED**Profit and Loss Account for the period 1 April 2019 to 31 December 2019**

	<u>Note</u>	Period ended 31 Dec 2019 \$'000	Year ended 31 Mar 2019 \$'000 (restated)
Dividend and other income	3		2,391,931
Administrative expenses	4	(3,964)	(539)
Operating (loss)/profit		(3,964)	2,391,392
Interest receivable and similar income	5	91	2,977
Interest payable and similar expenses	6	(4,085)	(5,118)
Dividend distribution from associate after tax		-	1,739
(Loss)/profit before taxation		(7,958)	2,390,990
Tax credit on (loss)/profit	7	1,436	489
(Loss)/profit for the financial period/year		(6,522)	2,391,479

The loss of the Company for the financial period is derived from continuing operations.

Loss/profit for the financial period is the same as total comprehensive income for the period.

The profit and loss account for the year ended 31 March 2019 has been restated due to a change in accounting policy for presentational currency.

The notes on pages 12 to 26 are an integral part of these financial statements.

NEX INTERNATIONAL LIMITED

Balance Sheet as at 31 December 2019

Company Number: 03611426

	<u>Note</u>	As at 31 Dec 2019 \$'000	As at 31 Mar 2019 \$'000 (restated)	As at 1 Apr 2018 \$'000 (restated)
Non-current assets				
Investment in subsidiaries	8	3,384,806	3,284,744	2,773,002
Investment in associates	9	1,737	1,737	1,870
Trade and other receivables		-	-	173,772
		<u>3,386,543</u>	<u>3,286,481</u>	<u>2,948,644</u>
Current assets				
Debtors: amounts falling due within one year	10	42,270	39,269	1,286
Cash and cash equivalents	11	93	5,186	8
Tax receivable		1,437	483	-
		<u>43,800</u>	<u>44,938</u>	<u>1,294</u>
Total assets		<u>3,430,343</u>	<u>3,331,419</u>	<u>2,949,938</u>
Current liabilities				
Creditors: amounts falling due within one year	12	(489,755)	(485,590)	(648,603)
Tax payable		-	-	(346)
		<u>(489,755)</u>	<u>(485,590)</u>	<u>(648,949)</u>
Total assets less current liabilities		<u>2,940,588</u>	<u>2,845,829</u>	<u>2,300,989</u>
Non-current liabilities				
Creditors: amounts falling due after more than one year	12	(183,653)	(182,434)	(196,392)
Total liabilities		<u>(673,408)</u>	<u>(668,024)</u>	<u>(845,341)</u>
Net assets		<u>2,756,935</u>	<u>2,663,395</u>	<u>2,104,597</u>
Equity				
Called up share capital		102,350	100,839	100,839
Share premium		788,160	689,609	689,609
Other reserves		1,251	1,251	1,251
Retained earnings		2,014,013	2,020,535	1,304,524
Revaluation reserve		(148,839)	(148,839)	8,374
Total equity		<u>2,756,935</u>	<u>2,663,395</u>	<u>2,104,597</u>

The notes on pages 12 to 26 are an integral part of these financial statements.

The balance sheets as at 31 March 2019 and as at 1 April 2018 have been restated due to a change in accounting policy for presentational currency.

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

DocuSigned by:

Kathleen Cronin

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K Cronin
Director

22 January 2021

NEX INTERNATIONAL LIMITED**Statement of changes in equity as at 31 December 2019**

	Share capital \$'000	Share premium \$'000	Revaluation reserve \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
As at 1 April 2018 (restated)	100,839	689,609	8,374	1,304,524	1,251	2,104,597
Profit for the financial year	-	-	-	2,391,478	-	2,391,478
Capital contribution	-	-	-	716,464	-	716,464
Translation reserve movement	-	-	(157,213)	-	-	(157,213)
Dividends paid in the year	-	-	-	(2,391,931)	-	(2,391,931)
As at 31 March 2019 (restated)	100,839	689,609	(148,839)	2,020,535	1,251	2,663,395
(Loss) for the financial period	-	-	-	(6,522)	-	(6,522)
Issue of shares	1,511	98,551	-	-	-	100,062
As at 31 December 2019	102,350	788,160	(148,839)	2,014,013	1,251	2,756,935

The statement of changes in equity for the year ended 31 March 2019 has been restated due to a change in accounting policy for presentational currency.

The notes on pages 12 to 26 are an integral part of these financial statements.

NEX INTERNATIONAL LIMITED

Notes to the financial statements

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

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 accounting standards have been applied consistently, other than where new standards have been adopted.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements of the Company will be included in the Group consolidated financial statements for the year ended 31 December 2019. Note 18 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with US GAAP may be obtained.

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

b) Going concern

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

Given that COVID-19 pandemic is causing widespread disruption on world markets and the global economy, the impact on the Company being a going concern was revisited. Sensitivity analysis was produced incorporating both possible and unlikely impacts to the Company. This analysis indicated there was no material impact which would change the Directors position of the Company being a going concern as CME Group Inc. the ultimate parent has confirmed its undertaking to provide financial support to the Company and assist in meeting the Company's liabilities as and when they fall due for at least 12 months from the date of the approval of the financial statements.

c) Dividend income

Dividend income is recognised when the right to receive payment is established.

d) Interest receivable and similar income

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

e) Interest payable and similar expenses

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

NEX INTERNATIONAL LIMITED

Notes to the financial statements

f) Tax

Tax on the profit for the period 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 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.

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 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 period in which a reassessment of the liability is made.

g) Investments in subsidiaries

Investments in subsidiaries are recorded at historical cost less provision for any impairment in their values and are assessed for impairment on an annual basis. Where there is any evidence of impairment, recoverable amounts of the subsidiaries are calculated with reference to the higher of its fair value less costs to sell and its value in use. The excess of carrying value over the recoverable amount is then taken to profit and loss as an impairment charge and the investment in subsidiary is then recorded at historic cost less impairment.

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.

h) Investments in associates

The Company classifies investments in entities over which it has significant influence but not control, as associates. These investments are recorded at historical cost less provision for any impairment in their values

i) Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

j) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and on-demand deposits which are subject to insignificant risk of change in value and are readily convertible into a known amount of cash with less than three months maturity.

NEX INTERNATIONAL LIMITED

Notes to the financial statements

k) Financial assets

The Company classifies its financial assets in the following categories:

(i) Recognition

Fair value through other comprehensive income: Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.

Amortised cost: The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets held at amortised cost consist of loans and receivables which are non-derivative financial instruments that 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 10).

(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

The Company is required to recognise expected credit losses (ECLs) based on unbiased range of possible outcomes and forward-looking information for all financial assets at amortised cost and financial assets at fair value through other comprehensive income.

ECLS are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, representing the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset. Financial support from ultimate parent i.e. CME Group Inc. is also considered in the calculation of ECL.

Forward looking information includes macroeconomic variables, such as the UK GDP. The UK GDP growth demonstrates a strong linear relationship with historical observed default rates. Due to the disruption caused by COVID-19, we have performed ECL sensitivity analysis using various GDP scenarios. Based on this analysis the impact is immaterial.

At the reporting date, an allowance is required for the 12 month (Stage 1) ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: probability of default (PD), loss given default (LGD) and the exposure at default (EAD).

The 12 month and lifetime ECLs are calculated by multiplying the respective PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event.

NEX INTERNATIONAL LIMITED

Notes to the financial statements

The LGD represents expected losses on the EAD given the event of default, taking into account, among other characteristics, the time value of money.

The Company assumes that the credit risk of a financial asset has increased significantly when:

- there has been an increase in the lifetime probability of default; or
- the financial assets is more than 30 days past due (backstop indicator)

Significant increase in credit risk is conditional on either of the criteria above being met and not on all being met together. An external rating notched approach will serve as the primary indicator in determining if a significant increase in credit risk has occurred since initial recognition. The approach relies on implicitly evaluating variation in Point-in-time ("PiT") PD, across the remaining life of an asset. These estimates are determined both at origination and reporting date.

The Company considers a financial asset to be in **default** when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or
- the borrower has defaulted on another balance within the Group or
- the financial asset is more than 90 days past due, with an exemption applied for trade receivables and intercompany receivables for which default is determined on a case by case basis. The Company considers factors such as historical information as a base from which to measure expected credit losses and applies current observable data to reflect the effects of the current conditions

The Company will apply the **general approach** to all financial assets in scope for IFRS 9 impairment framework, with the exception of trade receivables, where the Company applied the **simplified approach**, with a lifetime expected credit loss.

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. The **maximum period** considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

Forward looking - As a macroeconomic variable, real UK GDP growth was identified to demonstrate a strong linear relationship with historical observed default rates. As per NEX's modelling policy, three PD term structures are used in the model: base case GDP growth rates, a plausible but optimistic case for GDP growth (upturn scenario) and a negative but plausible case of GDP growth (downturn scenario).

Loss allowances for financial assets measured at amortised cost are 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.

For debt securities at FVOCI, where applicable, the loss allowance is recognised in other comprehensive income, instead of reducing the carrying amount of the asset.

Impairment losses are presented under "administrative expenses" and not presented separately in the statement of profit or loss and other comprehensive income due to materiality considerations. When a trade receivable and intercompany receivables are determined to be uncollectable, it is written off against the allowance account for trade receivables and intercompany receivables. Subsequent recoveries of amounts previously written off are credited against "administrative expenses" in the profit and loss account.

NEX INTERNATIONAL LIMITED

Notes to the financial statements

l) 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.

m) 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.

n) Dividend payments

The Company recognises the final dividend payable when it has been approved by the shareholders of the Company in a general meeting. The interim dividend is recognised when it has been approved by the directors of the Company.

Dividends in specie are based on the fair value of the assets distributed as this represents the best estimate to settle the obligation.

o) Foreign currencies

(i) Functional currency

The acquisition of the Company by the Group in November 2018 led to a subsequent reorganisation of the Group structure. The Company was aligned to a different parent and being an extension of its parent the Company's functional currency had changed from GBP to USD. In line with IAS21 'The effect of changes in foreign exchange rates', the change in functional currency has been applied prospectively from 1 April 2019.

(ii) Presentation currency

The change in presentation currency is an accounting policy choice. Management has chosen to change the presentation currency from GBP to USD in line with the change in functional currency. In accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors', the change has been applied retrospectively. The Company has presented three balance sheets as at 31 December 2019, 31 March 2019 and 1 April 2018. The comparatives have been restated and presented in USD.

Income and expenses as well as Other comprehensive income (OCI) were translated to US dollars at the respective average exchange rates prevailing for the relevant periods. Assets and liabilities were translated at closing exchange rates prevailing on the respective balance sheet dates. Share capital issued and own shares held were translated at historic average rates. This has resulted in a translation difference that is reflected in the translation reserve.

(i) 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 other comprehensive income. 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.

NEX INTERNATIONAL LIMITED**Notes to the financial statements****2. 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, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at 31 December 2019 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Company's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved:

- Impairment of trade debtors: where the financial asset is more than 90 days past due this is considered impaired, with some exemptions applied on a case by case basis. The Company considers factors such as historical information as a base from which to measure expected credit losses based on the current observable data to reflect the effects of the current conditions.
- Impairment of investment in subsidiary: the carrying value of investment in subsidiaries was assessed for impairment at period end and the impairment charge was calculated as the difference between the carrying value and the net assets of the subsidiary which was assumed to equal to fair value.

3. DIVIDEND AND OTHER INCOME

	Period ended 31 Dec 2019 \$'000	Year ended 31 Mar 2019 \$'000 (restated)
Dividend income	-	2,391,931
	<u>-</u>	<u>2,391,931</u>

No dividend income was received in the period (31 March 2019: \$2,391,931 thousand dividend in specie (note 8))

4. ADMINISTRATIVE EXPENSES

	Period ended 31 Dec 2019 \$'000	Year ended 31 Mar 2019 \$'000 (restated)
ECL expense of amounts owed from subsidiaries	-	109
ECL reversal of over provision	(101)	-
Foreign exchange	4,040	430
Audit fees	25	-
	<u>3,964</u>	<u>539</u>

The fee paid to Ernst & Young LLP (the Company's external auditors) for the statutory audit of the Company for the period ended 31 December 2019 was \$25,000 (31 March 2019: \$25,000) and was borne by a fellow subsidiary in the Group.

NEX INTERNATIONAL LIMITED**Notes to the financial statements****5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Period ended 31 Dec 2019 \$'000	Year ended 31 Mar 2019 \$'000 (restated)
Interest income from Group companies	-	2,977
Interest income from external parties	91	-
	<u>91</u>	<u>2,977</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period ended 31 Dec 2019 \$'000	Year ended 31 Mar 2019 \$'000 (restated)
Interest expense to Group companies	4,085	5,118
	<u>4,085</u>	<u>5,118</u>

7. TAX ON PROFIT

	Period ended 31 Dec 2019 \$'000	Year ended 31 Mar 2019 \$'000 (restated)
Current tax charges		
UK corporate tax		
- Current tax	(1,436)	(489)
	<u>(1,436)</u>	<u>(489)</u>
 (Loss) / Profit before tax	 (7,958)	 2,390,990
(Loss) / Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (31 March 2019: 19%)	(1,410)	454,288
Effects of:		
Non-taxable income	-	(454,798)
Expenses not deductible for tax purposes	(26)	21
Tax credit for the period/year	<u>(1,436)</u>	<u>(489)</u>
 Effective tax rate	 19%	 0.002%

On 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.

NEX INTERNATIONAL LIMITED**Notes to the financial statements****8. INVESTMENTS IN SUBSIDIARIES**

	31 Dec 2019	31 Mar 2019
	\$'000	\$'000
		(restated)
As at 1 April 2019/1 April 2018	3,284,744	2,773,002
Additions through dividend in specie received	-	2,391,931
Additions through cash contribution	-	708,826
Transfers through dividend in specie paid (note 13)	-	(2,391,931)
Additions through share issue	200,124	-
Transfers through share issue	(100,062)	-
Foreign exchange	-	(197,084)
As at 31 December 2019/31 March 2019	3,384,806	3,284,744

On 4 April 2019, the entire issued share capital of InterCapital No. 1 Limited (250,001 ordinary shares) was transferred from NEX Group Holdings Limited to NEX International Limited for consideration of £1.

On 1 October 2019, NEX International Limited acquired the entire issued share capital of CME Finance Holdings Limited from CME London Limited for total non-cash consideration of £81,379,105.39 (US\$100,062,201). The consideration was satisfied by the allotment and issue of 12,290,779 ordinary shares of £0.10 each in the capital of NEX International Limited to CME London Limited (£80,150,027.49 (US\$98,550,951) being share premium).

On 1 October 2019, NEX International Limited transferred the entire issued share capital of CME Finance Holdings Limited to NEX Group Holdings Limited for total non-cash consideration of £81,379,105.04 (US\$100,062,201). The consideration was satisfied by the allotment and issue of 4,318,234 ordinary shares of £1.00 each in the capital of NEX Group Holdings Limited to NEX International Limited (£77,060,871.04 (US\$94,752,583) being share premium).

As at 31 December 2019, the Company's subsidiary companies were as follows:

Direct Wholly-Owned Subsidiaries**United Kingdom**

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

NEX Group Holdings Limited

InterCapital Limited

InterCapital No. 1 Limited

Indirect Wholly-Owned Subsidiaries**United Kingdom**

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

Abide Financial DRSP Limited

Abide Financial Limited

Abide Financial Repository Limited

Astley & Pearce Limited

BrokerTec Europe Limited

Capital Shipbrokers LLP

Capital Shipbroking Limited

CME Finance Holdings Limited

EBS Dealing Resources International Limited

EBS Group Limited

EBS No. 2 Limited

Garban Broking Services Limited

Garban Harlow Resources Limited

Godsell, Astley & Pearce (Holdings) Limited

Godsell, Astley & Pearce (Foreign Exchange) Limited

NEX INTERNATIONAL LIMITED

Notes to the financial statements

Harlow, Ueda Savage Limited
Intercapital No. 2 Limited
Intercapital No. 3 Limited
Midhurst Chartering Limited
Municipal Brokers Limited
CME Group Benchmark Administration Limited (formerly NEX Data Services Limited)
NEX Exchange Limited
NEX Finance Limited
NEX International Investments Limited
NEX Markets Limited
NEX Optimisation Limited
NEX Services Limited
NEX SEF Limited
TriOptima UK Limited

4th Floor, One New Change, London, EC4M 9AF

CME Marketing Europe Limited
CME Operations Limited
CME Digital Limited
CME Digital Vault Limited
CME Trade Repository Limited

25 Great Victoria Street, Belfast, Northern Ireland, BT2 7AQ

CME Technology and Support Service Limited

Argentina

Avda. Leandro N. Alem 855, Piso 16, Buenos Aires

Intercapital Argentina S.A.

Intercapital Lat Am Services S.A.

Australia

BDO, Level 11, 1 Margaret Street, Sydney NSW 2000

CME Group Australia

China

Unit 368, Division 302, No. 211 North Fute Road, Shanghai, Pilot Free Trade Zone 200120

EBS (Shanghai) Information Technology Co., Ltd.

No.6 Wudinghou Street, Unit 1105, Excel Centre, Xicheng District, Beijing 100033, China

CME Consulting (Beijing) Limited

Germany

Barckhausstraße 1, 60325 Frankfurt am Main

Intercapital (Germany) GmbH

Hong Kong

6th Floor, Alexandra House, 18 Chater Road, Central

CFETS-NEX Markets Limited

Intercapital (Hong Kong) Limited

Nexstep HK 2 Limited

Nexstep HK 3 Limited

Unit 1705-1708, 17/F Man Yee Building, 68 Des Voeux Road Central, Hong Kong

CME Group Hong Kong Limited

Israel

Floors 11 and 12, 132 Menachem Begin Road, Round Tower, Azrieli Center, Tel Aviv 6701101

EBS Financial Technologies Ltd.

Japan

Toho Twin Tower Building, 3rd Floor, 1-5-2 Yuraku-cho, Chiyoda-ku, Tokyo 100-0006

EBS Dealing Resources Japan Limited

4-10 Nihonbashi-Muromachi, 4-chome, Chuo-ku, Tokyo 103-0022

TriOptima Japan K.K.

Kasumigaseki Building, 6F Room No.622, 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo

CME Group Japan KK

NEX INTERNATIONAL LIMITED**Notes to the financial statements****Luxembourg**

17 Boulevard du Prince Henri, L-1724 Luxembourg (address changed on 3 July 2020 to 7 rue Robert Stumper, L-2557,

Luxembourg]

Euclid Opportunities S.A.

Netherlands

Nieuwezijds Voorburgwal 104, Units 1.04, 1.05 en 1.06, Amsterdam

CME Investment Firm B.V.

CME Amsterdam B.V.

Singapore

10 Marina Boulevard, #21-01, Marina Bay Financial Centre, Singapore 018983

Intercapital No. 1 Pte. Ltd.

Intercapital No. 2 Pte. Ltd.

NEX Services Pte. Ltd.

Reset Holdings Private Limited

Reset Private Limited

TriOptima Asia Pacific Pte. Limited

600 North Bridge Road #23-01, Parkview Square, Singapore 188778

CME Group Asia Holdings Limited

CME Group Singapore Operations Limited

Sweden

Mäster Samuelsgatan 17, 111 44 Stockholm

TriOptima AB

NEX Abide Trade Repository AB

Switzerland

Lavaterstrasse 40, CH-8002 Zurich

EBS Service Company Limited

United States

The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware DE 19801

Intercapital Capital Markets LLC

NEX Group Investments Inc.

TriOptima North America LLC

Harborside Financial Center, 1100 Plaza Five, Jersey City, NJ, 07311

Intercapital Securities Inc.

Indirect subsidiaries where the effective interest is less than 100%	Percentage
Italy	
Via Giuseppe Marcora 11, 20121 Milan	
e-MID SIM S.p.A. (in liquidation)	93.1

The percentage held represents the percentage of issued ordinary share capital held (all classes) and represents the voting rights of the Company. All principal subsidiaries have a 31 December year end. All companies operate in their country of incorporation. BrokerTec Europe Limited, EBS Group Limited, EBS Dealing Resources International Limited and Reset Private Limited also operate from branches outside their countries of incorporation.

NEX INTERNATIONAL LIMITED**Notes to the financial statements****9. INVESTMENTS IN ASSOCIATES**

	31 Dec 2019 \$'000	31 Mar 2019 \$'000 (restated)
As at 1 April 2019/1 April 2018	1,737	1,737
As at 31 December 2019/31 March 2019	<u>1,737</u>	<u>1,737</u>

As at 31 December 2019, the Company had a 33% (31 March 2019: 33%) investment in Shanghai CFETS-ICAP International Money Broking Co. Ltd, a broking company incorporated in China. The investment is held at historical cost.

10. DEBTORS

	31 Dec 2019 \$'000	31 Mar 2019 \$'000 (restated)
Debtors: amount falling due within one year		
Amounts due from fellow group companies	42,270	39,269
	<u>42,270</u>	<u>39,269</u>

Amounts due from Group companies are unsecured, non-interest bearing and receivable on demand.

11. CASH AND CASH EQUIVALENTS

	31 Dec 2019 \$'000	31 Mar 2019 \$'000 (restated)
Cash at bank and in hand	<u>93</u>	<u>5,186</u>

12. CREDITORS

	31 Dec 2019 \$'000	31 Mar 2019 \$'000 (restated)
Creditors: amounts falling due after more than one year		
Loan due to subsidiary	183,653	182,434
	<u>183,653</u>	<u>182,434</u>
Creditors: amounts falling due within one year		
Amounts due to subsidiaries	489,755	485,590
	<u>489,755</u>	<u>485,590</u>

Loan due to subsidiary falling due after more than one year comprises an unsecured loan of \$183.653m (31 March 2019: \$182.434m) on which interest is charged at LIBOR plus 2.00%. The loan is repayable five years following the date of service of notice, but not earlier than the end of such period.

Amounts due to subsidiaries falling due within one year are non-interest bearing and payable on demand.

NEX INTERNATIONAL LIMITED**Notes to the financial statements****13. DIVIDEND PAID**

	Period ended 31 Dec 2019 \$'000	Year ended 31 Mar 2019 \$'000 (restated)
Dividends in specie paid (note 8)	-	2,391,931
	<u>-</u>	<u>2,391,931</u>

The directors have not proposed a final dividend for the period (31 March 2019: nil).

14. CALLED UP SHARE CAPITAL

	31 December 2019		31 March 2019	
	Number of shares thousands	Nominal value \$'000	Number of shares thousands	Nominal value \$'000
Ordinary shares of 10p each	676,828	102,350	664,537	100,839
	<u>676,828</u>	<u>102,350</u>	<u>664,537</u>	<u>100,839</u>

The number of ordinary shares in issue as at 31 December 2019 is 676,827,785 (31 March 2019: 664,537,006). All shares have a nominal value of 10p.

15. COMMITMENTS

The Company has an embedded guarantee with Lloyds TSB Capital Markets as at 31 December 2019. The embedded guarantee is shared with Intercapital Limited and has a limit of £50m. The embedded guarantee arose in relation to a revolving credit facility agreement entered into in 2002 between Intercapital Limited and Lloyds TSB Capital Markets and as at 13 January 2020 this has been discharged.

16. CONTINGENT LIABILITIES

In March 2015, the Company was dismissed for lack of personal jurisdiction from a purported US class action litigation filed against various Yen Libor and Euroyen Tibor setting banks. However, the plaintiff in that litigation was given permission by the court to add ICAP Europe Limited ('IEL') (which was sold to TP ICAP plc) as a defendant, and an amended complaint doing so was filed on 29 February 2016. IEL filed a motion to dismiss the amended complaint on 16 May 2016. On 10 March 2017, the court granted IEL's motion, and IEL has been dismissed from the lawsuit. The remainder of the first lawsuit was dismissed in its entirety on 27 August 2020. Plaintiff has 30 days from the entry of judgment to appeal the dismissal of the lawsuit as well as the earlier decisions dismissing the Company and IEL. It is unclear whether plaintiff will appeal, and which decisions will be appealed. On 24 July 2015, a second litigation was filed on behalf of additional plaintiffs in the same court based on similar allegations. The litigation includes claims against the Company and IEL, both of which filed motions to dismiss for lack of personal jurisdiction, and joined in co-defendants' motion to dismiss for failure to state a claim. On 10 March 2017, the court granted the defendants' joint motion, thereby dismissing the entire lawsuit. That decision was reversed on appeal on 1 April 2020 and remanded back to the district court. Plaintiffs have now filed a Second Amended Complaint which the defendants are moving to dismiss. The briefing on the motion to dismiss was completed as of 21 December 2020. It is not practicable to predict the ultimate outcome of these litigations and it is not possible to provide a reliable estimate of any potential financial impact on the Company.

NEX INTERNATIONAL LIMITED

Notes to the financial statements

16. CONTINGENT LIABILITIES (continued)

Plaintiffs in the Euribor civil litigation named the Company and IEL on 13 August 2015 as parties to that pre-existing litigation. On 21 February 2017, the court granted the Company's and IEL's motions to dismiss for lack of personal jurisdiction. Plaintiffs have filed a notice of appeal, but that appeal is currently stayed. It is not practicable to predict the ultimate outcome of this litigation and it is not possible to provide an estimate of any potential financial impact on the Company.

On 6 November 2017, plaintiffs in a pending US class action litigation concerning Swiss franc Libor filed a Second Amended Complaint which added 12 new defendants, including NEX Group Limited, Intercapital Capital Markets LLC ('ICM'), IEL, ICAP Securities USA LLC (which was sold to TP ICAP plc), TP ICAP plc, additional Tullett Prebon entities and two Swiss broker firms. In September 2019, the Court dismissed the entire action for lack of Article III standing. Plaintiffs have filed a notice of appeal, but that appeal is currently stayed. It is not practicable to predict the ultimate outcome of the litigation and it is not possible to provide a reliable estimate of any potential financial impact on the Company.

On 14 December 2017, an entity called the Stichting Elco Foundation (the 'Foundation'), which purports to protect the interests of various EU entities, including investment firms, credit institutions, and insurance companies, filed a writ initiating litigation in Amsterdam against the Company, IEL, and three banks for alleged manipulation of various interbank offering rates. On 14 August 2019, the Court granted the motion to dismiss the Company, and limited the claims against IEL to Yen Libor related claims. On 5 February 2020, the defendants filed a challenge as to the admissibility of the Foundation to pursue the claims. On 9 December 2020, the Court granted the motion and found Stichting Elco inadmissible to proceed with its claims. The matter is closed pending appeal, which must be filed by 9 March 2021. It is not possible at this time to predict the outcome of this litigation or to provide a reliable estimate of any potential liability or financial impact on the Company.

On 25 November 2015, ICM was named as a defendant, along with a number of banks and Tradeweb Markets LLC, in ten civil lawsuits alleging antitrust violations and unjust enrichment relating to the interest rates swaps market. Eight of the lawsuits are class actions by alleged investors in the market, and the other two are single plaintiff cases brought by failed competitors. The cases were consolidated in the United States District Court for the Southern District of New York. All defendants filed motions to dismiss the complaints for failure to state a claim. Plaintiffs then filed an amended complaint which, among other things, added ICAP SEF (US) LLC and ICAP Global Derivatives Limited (both of which were sold to TP ICAP plc) as defendants. The defendants filed new motions to dismiss on 29 January 2017. On 28 July 2017, the court issued a decision dismissing all claims as to ICM, as well as the two TP ICAP plc entities. There is no present indication that plaintiffs will seek to appeal the dismissal of the aforementioned entities from the suit, or otherwise seek to re-join them in the litigation. It is not possible at this time to predict the outcome of this litigation or to provide a reliable estimate of any potential liability or financial impact on the Company.

On 16 August 2016, the Company and ICAP Australia Pty Limited (which was sold to TP ICAP plc), along with a number of banks and two Tullett Prebon entities, were named as defendants in a purported class action filed in the United States District Court for the Southern District of New York alleging antitrust, Commodity Exchange Act, and common law claims arising out of the alleged manipulation of the Australian Bank Bill Swap Reference Rate ("BBSW"). In November 2018, the court dismissed the case as to the Company and ICAP Australia Pty Limited for lack of personal jurisdiction. While the plaintiffs have sought to amend the complaint to make additional allegations and seek jurisdictional discovery against certain other defendants, they are not pursuing either entity at this time beyond reserving the right to appeal when there is a final judgment. It is not possible at this time to predict the outcome of this litigation or to provide a reliable estimate of any potential liability or financial impact on the Company.

In the normal course of business, the Company discusses matters with its regulators raised during regulatory examinations or otherwise subject to their inquiry and oversight. These matters could result in censures, fines, penalties or other sanctions. The directors believe the outcome of any resulting actions will not have a material impact on the Company's financial position or results of operations. However, the Company is unable to predict the outcome or the timing of the ultimate resolution of these matters, or the potential fines, penalties or injunctive or other equitable relief, if any, that may result from these matters.

In addition, the Company is a defendant in, and has potential for, various other legal proceedings arising from its regular business activities. While the ultimate results of such proceedings against the Company cannot be predicted with certainty, the Company believes that the resolution of any of these matters on an individual or aggregate basis will not have a material impact on its financial position or results of operations.

NEX INTERNATIONAL LIMITED

Notes to the financial statements

For sake of clarity, some of the matters described herein may not be the direct responsibility of the Company but may be its responsibility under indemnification and/or breach of warranty provisions agreed to by the Company with TP ICAP plc. The sale by the Company of its global broking business to Tullett Prebon entailed customary warranties given by the Company in the sale and purchase agreement and repeated at completion of the transaction. Warranty claims are subject to customary limitations, including a de minimis and aggregate claims threshold, a cap, and time limits for bringing a claim. TP ICAP plc has notified NEX of several potential warranty claims. All warranty claims have been settled or dropped except for claims related to a CFTC investigation and a German tax investigation. TP ICAP has issued proceedings related to those matters, and the Company has filed a motion to strike those claims. The Company believes the claims are without merit and intends to defend itself vigorously. In addition to such warranties, the Company also provided Tullett Prebon with indemnities for, among other things, certain known regulatory, litigation and employment claims. It is not possible to predict whether any of the matters described herein will give rise to liabilities under the warranties and/or indemnities given in connection with the transaction, nor is it possible at this time to provide a reliable estimate of any potential liability or financial impact on the Company.

17. POST BALANCE SHEET EVENTS

On 16 July 2020, NEX Group Holdings Limited declared a cash dividend to the Company in the sum of US\$ 96,726,096, to be left outstanding on intercompany account.

On 16 July 2020, the Company declared a cash dividend to CME London Limited in the sum of US\$ 96,726,096, to be left outstanding on intercompany account.

On 16 July 2020, NEX Group Holdings Limited declared a cash dividend to the Company in the sum of US\$ 14,745,000, to be left outstanding on intercompany account.

On 16 July 2020, Intercapital No.1 Ltd allotted and issued 11,796,000 fully paid ordinary shares of £1.00 each to the Company for a subscription price of US\$ 1.25 per share.

On 16 July 2020, NEX Group Holdings Ltd allotted and issued 457,016,000 fully paid ordinary shares of £1.00 each to the Company for a subscription price of US\$ 1.25 per share.

On 16 July 2020, Intercapital Limited declared a cash dividend to the Company in the sum of US\$ 1,183,080,000, to be left outstanding on intercompany account.

On 2 November 2020, CME London Limited transferred the entire issued share capital of Elysian Systems Limited to the Company for total consideration of £4,861,636.11, satisfied by the allotment and issue of 725,653 ordinary shares of £0.10 each in the capital of the Company at a premium of £6.60 per share (total share premium being £4,789,309.80).

On 2 November 2020, the Company transferred the entire issued share capital of Elysian Systems Limited to NEX Group Holdings Limited for total consideration of £4,861,636.11, satisfied by the allotment and issue of 254,950 ordinary shares of £1.00 each in the capital of NEX Group Holdings Limited at a premium of £18.07 per share (total share premium being £4,606,946.50).

On 11 November 2020, Intercapital Limited allotted and issued 7,661,288 fully paid ordinary shares of £0.25 each to the Company for a subscription price of US\$ 0.326310536818352 per share. On 11 November 2020, Intercapital No. 1 Limited declared a cash dividend to the Company in the sum of US\$2,499,959, to be left outstanding on intercompany account.

On 15 December 2020, NEX Group Holdings declared a cash dividend of US\$186,000,000 to its sole shareholder, the Company. On 15 December 2020, the Company declared a cash dividend of US\$186,000,000 to its sole shareholder, CME London Limited.

The coronavirus (COVID-19) that emerged in the city of Wuhan, China, last year and has since spread across the rest of the world is now an international pandemic and is causing widespread disruption on world markets and the global economy. This represents non-adjusting post balance sheet event for the Company. As the COVID-19 outbreak continues to evolve, the unpredictable nature of the pandemic means that there is uncertainty on the full extent and duration of the business and economic impact. Although the Company has no operations, the impact on the Company being a going concern was revisited and sensitivity analysis was produced incorporating both possible and remote impacts to the Company. This analysis indicated there was no material impact on the Company which would change the Directors' position of the Company being a going concern as CME Group Inc, the ultimate parent, has confirmed its undertaking to provide financial support to the Company and assist in meeting the Company's liabilities as and when they fall due for at least 12 months from the date of the approval of the financial statements. The directors consider this to be a non-adjusting post-balance sheet event.

NEX INTERNATIONAL LIMITED

Notes to the financial statements

18. IMMEDIATE AND ULTIMATE PARENT COMPANY

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

The Company's ultimate parent is CME Group Inc., which is incorporated in the United States, and heads the largest group of companies of which the Company is a member. CME Group Inc. prepares consolidated financial statements in accordance with US GAAP and heads the smallest and largest group for which group accounts are prepared. Copies may be obtained from the Company Secretary, CME Group Inc., 20 South Wacker Drive, Chicago, Illinois, 60606, which is the registered office.