

Registered number: 8254731

ICE Endex Gas Spot Ltd

Annual Report and Financial Statements

For the Year Ended 31 December 2017

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ICE Endex Gas Spot Ltd

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ICE Endex Gas Spot Ltd

Strategic Report For the Year Ended 31 December 2017

Introduction

The directors present their Strategic Report for ICE Endex Gas Spot Ltd ('the Company') for the year ended 31 December 2017.

Principal activities and review of the business

The Company is a wholly-owned subsidiary of ICE Endex Holding B.V., a company registered and incorporated in the Netherlands. Its ultimate parent and controlling entity is Intercontinental Exchange, Inc., ('ICE'), a corporation registered in Delaware, United States. Related companies in these financial statements refer to members of the ICE group of companies (the 'Group').

The Company is designated by OFGEM (The Office of Gas and Electricity Markets) and appointed by National Grid Gas as the market operator of the independent market for balancing gas (On-the-day Commodity Market or OCM) in the UK.

Principal risks and uncertainties

Risk is an inherent part of the Company's business activity and is managed within the context of the ICE Group. Other entities within the ICE Group, provide services to the Company to allow it to monitor and manage various types of risks, including market and liquidity risk, through defined policies, procedures and control mechanisms.

This report was approved by the board on 3 July 2018 and signed on its behalf.



P. Schuurs
Director

**Directors' Report
For the Year Ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £203,000 (2016: £345,000).

Dividends of £400,000 were declared by the directors and paid during the year (2016: £500,000).

Directors

The directors who served during the year were:

P. Schuurs
W. de Klein

**Directors' Report (continued)
For the Year Ended 31 December 2017**

Future developments

On 23 June 2016, the UK voted to leave the European Union. The impact of this decision is currently unknown as the UK government is yet to agree the terms and conditions upon which the UK will leave the European Union. Until such time as formal terms are agreed, there is a degree of uncertainty. With the current knowledge it is however considered unlikely that the Company will be impacted.

In connection with the Company's agreement with ICE Clear Europe Limited for clearing services, on 28 March 2018, the Company purchased \$10 million preference shares issued by a Group entity, Exchange Participations Limited. The proceeds from the preference share issuance have been contributed to ICE Clear Europe Limited which has added the amount to its own resources contribution to the guaranty fund. This reflects the alignment of risk sharing between the Company, the clearing house and its members. These amounts may be utilised under certain circumstances set out in the clearing house rules. The ICE Clear Europe Limited guaranty fund is a pool of resources established by the clearing house that provides additional cover in the event that the resources of a defaulting clearing member are insufficient to cover the cost of closing out their positions. Any amounts utilised by ICE Clear Europe Limited following its default waterfall rules are subject to replenishment by the Company.

Qualifying third party indemnity provisions

The Company has granted an indemnity to certain directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions were in place during the relevant financial year and remain in force as at the date of approving the Directors' Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 3 July 2018 and signed on its behalf.



P. Schuurs
Director

ICE Endex Gas Spot Ltd

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICE ENDEX GAS SPOT LTD

Opinion

We have audited the financial statements of ICE Endex Gas Spot Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

ICE Endex Gas Spot Ltd

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICE ENDEX GAS SPOT LTD (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

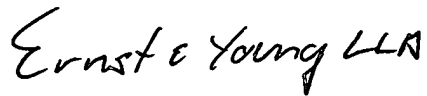
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ICE Endex Gas Spot Ltd

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICE ENDEX GAS SPOT LTD (continued)

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

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Andrew Gilder (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
05 July 2018

ICE Endex Gas Spot Ltd

Statement of Comprehensive Income For the Year Ended 31 December 2017

	Note	2017 £000	2016 £000
Turnover	2	1,189	1,449
Gross profit		1,189	1,449
Administrative expenses		(934)	(1,004)
Operating profit	3	255	445
Interest receivable and similar income	6	-	(6)
Profit before tax		255	439
Tax on profit	7	(52)	(94)
Profit for the financial year		203	345
Other comprehensive income for the year			
Total comprehensive income for the year		203	345

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 10 to 15 form part of these financial statements.

Balance Sheet
As at 31 December 2017

	Note		2017 £000	2016 £000
Current assets				
Debtors	9	39	1,045	
Cash at bank and in hand	10	1,688	798	
		<u>1,727</u>	<u>1,843</u>	
Creditors: amounts falling due within one year	11	(784)	(703)	
Net current assets			<u>943</u>	<u>1,140</u>
Total assets less current liabilities			<u>943</u>	<u>1,140</u>
Net assets			<u><u>943</u></u>	<u><u>1,140</u></u>
Capital and reserves				
Profit and loss account			<u>943</u>	<u>1,140</u>
			<u><u>943</u></u>	<u><u>1,140</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 July 2018.

P. Schuurs
Director

The notes on pages 10 to 15 form part of these financial statements.

ICE Endex Gas Spot Ltd

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	-	1,140	1,140
Comprehensive income for the year			
Profit for the year	-	203	203
Equity dividends	-	(400)	(400)
At 31 December 2017	-	943	943

**Statement of Changes in Equity
For the Year Ended 31 December 2016**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2016	-	1,295	1,295
Comprehensive income for the year			
Profit for the year	-	345	345
Equity dividends	-	(500)	(500)
At 31 December 2016	-	1,140	1,140

The notes on pages 10 to 15 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Intercontinental Exchange, Inc., as at 31 December 2017 and these financial statements may be obtained from www.theice.com.

1.3 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year. Turnover is recognised net of value added tax. Fees are recognised as incurred

1.5 Cash at bank and in hand

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of approximately three months or less from the date of acquisition.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. Accounting policies (continued)

1.6 Interest receivable

Interest receivable is recognised as earned.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into British Pounds at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into British Pounds at the rate ruling on the date of the transaction. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

1.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2. Turnover

An analysis of turnover by class of business is as follows:

	2017 £000	2016 £000
Transaction and membership fees	1,166	1,410
Collateral interest	-	17
Intercompany income	23	22
	<u>1,189</u>	<u>1,449</u>

All turnover arose within the United Kingdom.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

3. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £000	2016 £000
Depreciation of tangible fixed assets	-	3
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	28	28
Exchange differences	(36)	(125)
Other operating lease rentals	-	2
	<u> </u>	<u> </u>

There were no fees payable to the Company's auditor for any non-audit services during the year (2016: £nil).

4. Employees

Staff costs were as follows:

	2017 £000	2016 £000
Social security costs	-	4
Cost of defined contribution scheme	-	(2)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

The Company has no employees other than the directors, who did not receive any remuneration (2016: £NIL).

5. Directors' remuneration

The directors who held office during the year were employed and remunerated as directors or executives of ICE and its consolidated subsidiaries in respect of their services to the ICE group as a whole, and it is therefore considered that there is no appropriate basis on which they can apportion part of their remuneration for their services to the Company.

6. Interest receivable

	2017 £000	2016 £000
Other interest receivable	-	(6)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Notes to the Financial Statements
For the Year Ended 31 December 2017

7. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	52	91
Adjustments in respect of previous periods	-	3
Total current tax	<u>52</u>	<u>94</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>52</u>	<u>94</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	<u>255</u>	<u>439</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	49	88
Effects of:		
Expenses not deductible for tax purposes	3	3
Adjustments to tax charge in respect of prior periods	<u>-</u>	<u>3</u>
Total tax charge for the year	<u>52</u>	<u>94</u>

Factors that may affect future tax charges

The headline rate of UK Corporation tax reduced from 20% to 19% on 1 April 2017 and following the enactment of Finance Act 2016 on 15 September 2016 it will further reduce to 17% from 1 April 2020. Given that this rate was enacted at the time of the balance sheet date, the closing deferred tax balances have been calculated with reference to this rate.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The deferred tax asset is estimated to increase by £nil before 31 December 2018.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

8. Dividends

	2017 £000	2016 £000
Equity dividends	400	500
	<u>400</u>	<u>500</u>

9. Debtors

	2017 £000	2016 £000
Trade debtors	21	3
Amounts owed by group undertakings	-	1,023
Other debtors	-	3
Prepayments and accrued income	18	16
	<u>39</u>	<u>1,045</u>

Amounts owed by group undertakings at 31 December 2016 are made up of a €1,200,000 loan made to ICE Endex Holding B.V. which was fully repaid on 1 March 2017.

10. Cash at bank and in hand

	2017 £000	2016 £000
Cash at bank and in hand	1,688	798
	<u>1,688</u>	<u>798</u>

11. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	592	383
Corporation tax	137	264
Other taxation and social security	5	-
Accruals and deferred income	50	56
	<u>784</u>	<u>703</u>

All creditors are unsecured.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

12. Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	-	-
	<u> </u>	<u> </u>

13. Registered office

The registered office of the Company is:

Milton Gate
60 Chiswell Street
London
EC1Y 4SA
United Kingdom

14. Events after the balance sheet

In connection with the Company's agreement with ICE Clear Europe Limited for clearing services, on 28 March 2018, the Company purchased \$10 million preference shares issued by a Group entity, Exchange Participations Limited. The proceeds from the preference share issuance have been contributed to ICE Clear Europe Limited which has added the amount to its own resources contribution to the guaranty fund. This reflects the alignment of risk sharing between the Company, the clearing house and its members. These amounts may be utilised under certain circumstances set out in the clearing house rules. The ICE Clear Europe Limited guaranty fund is a pool of resources established by the clearing house that provides additional cover in the event that the resources of a defaulting clearing member are insufficient to cover the cost of closing out their positions. Any amounts utilised by ICE Clear Europe Limited following its default waterfall rules are subject to replenishment by the Company.

15. Ultimate parent undertaking and controlling party

The Company is registered in England and Wales and is a wholly-owned subsidiary of ICE Endex Holding B.V., a company incorporated in the Netherlands. The ultimate parent company and controlling entity is Intercontinental Exchange, Inc., a corporation registered in Delaware, United States.

The Company's financial statements have been included in the group financial statements of the ultimate parent company, Intercontinental Exchange, Inc.

The group financial statements of Intercontinental Exchange, Inc., may be obtained from the website www.theice.com.