

Registered number: 2452356

LIFFE Services Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2017



LIFFE Services Limited

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LIFFE Services Limited

Strategic Report For the Year Ended 31 December 2017

Introduction

The directors present their strategic report of LIFFE Services Limited ('the Company') for the year ended 31 December 2017.

Principal activities and review of the business

The Company is a wholly-owned subsidiary of LIFFE (Holdings) Limited, whose ultimate parent and controlling entity is Intercontinental Exchange, Inc., ('ICE'), a corporation registered in Delaware, United States. Related companies in these financial statements refer to members of the ICE group of companies ('the Group').

The Company's principal activity during the year continued to be the provision of connectivity and other IT services to financial markets. The Company is regulated under the Financial Services and Markets Act 2000.

Principal risks and uncertainties

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

The principal operational risk is a technical fault that could prevent the optimal working of the Company's principal asset, the Cscreen platform. This asset will continue to be supported by ICE and the Company constantly seeks ways to enhance and/or upgrade the reliability of its electronic systems to minimise this risk.

The Company's operations expose it to financial risks including credit risk and liquidity risk. The Company has in place a number of financial risk management policies that seek to limit potential adverse effects on the financial performance of the Company by monitoring the levels of cash and financial instruments held.

Credit risk

Credit risk arises on credit exposure to its customer base. The Company limits its exposure to such customers by means of a policy of credit checking all potential customers as part of the on-boarding process. Customer debt is actively monitored and appropriate action taken on any potential exposures.

Liquidity risk

Cash deposits are maintained to ensure that the Company has sufficient available funds for operations. The Company does not use derivative financial instruments to manage interest rate exposure and therefore no hedge accounting is applied.

This report was approved by the board on 24 April 2018 and signed on its behalf.



P. Davis
Secretary

LIFFE Services Limited

Directors' Report For the Year Ended 31 December 2017

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £469,000 (2016: £462,000).

Dividends of £1,500,000 were declared by the directors and paid during the year (2016: nil).

Directors

The directors who served during the year and up to the date of financial statements approval were:

D. Peniket (resigned 30 September 2017)
J. Short
S. Hill
S. Williams (appointed 1 October 2017)

Future developments

On 23 June 2016, the UK voted to leave the European Union. The impact of this decision is currently unknown as the UK government is yet to agree the terms and conditions upon which the UK will leave the European Union. Until such time as formal terms are agreed, there is a degree of uncertainty and the impact on the Company, if any, is yet to be determined.

LIFFE Services Limited

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

Disclosure of information to auditors

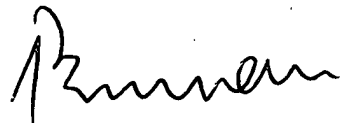
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditors

On 24 January 2018 PKF Littlejohn LLP were appointed as auditors to the Company. The Company's previous auditors were Ernst & Young LLP. Under section 487(2) of the Companies Act 2006, PKF Littlejohn LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier. PKF Littlejohn LLP has signalled its willingness to continue in office as auditor.

This report was approved by the board on 24 April 2018 and signed on its behalf.



P. Davis
Secretary

Independent Auditors' Report to the Shareholders of LIFFE Services Limited

Opinion

We have audited the financial statements of LIFFE Services Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Shareholders of LIFFE Services Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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.

LIFFE Services Limited

Independent Auditors' Report to the Shareholders of LIFFE Services Limited (continued)

A handwritten signature in black ink, appearing to read 'David Thompson', is positioned above the printed name.

**David Thompson (Senior Statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor**

24 April 2018

LIFFE Services Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2017**

	Note	2017 £000	2016 £000
Turnover	2	4,814	4,608
Gross profit		4,814	4,608
Administrative expenses		(4,332)	(4,182)
Other operating income		-	32
Operating profit	3	482	458
Interest receivable	6	-	1
Profit before tax		482	459
Tax on profit	7	(13)	3
Profit for the financial year		469	462
Other comprehensive income		-	-
Total comprehensive income for the year		469	462

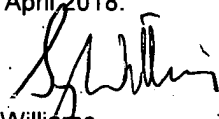
The notes on pages 10 to 17 form part of these financial statements.

LIFFE Services Limited
Registered number: 2452356

Balance Sheet
As at 31 December 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Tangible assets	9		14		32
			14		32
Current assets					
Debtors: amounts falling due within one year	10	622		268	
Cash at bank and in hand	11	704		1,945	
		1,326		2,213	
Creditors: amounts falling due within one year	12	(635)		(509)	
Net current assets			691		1,704
Total assets less current liabilities			705		1,736
Net assets			705		1,736
Capital and reserves					
Profit and loss account	15		705		1,736
Total equity			705		1,736

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2018.


S. Williams
Director

LIFFE Services Limited

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

	Profit and loss account £000	Total equity £000
At 1 January 2016	1,274	1,274
Comprehensive income for the year		
Profit for the year	462	462
Total transactions with owners	-	-
At 1 January 2017	1,736	1,736
Comprehensive income for the year		
Profit for the year	469	469
Dividends: Equity capital	(1,500)	(1,500)
Total transactions with owners	(1,500)	(1,500)
At 31 December 2017	705	705

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

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

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

1.3 Going concern

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

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of value added tax and trade discounts and is recognised as earned. Revenue is recognised in the accounting period in which the provision of connectivity and other IT services are provided, in accordance with the terms of the underlying contract.

LIFFE Services Limited

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

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

IT equipment - 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

1.6 Cash at bank and in hand

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

1.7 Foreign currencies

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

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

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

1.8 Interest receivable

Interest receivable is recognised as earned.

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

1. Accounting policies (continued)

1.9 Current and deferred taxation

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

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

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 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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Turnover

	2017	2016
	£000	£000
United Kingdom	4,814	4,608
	4,814	4,608

Turnover comprises equipment and systems rental and income from the development of computer software, exclusive of value added tax. It is derived wholly from activities undertaken within the UK.

LIFFE Services Limited

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

3. Operating profit

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

	2017	2016
	£000	£000
Depreciation of tangible fixed assets	18	79
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	20	40
Exchange differences	(5)	11
	=====	=====

4. Employees

The Company has no employees (2016: nil).

5. Directors' remuneration

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

6. Interest receivable

	2017	2016
	£000	£000
Other interest receivable	-	1
	=====	=====

LIFFE Services Limited

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

7. Taxation

	2017 £000	2016 £000
Corporation tax		
Adjustments in respect of previous periods	5	-
	<u>5</u>	<u>-</u>
Foreign tax		
Foreign tax on income for the year	1	13
	<u>1</u>	<u>13</u>
Total current tax	<u>6</u>	<u>13</u>
Deferred tax		
Origination and reversal of timing differences	7	(2)
Adjustments in respect of previous periods	-	(17)
Effect of change in tax rate	-	3
Total deferred tax	<u>7</u>	<u>(16)</u>
Taxation on profit on ordinary activities	<u>13</u>	<u>(3)</u>

Factors affecting tax charge for the year

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

	2017 £000	2016 £000
Profit on ordinary activities before tax	<u>482</u>	<u>459</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	93	92
Effects of:		
Expenses not deductible for tax purposes	5	-
Change in rates	-	3
Group relief	(91)	(92)
Adjustments to tax charge in respect of prior periods	5	(17)
Overseas tax net of UK relief	1	11
Total tax charge/(credit) for the year	<u>13</u>	<u>(3)</u>

LIFFE Services Limited**Notes to the Financial Statements
For the Year Ended 31 December 2017****7. Taxation (continued).****Factors that may affect future tax charges**

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

8. Dividends

	2017 £000	2016 £000
Equity dividends - interim paid	1,500	-
	<u>1,500</u>	<u>-</u>

9. Tangible fixed assets

	Office equipment £000
Cost	
At 1 January 2017	345
At 31 December 2017	<u>345</u>
Depreciation	
At 1 January 2017	313
Charge for the year on owned assets	18
At 31 December 2017	<u>331</u>
Net book value	
At 31 December 2017	<u>14</u>
At 31 December 2016	<u>32</u>

LIFFE Services Limited

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

10. Debtors

	2017 £000	2016 £000
Trade debtors	346	66
Amounts owed by group undertakings	108	21
Other debtors	2	5
Prepayments and accrued income	124	127
Deferred taxation	42	49
	<u>622</u>	<u>268</u>

11. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	704	1,945
	<u>704</u>	<u>1,945</u>

12. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	323	421
Other taxation and social security	288	50
Accruals and deferred income	24	38
	<u>635</u>	<u>509</u>

13. Deferred taxation

	2017 £000
At beginning of year	49
Deduced to the profit or loss	(7)
At end of year	<u><u>42</u></u>

LIFFE Services Limited

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

13. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Depreciation in excess of capital allowances	42	49
	42	49

14. Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	-	-

The Company is a private company limited by shares.

15. Profit and loss account

The profit and loss account consists of all current and prior period retained profit and losses.

16. Controlling party

The Company is a wholly-owned subsidiary of LIFFE (Holdings) Limited, a company incorporated and registered in England and Wales. The ultimate parent company and controlling entity is Intercontinental Exchange, Inc., a corporation registered in Delaware, United States.

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

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

17. Registered office

Milton Gate
60 Chiswell Street
London
EC1Y 4SA
United Kingdom