

Company Registered Number: 02950206

# **INDXIS Limited**

## **Report and financial statements**

For the Year Ended 31 December 2017

THURSDAY



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COMPANIES HOUSE

## INDXIS Limited

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### **Directors**

Jean-Jacques Louis

### **Secretary**

J Conley

### **Independent Auditor**

Ernst & Young LLP  
25 Churchill Place,  
London  
E14 5EY

### **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 year ended 31 December 2017.

A strategic report has not been prepared by the director as the company is considered a small company. Under the provisions of Companies Act 2006 it is exempt from preparing the strategic report.

### Principal activities and Review of the Business

The principal activity of the Company is that of software and hardware systems research and support for NASDAQ Inc. (Group) supported exchanges.

An arms-length mark-up of 6% (6% in 2016) has been applied on cost of sales and administrative expenses relating to services provided to other entities owned by the Group. Nasdaq Group Inc. allocated expenses are not subject to mark up.

During the year the Company re-assessed the useful economic life of certain intangible assets from 5 to 8 years. This is due to the Company re-assessing the expected life of the intangible assets during the year based upon similar projects in prior years and the expected longevity of the current projects. This has resulted in a reduced intangible amortisation charge in the current period.

The Directors were satisfied with the performance of the Company during the year ended 31 December 2017 and they are confident that current performance can be sustained in the future.

### Future Developments

The Company will continue to provide index services to other entities owned by NASDAQ Inc. (the "Group") at an arms-length mark-up of 6%. The Company believes that it will continue to maintain current levels of performance and business operations during the year ahead, as it continues to provide index services to other entities owned by the Group.

In a referendum on 23 June 2016, the United Kingdom voted to leave the European Union. The impact of this decision is currently unknown as the United Kingdom government under article 50 of the treaty on European Union is yet to inform the European Union formally of the intention to leave. Until such time as formal terms and conditions of withdrawal are agreed, there is a high degree of uncertainty and consequently market volatility is expected until completion of negotiations. The impact of this volatility and uncertainty on the Company is yet to be determined. The directors are monitoring the situation, but no strategic decision about the future of the Company's business as a result of the referendum vote has been taken.

### Results and Dividends

The Company's profit for the period after taxation amounted to £35,377 (2016: profit of £47,691). The Directors do not recommend the payment of a final dividend (2016: Nil)

## **Directors' report (continued)**

### **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 Inc. has confirmed that they will continue to provide financial support to the Company for at least 12 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 and support 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 risks associated with intercompany transactions and transfer pricing.

The transfer pricing policy and related documents are maintained by the Group. The documentation and cost recharge models are reviewed and updated periodically to ensure that the general guidelines set out in the transfer pricing policy are strictly followed.

### **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**

During the year, Jean-Jacques Louis served as the sole director for the Company.

### **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.

## **Directors' report (continued)**

### **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:



Jean-Jacques Louis  
Director  
Date: 26 September 2018

## 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 accounting estimates that are reasonable and prudent;
- state whether applicable Financial Reporting Standards (FRS) 102 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 AUDITOR'S REPORT TO THE MEMBERS OF INDXIS LIMITED

### Opinion

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

In our opinion, the financial statements:

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in the Directors report of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

# **Independent auditor's report**

**to the members of INDXIS Limited (continued)**

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



## **Independent auditor's report**

**to the members of INDXIS Limited (continued)**

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

James Hitchings (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

*27/09/2018*

## Income Statement

for the year ended 31 December 2017

|                                                                | Notes | Year Ended 31<br>December 2017<br>£ | Year Ended 31<br>December 2016<br>£ |
|----------------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
| <b>Turnover</b>                                                | 4     | 526,516                             | 509,221                             |
| Cost of sales                                                  |       | (18,086)                            | (120,699)                           |
| <b>Gross profit</b>                                            |       | 508,430                             | 388,522                             |
| Administrative expenses                                        |       | (482,037)                           | (364,941)                           |
| <b>Operating profit</b>                                        |       | 26,393                              | 23,581                              |
| Interest receivable and similar income                         |       | -                                   | 3,864                               |
| Interest payable and similar charges                           |       | (6,185)                             | (304)                               |
| <b>Operating profit on ordinary activities before taxation</b> | 5     | 20,208                              | 27,141                              |
| Tax credit                                                     | 6     | 15,169                              | 20,550                              |
| <b>Profit for the financial year after taxation</b>            |       | 35,377                              | 47,691                              |

All amounts are in respect of continuing operations.

## Statement of other comprehensive income

for the year ended 31 December 2017

There are no adjustments recognised in the statement of other comprehensive income other than the profit for the financial year attributable to the shareholders of the Company

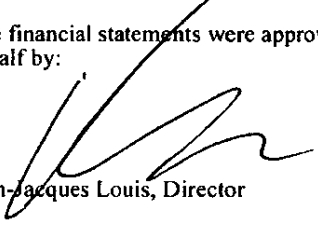
The notes on pages 12 to 24 form part of these financial statements.

## Statement of financial position

As at 31 December 2017

|                                                       | Notes | Year Ended 31<br>December 2017<br>£ | Year Ended 31<br>December 2016<br>£ |
|-------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
| <b>Fixed assets</b>                                   |       |                                     |                                     |
| Intangible fixed assets                               | 8     | 571,488                             | 564,367                             |
| Tangible fixed assets                                 | 9     | 288                                 | 385                                 |
|                                                       |       | <u>571,776</u>                      | <u>564,752</u>                      |
| <b>Current assets</b>                                 |       |                                     |                                     |
| Debtors                                               | 10    | 80,064                              | 37,654                              |
| Cash at bank                                          |       | <u>56,172</u>                       | <u>236,877</u>                      |
|                                                       |       | 136,236                             | 274,531                             |
| <b>Creditors:</b> amounts falling due within one year | 11    | <u>(906,037)</u>                    | <u>(1,072,685)</u>                  |
| <b>Net current liabilities</b>                        |       | <u>(769,801)</u>                    | <u>(798,154)</u>                    |
| <b>Total assets less current liabilities</b>          |       | <u>(205,184)</u>                    | <u>(233,402)</u>                    |
| <b>Net liabilities</b>                                |       | <u>(198,025)</u>                    | <u>(233,402)</u>                    |
| <b>Capital and reserves</b>                           |       |                                     |                                     |
| Called up share capital                               | 12    | 1,064                               | 1,064                               |
| Capital reserve                                       |       | 3,989                               | 3,989                               |
| Profit and loss account                               |       | <u>(203,078)</u>                    | <u>(238,455)</u>                    |
| <b>Shareholders' deficit</b>                          |       | <u>(198,025)</u>                    | <u>(233,402)</u>                    |

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

  
Jean-Jacques Louis, Director

26 September 2018

The notes on pages 12 to 24 form part of these financial statements

## Statement of changes in equity

As at 31 December 2017

|                                                   | Share<br>Capital<br>£ | Share<br>Premium<br>£ | Profit<br>and loss<br>Account<br>£ | Total<br>share-<br>holders'<br>funds<br>£ |
|---------------------------------------------------|-----------------------|-----------------------|------------------------------------|-------------------------------------------|
| Shareholder's funds/(deficit) at 1 January 2016   | 1,064                 | 3,989                 | (286,146)                          | (281,093)                                 |
| Profit for the year                               | -                     | -                     | 47,691                             | 47,691                                    |
| Shareholder's funds/(deficit) at 31 December 2016 | 1,064                 | 3,989                 | (238,455)                          | ( 233,402)                                |
| Shareholder's funds/(deficit) at 1 January 2017   | 1,064                 | 3,989                 | (238,455)                          | (233,402)                                 |
| Profit for the year                               | -                     | -                     | 35,377                             | 35,377                                    |
| Shareholder's funds/(deficit) at 31 December 2017 | 1,064                 | 3,989                 | (203,078)                          | (198,025)                                 |

## Notes to the accounts

For the year ended 31 December 2017

### 1. Statutory Information

INDXIS Limited is a company domiciled in England and Wales, registration number 02950206. The registered office is Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA.

### 2. Accounting policies

#### Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with FRS 102. The presentation currency is £ sterling.

#### 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 Inc., the Company's ultimate parent, at an arms-length mark-up of 6%.

#### Disclosure exemptions

In preparing these financial statements the Company has taken advantage of the following disclosure exemptions conferred by FRS 102:

- The financial statements do not include a statement of cash flows as the Company's results are included as a wholly owned subsidiary in the financial statements of NASDAQ Inc., which are publicly available.
- Certain disclosures required by FRS 102.26 Share based Payments

#### 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.

## Notes to the accounts (continued)

For the year ended 31 December 2017

### 2. Accounting policies (continued)

Internally generated intangible assets which consist of global index calculation systems, are amortised over their estimated useful lives which is between five to eight 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.

#### 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:

|                                   |                      |
|-----------------------------------|----------------------|
| 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.

#### Current and deferred taxation

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted as at the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that the Directors deem it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

#### 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 translation differences are taken to the profit and loss account.

#### Impairment

The carrying value of assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the accounts (continued)

For the year ended 31 December 2017

### Share Based Payments

NASDAQ 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 over the vesting period 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.

### 3. Critical accounting estimates and judgments

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the year management used critical accounting estimates to calculate provisions related to staff bonuses, other administrative expenses and impairment assessments for intangible assets. During the year the Company re-assessed the useful economic life of certain intangible assets from 5 to 8 years. This is due to the Company re-assessing the expected life of the intangible assets during the year based upon similar projects in prior years and the expected longevity of the current projects.

### 4. Turnover

The Company continues to provide intercompany services at an arms-length mark-up of 6% to other entities, owned by NASDAQ Inc., the Company's ultimate parent. All revenue is intercompany revenue and is included in turnover.

### 5. Operating profit and loss

Profit/(loss) on ordinary activities before taxation is stated after charging:

|                                              | <i>Year Ended</i><br><i>31 December 2017</i> | <i>Year Ended</i><br><i>31 December 2016</i> |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                              | £                                            | £                                            |
| Depreciation of tangible fixed assets        | 97                                           | 129                                          |
| Amortization of intangible assets            | 80,431                                       | 96,902                                       |
| Auditors' remuneration – audit services      | 22,000                                       | 15,939                                       |
| Loss/(Gain) on foreign exchange transactions | 305                                          | (109,033)                                    |

## Notes to the accounts (continued)

For the year ended 31 December 2017

### 6. Tax

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

|                                                  | <i>Year Ended</i><br><i>31 December 2017</i> | <i>Year Ended</i><br><i>31 December 2016</i> |
|--------------------------------------------------|----------------------------------------------|----------------------------------------------|
|                                                  | £                                            | £                                            |
| UK Corporation tax charge on profit for the year | -                                            | -                                            |
| Deferred tax charge (credit) for the year        | -                                            | -                                            |
| <b>Total current tax charge/ (credit)</b>        | <b>-</b>                                     | <b>-</b>                                     |

#### Deferred tax:

|                                                                      |                 |                 |
|----------------------------------------------------------------------|-----------------|-----------------|
| Adjustment in respect of prior periods                               | (4,104)         | -               |
| Recognition and reversal of deferred tax asset on trading losses     | (12,651)        | (16,842)        |
| Recognition and reversal of deferred tax asset on timing differences | 726             | (4,989)         |
| Effect of differences in tax rate                                    | 858             | 1,281           |
| <b>Total deferred tax credit</b>                                     | <b>(15,171)</b> | <b>(20,550)</b> |
| <b>Total tax credit for the year (note 6(b))</b>                     | <b>(15,171)</b> | <b>(20,550)</b> |



## Notes to the accounts (continued)

For the year ended 31 December 2017

### 6. Tax (continued)

#### b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.25%. 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>Year Ended</i><br><i>31 December 2017</i><br>£ | <i>Year Ended</i><br><i>31 December 2016</i><br>£ |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Profit on ordinary activities before tax                                                                    | 20,208                                            | 27,141                                            |
| Profit on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 19.25% (2016:20%) | 3,890                                             | 5,428                                             |
| Effects of:                                                                                                 |                                                   |                                                   |
| Utilisation of prior period losses on which deferred tax previously not recognised                          | -                                                 | (6,032)                                           |
| Temporary differences on which deferred tax previously not recognised                                       | -                                                 | 604                                               |
| Recognition and reversal of deferred tax asset on trading losses                                            | (11,968)                                          | (16,842)                                          |
| Share based payments permanent difference                                                                   | (3,847)                                           | -                                                 |
| Recognition and reversal of deferred tax asset on timing differences                                        | -                                                 | (4,989)                                           |
| Adjustment in respect of prior periods                                                                      | (4,104)                                           | -                                                 |
| Effect of differences in tax rate                                                                           | 858                                               | 1,281                                             |
| Total tax credit for the year                                                                               | (15,171)                                          | (20,550)                                          |

#### c) Analysis of deferred tax asset:

|                             | <i>Year Ended</i><br><i>31 December 2017</i><br>£ | <i>Year Ended</i><br><i>31 December 2016</i><br>£ |
|-----------------------------|---------------------------------------------------|---------------------------------------------------|
| Losses carried forward      | 27,750                                            | 16,000                                            |
| Other temporary differences | 7,970                                             | 4,550                                             |
| <b>Deferred tax asset</b>   | <b>35,720</b>                                     | <b>20,550</b>                                     |

The Company has estimated losses of £1,940,109 (2016: £1,920,189) available for carry forward against future trading profits.

## Notes to the accounts (continued)

For the year ended 31 December 2017

### 6. Tax (continued)

A deferred tax asset has not been fully recognised as directors do not believe that this balance will be fully utilised within a reasonable timeframe of 3 years. Accordingly the unrecognised deferred tax asset at 31 December 2017 of £331,170 is in relation to trading losses (2016: £348,836). Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted as at the Balance Sheet date. The Finance (No. 2) Act 2015 reduced the tax rate to 19% (effective from 1 April 2017) and the Finance Act 2016 further reduced the tax rate to 17% (effective from 1 April 2020). These changes to the main tax rate had been enacted as at the Balance Sheet date.

The deferred tax asset is expected to decrease by £8,239 in 2018. This mainly relates to the losses carried forward being offset against taxable profits. The movement also relates to timing differences on share based payments and the share options expected to vest in the coming period. There is also a decrease in decelerated capital allowances, which has arisen due to the fixed asset accounting depreciation being in excess of the tax written down value.

### 7. Employee information

The average monthly number of employees during the period was:

|                | <i>Year Ended</i><br><i>31 December 2017</i> | <i>Year Ended</i><br><i>31 December 2016</i> |
|----------------|----------------------------------------------|----------------------------------------------|
|                | <i>No.</i>                                   | <i>No.</i>                                   |
| Administration | 3                                            | 3                                            |
| Director       | 1                                            | 2                                            |

No Directors received remunerations from the group, specifically for this Company, during the year (2016: Nil).

|                       | <i>Year Ended</i><br><i>31 December 2017</i> | <i>Year Ended</i><br><i>31 December 2016</i> |
|-----------------------|----------------------------------------------|----------------------------------------------|
|                       | <i>£</i>                                     | <i>£</i>                                     |
| Wages and salaries    | 325,885                                      | 329,160                                      |
| Social security costs | 47,337                                       | 45,111                                       |
| Other pension costs   | 16,077                                       | 15,569                                       |
| Share based payments  | 18,990                                       | 21,355                                       |
|                       | <u>408,289</u>                               | <u>411,195</u>                               |

No Directors received remuneration from the group during the period (2016: Nil).

## Notes to the accounts (continued)

For the year ended 31 December 2017

### 8. Intangible fixed assets

Research & development  
£

#### Cost

|                     |          |
|---------------------|----------|
| At 1 January 2017   | 741,835  |
| Additions           | 87,552   |
| Write-offs          | (23,185) |
| At 31 December 2017 | 806,202  |

#### Amortisation

|                     |           |
|---------------------|-----------|
| At 1 January 2017   | (177,468) |
| Charge for the year | (80,431)  |
| Write-offs          | 23,185    |
| At 31 December 2017 | (234,714) |

#### Net book value

|                     |         |
|---------------------|---------|
| At 31 December 2017 | 571,488 |
| At 31 December 2016 | 564,367 |

## Notes to the accounts (continued)

For the year ended 31 December 2017

### 9. Tangible fixed assets

|                     | Land and<br>buildings<br>£ | Furniture and<br>fittings<br>£ | Total<br>£ |
|---------------------|----------------------------|--------------------------------|------------|
| Cost                |                            |                                |            |
| At 1 January 2017   | 46,105                     | 126,848                        | 172,953    |
| Additions           | -                          | -                              | -          |
| At 31 December 2017 | 46,105                     | 126,848                        | 172,953    |
| Depreciation        |                            |                                |            |
| At 1 January 2017   | (46,105)                   | (126,463)                      | (172,568)  |
| Charge for the year | -                          | (97)                           | (97)       |
| At 31 December 2017 | (46,105)                   | (126,560)                      | (172,665)  |
| Net book value      |                            |                                |            |
| At 31 December 2017 | -                          | 288                            | 288        |
| At 31 December 2016 | -                          | 385                            | 385        |

### 10. Debtors

|                                    | <i>Year Ended</i><br><i>31 December 2017</i> | <i>Year Ended</i><br><i>31 December 2016</i> |
|------------------------------------|----------------------------------------------|----------------------------------------------|
|                                    | £                                            | £                                            |
| Other debtors                      | -                                            | 6,772                                        |
| VAT receivable                     | 2,451                                        | 5,459                                        |
| Deferred tax                       | 35,719                                       | 20,550                                       |
| Amounts owed by group undertakings | 41,894                                       | 4,873                                        |
|                                    | <u>80,064</u>                                | <u>37,654</u>                                |

## Notes to the accounts (continued)

For the year ended 31 December 2017

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

|                                    | <i>Year Ended</i><br><i>31 December 2017</i> | <i>Year Ended</i><br><i>31 December 2016</i> |
|------------------------------------|----------------------------------------------|----------------------------------------------|
|                                    | £                                            | £                                            |
| Amounts payable to Group companies | 833,001                                      | 978,793                                      |
| Accrued liabilities                | 73,036                                       | 93,892                                       |
|                                    | <u>906,037</u>                               | <u>1,072,685</u>                             |

### 12. Share capital

|                                            |            | <i>Year Ended</i><br><i>31 December 2017</i> | <i>Year Ended</i><br><i>31 December 2016</i> |
|--------------------------------------------|------------|----------------------------------------------|----------------------------------------------|
|                                            |            | £                                            | £                                            |
| <b>Called up, allotted and fully paid:</b> | <b>No.</b> |                                              |                                              |
| Ordinary shares of £0.01 each              | 106,383    | 1,064                                        | 1,064                                        |

### 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 2017 (2016: £nil).

## Notes to the accounts (continued)

For the year ended 31 December 2017

### 14. Related party relationships and transactions

#### Identity of related parties

Related party is a person or entity that is related to the entity that is preparing its financial statements. Related parties comprise shareholder, board of directors and key management personnel of the Company and their related concerns. The Company, in the ordinary course of business, enters into transactions, at arm's length agreed terms and conditions, with other business enterprises or individuals that fall within the definition of related party contained in UK GAAP FRS 102 –Section 33.

The Company has a related party relationship with its ultimate and immediate parent, other group companies and board of directors.

#### Ultimate parent company

NASDAQ Inc. see note 15.

#### Board of directors (Key management personnel)

Key management personnel are those having authority and responsibilities directly and indirectly, to control the activities of the entity and for the Company these are considered to be the board of directors. In addition to their salaries, the Company also provides non-cash benefits to key management personnel and contributions to a post-employment defined contribution plan on their behalf. For details of remuneration of key management personnel see note 7.

#### Related parties balances

At the year end, the Company had the following balances with its related parties:

#### *Due from related parties*

|                                                 | <i>Year<br/>Ended<br/>31 December 2017</i> | <i>Year<br/>Ended<br/>31 December 2016</i> |
|-------------------------------------------------|--------------------------------------------|--------------------------------------------|
|                                                 | <i>£</i>                                   | <i>£</i>                                   |
| Amounts receivable from ultimate parent company | 32,304                                     | 4,873                                      |
| Amounts receivable from other group companies   | 9,590                                      | -                                          |
|                                                 | <u>41,894</u>                              | <u>4,873</u>                               |

## Notes to the accounts (continued)

For the year ended 31 December 2017

### 14. Related Parties (continued)

#### *Due to related parties*

|                                            | <i>Year<br/>Ended<br/>31 December 2017</i> | <i>Year<br/>Ended<br/>31 December 2016</i> |
|--------------------------------------------|--------------------------------------------|--------------------------------------------|
|                                            | <i>£</i>                                   | <i>£</i>                                   |
| Amounts payable to ultimate parent company | 25,782                                     | 395,598                                    |
| Amounts payable to other group companies   | 807,219                                    | 583,195                                    |
|                                            | <u>833,001</u>                             | <u>978,793</u>                             |

The amounts due to other group companies includes an unsecured, interest earning loan from Nasdaq Treasury AB of £807,219 (2016: £501,885) which has no maturity date and is fully repayable on demand.

Interest was charged at an average rate of 0.0876% (2016: 0.1396%)

#### **Transactions with related parties**

During the year, the Company had the following transactions with related parties:

#### *Revenue from*

|                                     | <i>Year<br/>Ended<br/>31 December 2017</i> | <i>Year<br/>Ended<br/>31 December 2016</i> |
|-------------------------------------|--------------------------------------------|--------------------------------------------|
|                                     | <i>£</i>                                   | <i>£</i>                                   |
| Services to ultimate parent company | 384,837                                    | 412,201                                    |
| Services to other group companies   | 141,679                                    | 97,020                                     |
|                                     | <u>526,516</u>                             | <u>509,221</u>                             |

## Notes to the accounts (continued)

For the year ended 31 December 2017

### 14. Related Parties (continued)

#### *Interest Received*

|                                              | <i>Year<br/>Ended<br/>31 December 2017</i> | <i>Year<br/>Ended<br/>31 December 2016</i> |
|----------------------------------------------|--------------------------------------------|--------------------------------------------|
|                                              | <i>£</i>                                   | <i>£</i>                                   |
| Interest receivable to other group companies | -                                          | 3,747                                      |
|                                              | <u>-</u>                                   | <u>3,747</u>                               |

#### *Interest Paid*

|                                           | <i>Year<br/>Ended<br/>31 December 2017</i> | <i>Year<br/>Ended<br/>31 December 2016</i> |
|-------------------------------------------|--------------------------------------------|--------------------------------------------|
|                                           | <i>£</i>                                   | <i>£</i>                                   |
| Interest payable to other group companies | 6,185                                      | 304                                        |
|                                           | <u>6,185</u>                               | <u>304</u>                                 |

#### *Allocation costs from related parties - overhead charges*

|                                             | <i>Year<br/>Ended<br/>31 December 2017</i> | <i>Year<br/>Ended<br/>31 December 2016</i> |
|---------------------------------------------|--------------------------------------------|--------------------------------------------|
|                                             | <i>£</i>                                   | <i>£</i>                                   |
| Allocation costs from other group companies | 60,249                                     | 92,640                                     |
|                                             | <u>60,249</u>                              | <u>92,640</u>                              |



## **Notes to the accounts (continued)**

**For the year ended 31 December 2017**

### **15. Parent undertaking and controlling party**

The Company's immediate parent undertaking is NASDAQ Inc. , a company incorporated in the United States of America with the address of principal executive offices located at One Liberty Plaza, 100006, New York.

The directors consider the ultimate parent undertaking and controlling party to be NASDAQ Inc. The parent undertaking of the group for which group financial statements are drawn up and which represents the smallest and largest group is NASDAQ Inc. Copies of the group financial statements can be obtained from the Group's website [www.nasdaqomx.com](http://www.nasdaqomx.com)