

Registered number: OC315800

## Creditex Brokerage LLP

### Financial statements

For the Year Ended 31 December 2019



## **Creditex Brokerage LLP**

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**Oath of affirmation**

I, Duncan Moyle, affirm by electronic signature that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the form of Creditex Brokerage LLP as at 31 December 2019, are correct.

A handwritten signature in black ink, appearing to read 'Duncan Moyle', with a horizontal line drawn underneath it.

**D. Moyle**

For and on behalf of Creditex UK Limited

Director of Creditex UK Limited

31 March 2020

# SAVILLE & CO

— SCRIVENER NOTARIES —

Saville Notaries LLP

One Carey Lane London EC2V 8AE

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Sophie Milburn · Nicholas Thompson · Robert Kerss · Andrew MacNab · Christopher Higgins (General Notary)

Eleonora Ceolin (General Notary) · Jana Derska (General Notary) · Katia Fallow (General Notary)

TO ALL TO WHOM THESE PRESENTS SHALL COME, I CHRISTOPHER GERARD HIGGINS of the City of London NOTARY PUBLIC by royal authority duly admitted and sworn DO HEREBY CERTIFY the genuineness of the electronic signature of DUNCAN ELLIS MOYLE subscribed to the foregoing **oath of affirmation** contained within the **financial statements for the year ended 31 December 2019** relating to CREDITEX BROKERAGE LLP, such signature having been affixed electronically by the said Duncan Ellis Moyle, whose personal identity I attest and whose capacity as a director of the company styled CREDITEX UK LIMITED of London, England, which company is a designated member of the said **CREDITEX BROKERAGE LLP** of London, England (hereinafter, the "LLP"), I the notary also certify;

AND I DO FURTHER CERTIFY THAT the LLP is a limited liability partnership duly organised and existing in accordance with the laws of England and Wales, registered with the Registrar of Companies for England and Wales under number OC315800 and with registered office at Milton Gate, 60 Chiswell Street, London, EC1Y 4SA, England.

IN FAITH AND TESTIMONY WHEREOF I the said notary have affixed my electronic signature at London aforesaid this thirty first day of March two thousand and twenty.



Saville & Co. Scrivener Notaries is the trading name of Saville Notaries LLP, a limited liability partnership registered in England and Wales with registered number OC420687 and with registered office at One Carey Lane, London EC2V 8AE

Regulated by the Faculty Office of the Archbishop of Canterbury



## **Creditex Brokerage LLP**

### **Members' Report For the Year Ended 31 December 2019**

The Members present their annual report together with the audited financial statements of Creditex Brokerage LLP ('the Partnership') for the year ended 31 December 2019.

#### **Principal activities**

The principal activity of the Partnership is to provide electronic trade execution services to financial institutions and investment firms in the UK, certain European countries, the United States, emerging markets and the Asia Pacific area operating in the credit derivatives and fixed income markets. The Partnership also acts as an arranging firm in connection with auctions run by ICE Benchmark Administration Limited in relation to commodities. The Partnership's ultimate parent and controlling entity is Intercontinental Exchange, Inc., ('ICE'), a corporation registered in Delaware, United States. Related entities in these financial statements refer to members of the ICE Group of companies ('the Group').

The Partnership's authorisations comprise the following:

- Authorised by the Financial Conduct Authority ('FCA') to act as a MiFID Investment Firm and operator of a Multilateral Trading Facility.
- Recognised by the Monetary Authority of Singapore as a recognised market operator pursuant to section 8(2) of the Singapore Securities and Futures Act.
- Registered as an introducing broker with the U.S. Commodity Futures Trading Commission and member of the National Futures Association.
- Recognised by the Swiss Financial Market Supervisory Authority to operate as a foreign trading venue in Switzerland.
- On 29 August 2019, the Partnership was issued an Australian Market Licence from the Australian Securities and Investments Commission ('ASIC') to operate a financial market under the relevant legislation and regulations administered by ASIC.
- The Partnership obtained authorisation from the Hong Kong Securities and Futures Commission to provide Automated Trading Services in Hong Kong with respect to bonds on 27 November 2019.

#### **Designated Members**

The designated members of the Partnership who served during the year were as follows:

- Creditex UK Limited ('the corporate member' and 'the managing member')
- Creditex Brokerage Holdco Limited

#### **Transactions with members**

Each member shall receive, on a monthly basis, a sum as agreed from time to time by the managing member, such amount being 'base drawings'.

The profits or losses shall be allocated amongst the members as follows:

- each member shall be allocated a sum equal to the amount of base drawings received by them;
- the balance of the profits or losses shall be allocated to the corporate member

The share of profits or losses is not linked to the capital contributions made by members. Each member's capital contribution is repayable upon the member's retirement from the Partnership.

Creditex Brokerage Holdco Limited was approved by the managing member, as a member of the Partnership with no capital contribution or base drawings.

**Members' Report (continued)  
For the Year Ended 31 December 2019**

**Risk management**

Risk is an inherent part of the Partnership's business activity and is managed within the context of the ICE UK Group's business activities by ICE Futures Europe, a fellow ICE Group subsidiary company. ICE Futures Europe provides services to the ICE UK Group to monitor and manage various types of risks, including market and liquidity risk, through defined policies, procedures and control mechanisms.

*Credit risk*

Credit risk is the risk that customers will fail to honour their agreed obligations and will fail to perform under their contractual commitments in relation to services provided by the Partnership. The Partnership faces limited direct credit risk, as a high proportion of its revenues are collected by a fellow subsidiary, ICE Markets Limited. The maximum exposure to credit risk is equal to the carrying value of the Partnership's assets.

*Liquidity risk*

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The members do not believe there is a significant exposure to liquidity risk due to the nature and amount of liabilities held.

*Market risk*

Market risk arises from adverse movements in foreign exchange rates, interest rates and bond prices. The members do not believe that there is a significant exposure to market risk due to the nature of the Partnership's operation. The firm operates a multilateral trading facility where a related party, ICE Markets Limited, acts as the matched principal counterparty on all transactions executed on the multilateral trading facility.

The Partnership has complied with all externally imposed capital requirements.

**Results and dividends**

The Partnership exists to support the wider ICE Group's business activities. As such, management monitors the Partnership's performance as part of the ICE Group as a whole through the compilation and review of various financial and operational key performance indicators.

The Partnership has net assets attributable to members of £1,212,000 (2018: £2,169,000).

**Future developments**

*Brexit*

In March 2017, the U.K. officially triggered Article 50 of the Treaty of Rome and, in doing so, notified its intention of leaving the EU in line with outcome of the U.K.'s June 2016 "Brexit" referendum. The triggering of Article 50 began the process of withdrawal from the EU. In November 2018, the U.K. and the other 27 countries of the EU, agreed upon the terms of a withdrawal agreement that set out the terms of the U.K.'s withdrawal from the EU and includes a transition period until 31 December 2020. During the transition period, the U.K. agreed to apply EU law. Following the U.K. General Election held on 12 December 2019 which returned a Conservative majority government, the European Union (Withdrawal Agreement) Bill was passed by both Houses of Parliament, receiving Royal Assent on 23 January 2020. Prime Minister Boris Johnson signed the Withdrawal Agreement on the following day, completing the U.K.'s ratification process. This was followed by ratification by the European Parliament and the European Council on 29 January and 30 January 2020 respectively.

The U.K. left the EU at 11.00 pm GMT on 31 January 2020 on the basis of the Withdrawal Agreement and the associated Political Declaration.

**Members' Report (continued)  
For the Year Ended 31 December 2019**

The Political Declaration sets out a framework for agreeing the future relationship between the U.K. and the EU and covers areas including economic partnership (e.g. trade in goods, services and investment, and fishing opportunities), security partnership (e.g. law enforcement and judicial cooperation, security and defence), institutional and other arrangements (e.g. governance arrangements and dispute settlement) and the forward process (e.g. ground rules for the negotiation process). The Political Declaration also explains that the U.K. and the EU will seek to conclude equivalence assessments of each other's financial services frameworks by the end of June 2020. It goes on to state that the parties intend to reach agreement on the future relationship by the end of 2020.

However, the future relationship between the U.K. and the EU remains uncertain, as the U.K. and the EU work through the transition period that provides time to negotiate the details of the future relationship. Although the Withdrawal Agreement includes a provision for extension for a further two year period, the transition period is currently expected to end on 31 December 2020. If no agreement is reached then the U.K. will leave the EU with no agreements in place beyond any temporary arrangements that have or may be put in place by the EU or individual EU Member States and the U.K. as part of no-deal contingency efforts and those conferred by mutual membership of the World Trade Organization. Given the lack of comparable precedent, it is unclear what financial, trade and legal implications the U.K. leaving the EU with no agreements in place would have and how such withdrawal would affect the Partnership.

*Coronavirus (Covid-19)*

After the balance sheet reporting date of 31 December 2019, on 11 March 2020, Coronavirus (Covid-19) was recognised as a pandemic by the World Health Organization (WHO). The ICE Group has a Pandemic Plan and its Pandemic Steering Committee (PSC) meets regularly to assess new information relating to Covid-19. The PSC leads for the ICE Group in determining the response level, recommending strategy and disseminating information to staff.

The full extent of the pandemic is as of yet unknown and there is a degree of uncertainty over what the impact on the Partnership will be. However, to date, the ICE Group's extensive business continuity plans that have been developed and tested for crises like this Covid-19 are operating as planned and have ensured operations, including those of the Partnership, continue to function as normal. Most ICE Group employees who perform work related to the Partnership are utilising an alternating office and remote work framework complying, as necessary, with local government mandates and social distancing directives as appropriate and have ceased all travel for work-related activity. It is considered that these arrangements will continue for as long as is required with no detrimental impact to the business. The Partnership has not currently experienced any cash flow or liquidity issues, nor issues collecting revenues from customers.

It is management's assessment that, although any outcome related to the pandemic cannot be dismissed, there is no current indication or reasonable expectation that conditions will exist in the foreseeable future that would cause the Partnership to cease being a going concern. In reaching this conclusion the Partnership has considered the potential financial and non-financial impacts of the pandemic including consideration of key indicators to determine what the severity and downside of a range of future detrimental economic scenarios could be. Potential impacts on the Partnership's regulatory compliance, ongoing cost base, credit derivatives and fixed income market activity and resilience and reliance upon the ICE Group for services provided to the Partnership have all been considered.

Therefore, the Members have a reasonable expectation that the Partnership has adequate resources, including support from a fellow Group company if necessary, to continue in operational existence for the foreseeable future and continue to prepare the financial statements on a going concern basis.

**Creditex Brokerage LLP**

**Members' Report (continued)  
For the Year Ended 31 December 2019**

**Disclosure of information to auditors**

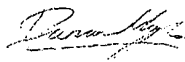
The Members at the time when this Members' Report is approved have confirmed that:

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

**Auditors**

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the Members on 31 March 2020 and signed on their behalf by:



D. Moyle  
For and on behalf of Creditex UK Limited  
Director of Creditex UK Limited



**Members' Responsibilities Statement  
For the Year Ended 31 December 2019**

The Members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Limited Liability Partnership law requires the Members to prepare financial statements for each financial year. Under that law the Members 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 as applicable to limited liability partnerships the Members 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 Partnership and of the profit or loss of the Partnership for that period.

In preparing these financial statements, the Members are required to:

- select suitable accounting policies 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 limited liability partnership will continue in business.

The Members are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 as applicable to limited liability partnerships.. The Members are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDITEX BROKERAGE LIMITED LIABILITY PARTNERSHIP ('LLP')**

### **Opinion**

We have audited the financial statements of Creditex Brokerage LLP for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Reconciliation of Members' Interests, the related notes 1 to 15, including a summary of significant accounting policies, and the Supplementary information as required by the Commodity Exchange Act (17 CFR 1.10). 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 state of the limited liability partnership's affairs as at 31 December 2019 and of its loss for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

### **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 limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter – Effects of COVID-19**

We draw attention to Note 14 of the financial statements, which describes the economic and social disruption the Partnership is facing as a result of COVID-19 which is impacting the financial markets and personnel available for work and or being able to access offices. Our opinion is not modified in respect of this matter.

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

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

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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 set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The members 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.

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

In the light of the knowledge and understanding of the limited liability partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the members' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- ▶ we have not received all the information and explanations we require for our audit

## **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

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

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

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

### Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Andrew Bates (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
31 March 2020

**Creditex Brokerage LLP**

**Statement of Comprehensive Income  
For the Year Ended 31 December 2019**

		<b>2019</b>	As restated
	<b>Note</b>	<b>£000</b>	<b>2018</b>
			<b>£000</b>
Turnover	2	<u>115</u>	<u>93</u>
<b>Gross profit</b>		<b>115</b>	<b>93</b>
Administrative expenses		<b>(1,098)</b>	<b>(982)</b>
Decrease in provision for VAT	10	<u>-</u>	<u>129</u>
<b>Operating loss</b>	3	<b>(983)</b>	<b>(760)</b>
Interest receivable		<u>11</u>	<u>9</u>
<b>Loss before tax</b>		<u><b>(972)</b></u>	<u><b>(751)</b></u>
<b>Loss for the year before members' remuneration and profit shares</b>		<u><b>(972)</b></u>	<u><b>(751)</b></u>
Loss for the year before members' remuneration and profit shares		<b>(972)</b>	<b>(751)</b>
Members' remuneration recognised as income		<u><b>972</b></u>	<u><b>751</b></u>
<b>Results for the year available for discretionary division among members</b>		<u><b>-</b></u>	<u><b>-</b></u>

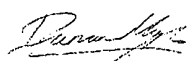
There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

**Creditex Brokerage LLP**  
**Registered number: OC315800**

**Balance Sheet**  
**As at 31 December 2019**

	Note	2019 £000	2019 £000	As restated 2018 £000	As restated 2018 £000
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	26		105	
Cash at bank and in hand	8	1,395		2,300	
		<u>1,421</u>		<u>2,405</u>	
Creditors: amounts falling due within one year	9	(148)		(156)	
<b>Net current assets</b>			<u>1,273</u>		<u>2,249</u>
<b>Total assets less current liabilities</b>			<u>1,273</u>		<u>2,249</u>
<b>Provisions for liabilities</b>					
Other provisions	10	(43)		(43)	
			<u>(43)</u>		<u>(43)</u>
<b>Net assets</b>			<u><u>1,230</u></u>		<u><u>2,206</u></u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Members' capital classified as a liability			<u>690</u>		<u>1,666</u>
			<u>690</u>		<u>1,666</u>
<b>Members' other interests</b>					
Other reserves classified as equity		540		540	
			<u>540</u>		<u>540</u>
			<u>1,230</u>		<u>2,206</u>
<b>Total members' interests</b>					
Loans and other debts due to members			<u>690</u>		<u>1,666</u>
Members' other interests			<u>540</u>		<u>540</u>
			<u>1,230</u>		<u>2,206</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 31 March 2020.



D. Moyle  
For and on behalf of Creditex UK Limited, Director of Creditex UK Limited

The notes on pages 12 to 18 form part of these financial statements.

## Creditex Brokerage LLP

### Reconciliation of Members' Interests For the Year Ended 31 December 2019

	EQUITY Members' other interests		DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Other reserves £000	Total £000	Members' capital classified as a liability As restated £000	Total As restated £000	Total As restated £000
<b>Members' interests after profit for the year</b>	<b>540</b>	<b>540</b>	<b>876</b>	<b>876</b>	<b>1,416</b>
Allocated loss for the year	-	-	(751)	(751)	(751)
Capital introduced	-	-	1,500	1,500	1,500
Other movements	-	-	41	41	41
Amounts due to members			1,666	1,666	
<b>Balance at 31 December 2018</b>	<b>540</b>	<b>540</b>	<b>1,666</b>	<b>1,666</b>	<b>2,206</b>
<b>Members' interests after profit for the year</b>	<b>540</b>	<b>540</b>	<b>1,666</b>	<b>1,666</b>	<b>2,206</b>
Allocated loss for the year	-	-	(972)	(972)	(972)
Other movements	-	-	(4)	(4)	(4)
Amounts due to members			690	690	
<b>Balance at 31 December 2019</b>	<b>540</b>	<b>540</b>	<b>690</b>	<b>690</b>	<b>1,230</b>

In the event of wind up, Loans and other debts due to members rank equally with other unsecured creditors.

There is no protection afforded to other creditors in such an event which is legally enforceable and cannot be revoked solely by a decision of the Members. There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

2018 allocated loss for the year and closing balances have been restated, see note 11.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

Creditex Brokerage LLP is a limited liability partnership incorporated in England and Wales. The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ('FRS 102'), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

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

The following principal accounting policies have been applied.

**1.2 Disclosure exemptions - FRS 102**

The Partnership has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- 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 33 Related Party Disclosures paragraph 33.7.

This information, where required, is included in the consolidated financial statements of Intercontinental Exchange, Inc. as at 31 December 2019 and these financial statements may be obtained from [www.theice.com](http://www.theice.com).

The financial statements are presented in pounds sterling, which is the Partnership's functional and presentational currency. All amounts are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

**1.3 Going concern**

The members have a reasonable expectation that the Partnership 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. A fellow Group subsidiary has committed to provide financial support if necessary, and the managing member will provide additional members capital if and when required.

**1.4 Turnover**

Turnover, which represents commissions receivable for providing electronic trade execution services, net of trade discounts, VAT and other sales related taxes, is recognised as earned, which is typically when broker trades are executed.



**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Accounting policies (continued)**

**1.5 Cash at bank**

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 three months or less from the date of acquisition.

**1.6 Financial instruments**

The Partnership only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

Debt instruments that are payable or receivable within one year, typically trade receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1.7 Foreign currencies**

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

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

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

**1.8 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Partnership a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Partnership becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Balance Sheet.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**1. Accounting policies (continued)**

**1.9 Members' interests and current debts due from members**

Members may subscribe capital to the Partnership based on the partnership deed. The managing member determines the capital contribution required on the admission of new members. Members' capital is repayable at par less any allocated losses, together with other amounts owed, upon retirement from the Partnership. Members may retire from the partnership with less than one year's notice, so these amounts have been classed as current.

Profits and losses are automatically allocated to members and are therefore presented as an expense or income in the period in which the profits or losses arise.

**2. Turnover**

Turnover, which is stated net of value added tax, is derived from the continuing business of the Partnership and comprises amounts receivable in respect of services provided in the ordinary course of the Partnership's operations. The turnover is from one class of business with the geographical markets being the United Kingdom.

**3. Operating loss**

The operating loss is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Exchange differences	<b>2</b>	<b>15</b>
	<b>=====</b>	<b>=====</b>

**4. Auditors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Partnership's auditor and its associates for the audit of the Partnership's annual accounts	<b>60</b>	<b>60</b>
Fees payable to the Partnership's auditor and its associates in respect of all other services	<b>18</b>	<b>18</b>
	<b>=====</b>	<b>=====</b>

**5. Employees**

The Partnership has no employees.

## Creditex Brokerage LLP

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 6. Information in relation to members

	2019 Number	2018 Number
The average number of members during the year was	<u>2</u>	<u>2</u>

#### 7. Debtors

	2019 £000	2018 £000
Amounts owed by group undertakings	15	89
Other debtors	11	16
	<u>26</u>	<u>105</u>

#### 8. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	1,395	2,300
	<u>1,395</u>	<u>2,300</u>

#### 9. Creditors: Amounts falling due within one year

	2019 £000	As restated 2018 £000
Trade creditors	3	-
Amounts owed to group undertakings	48	27
Accruals	97	129
	<u>148</u>	<u>156</u>

All creditors are unsecured; there are no liabilities subordinated to the claims of general creditors (2018: nil).

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**10. Provisions**

	<b>Other provisions £000</b>
At 1 January 2019	<b>43</b>
<b>At 31 December 2019</b>	<b>43</b>

The Partnership has recognised provisions for future expected VAT related payments, including interest and penalties of £8,000 (2018: £8,000). The Partnership expects to settle these amounts during 2020.

**11. Restatements**

During the year the Partnership's balance sheet was reviewed and it was identified that an accrual for legal costs had been incorrectly recognised in the year ended 31 December 2018. The overall effect of this derecognition and restatement is summarised below.

	<b>As previously reported £000</b>	<b>Effect of prior period restatement £000</b>	<b>Reported as restated £000</b>
<b>Balance Sheet</b>			
<b>As at 31 December 2018</b>			
Creditors: amounts falling due within one year	(193)	37	(156)
Members' capital classified as a liability	1,629	37	1,666
<b>Statement of Comprehensive Income</b>			
<b>For the year ended 31 December 2018</b>			
Administrative expenses	(1,019)	37	(982)

**Notes to the Financial Statements  
For the Year Ended 31 December 2019**

**12. Ultimate parent undertaking and controlling party**

The Partnership's immediate parent company is Creditex UK Limited, a company incorporated and registered in England and Wales. The ultimate parent company and controlling entity is Intercontinental Exchange, Inc., a corporation registered in Delaware, United States.

The Partnership'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](http://www.theice.com) and copies of the financial statements of Intercontinental Exchange, Inc. can be obtained at 5560 New Northside Dr, 6th Floor, Atlanta, Georgia, U.S.A. 30328.

**13. Registered office**

The registered office of the Partnership is:

Milton Gate  
60 Chiswell Street  
London  
EC1Y 4SA  
United Kingdom

**14. Post balance sheet events**

After the balance sheet reporting date of 31 December 2019, on 11 March 2020, Coronavirus (Covid-19) was recognised as a pandemic by the World Health Organization (WHO). The ICE Group has a Pandemic Plan and its Pandemic Steering Committee (PSC) meets regularly to assess new information relating to Covid-19. The PSC leads for the ICE Group in determining the response level, recommending strategy and disseminating information to staff.

The full extent of the pandemic is as of yet unknown and there is a degree of uncertainty over what the impact on the Partnership will be. However, to date, the ICE Group's extensive business continuity plans that have been developed and tested for crises like this Covid-19 are operating as planned and have ensured operations, including those of the Partnership, continue to function as normal. Most ICE Group employees who perform work related to the Partnership are utilising an alternating office and remote work framework complying, as necessary, with local government mandates and social distancing directives as appropriate and have ceased all travel for work-related activity. It is considered that these arrangements will continue for as long as is required with no detrimental impact to the business. The Partnership has not currently experienced any cash flow or liquidity issues, nor issues collecting revenues from customers.

It is management's assessment that, although any outcome related to the pandemic cannot be dismissed, there is no current indication or reasonable expectation that conditions will exist in the foreseeable future that would cause the Partnership to cease being a going concern. In reaching this conclusion the Partnership has considered the potential financial and non-financial impacts of the pandemic including consideration of key indicators to determine what the severity and downside of a range of future detrimental economic scenarios could be. Potential impacts on the Partnership's regulatory compliance, ongoing cost base, credit derivatives and fixed income market activity and resilience and reliance upon the ICE Group for services provided to the Partnership have all been considered.

Therefore, the Members have a reasonable expectation that the Partnership has adequate resources, including support from a fellow Group company if necessary, to continue in operational existence for the foreseeable future and continue to prepare the financial statements on a going concern basis.

**Notes to the Financial Statements  
For the Year Ended 31 December 2019  
15. Pillar 3 Disclosures**

The Partnership is authorised by the UK Financial Conduct Authority and is required under the applicable regulations to publish its 'Pillar 3 Disclosures'. These can be found at the following website: <https://www.theice.com/publicdocs/creditex/Pillar3.pdf>, in the case of the Partnership.

## Schedule I

### Creditex Brokerage LLP

#### Statement of the Computation of the Minimum Capital Requirements as at 31 December 2019

	2019 £000	2019 \$000*
Current assets	1,395	1,850
Total liabilities	(191)	(253)
Net Capital	<u>1,204</u>	<u>1,597</u>
Charges against net capital		(88)
Total charges		<u>(88)</u>
Adjusted net capital		1,509
Minimum dollar amount		(45)
Excess net capital		<u><u>1,464</u></u>
Reconciling items between audited Net Capital Computation and unaudited filing:		
Decrease in accrued liabilities for late invoice received		(30)
Increase in charge against inventory for late invoice received in foreign currency		6
Excess net capital per unaudited filing		<u><u>1,440</u></u>

\* GBP:USD forex rate 31/12/19 1.3260

## Schedule II

### Creditex Brokerage LLP

#### Reconciliation of the Balance Sheet to the Statement of the Computation of the Minimum Capital Requirements as at 31 December 2019

	2019 £000	2019 \$000*
Total assets per statement of financial condition (balance sheet)	1,421	1,885
Deductions: Assets not allowed as net capital under section 1.17 of the regulations under the Commodity Exchange Act (Cash at bank and in hand and Other amounts due from members)	<u>(26)</u>	<u>(35)</u>
Current assets under CFTC Regulation 1.17	<u>1,395</u>	<u>1,850</u>
Total liabilities per statement of financial condition (balance sheet)	(191)	(253)
Liabilities under CFTC Regulation 1.17	<u>(191)</u>	<u>(253)</u>

\* GBP:USD forex rate 31/12/19 1.3260



## **Supplementary Report of Independent Registered Public Accounting Firm on Internal Control Required by CFTC Regulation 1.16**

The Board of Directors and Management of Creditex Brokerage LLP.

In planning and performing our audit of the financial statements of Creditex Brokerage LLP (the Partnership) as of and for the year ended 31 December 2019, in accordance with International Standards on Auditing (UK) (ISAs (UK)), we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Partnership's internal control.

Also, as required by Regulation 1.16 of the Commodity Futures Trading Commission (CFTC), we have made a study of the practices and procedures followed by the Partnership, including consideration of control activities for safeguarding customer and firm assets. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Regulation 1.16 in making the periodic computations of minimum financial requirements pursuant to Regulation 1.17. Because the Partnership is an introducing broker, we did not review the practices and procedures followed by the Partnership in making the following:

1. The daily computations of the segregation requirements of Section 4d(a)(2) of the Commodity Exchange Act and the regulations thereunder, and the segregation of funds based on such computations
2. The daily computations of the foreign futures and foreign options secured amount requirements pursuant to Regulation 30.7 of the CFTC

The management of the Partnership is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the CFTC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Partnership has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. Regulation 1.16(d)(2) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and was not designed to identify all deficiencies in internal control that might be deficiencies,

significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding customer and firm assets that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the CFTC to be adequate for their purposes in accordance with the Commodity Exchange Act and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Partnership's practices and procedures, as described in the second paragraph of this report, were adequate at 31 December 2019, to meet the CFTC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the CFTC, the National Futures Association, other regulatory agencies that rely on Regulation 1.16 of the CFTC in their regulation of registered introducing brokers, and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

Ernst & Young LLP

31 March 2020