

Company Registered Number: 02950206

## **INDXIS Limited**

### **Report and Financial Statements**

For the Period from 20 December 2012 to 31 December 2013



**Directors**

Lee Shavel  
Jean-Jacques Louis  
John Jacobs

**Secretary**

J Conley

**Independent Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF  
United Kingdom

**Registered Office**

Woolgate Exchange  
25 Basinghall Street  
London  
EC2V 5HA  
United Kingdom

**Registration Number**

02950206

## Directors' report

The Directors present their report and financial statements of INDXIS Limited (the "Company") for the period from 20 December 2012 to 31 December 2013.

### Principal activities and Review of the Business

The principal activity of the Company is that of software and hardware systems research, development and consultancy as well as providing a comprehensive index services platform to clients worldwide.

Revenue is charge at a flat rate on an annual basis. An upgraded index calculator (known as ICS II) is being built to provide more integrated services to clients.

The Company is an integral part of the Group's index business. The Directors were satisfied with the performance of the Company during the year ended 31 December 2013 and they are confident about the future prospects of the Group's index business.

### Results and Dividends

The Company's loss for the period after taxation amounted to £341,688 (2012: profit of £555,171). The Directors do not recommend the payment of a final dividend (2012: Nil)

### Going Concern

In accordance with their responsibilities, the directors of the Company have considered the appropriateness of the going concern basis, which has been used in the preparation of these financial statements. The Company's Ultimate Parent Company, NASDAQ OMX Group Inc. has confirmed that they will continue to provide financial support to the Company for at least 15 months from the date of approval of these accounts. As a result, the Directors believe that the Company is well placed to manage its business risks.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### Principal Risks and Uncertainties

The key business risks and uncertainties affecting the Company are considered to be competition from other companies in the index calculation and services industry; risks associated with software and system development; and economic factors that impact the Company.

### Policy and practice on payment of creditors

It is the Company's policy to settle all debts with its creditors on a timely basis, taking account of the credit period agreed with each supplier.

### Environment

The Company is committed to pursuing sound environmental policies in all aspects of its business, and seeks to encourage and promote good environmental practice amongst its employees and within the communities in which it operates.

## Directors' report (continued)

### Directors

The directors who served the Company during the period were as follows:

Lee Shavel  
Jean-Jacques Louis  
John Jacobs (Appointed 1 February 2013)

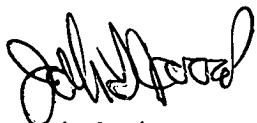
### Disclosure of information to the Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is 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.

Approved by the Board of Directors and signed on behalf of the Board by:



John Jacobs  
Director

Date: 22 September 2014

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare 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 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.

# **Independent auditors' report**

to the members of INDXIS Limited

We have audited the financial statements of INDXIS Limited (the "Company") for the period ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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).

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.

## **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

## **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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on 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 2013 and of its loss for the period 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.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Independent auditors' report**

to the members of INDXIS Limited (continued)

### **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.

*Ernst & Young LLP*

Andrew Davison (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP

London

Date: **24** September 2014

## Profit and loss account

for the period ended 31 December 2013

		<i>Period Ended 31 December 2013</i>	<i>Period Ended 19 December 2012</i>
	Notes	£	£
<b>Turnover</b>	2	507,434	317,372
Cost of sales		(156,204)	(421,568)
<b>Gross profit/(loss)</b>		351,230	(104,196)
Administrative expenses		(692,302)	(767,271)
Other operating income		-	1,419,138
Other income		-	7,500
<b>Operating (loss)/profit</b>		(341,072)	555,171
Interest payable and similar charges		(616)	-
<b>Operating (loss)/profit on ordinary activities before taxation</b>	3	(341,688)	555,171
Tax		-	-
<b>(Loss)/profit for the period</b>	11	(341,688)	555,171

All amounts are in respect of continuing operations.

There are no recognised gains or losses other than the loss for the financial period attributable to the shareholders of the Company.

The notes on pages 9 to 17 form part of these financial statements.

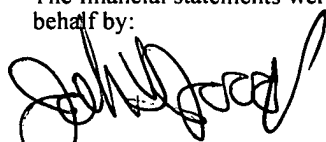


# Balance Sheet

As at 31 December 2013

	Notes	Period Ended 31 December 2013 £	Period Ended 19 December 2012 £
<b>Fixed assets</b>			
Tangible fixed assets	7	7,383	20,841
Intangible assets	6	232,298	-
		<u>239,681</u>	<u>20,841</u>
<b>Current assets</b>			
Debtors	8	441,341	175,811
Cash at bank and in hand		-	52,834
		<u>441,341</u>	<u>228,645</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,039,910)</u>	<u>(290,286)</u>
<b>Net current liabilities</b>		<u>(598,569)</u>	<u>(61,641)</u>
<b>Total assets less current liabilities</b>		<u>(358,888)</u>	<u>(40,800)</u>
<b>Provisions for liabilities</b>		-	-
<b>Net liabilities</b>		<u>(358,888)</u>	<u>(40,800)</u>
<b>Capital and reserves</b>			
Called up share capital	10	1,064	1,064
Capital reserve	11	3,989	3,989
Profit and loss account	11	(363,941)	(45,853)
<b>Shareholders' deficit</b>	11	<u>(358,888)</u>	<u>(40,800)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



John Jacobs, Director  
12 September 2014

The notes on pages 9 to 17 form part of these financial statements

## Notes to the accounts

For the period ended 31 December 2013

### 1. Accounting policies

#### Basis of Accounting

The financial statements are prepared on a going concern basis and under the historical cost convention, as modified by the inclusion of share base payments at fair value in accordance with United Kingdom Generally Accepted accounting standards.

#### Turnover

Turnover represents the net amount receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Turnover is recognized in the period that the service has been provided.

Turnover represents intercompany income for services that are charged out to the other legal entities that are owned by NASDAQ OMX Group Inc., the Company's ultimate parent.

#### Statement of Cash Flows

The Company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows as the Company's results are included as a wholly owned subsidiary in the financial statements of The NASDAQ OMX Group Inc., which are publicly available and include a statement of cash flows.

#### Intangible Fixed Assets and Amortisation

An internally generated intangible asset arising from the development of software is recognised only if all of the following conditions are met:

It is probable that the asset will create future economic benefits;

- The development costs can be measured reliably;
- Technical feasibility of completing the intangible assets can be demonstrated;
- There is the intention to complete the asset and use or sell it;
- There is the ability to use or sell the asset; and
- Adequate technical, financial and other resources to complete the development and to use or sell the assets are available.

Internally generated intangible assets are amortised over their estimated useful lives which is between three to five years. Where no internally generated intangible asset can be recognised, development expenditure is charged to Profit and Loss account in the period in which it is incurred.

## Notes to the accounts (continued)

For the period ended 31 December 2013

### 1. Accounting policies (continued)

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold buildings and improvements	Over 5 years
Computer and other equipment	Over 3 years
Furniture, fittings and equipment	25% reducing balance

#### Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

#### Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction.

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

#### Share Based Payments

NASDAQ OMX has issued share options and restricted stock units to certain directors and employees of the Company. They are measured at the fair value and recognised as an expense in the profit and loss account with the corresponding increase in equity. The fair value of the restricted stock units was estimated at the date of grant using an external stock market valuation method. The fair value of the options was estimated at that date using the Black-Scholes method. The fair value will be charged as an expense in the profit and loss account over the vesting period.

## Notes to the accounts (continued)

For the period ended 31 December 2013

### 2. Turnover

In the period to 31 December 2013 100% (2012: 100%) of the Company's turnover was to markets outside the United Kingdom.

### 3. Operating Profit and Loss

(Loss)/profit on ordinary activities before taxation is stated after charging:

	<i>Period Ended</i> <i>31 December 2013</i>	<i>Period Ended</i> <i>19 December 2012</i>
	£	£
Depreciation of tangible fixed assets	13,458	19,071
Amortization of intangible assets	1,176	-
Auditors' remuneration – audit services	30,199	31,417
(Gain)/loss on foreign exchange transactions	(3,649)	3,049

### 4. Tax

a) Taxation on profit/(loss) on ordinary activities comprising:

	<i>Period Ended</i> <i>31 December 2013</i>	<i>Period Ended</i> <i>19 December 2012</i>
	£	£
<b>Current tax:</b>		
UK Corporation tax charge on profit for the year	-	-
<b>Tax charge on profit/(loss) on ordinary activities</b>	<b>-</b>	<b>-</b>

## Notes to the accounts (continued)

For the period ended 31 December 2013

### 4. Tax (continued)

#### b) Reconciliation of Current Tax credit

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.25%. The standard rate of corporation tax in the UK has been arrived at by reference to the corporation tax rates in effect during the year. The differences are explained below:

	<i>Period Ended</i> <i>31 December 2013</i> £	<i>Period Ended</i> <i>19 December 2012</i> £
(Loss)/profit on ordinary activities before tax	(341,688)	555,171
(Loss)/profit on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 23.25% (2012:24.5%)	(79,442)	136,017
<b>Effects of:</b>		
Expenses not deductible for tax purposes	746	193
Income not taxable	-	(316,892)
Utilisation of current tax losses	-	178,574
Timing differences	6,074	2,108
Group relief surrendered for nil consideration	72,622	-
<b>Current tax credit for the period/(charge)</b>	<b>-</b>	<b>-</b>

The Company has estimated losses of £2,032,687 (2012: £2,033,346) available for carry forward against future trading profits.

A deferred tax asset has not been recognised in view of the uncertainty about future profitability of the Company, which in the opinion of directors makes the recovery of the asset uncertain. The unrecognised deferred tax asset of £416,827 is in relation to trading losses (£406,537) and other timing differences (£10,289).

### 5. Employee Information

The average monthly number of employees during the period was:

	<i>Period Ended</i> <i>31 December 2013</i> No.	<i>Period Ended</i> <i>19 December 2012</i> No.
Administration	5	6
Director	3	2

No Directors received remunerations during the year (2012: Nil).

## Notes to the accounts (continued)

For the period ended 31 December 2013

### 5. Employee Information (continued)

	<i>Period Ended</i> <i>31 December 2013</i>	<i>Period Ended</i> <i>19 December 2012</i>
	£	£
Wages and salaries	418,053	424,292
Social security costs	61,029	68,480
Other pension costs	14,562	4,945
	<u>493,644</u>	<u>497,717</u>

No Directors received remunerations during the period (2012: Nil).

### 6. Intangible Fixed Assets

	Research & Development £
<b>Cost</b>	
At 20 December 2012	-
Additions	233,474
At 31 December 2013	233,474
<b>Amortisation</b>	
At 20 December 2012	-
Charge for the period	1,176
At 31 December 2013	1,176
<b>Net book value</b>	
At 31 December 2013	<u>232,298</u>
At 19 December 2012	<u>-</u>

## Notes to the accounts (continued)

For the period ended 31 December 2013

### 7. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 20 December 2012	46,105	126,848	172,953
Additions	-	-	-
At 31 December 2013	46,105	126,848	172,953
<b>Depreciation</b>			
At 20 December 2012	42,895	109,217	152,112
Charge for the period	3,210	10,248	13,458
At 31 December 2013	46,105	119,465	165,570
<b>Net book value</b>			
At 31 December 2013	-	7,383	7,383
At 19 December 2012	3,210	17,631	20,841

### 8. Debtors

	<i>Period Ended</i> <i>31 December 2013</i> £	<i>Period Ended</i> <i>19 December 2012</i> £
Trade debtors	-	20,410
Other debtors	6,360	155,401
VAT receivable	39,366	-
Amounts owed by group undertakings	365,682	-
Prepayments & accrued income	29,933	-
	<u>441,341</u>	<u>175,811</u>

## Notes to the accounts (continued)

For the period ended 31 December 2013

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

	<i>Period Ended</i> <i>31 December 2013</i>	<i>Period Ended</i> <i>19 December 2012</i>
	£	£
Trade Creditors	119,845	133,919
Amounts payable to Group companies	855,288	-
Accrued liabilities	64,777	58,464
Other Creditors	-	97,903
	<u>1,039,910</u>	<u>290,286</u>

Included in amounts owed to group undertakings is £673,494 (2012: Nil) of an interest bearing note with OMX Treasury AB, a related party. The note has a maturity date of 11 March 2014.

### 10. Share capital

	<i>Period Ended</i> <i>31 December 2013</i>	<i>Period Ended</i> <i>19 December 2012</i>
	£	£
<b>Called up, allotted and fully paid: No.</b>		
Ordinary shares of £0.01 each	106,383	1,064

### 11. Reconciliation of Movement in Shareholder's funds

	Share Capital £	Share Premium £	Profit and loss Account £	Total share- holders' funds £
Shareholder's funds/(deficit) at 19 December 2012	1,064	3,989	(45,853)	(40,800)
Loss for the period	-	-	(341,688)	(341,688)
Share based payments charge (note 12)	-	-	23,600	23,600
Shareholder's funds/(deficit) at 31 December 2013	<u>1,064</u>	<u>3,989</u>	<u>(363,941)</u>	<u>(358,888)</u>



## Notes to the accounts (continued)

For the period ended 31 December 2013

### 12. Share Based Payments

The Group has a share-based compensation scheme that is designed to reward employees for their long-term contributions to NASDAQ OMX and its subsidiaries and provide incentives for them to remain with the Group.

Restricted stock awards have been granted to employees of the Company as part of this scheme. Under the scheme, shares in The NASDAQ OMX Group Inc., the Company's ultimate parent undertaking, are granted.

Restricted stock is generally time-based and vests over three to five year periods beginning on the date of the grant. Restricted stock awards may include performance-based accelerated vesting features based on achievement of specific levels of corporate performance. If the Group exceeds the applicable performance parameters, the grants vest on the third anniversary of the grant date, if the Group meets the applicable performance parameters, the grants vest on the fourth anniversary of the grant date, and if the Group does not meet the applicable performance parameters, the grants vest on the fifth anniversary of the grant date.

Comparative disclosures have been amended to conform with current year presentation.

A reconciliation of award movements over the year to 31 December is shown below:

	2013	2013	2012	2012
		<i>Weighted</i>		<i>Weighted</i>
		<i>average</i>		<i>average</i>
		<i>exercise</i>		<i>exercise</i>
		<i>price</i>		<i>price</i>
	<i>Number</i>	<i>\$</i>	<i>Number</i>	<i>\$</i>
Outstanding at 1 January	-	-	-	-
Granted during the year	3,345	-	-	-
Forfeited during the year	(92)	-	-	-
Vested during the year	-	-	-	-
Outstanding as at 31 December	<u>3,253</u>	-	<u>-</u>	-

The weighted average fair value of awards granted during the year were as follows:

	<i>Period Ended</i>	<i>Period Ended</i>
	<i>31 December 2013</i>	<i>31 December 2012</i>
	<i>\$</i>	<i>\$</i>
Restricted Stock	<u>32.45</u>	-

The fair value of Restricted Stock is determined by reference to the share price on the grant date.

## Notes to the accounts (continued)

For the period ended 31 December 2013

### 13. Retirement Benefits

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were no outstanding contributions payable to the pension scheme as at 31 December 2013 (2012: £4,945).

### 14. Financial commitments

At 31 December 2013 the Company was committed to making the following payments under non-cancellable operating leases:

	<i>Period Ended</i> <i>31 December 2013</i>	<i>Period Ended</i> <i>19 December 2012</i>
	£	£
<i>Operating leases which expire:</i>		
Within 1 year	-	-
Between two and five years	95,000	-
In over five years	-	95,000
	<u>95,000</u>	<u>95,000</u>

### 15. Post Balance Sheet Events

There have been no events since the balance sheet date.

### 16. Related party relationships and transactions

The Company is a wholly owned subsidiary within NASDAQ OMX Group Inc. and utilises the exemption contained in FRS 8 "Related party disclosures" not to disclose any transactions with other entities that are part of the NASDAQ OMX group.

### 17. Parent Undertaking and Controlling party

The immediate and ultimate parent undertaking is the NASDAQ OMX Group Inc., a company incorporated in the United States of America. The results of the Company are consolidated in NASDAQ OMX's financial statements. Copies of the NASDAQ OMX Group Inc. financial statements can be obtained from the Group's website [www.nasdaqomx.com](http://www.nasdaqomx.com).