

**Company Number: 04839268**

**TRAIANA LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2018**

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# **TRAIANA LIMITED**

## **Strategic Report for the year ended 31 March 2018**

Company Number: 4839268

The directors present their Strategic Report and the audited financial statements of Traiana Limited (the 'Company') for the year ended 31 March 2018.

### **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'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. By offering new products to the market Traiana Inc has had continuous growth over the past few years and is expected to continue growing in the next financial year.

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

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

The Company is an 86.67% owned indirect subsidiary of NEX Group plc (the "ultimate parent") and is included in the group headed by NEX Group plc (the "Group").

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

### **RESULTS**

The results of the Company are set out in the income statement on page 5.

The profit for the financial year of £8,000 (2017: £1,639,000) has been transferred to reserves.

The net assets of the Company are £5,666,000 (2017: £5,489,000).

### **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. NEX Group plc 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 Company's risk profile and financial risk management policies are disclosed in note 2 to the financial statements. The principal business risks and uncertainties of NEX Group plc (the 'Group'), which include those of the Company, are discussed on pages 17 to 23 of the Group's annual report, which does not form part of this report.

### **KEY PERFORMANCE INDICATORS**

The directors of NEX Group plc 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 NEX Group plc, which includes the Company, are discussed on pages 10 and 11 of the Group's annual report, which does not form part of this report.

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

E Glazer  
Director



14 December 2018

# **TRAIANA LIMITED**

## **Directors' Report for the year ended 31 March 2018**

Company Number: 4839268

The directors present their Directors' Report and the audited financial statements of the Company for the year ended 31 March 2018.

### **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.

The Company was incorporated on 21 July 2003 and is domiciled in England and Wales. The registered office is 2 Broadgate, London, EC2M 7UR.

### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

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

### **GOING CONCERN**

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

### **DIVIDENDS**

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

### **DIRECTORS**

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

D Thompson

E Glazer

### **INDEPENDENT AUDITORS**

The Company's incumbent auditors, Deloitte LLP, have indicated their willingness to continue in office and are deemed reappointed in the next financial year.

### **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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

### **DIRECTORS' INDEMNITIES**

The company has not made any qualifying third party indemnity provisions for the benefit of its directors during the year.

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

E Glazer  
Director

14 December 2018

# **TRAIANA LIMITED**

## **Statement of Directors' Responsibilities**

### **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 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.

# **TRAIANA LIMITED**

## **Independent Auditors' Report to the members of Traiana Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, the financial statements of Traiana Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

We have nothing to report in respect of these matters.

#### **Other information**

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

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

We have nothing to report in respect of these matters.

# **TRAIANA LIMITED**

## **Independent Auditors' Report to the members of Traiana Limited**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

#### **Matters on which we are required to report by exception**

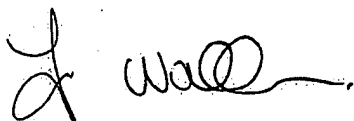
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

#### **Use of our report**

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



Fiona Walker (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
17 December 2018

# TRAIANA LIMITED

## Income Statement for the year ended 31 March 2018

	<u>Note</u>	<u>Year ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
<b>Revenue</b>		12,353	12,168
Administrative expenses	4	(11,157)	(11,321)
Other operating (expense) / income	7	(1,136)	1,237
<b>Profit before tax</b>		<u>60</u>	<u>2,084</u>
Tax charge on profit	8	(52)	(445)
<b>Profit for the financial year</b>		<u><u>8</u></u>	<u><u>1,639</u></u>

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

The notes on pages 10 to 25 are an integral part of these financial statements.

# TRAIANA LIMITED

## Statement of Comprehensive Income for the year ended 31 March 2018

	<u>Year ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
Profit for the financial year	8	1,639
Total comprehensive income for the financial year	<u>8</u>	<u>1,639</u>

The notes on pages 10 to 25 are an integral part of these financial statements.



# TRAIANA LIMITED

## Balance Sheet as at 31 March 2018

Company Number: 4839268

	<u>Note</u>	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
<b>Non-current assets</b>			
Property, plant and equipment	9	15	19
Deferred tax asset	10	9	7
		<u>24</u>	<u>26</u>
<b>Current assets</b>			
Debtors	11	8,531	8,304
Cash and cash equivalents	12	6	153
		<u>8,537</u>	<u>8,457</u>
<b>Total assets</b>		<u>8,561</u>	<u>8,483</u>
<b>Current liabilities</b>			
Creditors	13	(2,843)	(2,597)
Tax payable		(52)	(397)
		<u>(2,895)</u>	<u>(2,994)</u>
<b>Net current assets</b>		<u>5,642</u>	<u>5,463</u>
<b>Total assets less current liabilities</b>		<u>5,666</u>	<u>5,489</u>
<b>Total liabilities</b>		<u>(2,895)</u>	<u>(2,994)</u>
<b>Net assets</b>		<u>5,666</u>	<u>5,489</u>
<b>Equity</b>			
Share capital	14	-	-
Retained earnings		4,788	4,780
Share based payment reserve		878	709
<b>Total equity</b>		<u>5,666</u>	<u>5,489</u>

The notes on pages 10 to 25 are an integral part of these financial statements.

The financial statements on pages 6 to 25 were approved by the board of directors on 14 December 2018 and were signed on its behalf by:

  
E Glazer  
Director

# TRAIANA LIMITED

## Statement of Changes in Equity for the year ended 31 March 2018

	<u>Share capital</u> <u>(note 14)</u> £'000	<u>Share based payment reserve</u> £'000	<u>Retained earnings</u> £'000	<u>Total equity</u> £'000
As at 1 April 2016	-	655	3,141	3,796
Profit for the financial year and total comprehensive income	-	-	1,639	1,639
Share based charges in the year (note 16)	-	54	-	54
As at 31 March 2017 and as at 1 April 2017	-	709	4,780	5,489
Profit for the financial year and total comprehensive income	-	-	8	8
Share based charges in the year (note 16)	-	169	-	169
As at 31 March 2018	-	878	4,788	5,666

The notes on pages 10 to 25 are an integral part of these financial statements.

### 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.

### Share based payment reserve

The share-based payment reserve is recognised in accordance with "IFRS 2 Share-based payments".

# TRAIANA LIMITED

## Statement of Cash Flows for the year ended 31 March 2018

	<u>Note</u>	<u>Year ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
<b>Cash flows from operating activities</b>			
Profit before tax		60	2,084
Adjustments for:			
- Depreciation of property, plant and equipment		4	11
- Movement in share-based payment reserve		169	54
<i>Operating cash flows before movements in working capital</i>		<u>233</u>	<u>2,149</u>
Increase in trade and other receivables		(227)	(393)
Increase / (decrease) in trade and other payables		246	(1,429)
Tax paid		(399)	(299)
<i>Operating cash flows after movements in working capital</i>		<u>(147)</u>	<u>28</u>
Net cash (used in) / from operating activities		<u>(147)</u>	<u>28</u>
Net (decrease) / increase in cash and cash equivalents		(147)	28
Net cash and cash equivalents at beginning of year		153	125
<b>Net cash and cash equivalents at end of year</b>	12	<u><u>6</u></u>	<u><u>153</u></u>

The notes on pages 10 to 25 are an integral part of these financial statements.

# TRAIANA LIMITED

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

### 1. PRINCIPAL ACCOUNTING POLICIES

#### a) Basis of preparation

The financial statements have been prepared in accordance with IFRS and the historical cost basis adopted by the EU, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and therefore comply with Article 4 of the EU IAS Regulation. The financial statements are prepared in Pound sterling, which is the functional currency of the Company. The accounting policies have been applied consistently other than areas where new policies have been adopted.

The financial statements are prepared on a going concern basis.

Note 16 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

#### b) Recent accounting developments

At 31 March 2018, the following standards have been issued by the IASB which are not effective for these financial statements:

- IFRS 9: In July 2014, IASB issued IFRS9 'Financial Instruments', which will replace IAS39 'Financial Instruments: Recognition and Measurement'. The standard will be effective for annual periods beginning on or after 1 January 2018. NEX Group plc intends to adopt IFRS9 for its financial statements for the year ending 31 March 2019.

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income, not recycling. For financial liabilities, there are no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The Company does not expect any other significant impact in relation to classification and measurement.

An expected credit losses model replaces the incurred loss impairment model used in IAS 39. The Company expects a significant change to the process and methodology applied for estimating impairment but for there to be no material impact to the amount calculated and recognised in the financial statements.

The Company does not expect to restate comparatives on initial application of IFRS 9 on 1 April 2018 but will provide detailed transitional disclosures in accordance with the amendment requirements of IFRS 7. No material impact on transition or on profit for future periods is expected.

- IFRS 15: In May 2014, IASB issued IFRS15 'Revenue from Contracts with Customers', which will replace IAS18 'Revenue' and IAS11 'Construction Contracts' and other related interpretations on revenue recognition. The standard will become effective for annual periods beginning on or after 1 January 2018. The Company intends to adopt IFRS15 for its financial statements for the year ending 31 March 2019.

IFRS 15, 'Revenue from Contracts with Customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with clients. Revenue is recognised when a client obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. Variable consideration is included in the transaction price if it is highly probable that there will be no significant reversal of the cumulative revenue recognised when the uncertainty is resolved.

# TRAIANA LIMITED

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

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### b) Recent accounting developments (continued)

For subscriptions where variable consideration is provided that spans reporting periods, under the existing accounting policy, revenue is recognised when the amounts can be reliably measured whereas under IFRS 15, revenue is recognised using the expected value or most likely amount method at the point it is considered highly probable there will be no significant reversal. The Company does not expect any material impact to the amount calculated and recognised in the financial statements.

The Company plans to take the modified retrospective transition option and to apply the practical expedients for significant financing component and incremental costs of obtaining a contract. No material impact on transition or on profit for future periods is expected.

- IFRS 16: In January 2016, the IASB issued IFRS 16 'Leases', which will replace IAS 17 'Leases' and other related interpretations on leases. The standard is effective for annual periods beginning on or after 1 January 2019. NEX intends to adopt IFRS 16 for its financial statements for the year ending 31 March 2020.

IFRS 16, 'Leases', addresses the definition of a lease, recognition and measurement of leases, and it establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that for lessees, leases previously classified as operating leases will be accounted for on the balance sheet. The present value of future lease payments will be recognised as a liability with a related asset being depreciated.

The Company has not completed its IFRS 16 impact assessment, but it doesn't expect material impact on the Company's financial statements.

#### c) Revenue

The company provides marketing services to Traiana, Inc. These are billed to Traiana, Inc. with an agreed mark up.

#### d) Tax

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

#### e) Foreign currencies

##### i) Functional and presentational currency

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

# TRAIANA LIMITED

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

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### e) Foreign currencies (continued)

##### (ii) Transactions and balances

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

#### f) 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.

#### g) 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.

#### h) Financial assets

##### i) Recognition

Financial assets consist of debtors classified as "loans and receivables".

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

# TRAIANA LIMITED

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

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### h) Financial assets (continued)

##### ii) De-recognition

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

##### iii) Impairment of financial assets

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

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

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

#### i) Financial liabilities

##### i) Recognition

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

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

##### ii) De-recognition

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

#### j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

#### k) Share capital

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

#### l) Share based payments

When shares are granted to employees a charge is made to the profit and loss account based on the difference between the market value of the company's shares at the date of the grant and the price paid, in accordance with IFRS 2 'Share based payments'. The credit entry for this charge is taken to the profit and loss reserve and reported in the statement of changes in equity.

# TRAIANA LIMITED

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

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### m) New standards, amendments and interpretations

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 April 2017 have had a material impact on the Company.

### 2. FINANCIAL RISK MANAGEMENT

#### *Financial risk factors*

The Company's activities expose it to a variety of financial risks, including liquidity, interest rate, currency and credit risk. The overall financial risk management framework, strategy and policies of the Company are determined by the board of its ultimate parent company, NEX Group plc. It does this through the Group Finance Committee, and also by regional and market risk committees. The Company does not manage its own financial risk framework.

#### *Financial assets and liabilities*

The Company's financial assets are classified as loans and receivables. The Company's financial liabilities are held at amortised cost, which estimates fair value.

The financial assets can be reconciled as follows:

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
<b>Financial assets</b>		
Cash and cash equivalents	6	153
Trade and other receivables	8,531	8,304
<i>Less</i>		
Prepayments	(34)	(30)
Other tax and social security	(21)	(41)
	<u>8,482</u>	<u>8,386</u>

#### *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 (GBP), principally United States Dollars ("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 GBP. 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.

It is estimated that a 1% increase in the exchange rates of the USD would have a negative impact of £85,000 (2017: £83,000) on the Company's profit before tax.



# TRAIANA LIMITED

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

### 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2018:

	<u>USD</u> £'000	<u>EUR</u> £'000	<u>Other</u> £'000	<u>GBP</u> £'000	<u>Total</u> £'000
<b>Assets</b>					
Cash and cash equivalents	-	-	-	6	6
Trade and other receivables less prepayments	8,425	-	-	72	8,497
	<u>8,425</u>	<u>-</u>	<u>-</u>	<u>78</u>	<u>8,503</u>
<b>Liabilities</b>					
Trade and other payables less accruals	-	-	-	(755)	(755)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(755)</u>	<u>(755)</u>
<b>Net assets</b>	<u>8,425</u>	<u>-</u>	<u>-</u>	<u>(677)</u>	<u>7,748</u>

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2017:

	<u>USD</u> £'000	<u>EUR</u> £'000	<u>Other</u> £'000	<u>GBP</u> £'000	<u>Total</u> £'000
<b>Assets</b>					
Cash and cash equivalents	-	-	-	153	153
Trade and other receivables less prepayments	8,233	-	-	41	8,274
	<u>8,233</u>	<u>-</u>	<u>-</u>	<u>194</u>	<u>8,427</u>
<b>Liabilities</b>					
Trade and other payables less accruals	-	-	-	(914)	(914)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(914)</u>	<u>(914)</u>
<b>Net assets</b>	<u>8,233</u>	<u>-</u>	<u>-</u>	<u>(720)</u>	<u>7,513</u>

# TRAIANA LIMITED

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

### 2. FINANCIAL RISK MANAGEMENT (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. Interest rate risk is monitored at a Group level by the Group Finance Committee. In terms of cash and other interest bearing investments, the Company must comply with the Group Investment Policy. 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 12 months, unless approved by the Group Finance Committee.

As at 31 March 2018 there were no instruments with a contracted maturity or re-pricing date in excess of 12 months.

The Company estimates that an increase of 1% in interest rates would have an impact of £60 (2017: £1,500) on the Company's profit before tax.

The Company's interest rate profile as at 31 March 2018 was as follows:

	<u>None</u> £'000	<u>Fixed</u> £'000	<u>Variable</u> £'000	<u>Total</u> £'000
<b>Assets</b>				
Cash and cash equivalents	-	-	6	6
Trade and other receivables less prepayments and other tax and social security	8,476	-	-	8,476
	<u>8,476</u>	<u>-</u>	<u>6</u>	<u>8,482</u>
<b>Liabilities</b>				
Trade and other payables less accruals	(755)	-	-	(755)
	<u>(755)</u>	<u>-</u>	<u>-</u>	<u>(755)</u>

The Company's interest rate profile as at 31 March 2017 was as follows:

	<u>None</u> £'000	<u>Fixed</u> £'000	<u>Variable</u> £'000	<u>Total</u> £'000
<b>Assets</b>				
Cash and cash equivalents	-	143	10	153
Trade and other receivables less prepayments and other tax and social security	8,233	-	-	8,233
	<u>8,233</u>	<u>143</u>	<u>10</u>	<u>8,386</u>
<b>Liabilities</b>				
Trade and other payables less accruals	(914)	-	-	(914)
	<u>(914)</u>	<u>-</u>	<u>-</u>	<u>(914)</u>

# TRAIANA LIMITED

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

### 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Price Risk

The Company's activities do not expose it to price risk.

#### 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 and credit limits are set and approved by the appropriate credit committee as overseen by the Group Finance Committee. Limits are set based on Group parameters determining the maximum loss any one company (within the Group) can suffer as a result of counterparty default.

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.

The following tables show the maturity of the Company's liabilities as at 31 March 2018 and 2017:

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
<b>31 March 2018</b>	£'000	£'000	£'000	£'000	£'000
<b>Liabilities</b>					
Trade and other payables	(741)	(1,777)	(325)	-	(2,843)
	<u>(741)</u>	<u>(1,777)</u>	<u>(325)</u>	<u>-</u>	<u>(2,843)</u>

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
<b>31 March 2017</b>	£'000	£'000	£'000	£'000	£'000
<b>Liabilities</b>					
Trade and other payables	(900)	(1,380)	(317)	-	(2,597)
	<u>(900)</u>	<u>(1,380)</u>	<u>(317)</u>	<u>-</u>	<u>(2,597)</u>

# TRAIANA LIMITED

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

### 2. FINANCIAL RISK MANAGEMENT (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 March 2018 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2017: none).

### 3. KEY ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

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

### 4. ADMINISTRATIVE EXPENSES

Administrative expenses include the following:

	<u>Year ended</u> <u>31/03/2018</u>	<u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Salary and payroll costs (note 5)	9,784	9,150
Other staff costs	413	213
Travelling and entertainment expenses	495	664
Market data and telecom expenses	482	374
Professional and legal fees	161	133
Overhead /(credit) / expense recharges	(390)	641
Depreciation of property, plant and equipment	4	11
Audit Fees	10	9
Other expenses	208	135
	<u>11,167</u>	<u>11,330</u>

The Company's auditors' remuneration in the UK was £10,000 (2017: £8,755), which has been borne by another Group company.

Other expenses primarily relate to subscriptions, office supplies, licenses and employee trainings.

Overhead recharges primarily relate to services performed by the Company on behalf of Traiana Inc, its immediate parent.

# TRAIANA LIMITED

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

### 5. SALARY AND PAYROLL COSTS

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

	<u>Year ended</u> <u>31/03/2018</u>	<u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Employee costs:		
Wages and salaries	8,456	8,053
Social security costs	1,195	989
Other pension costs	133	108
	<u>9,784</u>	<u>9,150</u>

The monthly average number of persons employed by the Company during the year was 72 (2017: 66).

All staff costs were borne by a fellow subsidiary company of NEX Group plc and were charged to the Company by way of Group management charges.

### 6. DIRECTORS' REMUNERATION

The directors are remunerated by other Group companies and provide their services to the Company on a free basis, it being impractical to allocate their remuneration. No fees were paid to the directors in respect of services to the Company during the year (2017: nil).

### 7. OTHER OPERATING (EXPENSE) / INCOME

This represents exchange differences arising on transactions in foreign currencies during the year and on the translation at the balance sheet date of monetary assets and liabilities denominated in foreign currencies.

# TRAIANA LIMITED

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

### 8. TAX CHARGE ON PROFIT

	<u>Year ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
a) Analysis of charge for the year		
Current tax:		
UK Corporation tax	51	397
Adjustments in respect of prior years	3	-
	<u>54</u>	<u>397</u>
Deferred tax:		
Deferred tax (note 10) - current year	-	48
Adjustments in respect of prior years (note 10)	(2)	-
	<u>(2)</u>	<u>48</u>
	<u>52</u>	<u>445</u>
b) Factors affecting the tax charge for the year		
Profit before tax	<u>60</u>	<u>2,084</u>
Profit before tax calculated at corporation tax rate of 20% (2017: 20%)	11	417
Effects of:		
Change in tax rate for deferred tax	-	(3)
Expenses not deductible for tax purposes	40	31
Adjustments in respect of prior years – current tax	3	-
Adjustments in respect of prior years – deferred tax	(2)	-
Tax charge for the year	<u>52</u>	<u>445</u>
Effective tax rate	86.6%	21.4%

The standard rate of Corporation Tax in the UK is 20%. A further reduction to the main rate was substantively enacted in Finance Act 2016 reducing it to 19% from 1 April 2017 and 17% from 1 April 2020. UK deferred tax will therefore unwind at a rate of 19% for periods from 1 April 2017 to 31 March 2019.

# TRAIANA LIMITED

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

### 9. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>			
As at 1 April 2017	38	106	144
Additions	-	-	-
As at 31 March 2018	38	106	144
<b>Accumulated depreciation</b>			
As at 1 April 2017	19	106	125
Charge for the year	4	-	4
As at 31 March 2018	23	106	129
<b>Net book value</b>			
As at 31 March 2018	15	-	15
As at 31 March 2017	19	-	19

### 10. DEFERRED TAX ASSET

The deferred tax asset was as follows:

	As at 31/03/2018 £'000	As at 31/03/2017 £'000
Capital allowances	9	7
	<u>9</u>	<u>7</u>
	2018 £'000	2017 £'000
At beginning of the year	7	55
Transferred to the profit and loss account (note 8)	2	(48)
As at end of the year	<u>9</u>	<u>7</u>

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.

# TRAIANA LIMITED

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

### 11. DEBTORS

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
<b>Current</b>		
Amounts due from		
- immediate parent	8,425	8,233
- related companies	51	-
Prepayments and accrued income	34	30
Other tax and social security	21	41
	<u>8,531</u>	<u>8,304</u>

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

### 12. CASH AND CASH EQUIVALENTS

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Cash at bank	6	10
Short-term bank deposits	-	143
	<u>6</u>	<u>153</u>

### 13. CREDITORS

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Amounts owed to		
-related companies	741	900
Accruals	2,088	1,683
Other creditors	14	14
	<u>2,843</u>	<u>2,597</u>

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



# TRAIANA LIMITED

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

### 14. SHARE CAPITAL

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
<b>Authorised, allotted and fully paid:</b>		
2 Ordinary shares of £1 each (2017: 2)	-	-
	-	-

### 15. SHARE-BASED PAYMENTS

The NEX Group awards share options and other share-based payments as part of its employee incentive schemes as well as other share-based payment transactions. The fair value of services received is measured by the fair value of the shares or share options awarded at the grant date and is charged to employee expenses over the period the service is received on a straight-line basis. A corresponding amount is recognised in equity. Employer national insurance contributions are accrued on share awards.

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Continuing operations:		
Deferred Share Bonus Plan (DSBP)	92	-
Performance Share Plan (PSP)	37	3
Long Term Incentive Plan (LTIP)	4	3
Sharesave Plan (SAYE)	36	19
	<u>169</u>	<u>25</u>

The DSBP is a long-term incentive plan for the executive directors, GEMG members and certain other senior managers in the Group. These awards are delivered as a proportion of the annual bonus deferred into NEX Group plc shares for three years. The awards do not have performance conditions but are subject to certain service conditions, malus and clawback. There were 59,369 (2016/17: Nil) DSBP shares granted during the year ended 31 March 2018, with a weighted average fair value of 652.50p (2016/17: Nil). The fair value was based on the NEX Group plc share price.

The PSP is a long-term incentive plan for the executive directors, GEMG members and certain other senior managers in the Group. Recipients are granted NEX Group plc shares with a maximum award potential of 300% of salary. These awards are subject to certain service and performance conditions, malus and clawback. There were 42,096 (2016/17: 2,897) PSP shares granted during the year ended 31 March 2018, with a weighted average fair value of 592p (2016/17: 422.20p). The fair value was based on the NEX Group plc share price.

The LTIP is a long-term incentive plan previously awarded to GEMG members and certain other senior managers in the Group. The 2015 LTIP share awards consisted of basic awards, under which a certain percentage of the pre-tax bonus was deferred in NEX Group plc shares for three years with no performance conditions attached. Basic LTIP awards were last made to GEMG members in 2015 and to certain other senior managers in 2016. From 2017 LTIP basic awards were replaced with DSBP awards.

SAYE options granted during the year, the Black-Scholes model was used to determine the fair value of those options using inputs including weighted average share price, exercise price, expected volatility, option life and the risk-free interest rate.

### 16. IMMEDIATE, INTERMEDIATE AND ULTIMATE PARENT COMPANY

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 and copies may be obtained from the Company Secretary, NEX Group Holdings Limited (formerly NEX Group Holdings plc), 2 Broadgate, London, EC2M 7UR. Traiana, Inc's registered office is the Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware DE 19801. The Company's intermediate parents are NEX Optimisation Limited, NEX Group Holdings Limited (formerly NEX Group Holdings plc) and NEX International Limited (formerly ICAP plc).

# TRAIANA LIMITED

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

### 16. IMMEDIATE, INTERMEDIATE AND ULTIMATE PARENT COMPANY (CONTINUED)

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

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

	<u>Year ended</u> <u>31/03/2018</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
Cost of management services received:		
Fellow subsidiary companies	(11,153)	(11,310)
Mark-up on services provided to fellow subsidiary company	12,353	12,168

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

	<u>As at</u> <u>31/03/2018</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Amounts due from immediate parent company	8,425	8,233
Amounts due from related companies	51	(900)
Amounts due to related companies	(741)	-
	<u>7,735</u>	<u>7,333</u>

All balances are unsecured, non-interest bearing and have no fixed terms of repayment.

#### Remuneration of key management personnel

There are no key management personnel other than the directors of the Company. Directors' remuneration is disclosed in note 6.

### 17. POST BALANCE SHEET EVENTS

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