

**Company Number: 6173794**

**INTERCAPITAL NO. 1 LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2018**



**INTERCAPITAL NO. 1 LIMITED**  
**Directors' Report for the year ended 31 March 2018**

Company Number: 6173794

The directors present their Directors' Report and the unaudited financial statements of Intercapital No.1 Limited (the 'Company') for the year ended 31 March 2018.

**PRINCIPAL ACTIVITIES**

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

The Company is incorporated and 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.

**DIVIDENDS**

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

**DIRECTORS**

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

L Barclay	
S Wren	(resigned 13 July 2017)
P Newman	(resigned 7 June 2018)
D Williamson	(appointed 4 September 2018)

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



D Williamson  
Director

20 December 2018

# **INTERCAPITAL NO. 1 LIMITED**

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **INTERCAPITAL NO. 1 LIMITED**

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

Company Number: 6173794

The directors present their Strategic Report and the unaudited financial statements of Intercapital No.1 Limited (the 'Company') for the year ended 31 March 2018.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group (NEX Group Limited (formerly NEX Group plc), the ultimate parent undertaking as at 31 March 2018, and its subsidiaries) and are not managed separately. Accordingly, the principal risks and uncertainties of NEX Group Limited (formerly NEX Group plc), which include those of the Company, are discussed on pages 21 to 23 of the Group's annual report, which does not form part of this report.

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

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

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 November 2018 after obtaining all regulatory clearances.

### **GOING CONCERN**

The Company's financial statements have been prepared on a going concern basis because its immediate parent entity, NEX Group Holdings Limited (formerly NEX Group Holdings plc), has indicated that it will provide financial support to the Company until at least twelve months from the date of signing the financial statements. There is no change to this expectation following the CME Inc. transaction.

### **RESULTS**

The results of the Company are set out in the profit and loss account on page 4.

The loss for the financial year of \$3,142,000 (2017: profit of \$14,622,000) has been transferred to reserves.

The net assets of the Company are \$30,319,000 (2017 liabilities: \$40,171,000).

### **KEY PERFORMANCE INDICATORS**

The directors of NEX Group Limited (formerly NEX Group plc) manage the Group's operations on a divisional basis. For this reason, the Company's 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 Limited (formerly NEX Group plc), which includes the Company, are discussed on pages 10 and 11 of the Group's annual report, which does not form part of this report.

The report has been approved by the board of directors and signed by order of the board:



D Williamson  
Director

20 December 2018

**INTERCAPITAL NO. 1 LIMITED**  
**Profit and Loss Account 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
Administrative expenses		(239)	(199)
Impairment of investment	9	(390)	(562)
Other operating (expenses) / income	5	(2,329)	10,617
<b>Operating (loss) / profit</b>	3	<u>(2,958)</u>	<u>9,856</u>
Dividend income	6	-	7,982
Interest payable and similar charges	7	(790)	(1,867)
Profit on disposal of external investment		-	372
<b>(Loss) / profit on ordinary activities before taxation</b>		<u>(3,748)</u>	<u>16,343</u>
Tax credit / (charge) on loss/profit on ordinary activities	8	606	(1,721)
<b>(Loss) / profit for the financial year</b>		<u><u>(3,142)</u></u>	<u><u>14,622</u></u>

The notes on pages 8 to 14 are an integral part of these financial statements.

# **INTERCAPITAL NO. 1 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
<b>(Loss) / profit for the financial year</b>	(3,142)	14,622
<b>Total comprehensive (loss) / income relating to the year</b>	<u>(3,142)</u>	<u>14,622</u>

The notes on pages 8 to 14 are an integral part of these financial statements.

**INTERCAPITAL NO. 1 LIMITED****Balance Sheet as at 31 March 2018**

Company Number: 6173794

	<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>			
Investment in subsidiaries	9	<u>6,637</u>	<u>7,027</u>
		6,637	7,027
<b>Current assets</b>			
Debtors	10	27,226	28,340
Cash and cash equivalents	11	9	23
Tax receivable		<u>626</u>	<u>-</u>
		27,861	28,363
<b>Total assets</b>		<u>34,498</u>	<u>35,390</u>
<b>Current liabilities</b>			
Creditors	12	(4,179)	(73,851)
Tax payable		<u>-</u>	<u>(1,710)</u>
		(4,179)	(75,561)
<b>Total liabilities</b>		<u>(4,179)</u>	<u>(75,561)</u>
<b>Net assets/(liabilities)</b>		<u>30,319</u>	<u>(40,171)</u>
<b>Equity</b>			
Share capital	13	358	358
Share premium		73,632	-
Retained earnings		<u>(43,671)</u>	<u>(40,529)</u>
<b>Total equity</b>		<u>30,319</u>	<u>(40,171)</u>

The notes on pages 8 to 14 are an integral part of these financial statements.

The Company was entitled to exemption from audit for the year ended 31 March 2018 under section 479A of the Companies Act 2006 relating to subsidiary companies.

Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for:

- (i) ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 393 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company.

The financial statements on pages 4 to 14 were approved by the Board of directors on 20 December 2018 and were signed on its behalf by:



D Williamson  
Director

## INTERCAPITAL NO. 1 LIMITED

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

	<u>Share capital</u> (note 13) \$'000	<u>Share premium</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total equity</u> \$'000
As at 31 March 2016	358	-	(55,151)	(54,793)
Profit for the year	-	-	14,622	14,622
As at 31 March 2017	358	-	(40,529)	(40,171)
Issue of share capital	-	73,632	(3,142)	70,549
As at 31 March 2018	358	73,632	(43,671)	(30,319)

The notes on pages 8 to 14 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 premium

The share premium account includes the value of the proceeds above nominal on issue of the Company's share capital, comprising £1 ordinary shares.



# **INTERCAPITAL NO. 1 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 Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act) as applicable to companies using FRS 101 and under the historic cost convention. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ('IFRS'). The accounting policies have been applied consistently, other than where new policies have been adopted.

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following disclosure exemptions have been adopted:

- financial risk management note;
- cash flow statements;
- process for managing capital;
- key management compensation; and
- related party transactions between wholly owned group companies.

As at 31 March 2018, the Company's total assets exceeded its total liabilities by \$30,331,000. The financial statements have been prepared on a going concern basis as its parent entity, NEX Group Holdings Limited (formerly NEX Group Holdings plc) has confirmed its undertaking to provide financial support to the Company so that the Company is able to meet its liabilities as and when they fall due for a period of 12 months from the date of the financial statements. There is no change to this expectation following the CME Inc. transaction.

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

#### **b) Functional currency**

The directors have concluded that the most appropriate functional currency of the Company is United States Dollars ("USD"). This reflects the fact that the majority of the entity's business is influenced by pricing in international shipping markets, with a predominately US Dollar denominated economic environment, and that the majority of turnover is invoiced in US Dollars.

#### **c) Tax**

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

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

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

Calculations of current and deferred tax liability have been based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected 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.

# **INTERCAPITAL NO. 1 LIMITED**

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

### **1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

#### **d) Foreign currencies**

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 reserves. 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.

#### **e) Financial assets**

Financial assets are classified as “available-for-sale” or “loans and receivables” on initial recognition.

**Available-for-sale:** available-for-sale financial assets are debt and equity non-derivative financial assets and are initially recognised at fair value. Any subsequent changes in fair value are recognised directly in equity. When an investment is disposed of or is determined to be impaired, any cumulative gain or loss previously recognised in equity is transferred to the profit and loss account. For equity financial assets, where the fair value cannot be reliably measured, the assets are held at cost less any provision for impairment. These assets are generally expected to be held for the long-term and are included in non-current assets. Assets such as shares or seats in exchanges, cash-related instruments, and long-term equity investments that do not qualify as associates or joint ventures are classified as available-for-sale.

**Loans and receivables:** loans and receivables are non-derivative financial instruments which have a fixed or easily determined value. They are recognised at cost, less any provisions for impairment in their value. These assets are included in debtors (note 10).

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.

#### **f) Investment in subsidiaries**

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

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

#### **g) Intercompany balances**

Intercompany balances are shown in accordance with the netting agreement, which allows netting of bilateral intercompany balances within entities that are party to the netting agreement.

#### **h) Debt provisioning**

Provisions are made for specific debts when it is considered that the creditworthiness of the debtor has deteriorated such that the recovery of all or part of a debt is in serious doubt.

A provision is made in respect of potential losses which are judged to be present in debtor balances at the balance sheet date, but which will not be identified as such until sometime in the future. The level of provision is based upon the previous experience of such losses in the Company and is reviewed on a periodic basis. The appropriateness of the provision is periodically assessed against any actual losses that have arisen. All provisions are recorded within administrative expenses in the profit and loss account.

#### **i) Cash and cash equivalents**

Cash and cash equivalents comprise cash held at call with banks.

# **INTERCAPITAL NO. 1 LIMITED**

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

### **1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

#### **j) Impairment of assets**

An impairment review of the recoverable amounts of assets is undertaken at each balance sheet date or when such events or changes in circumstances indicate that an impairment loss may have occurred.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

#### **k) Share capital**

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

#### **l) 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. 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. None of these items give rise to a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

### **3. OPERATING (LOSS) / PROFIT**

Administrative expenses primarily relate to legal fees and insurance costs.

### **4. DIRECTORS' REMUNERATION**

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

### **5. OTHER EXPENSES/INCOME**

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

### **6. DIVIDEND INCOME**

	<u>Year ended</u> <u>31/03/2018</u> \$'000	<u>Year ended</u> <u>31/03/2017</u> \$'000
Dividends received	-	7,982
	<u>-</u>	<u>7,982</u>

# INTERCAPITAL NO. 1 LIMITED

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

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Year ended</u> <u>31/03/2018</u>	<u>Year ended</u> <u>31/03/2017</u>
	\$'000	\$'000
Interest on loans from related companies	790	1,867
	<u>790</u>	<u>1,867</u>

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>Year ended</u> <u>31/03/2018</u>	<u>Year ended</u> <u>31/03/2017</u>
	\$'000	\$'000
a) Analysis of charge for the year		
Current tax:		
UK Corporation tax – current year	(626)	1,710
UK Corporation tax – prior year	20	10
	<u>(606)</u>	<u>1,720</u>
Deferred tax:		
Deferred taxation – prior year	-	1
	<u>(606)</u>	<u>1,721</u>
b) Factors affecting the tax charge for the year		
Profit on ordinary activities before tax	<u>(3,748)</u>	<u>16,343</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 20% (2017: 20%)	(712)	6,269
Effects of:		
Expenses not deductible for tax purposes	86	112
Adjustments in respect of prior years – current tax	20	10
Adjustments in respect of prior years – deferred tax	-	1
Non-taxable income	-	(1,671)
	<u>106</u>	<u>(1,548)</u>
Tax charge for the year	<u>(606)</u>	<u>1,721</u>
Effective tax rate	16%	11%

The standard rate of Corporation Tax in the UK changed from 20% to 19% with effect from 1 April 2017 and will fall to 17% from 1 April 2020. UK deferred tax will therefore unwind at a rate of 19% for periods from 1 April 2017 to 31 March 2019.

# INTERCAPITAL NO. 1 LIMITED

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

### 9. INVESTMENT IN SUBSIDIARIES

	<u>As at</u> <u>31/03/2018</u> \$'000	<u>As at</u> <u>31/03/2017</u> \$'000
As at beginning of the year	7,027	7,027
Additions	-	465
Impairment	(390)	(562)
o As at end of the year	<u>6,637</u>	<u>7,027</u>

During the year, the Company impaired its investment in ICAP Shipping derivatives Limited by \$388,330. It also impaired its investment in ICAP Holdings by \$1,281.

At 31 March 2018, the Company's subsidiary companies and related undertakings were as follows:

<b>Name</b>	<b>% Directly held</b>	<b>Country of incorporation</b>
Intercapital No. 2 Limited	100%	England and Wales
Capital Shipbroking Limited	100%	England and Wales
Capital Shipbrokers LLP	99.99%	England and Wales
Intercapital No. 3 Limited	100%	England and Wales

  

<b>Name</b>	<b>% Indirectly held</b>	<b>Country of incorporation</b>
Midhurst Chartering Limited	100%	England and Wales
Intercapital (Hong Kong) Limited	100%	Hong Kong
Intercapital (Germany) GmbH	100%	Germany
Intercapital No. 1 Pte	100%	Singapore
Intercapital No. 2 Pte	100%	Singapore
Capital Shipbrokers Limited (HK) *	50%	Hong Kong

\* in liquidation

### 10. DEBTORS

	<u>As at</u> <u>31/03/2018</u> \$'000	<u>As at</u> <u>31/03/2017</u> \$'000
Amounts owed by immediate parent company	559	-
Amounts owed by related companies	26,667	28,332
Prepayments and accrued income	-	8
	<u>27,226</u>	<u>28,340</u>

# INTERCAPITAL NO. 1 LIMITED

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

### 11. 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	9	23
	<u>9</u>	<u>23</u>

### 12. CREDITORS

	<u>As at</u> <u>31/03/2018</u> \$'000	<u>As at</u> <u>31/03/2017</u> \$'000
<b>Current</b>		
Accruals	43	-
Loans owed to immediate parent company	-	70,708
Amounts owed to immediate parent company	-	328
Amounts owed to related companies	4,136	2,815
	<u>4,179</u>	<u>73,851</u>

### 13. SHARE CAPITAL

	<u>As at</u> <u>31/03/2018</u> \$'000	<u>As at</u> <u>31/03/2017</u> \$'000
<b>Allotted and fully paid:</b>		
250,001 Ordinary shares of £1 each (2017: 250,000)	358	358
	<u>358</u>	<u>358</u>

On 31 August 2017, InterCapital No. 1 Limited allotted 1 ordinary share of £1 to NEX Group Holdings plc for consideration of £57,141,061.37 (£57,141,060.37 being share premium).

### 14. 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 November 2018 after obtaining all regulatory clearances.

## **INTERCAPITAL NO. 1 LIMITED**

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

#### **15. IMMEDIATE AND ULTIMATE PARENT COMPANY**

The Company's immediate parent is NEX Group Holdings Limited (formerly NEX Group Holdings plc), which does not prepare consolidated financial statements. NEX International Limited (former ICAP plc) is also an immediate parent to the Company.

As at 31 March 2018, the Company's ultimate parent was NEX Group Limited, which is incorporated in England and Wales, and headed the largest group of companies of which the Company was a member. NEX Group Limited prepares consolidated financial statements in accordance with IFRS and copies may be obtained from the Company Secretary, NEX Group Limited, 2 Broadgate, London, EC2M 7UR.

As of the date of approving these financial statements the ultimate parent is CME Inc.