Company Number: 04839268

# TRAIANA LIMITED

# FINANCIAL STATEMENTS

# FOR THE PERIOD ENDED

# 31 DECEMBER 2019

# TRAIANA LIMITED
## General information

### PROFILE

Traiana Limited (the 'Company') is owned 100% by its immediate parent company Traiana Inc. The Company is an 86.67% owned indirect subsidiary of CME Group Inc. and is consolidated in the group headed by CME Group Inc. (the 'Group'). The Company is incorporated and domiciled in England and Wales and is a private company limited by shares.

The Company provides sales, marketing and IT integration services to its immediate parent company, Traiana Inc.

### DIRECTORS

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

| | |
|---|---|
| A Seaman | (appointed 21 October 2019) |
| G Rowcliffe | (appointed 21 October 2019) |
| J Davies | (appointed 21 October 2019) |
| K Cronin | (appointed 21 October 2019) |
| W Knottenbelt | (appointed 21 October 2019) |
| D Thompson | (resigned 11 November 2019) |
| E Glazer | (resigned 18 October 2019) |

### REGISTERED OFFICE

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

### REGISTRATION NUMBER

04839268

# TRAIANA 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 Company provides sales, marketing and IT integration services to its parent company, Traiana Inc.

Traiana Inc. provides global banks, brokers/dealers, buy side firms and trading platforms with services to monitor pre-trade risk and automatic post-trade processing of financial transactions in listed and over-the counter trading markets. Traiana Inc.'s solutions and the Harmony Network have become the market standard for post-trade processing of foreign exchange, exchange traded derivatives, fixed income, CDS and synthetic and cash equity transactions.

As the service provider to Traiana Inc., the demand for the Company's services is expected to grow correlatively.

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 income statement on page 7.

The profit for the period of $521,000 (31 March 2019: $1,347,000) has been transferred to reserves.

The net assets of the Company are $9,036,000 (31 March 2019: $8,348,000).

### CAPITAL MANAGEMENT

The Company's capital strategy is to maintain an efficient and strong capital base which maximises the return to its shareholders, while also maintaining flexibility. The capital structure of the Company consists of equity, including share capital, other reserves and retained earnings. CME Group Inc. evaluates at the Company level the risks facing the business, to determine whether its capital is sufficient to cover any expected losses.

No changes have been made in capital management from the previous year.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately. The principal risks and uncertainties of the Group, which include those of 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.

COVID-19 risks and uncertainness have been discussed in the Going Concern and Post Balance Sheet Event 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 by:

DocuSigned by:
Adrienne Seaman
DC8762BCAE1D407...

Adrienne Seaman
Director

12 November 2020

# TRAIANA LIMITED

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

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

### PRINCIPAL ACTIVITIES

The Company provides sales, marketing and IT integration services to its parent company Traiana Inc. 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

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. Although the business activities of the Company have continued to be operational since the outbreak with minimal disruption of services to customers, a deterioration of the situation could have adverse implications for our business arising from potential impacts on financial markets and our operations. 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. In all scenarios, the directors concluded that the Company is still 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: $nil). 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.

### 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.

# TRAIANA LIMITED

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

### 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 International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information of included on 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 by:

DocuSigned by:
Adrienne Seaman
DC8782BCAE1D407...

Adrienne Seaman
Director

12 November 2020

# TRAIANA LIMITED

## Independent Auditor's Report to the members of Traiana Limited

### Opinion

We have audited the financial statements of Traiana Limited for the period ended 31 December 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flow and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 16 of the financial statements which describe 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.

# TRAIANA LIMITED

## Independent Auditor's Report to the members of Traiana 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 4, 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.

Ernst & Young LLP

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

Date: 13th November 2020

# TRAIANA LIMITED

## Income Statement for the period 1 April 2019 to 31 December 2019

| | Note | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|---|
| Revenue | | 10,228 | 13,784 |
| Administrative expenses | 4 | (9,554) | (12,955) |
| Other operating (expense) / income | 7 | (16) | 1,167 |
| Profit before taxation | | 658 | 1,996 |
| Tax charge on profit | 8 | (137) | (649) |
| Profit for the financial period / year | | 521 | 1,347 |

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

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

The income statement 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 27 are an integral part of these financial statements.

# TRAIANA LIMITED

## Statement of Comprehensive Income for the period 1 April 2019 to 31 December 2019

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Profit for the financial period / year | 521 | 1,347 |
| Foreign exchange | - | (575) |
| Total comprehensive income for the financial period / year | 521 | 772 |

The notes on pages 12 to 27 are an integral part of these financial statements.

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

# TRAIANA LIMITED
## Balance Sheet as at 31 December 2019

| | Note | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) | As at 1 Apr 2018 $'000 (restated) |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Property, plant and equipment | 9 | 38 | 14 | 21 |
| Deferred tax asset | 10 | 45 | 13 | 13 |
| | | 83 | 27 | 34 |
| **Current assets** | | | | |
| Debtors | 11 | 23,847 | 13,417 | 11,967 |
| Cash and cash equivalents | 12 | 12 | 20 | 8 |
| | | 23,859 | 13,437 | 11,975 |
| **Total assets** | | 23,942 | 13,464 | 12,009 |
| **Current liabilities** | | | | |
| Creditors | 13 | (14,739) | (4,470) | (3,988) |
| Tax payable | | (167) | (646) | (73) |
| | | (14,906) | (5,116) | (4,061) |
| **Net current assets** | | 8,953 | 8,321 | 7,914 |
| **Total assets less current liabilities** | | 9,036 | 8,348 | 7,948 |
| **Total liabilities** | | (14,906) | (5,116) | (4,061) |
| **Net assets** | | 9,036 | 8,348 | 7,948 |
| **Equity** | | | | |
| Share capital | 14 | - | - | - |
| Share based payment reserve | | 1,025 | 860 | 1,232 |
| Translation reserve | | (238) | (238) | 337 |
| Retained earnings | | 8,249 | 7,726 | 6,379 |
| **Total equity** | | 9,036 | 8,348 | 7,948 |

The notes on pages 12 to 27 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 on date 12 November 2020 and were signed on its behalf by:

DocuSigned by:
Adrienne Seaman
DC8762BCAE1D407...

Adrienne Seaman
Director

12 November 2020

# TRAIANA LIMITED

## Statement of Changes in Equity for the period 1 April 2019 to 31 December 2019

| | Share capital (note 14) $'000 | Other reserves $'000 | Translation reserve $'000 | Retained earnings $'000 | Total equity $'000 |
|---|---|---|---|---|---|
| As at 1 April 2018 (restated) | - | 1,232 | 337 | 6,379 | 7,948 |
| Profit for the financial year | - | - | - | 1,347 | 1,347 |
| *Other comprehensive income:* | | | | | |
| Foreign exchange | - | - | (575) | - | (575) |
| Total comprehensive income for the year | - | - | (575) | 1,347 | 772 |
| Share based payment movement | - | 43 | - | - | 43 |
| Transferred from equity to liability | - | (415) | - | - | (415) |
| As at 31 March 2019 (restated) | - | 860 | (238) | 7,726 | 8,348 |
| Profit for the financial period | - | - | - | 521 | 521 |
| *Other comprehensive income:* | | | | | |
| Foreign exchange | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 521 | 521 |
| Share based payment movement | - | 201 | - | - | 201 |
| Prior year adjustment | - | (36) | - | 2 | (34) |
| As at 31 December 2019 | - | 1,025 | (238) | 8,249 | 9,036 |

The notes on pages 12 to 27 are an integral part of these financial statements.

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.

Share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising £1 ordinary shares.

Other reserves

Other reserves relate to a share based payment reserve. The share based payment reserve is recognised in accordance with IFRS 2 'Share-based payments'.

# TRAIANA LIMITED

## Cash Flow Statement for the period 1 April 2019 to 31 December 2019

| | Note | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Profit before taxation | | 658 | 1,996 |
| Adjustments for: | | | |
| - Depreciation of property, plant and equipment | | 8 | 5 |
| - Movement in share-based payment reserve | | 165 | (371) |
| *Operating cash flows before movements in working capital* | | 831 | 1,630 |
| Working capital adjustments | | | |
| Increase in trade and other receivables | | (10,430) | (2,325) |
| Increase in trade and other payables | | 9,623 | 706 |
| Net cash from operating activities | | 24 | 11 |
| Investing activities | | | |
| Purchase of property, plant and equipment | | (32) | - |
| Net cash from investing activities | | (8) | 11 |
| Net (decrease) / increase in cash and cash equivalents | | (8) | 11 |
| Net cash and cash equivalents at the beginning of the period / year | | 20 | 8 |
| Foreign exchange | | - | 1 |
| Cash and cash equivalents at the end of the period / year | 12 | 12 | 20 |

The notes on pages 12 to 27 are an integral part of these financial statements.

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

## 1. PRINCIPAL ACCOUNTING POLICIES

### a) Basis of preparation

The accounting policies in the financial statements for the period have been applied consistently, other than where new policies have been adopted.

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the historical cost basis adopted by the European Union ('EU'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 (the 'Act') applicable to companies reporting under IFRS and therefore comply with Article 4 of the EU IAS Regulation.

### b) Consolidation

These financial statements are separate financial statements. The Company is a wholly owned subsidiary of Traiana Inc. It is included in the consolidated financial statements of the Traiana Inc., which are publicly available. Therefore, the Company is exempt by virtue of section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

### c) 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.

### d) Accounting developments

There is one new standard effective for the first time for the period: IFRS 16 'Leases'.

In January 2016, the International Accounting Standards Board ('IASB') published the financial reporting standard IFRS 16, which replaces IAS 17 'Leases' and other related interpretations on leases including IFRIC 4 'Determining whether an arrangement contains a lease', SIC-15 'Operating leases - Incentives' and SIC-27 'Evaluating the substance of transactions in the legal form of a lease.

IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognised in the lessee's balance sheet, unless the term is 12 months or less or the lease is for a low-value asset. Thus, the classification required under IAS 17 into operating or finance leases is eliminated for lessees. For each lease, the lessee recognises a liability for lease obligations incurred in the future. Correspondingly, a right-to-use asset is capitalised, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortised over the useful life.

The cumulative effect of applying IFRS16 as at 1 April and 31 December 2019 was £nil as the entity does not hold any leases.

### e) Revenue

Revenue is comprised of marketing services provided to Traiana Inc. The marketing services are billed to Traiana Inc. with an agreed mark up. Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for services provided in the normal course of business, net of discounts, Value Added Tax ('VAT') and other sales related taxes but not net of distribution fees.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 period, 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) Property, plant and equipment

Property, plant and equipment are stated at historical cost less provision for any impairment in its value and accumulated depreciation. They are depreciated on a straight line basis over its expected useful economic life as follows:

| | |
|---|---|
| Fixtures, fittings and equipment | 3-5 years |
| Short leasehold | 5-10 years |

The Company reviews its depreciation policy regularly to take account of any changes in circumstances. These rates are determined upon consideration of factors such as the expected rate of technological development and anticipated usage levels. Depreciation is charged against assets from the date at which the Company begins to derive economic benefit from the asset.

When a leasehold property becomes surplus to the Group's foreseeable business requirements, provision is made on a discounted basis for the expected future net cost of the property.

h) Impairment of property, plant and equipment

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment 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.

i) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand 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.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

j) Financial assets

The Company classifies its financial assets as financial assets held at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

*(i) Recognition*

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 11).

*(ii) De-recognition*

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

*(iii) Impairment of financial assets*

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.

Forward looking information includes macroeconomic variables. Due to the disruption caused by COVID-19, we have performed ECL sensitivity analysis using various macroeconomic variables. 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.

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

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

j) Financial assets (continued)

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 are 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.

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

k) 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 they expire.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

l) 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.

m) Share based payments

The Company engages in equity awards to employees of the Company, through the ultimate parent undertaking, CME Group Inc.

The fair value of the services received in respect of these share-based payments is determined by reference to the fair value of the share awards on the date of grant to the employee. The cost of the share-based payment is recognised in the profit and loss account on an accelerated basis over the vesting period of the grant, based on an estimate of the amount of instruments that will eventually vest. The charge in the profit and loss account is offset by an equal credit to other reserves.

The fair value measurement of restricted shares and performance stock awards is based on the closing stock price on the date of grant.

n) 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, and these changes in organisational structure became a primary driver for a reassessment of the Company's functional currency. The conclusion of this reassessment was that the Company's functional currency had changed from pound sterling (GBP) to dollar (USD). In line with IAS 21 'The effects of changes in foreign exchange rates', the change has been applied prospectively from 1 April 2019.

*(ii) Presentational currency*

The change in presentational currency is an accounting policy choice. Management has chosen to change the presentational currency from pound sterling (GBP) to dollar (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 dollar (USD).

All assets and liabilities as at 1 April 2018 have been restated in dollar (USD) using the closing rates of exchange as at 31 March 2018. Share capital, share premium and other reserves have been translated at the same closing rate. Retained earnings have been restated using the average rate of exchange for the year ended 31 March 2018. This has resulted in a translation difference that is reflected in the translation reserve.

*(iii) 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.

## 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 March 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.

## 3. FINANCIAL RISK MANAGEMENT

*(i) Financial risk factors*

The Company's activities expose it to a variety of financial risks, including liquidity, interest rate, currency and credit risk. Previously the financial risk framework was managed through the NEX Group Limited board and formal sub-committees, including Risk and Audit committees as well as the NEX Group Finance Committee. Where policies and practices differ from legacy NEX these will be transitioned to the CME Group Inc's framework. For the period ended 31 December 2019 processes and practices remained substantially as per the legacy NEX framework unless noted otherwise. The Company does not manage its own financial risk framework.

*(ii) Financial assets and liabilities*

Classification of financial assets

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Financial assets | | |
| Cash and cash equivalents | 12 | 20 |
| Trade and other receivables | 23,847 | 13,417 |
| *Less* | | |
| Prepayments | (309) | (29) |
| | 23,550 | 13,408 |

Classification of financial liabilities

| | | |
|---|---|---|
| Financial liabilities | | |
| Creditors | (14,739) | (4,470) |
| *Less* | | |
| Accruals | 2,213 | 2,836 |
| | (12,526) | (1,634) |

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

*(iii) Market Risk*

Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements.

Transactional exposure arises from administrative and other expenses and remittance of funds in currencies other than the Company's functional currency (USD). Whilst it is the Group policy to hedge such foreign exchange exposures using derivative financial instruments at a Group level, the Company remains exposed to these risks.

Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into USD. The Group hedges up to 100% of its translational exposure at a Group level, but the Company is exposed to the impact of exchange rate movements.

All foreign currency positions are considered to be insignificant. Any movements in these currencies against USD is not expected to have a significant impact on the financial statements.

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 December 2019:

| | USD $'000 | EUR $'000 | Other $'000 | GBP $'000 | Total $'000 |
|---|---|---|---|---|---|
| Assets | | | | | |
| Cash and cash equivalents | - | - | - | 12 | 12 |
| Trade and other receivables less prepayments | 22 | - | - | 23,516 | 23,538 |
| | 22 | - | - | 23,528 | 23,550 |
| Liabilities | | | | | |
| Trade and other payables less accruals | (652) | (20) | (15) | (11,839) | (12,526) |
| | (652) | (20) | (15) | (11,839) | (12,526) |
| Net assets / (liabilities) | (630) | (20) | (15) | 11,689 | 11,024 |

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2019:

| *(restated)* | *USD $'000* | *EUR $'000* | *Other $'000* | *GBP $'000* | *Total $'000* |
|---|---|---|---|---|---|
| *Assets* | | | | | |
| *Cash and cash equivalents* | - | - | - | *20* | *20* |
| *Trade and other receivables less prepayments* | *2,684* | *(4)* | - | *10,708* | *13,388* |
| | *2,684* | *(4)* | - | *10,728* | *13,408* |
| *Liabilities* | | | | | |
| *Trade and other payables less accruals* | *(5)* | *(43)* | - | *(1,586)* | *(1,634)* |
| | *(5)* | *(43)* | - | *(1,586)* | *(1,634)* |
| *Net assets / (liabilities)* | *2,679* | *(47)* | - | *9,142* | *11,774* |

## 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

### *(iii) Market risk (continued)*

Interest rate risk

The Company's interest rate risk arises from cash and cash equivalents where changes in market rates can have an adverse impact on cash flows and income streams. Limits are in place to restrict the amount that can be invested at one institution and all investments must be credit rated AA or above and be for less than 18 months.

The Company estimates that an increase of 1% in interest rates would have a nil impact (31 March 2019: $nil) on the Company's income statement and reserves.

The Company's interest rate profile as at 31 December 2019 was as follows:

| | None<br>$'000 | Fixed<br>$'000 | Variable<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| Assets | | | | |
| Cash and cash equivalents | - | - | 12 | 12 |
| Trade and other receivables less prepayments | 23,538 | - | - | 23,538 |
| | 23,538 | - | 12 | 23,550 |
| Liabilities | | | | |
| Trade and other payables less accruals | (12,526) | - | - | (12,526) |
| | (12,526) | - | - | (12,526) |
| Net assets | 11,012 | - | 12 | 11,024 |

The Company's interest rate profile as at 31 March 2019 was as follows:

| *(restated)* | *None*<br>*$'000* | *Fixed*<br>*$'000* | *Variable*<br>*$'000* | *Total*<br>*$'000* |
|---|---|---|---|---|
| *Assets* | | | | |
| *Cash and cash equivalents* | - | - | *20* | *20* |
| *Trade and other receivables less prepayments and other tax and social security* | *13,388* | - | - | *13,388* |
| | *13,388* | - | *20* | *13,408* |
| *Liabilities* | | | | |
| *Trade and other payables less accruals* | *(1,634)* | - | - | *(1,634)* |
| | *(1,634)* | - | - | *(1,634)* |
| *Net assets* | *11,754* | - | *20* | *11,774* |

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

*(iii) Market risk (continued)*

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the Company. The Company's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency basis. All counterparties are subject to regular review and assessment by regional credit officers.

The Company has no significant concentrations of credit risk and the majority of the exposure is limited to intercompany balances (note 11). There are no financial assets which are past due or impaired.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit. This is important to ensure that the Company can meet all present and future financial obligations as they fall due and comply with regulatory requirements. The Group Finance Committee monitors free cash resources ensuring that all companies within the Group maintain sufficient resources to finance their operations and that all investments comply with the Group Investment Policy. This dictates borrowing and investing limits based on an institution's credit rating and the nature of financial instruments that can be held. The Company's exposure to liquidity risk is not significant.

Cyber security risk

Cyber security risk is the risk that an external or internal party gains or exploits access to the Company's electronic assets, with the intent of compromising and/or disseminating confidential data, impacting system operations or otherwise disrupting conduct of its normal business activities. The Board's risk appetite provides for a highly effective cyber security risk prevention programme in order to minimise the likelihood and impact of any successful cyber interruption.

The following table shows the maturity of the Company's liabilities as at 31 December 2019:

| | On demand | Less than 3 months | 3 months to 1 year | More than 1 year | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| Liabilities | | | | | |
| Trade and other payables | (12,526) | (2,213) | - | - | (14,739) |
| | (12,526) | (2,213) | - | - | (14,739) |

The following table shows the maturity of the Company's liabilities as at 31 March 2019:

| | *On demand* | *Less than 3 months* | *3 months to 1 year* | *More than 1 year* | *Total* |
|---|---|---|---|---|---|
| | *$'000* | *$'000* | *$'000* | *$'000* | *$'000* |
| *Liabilities* | | | | | |
| *Trade and other payables* | *(1,634)* | *(2,836)* | - | - | *(4,470)* |
| | *(1,634)* | *(2,836)* | - | - | *(4,470)* |

## 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

*(iii) Market risk (continued)*

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of financial instruments are determined as per the Company's accounting policies.

As at 31 December 2019 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (31 March 2019: none).

## 4. ADMINISTRATIVE EXPENSES

Administrative expenses include the following:

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Salary and payroll costs (note 5) | 6,317 | 11,669 |
| Other staff costs | 447 | 1,599 |
| Travelling and entertainment expenses | 242 | 383 |
| Market data and telecom expenses | 724 | 664 |
| Professional and legal fees | 1,046 | 208 |
| Overhead expense / (credit) recharges[1] | 564 | (1,794) |
| Depreciation of property, plant and equipment | 9 | 5 |
| Other expenses[2] | 205 | 221 |
| | 9,554 | 12,955 |

1 Overhead recharges primarily relate to services performed by the Company on behalf of Traiana Inc., its immediate parent.
2 Other expenses relate mainly to sundry administrative expenses such as subscriptions, office supplies, licenses, employee training and audit fees.

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.

## 5. SALARY AND PAYROLL COSTS

Staff costs borne by the Company and included within the management recharge comprise:

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Wages and salaries | 5,667 | 9,914 |
| Social security costs | 602 | 1,560 |
| Other pension costs | 48 | 195 |
| | 6,317 | 11,669 |

The monthly average number of persons employed by the Company during the period was 48 (31 March 2019: 53).

All staff costs were borne by a fellow subsidiary company of the Group and were charged to the Company by way of intercompany, recharge and allocation.

## 6. DIRECTORS' REMUNERATION

Remuneration payable to the directors in respect of their services to the Company was as follows:

| | Period ended 31 Dec 2019 | | Year ended 31 Mar 2019 (restated) | |
|---|---|---|---|---|
| | Total $'000 | Highest paid director $'000 | Total $'000 | Highest Paid Director $'000 |
| Aggregate emoluments | 432 | 432 | 790 | 735 |
| Contributions to defined contribution pension schemes | 1 | - | 7 | - |
| Other benefits | 5 | - | - | - |
| | 438 | 432 | 797 | 735 |

The director's remuneration was borne by a fellow subsidiary company of the Group and was charged to the Company by way of a group management charge. During the year, the management of the Company enhanced its calculation of the Directors Remuneration based on the qualifying services performed by the Director of the Company.

## 7. OTHER OPERATING (EXPENSE) / INCOME

Other operating (expense)/income represents exchange differences arising on transactions in foreign currencies during the period and on the translation at the balance sheet date of monetary assets and liabilities denominated in foreign currencies.

## 8. TAX ON PROFIT

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| a) Analysis of the charge for the period/year | | |
| UK corporation tax: | | |
| - Current period/year | 167 | 652 |
| - Adjustments in respect of prior periods | - | (1) |
| UK deferred tax: | | |
| - Current period/year (note 10) | (30) | (3) |
| - Adjustments in respect of prior periods (note 10) | - | 1 |
| | 137 | 649 |
| b) Factors affecting the tax charge for the period/year | | |
| Profit before tax | 658 | 1,996 |
| Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (31 March 2019: 19%) | 125 | 379 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 10 | 276 |
| Balance write offs not taxable | - | (3) |
| Adjustments in respect of prior periods – current tax | - | (1) |
| Adjustments in respect of prior periods – deferred tax | - | 1 |
| Impact of change in rate for deferred tax | 2 | (3) |
| | 12 | 270 |
| Tax charge for the period/year | 137 | 649 |
| Effective tax rate | 21% | 32.5% |

On 11 March 2020 it was announced (and enacted on 22 July 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020. The deferred tax balances included within the accounts have been calculated with reference to the rate of 17%, as required under International Financial Reporting Standard. However, following the substantive enactment of the rate of 19%, it is anticipated that the reversal of temporary differences will occur at this rate and that the maximum impact on the quantum of the net deferred tax asset recognised will be $5,276.

## 9. PROPERTY, PLANT AND EQUIPMENT

| | Short leasehold $'000 | Fixtures, fittings and equipment $'000 | Total $'000 |
|---|---|---|---|
| **Cost** | | | |
| As at 1 April 2019 (restated) | 49 | 138 | 187 |
| Additions | - | 32 | 32 |
| Foreign exchange | - | - | - |
| As at 31 December 2019 | 49 | 170 | 219 |
| **Accumulated depreciation** | | | |
| As at 1 April 2019 (restated) | 35 | 138 | 173 |
| Charge for the period | 5 | 3 | 8 |
| As at 31 December 2019 | 39 | 142 | 181 |
| **Net book value** | | | |
| As at 31 December 2019 | 10 | 28 | 38 |
| As at 31 March 2019 (restated) | 14 | - | 14 |

## 10. DEFERRED TAX ASSET

The deferred tax asset was as follows:

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Capital allowances | 14 | 13 |
| Share based payments | 31 | - |
| | 45 | 13 |

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| At beginning of the period/year | 13 | 13 |
| Transferred to the profit and loss account (note 8) | 30 | 2 |
| Foreign exchange | - | (2) |
| Transferred to equity | 2 | - |
| As at end of the period/year | 45 | 13 |

A deferred tax asset has been recognised as it is more likely than not that there will be sufficient taxable profits in the UK group in the foreseeable future against which the temporary difference can be utilised.

## 11. DEBTORS

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Current | | |
| Amounts due from | | |
| - immediate parent company | 21,875 | 11,919 |
| - related companies | 1,554 | 1,243 |
| Prepayments and accrued income | 309 | 29 |
| Other taxation and social security | 105 | 216 |
| Other debtors | 4 | 10 |
| | 23,847 | 13,417 |

Amounts due from the immediate parent company and related companies are unsecured, non-interest bearing and receivable on demand.

## 12. CASH AND CASH EQUIVALENTS

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Cash at bank and in hand | 12 | 20 |
| | 12 | 20 |

## 13. CREDITORS

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Amounts owed to | | |
| -related companies | 12,526 | 1,634 |
| Accruals | 2,213 | 2,836 |
| Other creditors | - | - |
| | 14,739 | 4,470 |

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

## 14. SHARE CAPITAL

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Authorised, allotted and fully paid: | | |
| 2 ordinary shares of £1 each (31 March 2019: 2) | - | - |
| | - | - |

## 15. SHARE BASED PAYMENTS

### CME Group Inc. Equity Plan

Stock-based awards are granted under the CME Group Inc. Equity Plan. The type of awards granted to employees of the Company are restricted stock awards and performance stock awards.

Restricted stock awards and performance stock awards typically vest over a period of 2, 3 or 4 years from the grant date, with most awards vesting over a period of 4 years. The vesting of restricted stock awards is contingent upon continued employment with CME Group, whereas the vesting of performance stock awards are also contingent on meeting stated performance or market conditions.

### Restricted stock awards

This is the first period that restricted stock awards were granted. The total expense for the period related to these grants recognised in the profit and loss account was $201,000. The following table summarises restricted stock awards activity for 2019:

| | Number of shares | Weighted Average Grant Date Fair Value ($) |
|---|---|---|
| Outstanding as at 1 April 2019 | - | - |
| Granted | 4,128 | 202 |
| Vested | (41) | 170 |
| Forfeited | (74) | 178 |
| Outstanding as at 31 December 2019 | 4,013 | 203 |
| Weighted Average Life | | 1.97 |

### Performance stock awards

The total number of performance stock awards granted and vested during 2019 and outstanding at the end of the period was nil.

## 16. POST BALANCE SHEET EVENT

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 which would change the Directors' position of the Company being a going concern. Further, the Group has also 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.

On 16 July 2020, Traiana Limited declared a cash dividend to Traiana, Inc in the sum of USD 5,000,000, to be left outstanding on intercompany account.

## 17. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company had the following net outstanding balances owed by related parties who are members of the Group:

| | As at 31 Dec 2019 $'000 | As at 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Amounts due from immediate parent company | 21,875 | 11,920 |
| Amounts due from related companies | 1,554 | 1,243 |
| Amounts due to related companies | (12,526) | (1,634) |
| | 10,903 | 11,529 |

The Company's immediate parent is Traiana, Inc., which is incorporated in the United States and heads the smallest group of Companies of which the Company is a member. Traiana Inc. prepares consolidated financial statements in accordance with IFRS.

Traiana, Inc's registered office is the Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware DE 19801.

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 copies may be obtained from the Company Secretary, CME Group Inc. 20 South Wacker Drive, Chicago, Illinois, 60606.

The Company entered into the following transactions with related parties who are members of the Group:

| | Period ended 31 Dec 2019 $'000 | Year ended 31 Mar 2019 $'000 (restated) |
|---|---|---|
| Cost of management services received: | | |
| Fellow subsidiary companies | (9,554) | (12,950) |
| Mark-up on services provided to fellow subsidiary company | 10,228 | 13,784 |
| | 674 | 834 |