Registered number
1591809

LIFFE Administration and Management

Report and Financial Statements

31 December 2012

LIFFE Administration and Management
Report and Financial Statements

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LIFFE Administration and Management
Registered number: 1591809

The directors present their report and audited financial statements for LIFFE Administration and Management (the "Company") for the year ended 31 December 2012

Principal activities
The Company's principal activity is the operation and management of a financial and commodity futures and options exchange (the "Exchange") The Company is a Recognised Investment Exchange, regulated under the Financial Services and Markets Act 2000

The Board is promoting and developing the market through the introduction of new contracts, improved regulation, the enhancement of the Exchange's systems and facilities, marketing activities and relevant business relationships

Business review

Review of 2012.
2012 saw a significant decrease in traded volumes on the Exchange across the majority of its products The Company traded a total of 788 million derivatives contracts, down 15% from the 932 million achieved in 2011 The Company's core interest rate products (futures and options on inter-bank short term interest rates in a range of currencies including sterling and the euro) saw a decrease in volumes of 24%, though medium and long term interest rate products saw an increase in volumes of 10% Significant year on year volume increases were also achieved in individual equity products (futures and options on individual companies' stocks) continuing the Company's growth in this area Total revenue for 2012 was £264m, a decrease of 19% on 2011

The balance sheet remains in a strong position with £174m in cash and short term investments and net current assets of £98m

NYSE Euronext proposed merger with IntercontinentalExchange, Inc.:
On 20 December 2012 the Company's ultimate parent company, NYSE Euronext, entered into a merger agreement with IntercontinentalExchange, Inc ("ICE") pursuant to which ICE will acquire NYSE Euronext Completion of the proposed merger will be subject to approval by respective shareholders, approval by the relevant financial and regulatory authorities and customary closing conditions The proposed merger is currently expected to close in the second half of 2013

Clearing arrangements:
Following the launch of NYSE Liffe Clearing in 2009, the Company assumed full responsibility for the clearing activities related to the Exchange, although certain clearing functions are outsourced to LCH Clearnet Limited under an on-going contractual arrangement On 29 June 2012, LIFFE gave notice to LCH Clearnet Limited of the termination of this arrangement effective 30 June 2013, consistent with the Company's plans at that time to launch its own full service clearing house to be known as NYSE Clearing

Simultaneously with the signature of the merger agreement between NYSE Euronext and ICE, LIFFE and ICE Clear Europe Limited ("ICE Clear") entered into a Clearing Services Agreement ("CSA"), dated 20 December 2012, pursuant to which ICE Clear, as central counterparty, will be the provider of clearing services in relation to the LIFFE market

Under the terms and subject to the conditions of the CSA, LIFFE will appoint ICE Clear as the exclusive provider of central counterparty services for all existing LIFFE derivatives products and LIFFE will access these services on behalf of its customers with such clearing services expected to commence on 1 July 2013, subject to receipt of applicable required regulatory approvals and other conditions As a consequence of the CSA, the build of the Company's own full service clearing house, NYSE Clearing, was cancelled as it was no longer feasible to pursue the NYSE Clearing project

LIFFE Administration and Management
Directors' Report (continued)

Introduction of Universal Trading Platform:
The introduction of NYSE Euronext's Universal Trading Platform ("UTP") as the trading platform and matching engine used on the Exchange commenced in 2011 During 2012 certain portions of the LIFFE market successfully migrated from the LIFFE CONNECT trading platform Full migration was completed in early 2013

Operational risks.
In addition to a possible slowdown in trading activity, the three principal operational risks facing the Company are competition from other exchanges and trading service providers, adverse impacts arising from on-going European and US regulatory changes, and an outage stopping access to our electronic trading platform because of a technological problem or as a result of a wider threat to the infrastructure of the City of London or Basildon (location of NYSE Euronext's European data centre)

Competition
The Company constantly monitors competitive initiatives and has addressed them through a mixture of competitive pricing, measures designed to enhance the liquidity of the markets, providing value for money to customers by making regular enhancements to the electronic trading platform and by offering innovative products and services that meet customers' changing needs

Regulatory change
In the wake of the recent turmoil in the global financial markets, regulators both in Europe and the US are looking to address the issues identified as contributing factors Regulatory changes are likely to be imposed upon certain types of instruments, transactions, or capital market participants and the Company is engaged with all relevant rule makers and regulators in order to help and educate the involved parties and draw attention to crucial points to its markets The Company believes it is well placed to adapt to and benefit from the likely changes

Market capacity and availability:
The Company constantly seeks ways to enhance the reliability of its electronic trading platform, UTP (previously LIFFE CONNECT) and has completed hardware operating system upgrades to maintain optimum performance UTP and co-location services have been migrated to the Basildon data centre, which provides substantial extra data centre space to meet the Company's future capacity needs Given the increasing use of automated trading systems, the Company offers customers co-location services designed to provide the fastest possible access to the market, which releases spare capacity in existing infrastructure and reduces the risk of network congestion when there are exceptional levels of electronic message traffic Business continuity arrangements are in place to enable the market to function normally in the event that the Company's main office becomes inaccessible, and these arrangements are tested regularly

LIFFE Administration and Management
Directors' Report (continued)

Financial risks:
The Company is exposed to financial risks including credit, liquidity, interest rate and foreign exchange rate risks The Company has in place risk management policies which seek to limit potential adverse effects on the financial performance of the Company by monitoring the levels of cash and investments held, as well as the financial stability of members

Credit risk
Credit risk arises on trading activities, intercompany transactions, deposits with banks and financial institutions as well as credit exposure to Exchange members The Company limits its exposure to member credit risk through a policy of credit checking all potential members as part of the membership acceptance process and also has an on-going process for monitoring the status of existing members The Company is also the central counterparty for contracts entered into by its clearing members, and thus has credit exposure to its clearing members in respect of the open positions they hold However, the Company offsets this credit exposure through the arrangements put in place with LCH Clearnet whereby LCH Clearnet provides clearing guarantee backing and related risk functions to the Company, and under which LCH Clearnet is responsible for any defaulting member positions and for applying its resources to the resolution of such a default This arrangement is expected to be superseded, effective 1 July 2013, by the new arrangements with ICE Clear under which ICE Clear will assume the role of central counterparty and be fully responsible for the management of the default fund and all related risk and default management processes

The Company also maintains policies and procedures to help ensure that its clearing members can satisfy their obligations, including by requiring members to meet minimum capital and net worth requirements and to deposit collateral for their trading activity Furthermore, the Company limits exposure to a counterparty default for cash and cash equivalents by rigorously selecting only counterparties of high credit rating as set by external rating agencies An on-going review is performed to evaluate changes in the status of counterparties Exposure limits are also in place and are actively monitored for compliance with a defined policy The Company performs on-going reviews of intercompany credit risk and has no concerns in respect of such debtor balances

Liquidity, interest rate and foreign exchange rate risk
A mixture of cash and short-term deposits is maintained to ensure that the Company has sufficient available funds for its operations As a Recognised Investment Exchange, the Company is required to hold cash reserves at a level agreed with and monitored by the Financial Services Authority The Company holds interest bearing assets mainly in cash and short-term deposits Non-sterling assets and liabilities are held in the form of trade debtors, intercompany balances, bank balances and trade creditors The Company makes limited use of derivative financial instruments to manage foreign exchange rate exposure, although risks are primarily managed on a group basis The Company does not apply hedge accounting

Capital management
As a Recognised Investment Exchange, the Company is subject to regulatory capital and liquid financial asset maintenance requirements which are based on the Company's level of operating costs Adherence to the requirements is monitored and reported to the Financial Services Authority on a monthly basis

Results and dividends
The results for the year are set out in the profit and loss account on page 7 The profit for the financial year of £72m (2011 profit of £130m) has been transferred to reserves

During the year, dividends of £150m were paid (2011 £105m)

Employees

Employees are critical to the success of the business, and the Company is committed to attracting and retaining employees with the skills needed for its future development

The Company's policy is to provide equal opportunities in employment irrespective of colour, race, nationality, ethnic or national origin, gender, mental or physical disabilities, marital status or sexual orientation The Company seeks to fulfil this commitment to equal opportunities through the application of policies and procedures, which are consistent and fair and which recognise the expertise and ability of each individual

The Company's policy is to encourage the recruitment and subsequent training, career development and promotion of disabled people on the basis of their aptitude and abilities, and the retention and re-training of employees who become disabled

The Company, as part of the NYSE Euronext group, communicates financial results and significant business issues to all employees via the use of email and in-house publications Feedback from employees is obtained annually via a confidential survey The Company's performance management system clearly links an employee's reward to their personal achievement of objectives tied to the business goals

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows

A Whiting	Chairman	
H R Freedberg		Resigned 30 April 2012
F P Hutcheson	Chief Executive	Appointed 9 July 2012
M S Ibbotson	Chief Executive	
G P Jones		Resigned 15 June 2012
R Bellegarde	Executive Director	
Sir David Brewer	Independent Non-Executive Director	
T A Clark	Independent Non-Executive Director	
P L Green	The Kyte Group Limited	
J A Hudis	Goldman Sachs International	
I Chicken		Resigned 3 August 2012
J Gollan	Independent Non-Executive Director	

H R Freedberg was Chairman of the board of directors until 30 April 2012 following which A Whiting was appointed as Chairman G P Jones was Chief Executive of the Company until 15 June 2012 following which F P Hutcheson and M S Ibbotson assumed the roles of joint Chief Executives

LIFFE Administration and Management
Directors' Report (continued)

Directors' responsibilities statement
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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 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 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

Disclosure of information to auditors
Each person who was a director at the time this report was approved confirms that

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

Independent auditors
The auditors in office will be deemed to have been re-appointed pursuant to section 487(2) of the Companies Act 2006 unless the members or directors resolve otherwise

This report was approved by the board on 24 April 2013 and signed on its behalf

F P Hutcheson
Director

Registered office
Cannon Bridge House
1 Cousin Lane
London EC4R 3XX

LIFFE Administration and Management

Independent auditors' report to the members of LIFFE Administration and Management

We have audited the financial statements of LIFFE Administration and Management for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Philip Tew (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 April 2013

LIFFE Administration and Management
Profit and Loss Account
for the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Turnover	2	264,126	325,189
Administrative expenses		(137,625)	(154,756)
Other operating income		3,511	3,581
Operating profit	3	130,012	174,014
Exceptional item	4	(35,010)	-
Interest receivable and similar income		2,187	1,242
Profit on ordinary activities before taxation		97,189	175,256
Tax on profit on ordinary activities	7	(24,894)	(45,279)
Profit for the financial year		72,295	129,977

All results of the Company derive from continuing operations

The profit and loss account includes all recognised gains and losses for the year and therefore no separate statement of total recognised gains and losses has been presented

LIFFE Administration and Management
Balance Sheet
as at 31 December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	8	11,948	12,802
		11,948	12,802
Current assets			
Debtors	9	64,700	123,518
Investments - short term deposits		109,926	110,000
Cash at bank and in hand	10	63,617	65,030
		238,243	298,548
Creditors: amounts falling due within one year	11	(140,734)	(125,814)
Net current assets		97,509	172,734
Total assets less current liabilities		109,457	185,536
Net assets		109,457	185,536
Capital and reserves			
Called up share capital	13	29,060	29,060
Profit and loss account	14	80,397	156,476
Total shareholders' funds	15	109,457	185,536

These financial statements on pages 7 to 17 were approved by the board of directors on 24 April 2013, and signed on their behalf by

F P Hutcheson
Director

LIFFE Administration and Management
Notes to the Financial Statements
for the year ended 31 December 2012

1 Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The principal accounting policies, which have been applied consistently throughout the year, are set out below

Cash flow statement and related party disclosures
The Company is a wholly owned subsidiary of LIFFE (Holdings) Limited and is included in the consolidated financial statements of LIFFE (Holdings) Limited The ultimate parent company is NYSE Euronext for which consolidated financial statements are publicly available Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard ("FRS") 1 (Revised 1996)

The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with wholly-owned entities that are part of the NYSE Euronext group

Revenue recognition
Revenues are attributed to the year to which they relate and consist mainly of
• fees for executing transactions in futures and options, which are recognised at the trade date and billed monthly, and
• proceeds from the sale of exchange information and computer services, which are recognised as income over the year in which services should be provided

Exceptional items
Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company They are material items of income or expense that have been shown separately due to the significance of their nature or amount

Current asset investments
Current asset investments are stated at the lower of cost and market value

Tangible fixed assets and depreciation
Tangible fixed assets are stated at historic purchase cost less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Leasehold improvements	over the remaining life of the lease
Fixtures, fittings and equipment	3 years straight-line
Capitalised software development costs	3 years straight-line

Provisions
Provisions for liabilities are calculated in accordance with FRS 12 and are recognised where

• the Company has a present obligation at the balance sheet date as a result of a past event,
• it is probable that a transfer of economic benefits will be required to settle that obligation, and
• a reliable estimate of the amount of the obligation can be made

1 Accounting policies (continued)

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Dividends

The Company recognises a dividend payable only when it has been approved by the shareholders of the Company in a general meeting Dividends receivable are recognised when they are declared

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Pensions

The Company operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Share-based transactions

A share award programme allows Company employees to acquire shares of NYSE Euronext, the ultimate parent company The fair value of shares awarded is measured at grant date and the associated expense is spread over the period during which the employees become unconditionally entitled to the shares, with a corresponding increase in capital contribution recognised in reserves The amount recognised as an expense is adjusted to reflect the actual number of shares that vest, except where forfeiture is due only to share prices not achieving the threshold for vesting

2 Turnover

Turnover arises mainly from the administration of the LIFFE market and comprises net transaction charges, membership subscriptions, equipment rentals, income from the sale of market data and sale of computer services, all exclusive of value added tax It is derived substantially from activities undertaken in the UK

3 Operating profit

	2012	**2011**
	£'000	**£'000**
This is stated after charging/(crediting)		
Depreciation of fixed assets	5,275	6,962
Loss/(gain) on foreign exchange	240	(174)
Operating lease rentals - land and buildings	4,054	3,981
Operating lease rentals - plant and machinery	60	21
Auditors' remuneration for audit services	370	425

4 Exceptional item

On 29 June 2012 the Company gave notice to LCH Clearnet Limited ("LCH") of the termination of the 2008 Clearing Relationship Agreement effective 30 June 2013 It was the Company's intention to develop and build its own full service derivatives clearing platform to be known as NYSE Clearing On 20 December 2012 it was announced that the Company had entered into a Clearing Services Agreement with ICE Clear Europe Limited ("ICE Clear") under which ICE Clear will provide clearing services to the Company on termination of the agreement with LCH in June 2013 Following this announcement, the Company's own clearing platform development project was cancelled Total 2012 development and operational costs associated with the cancelled project amounted to £35,010,000 and is shown as an exceptional item

The tax effect of this exceptional item has been included in the corporation tax charge for the year at the rate of 24 5%

5 Directors' emoluments

	2012 £'000	2011 £'000
Emoluments	1,640	2,081
Share-based payments expense	1,742	640
Company contributions to money purchase pension schemes	180	192
Compensation for loss of office	1,228	-
	4,790	2,913

Emoluments comprise salary, annual bonus and benefits in kind Two directors (2011 three) are members of a money purchase pension scheme No directors (2011 none) are members of a defined benefit pension scheme

Highest paid director	2012 £'000	2011 £'000
Emoluments	278	797
Share-based payments expense	1,254	412
Company contributions to money purchase pension schemes	128	85
	1,660	1,294

6 Staff costs

	2012 £'000	2011 £'000
Wages and salaries	30,144	27,027
Social security costs	3,775	3,793
Share-based payments expense (note 18)	3,743	1,504
Other pension costs	2,711	2,842
	40,373	35,166

The monthly average number of employees during the year, including directors on service contracts, was as follows

	Number	Number
Administration	269	267

LIFFE Administration and Management
Notes to the Financial Statements (continued)
for the year ended 31 December 2012

7 Tax on profit on ordinary activities

	2012 £'000	2011 £'000
a) Analysis of tax charge in year		
Current tax		
UK corporation tax on profits of the year - before exceptional item	32,484	45,714
UK corporation tax on profits of the year - exceptional item	(8,577)	-
	23,907	45,714
Adjustments in respect of prior years	993	(2,312)
	24,900	43,402
Deferred tax		
Origination and reversal of timing differences (note 12)	(6)	1,877
	(6)	1,877
Tax on profit on ordinary activities	24,894	45,279

b) Factors affecting tax charge for year

The current tax charge for the year is higher (2011 lower) than that resulting from applying the standard rate of corporation tax in the UK of 24 5% (2011 26 5%) The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	97,189	175,256
Standard rate of corporation tax in the UK	24 5%	26 5%
	£'000	£'000
Profit on ordinary activities multiplied by the standard rate of corporation tax	23,811	46,443
Effects of		
Expenses not deductible for tax purposes	57	657
Capital allowances for year in excess of depreciation	8	447
Stock options relief	(817)	(213)
Timing differences on share schemes	919	(46)
Release of provisions	(71)	(436)
Utilisation of tax losses	-	(1,138)
Adjustments in respect of prior years	993	(2,312)
Current tax charge for year	24,900	43,402

c) Factors that may affect future tax charges

With effect from 1 April 2012, the standard rate of corporation tax was reduced from 26% to 24% With effect from 1 April 2013, this rate was further reduced to 23%

8 Tangible assets

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Capitalised software development costs £'000	Total £'000
Cost				
At 1 January 2012	25,548	8,572	66,734	100,854
Additions	1,539	142	2,740	4,421
At 31 December 2012	27,087	8,714	69,474	105,275
Accumulated depreciation				
At 1 January 2012	19,249	7,576	61,227	88,052
Charge for the year	1,414	545	3,316	5,275
At 31 December 2012	20,663	8,121	64,543	93,327
Net book value				
At 31 December 2012	6,424	593	4,931	11,948
At 31 December 2011	6,299	996	5,507	12,802

9 Debtors

	2012 £'000	2011 £'000
Trade debtors	2,221	151
Amounts owed by group undertakings	39,773	98,345
Other debtors	933	1,923
Prepayments and accrued income	18,104	19,436
Deferred tax (note 12)	3,669	3,663
	64,700	123,518

10 Cash at bank and in hand

	2012 £'000	2011 £'000
Cash deposited at a fellow group undertaking bank	63,070	64,046
Other cash balances	547	984
	63,617	65,030

11 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Bank loans and overdrafts	1,369	-
Trade creditors	19,214	4,941
Amounts owed to group undertakings	99,677	99,597
Corporation tax	6,430	7,053
Other taxes and social security costs	1,616	1,151
Other creditors	5,204	1,655
Accruals and deferred income	7,224	11,417
	140,734	125,814

LIFFE Administration and Management
Notes to the Financial Statements (continued)
for the year ended 31 December 2012

12 Deferred tax

	2012 £'000	2011 £'000
At 1 January	3,663	5,540
Deferred tax charge in profit and loss account	6	(1,877)
At 31 December	3,669	3,663

	2012 £'000	2011 £'000
Difference between accumulated depreciation and capital allowances	2,306	2,676
Other timing differences	1,363	987
Deferred tax balance	3,669	3,663

13 Called up share capital

	Nominal value	2012 Number	2011 Number	2012 £'000	2011 £'000
Allotted and fully paid					
Ordinary shares	*£1 each*	29,060,000	29,060,000	29,060	29,060

14 Profit and loss account

	2012 £'000
At 1 January 2012	156,476
Profit for the financial year	72,295
Dividends paid	(150,000)
Capital contribution	1,626
At 31 December 2012	80,397

15 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
At 1 January	185,536	160,137
Profit for the financial year	72,295	129,977
Dividends paid	(150,000)	(105,000)
Capital contribution	1,626	422
At 31 December	109,457	185,536

LIFFE Administration and Management
Notes to the Financial Statements (continued)
for the year ended 31 December 2012

16 Pension commitments

The Company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the Company in an independently administered fund The pension cost charge represents contributions payable by the Company to the fund

Contributions totalling £204,000 (2011 £214,000) were outstanding at the year end

17 Other financial commitments

At the year end the Company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £'000	Land and buildings 2011 £'000
Operating leases which expire		
within one year	-	-
within two to five years	4,650	120
in over five years	-	4,308
	4,650	4,428

18 Share-based payments

Employees of the Group may be granted equity awards as part of the NYSE Euronext group stock incentive plan NYSE Euronext's approach to the incentive compensation awards contemplates the award of restricted stock units (RSUs)

RSUs are granted under annual bonus plans, annual long term incentive plans (LTIP) and for executive sign-on awards RSUs are granted with a nil exercise price

NYSE Euronext RSU bonus plans

Since 2008, RSUs have been granted to certain senior employees of the Company as part of their annual bonus award The RSUs are granted in February of each year and vest in three equal tranches on the grant anniversary in the subsequent three years

NYSE Euronext RSU long-term incentive plans

Since 2008, RSUs have been granted annually to certain senior employees of the Company under this plan The RSUs are granted in February of each year and vest three years after the grant date

NYSE Euronext RSU sign-on awards

Since 2008, RSUs have been granted to certain newly recruited senior employees of the Company under this plan The shares vest in three equal tranches on the grant anniversary in the subsequent three years

18 Share-based payments (continued)

NYSE Euronext RSU plans - terms

The terms and conditions of the significant RSU plans are as follows

	RSU Bonus Plan 2009	RSU LTIP 2009	RSU Bonus Plan 2010	RSU LTIP 2010
Date of grant	10 Feb 2009	10 Feb 2009	10 Feb 2010	10 Feb 2010
Number granted	34,309	41,454	41,597	71,879
Vesting period	3 years	3 years	3 years	3 years
Shares outstanding at 1 January	8,683	41,454	23,368	71,879
Shares granted during the year	-	-	-	-
Shares vested during the year	(8,683)	(41,454)	(16,758)	(32,886)
Shares cancelled during the year	-	-	-	(940)
Shares outstanding at 31 December	-	-	6,610	38,053

	RSU Bonus Plan 2011	RSU LTIP 2011	RSU Bonus Plan 2012	RSU LTIP 2012
Date of grant	8 Feb 2011	8 Feb 2011	11 Feb 2012	11 Feb 2012
Number granted	65,415	118,481	104,226	127,850
Vesting period	3 years	3 years	3 years	3 years
Shares outstanding at 1 January	58,819	118,481	-	-
Shares granted during the year	-	-	104,226	127,850
Shares vested during the year	(30,165)	(24,026)	(29,655)	(27,644)
Shares cancelled during the year	(132)	(4,114)	-	(12,094)
Shares outstanding at 31 December	28,522	90,341	74,571	88,112

Fair value of services received in return for share based payments

The fair value of services received in return for shares granted is measured by reference to the fair value of shares granted and the assumed dividend yield For significant RSU plans these are detailed below

	RSU Bonus Plan 2009 USD	RSU LTIP 2009 USD	RSU Bonus Plan 2010 USD	RSU LTIP 2010 USD
Fair value at measurement date	21 71	21 71	23 65	23 65
Share price	21 71	21 71	23 65	23 65
Dividend yield	5 5%	5 5%	5 1%	5 1%

	RSU Bonus Plan 2011 USD	RSU LTIP 2011 USD	RSU Bonus Plan 2012 USD	RSU LTIP 2012 USD
Fair value at measurement date	33 76	33 76	28 94	28 94
Share price	33 76	33 76	28 94	28 94
Dividend yield	3 6%	3 6%	4 1%	4 1%

18 Share-based payments (continued)

Staff costs recognised in the profit and loss account	2012 £'000	2011 £'000
NYSE Euronext RSU bonus plans	1,734	454
NYSE Euronext RSU long-term incentive plans	1,956	982
NYSE Euronext RSU sign-on awards	53	68
	3,743	1,504

19 Related party transactions

During the year, the Company transacted with Smartpool Trading Limited and Secfinex Limited, fellow group companies which are not wholly owned, as detailed below

	2012 £'000	2011 £'000
Amounts receivable from/(payable to) Smartpool Trading Limited for the year		
Charge for use of office space	32	60
Provision of staff services	121	138
Provision of consultancy services	(70)	(148)
Amounts receivable from Secfinex Limited for the year		
Charge for use of office space	20	149

The balances outstanding at 31 December were as follows

	2012 £'000	2011 £'000
Amount due to Smartpool Trading Limited	217	9

20 Post balance sheet events

On 31 January 2013, the directors approved a dividend of £60,000,000 payable to the immediate parent company, LIFFE (Holdings) Limited

On 21 March 2013, the Company received a capital contribution of £74,000,000 from LIFFE (Holdings) Limited

21 Controlling party

The immediate parent company is LIFFE (Holdings) Limited, a company registered in England and Wales The ultimate parent company is NYSE Euronext, a company registered in Delaware, USA

LIFFE (Holdings) Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2012

NYSE Euronext is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012 The consolidated financial statements for NYSE Euronext are publicly available and may be obtained from NYSE Euronext, 11 Wall Street, New York 10005, USA