

CLARKSONS PLATOU FUTURES LIMITED

Company Number: 03052018

**Annual Report
2021**



CLARKSONS PLATOU FUTURES LIMITED

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CLARKSONS PLATOU FUTURES LIMITED

COMPANY INFORMATION

DIRECTORS

B Courtney
A J Gray
R Hayes
R A Hewitson
R C Knight
V Naphray
J D Woyda

COMPANY SECRETARY AND REGISTERED OFFICE

D Abrehart
Commodity Quay
St Katharine Docks
London
E1W 1BF

COMPANY NUMBER

03052018

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

CLARKSONS PLATOU FUTURES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of Clarkson Platou Futures Limited (the "Company") present their Strategic Report for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is a wholly owned subsidiary of Clarkson PLC (Clarkson PLC and its subsidiaries being referred to as the "Group").

The Company provides a brokerage service, acting as an arranger of deals on behalf of clients in shipping and commodity-related derivative financial instruments, in its London and Singapore offices.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, the National Futures Association ("NFA") in the United States of America and the Monetary Authority of Singapore ("MAS") in Singapore.

BUSINESS REVIEW

The Company's expert teams have continued to provide a quality brokerage service to clients. The dry FFA market had its best year in the last decade. The year saw relatively low dry bulk rates in the first quarter, but the futures market saw much bigger volumes. As the year progressed volumes remained high as rates increased in the third quarter, seeing the highest rates since the financial crisis. Rates slipped more than expected during the fourth quarter but remained well up on last year. The tanker FFA market volumes were down on the previous year, reflecting challenging market conditions. Despite the fall in the market, the Company's volumes increased.

The Company's principal objectives and strategies are consistent with that of the ultimate parent company, Clarkson PLC. Copies of Clarkson PLC's consolidated financial statements can be obtained from Commodity Quay, St Katharine Docks, London, E1W 1BF.

FINANCIAL POSITION AND PERFORMANCE

The Company's profit for the financial year was £4,867,000 (2020: £2,655,000). Transfers to reserves amounted to £4,867,000 (2020: £2,655,000).

During the year, an interim dividend of £3,500,000 was paid (2020: £2,500,000).

The net assets of the Company at 31 December 2021 were £7,328,000 (2020: £5,961,000).

KEY PERFORMANCE INDICATORS

The ultimate parent undertaking and controlling party, Clarkson PLC, manages operations on a segmental basis. For this reason, the Company's Directors believe that analysis using key performance indicators should be viewed in the context of the Group. The Company operates within the broking segment which is discussed in the 2021 Annual Report of Clarkson PLC.

PILLAR 3 DISCLOSURES

The following information is provided pursuant to the Pillar 3 disclosure rules as laid out by the FCA in section 11 of its Prudential sourcebook for Banks, Building Societies and Investment Firms ("BIPRU").

The rules provide that disclosures are only required where the information would be considered material to a user relying on that information to make economic decisions. The disclosures below are the required Pillar 3 disclosures and apply solely to the Company.

CAPITAL ADEQUACY

Regulatory capital resources of £7,328,000 are comprised solely of Tier 1 Capital (issued share capital and audited reserves).

The Company's Pillar 1 capital requirement is calculated in accordance with the General Prudential Sourcebook ("GENPRU") as the higher of the sum of market and credit risk requirements, the fixed overhead requirement ("FOR") and the base requirement €50,000 (£42,086). The FOR is calculated in accordance with GENPRU 2.1.54 and equates to 13 weeks average fixed audited expenditure. The Company's credit risk is calculated as per the "Standardised Approach (BIPRU 3.4)" and market risk in line with BIPRU 7. The Company's Pillar 1 requirement is £1,854,000.

Under Pillar 2 of the FCA's capital requirement, the Company has undertaken an Internal Capital Adequacy Assessment Programme ("ICAAP") based upon all the risks to which the business is exposed. As at year-end, this analysis concluded that the Company's capital resources were sufficient to support its operations over the next year. This ICAAP is reviewed and approved by the Directors at least annually.

CLARKSONS PLATOU FUTURES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is authorised and regulated by the FCA. The FCA imposes minimum capital requirements on the Company calculated in accordance with the rules set out in the FCA's BIPRU and the GENPRU.

The Company has a compliance team that monitors all activities and conducts reviews of the regulated operations. The Company assesses the risks within the business, as described below and calculates its capital requirements in accordance with the FCA regulations. Capital is also monitored regularly in light of any potential changes within the business.

OPERATIONAL RISK

This is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. The Company places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk, and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The Company has identified a number of key operational risks to manage. These relate to systems failure, business continuity, failure of a third party provider and potential for serious regulatory breaches. Appropriate policies are in place to mitigate these risks, which includes taking out adequate professional indemnity insurance, maintaining disaster recovery infrastructure and regular industry training for all staff.

The Company operates a branch in Singapore. The branch faces similar risks as the Company, which are managed and mitigated from the head office in the United Kingdom.

BUSINESS RISK

Business risk is accepted by the Board as inherent in any company. Due to the size and relative lack of complexity in the business the risk is largely mitigated by the day-to-day close involvement of senior management in all aspects of the business. Various different scenarios are modelled by management, in order to assess the impact of adverse economic conditions on the Company's financial position. This enables the Company to monitor its business risk and to assist in its capital planning.

CREDIT RISK

Credit risk is the risk of a counterparty either defaulting on company funds deposited with it or the non-receipt of a trade debt. The Company seeks to trade only with recognised, creditworthy third parties. Credit risk is mitigated by closely monitoring debtor balances on an ongoing basis and any potential bad debtors are identified at an early stage. The maximum exposure is the carrying amounts of trade debtors in note 12. The Company maintains its cash balances in regulated financial institutions; management periodically assess the financial condition of these financial institutions and believes that any possible credit risk is minimal. Further information on credit risk is disclosed in note 20.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Company will sustain losses through adverse movements in the exchange rates. The Company has transactional currency exposures. Such exposure arises from sales or purchases in currencies other than the Company's functional currency which is GBP. The functional currency of the Singapore branch is USD. The Company's foreign exchange risk is managed on a Group basis and there is no material exposure to the entity.

LIQUIDITY RISK

Liquidity risk is the risk that the Company may be unable to meet its payment obligations as they fall due. The Company monitors its risk using projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank accounts and inter-company loans.

CLARKSONS PLATOU FUTURES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

SECTION 172(1) STATEMENT

The Board has had regard to the factors set out in section 172(1) in discharging its duties and in working towards and within the Group's wider purpose, which is 'To enable smarter, cleaner global trade by empowering our clients and our people to make better informed decisions using our market-leading technology and intelligence; and in doing so, meet the demands of the world's rapidly evolving maritime, offshore, trade and energy markets.'

The Company's key stakeholders are its clients, its people and the communities in which it operates, as well as its shareholder.

STAKEHOLDER ENGAGEMENT

The Board recognises that building strong relationships with the Company's stakeholders will help to inform the Board's decision-making, deliver the Group's strategy in a sustainable way and meet the Group's stated purpose. The Board is therefore committed to effective engagement with the Company's stakeholders, and it gathers feedback and input from them through a variety of approaches.

Clients

As the world's leading provider of integrated shipping services, the Group's market-leading technology and intelligence enables it to influence client decisions at every step of the shipping lifecycle, and to form trusted partnerships with its clients.

The Company's clients are at the centre of what it does, and the Company's Directors and employees engage with the Company's clients on a regular basis. The approach to engaging with clients is bespoke to, and driven by, each client's needs. This engagement provides the Board with valuable insights into areas such as service delivery and product development, and those insights are communicated and acted on across executive and divisional management forums. They are also shared with the Clarkson PLC Board through management updates, and ultimately form part of the Group's wider engagement strategy.

People

The Company's people are key stakeholders in the business and, as its most important asset, the Company invests in its people and takes employee engagement seriously. The Company's engagement mechanisms align with those of the Group and utilise a variety of channels, including leadership and divisional management forums, our internal communications channel (Voyage) and global conferences.

The COVID-19 pandemic continued to impact on how the Company could engage with its employees during the year, which delivered new ways of working with enhanced networks of collaboration and communication enabled by technology. Specific and targeted forms of engagement with employees have included:

- Regular communications from senior management updating employees on key matters, and in particular video updates from the Group's CEO and CFO & COO presenting publicly released financial results and updates on the work of the CSR Committee.
- Where permitted, the Group has ensured that people have been brought together for team, office or leadership events and offsites which have been a huge boost to morale and reinforced the personal nature of the environment in which the Group operates.
- Monthly CSR Committee meetings attended by a cross-section of employee Committee members and visiting attendees focusing on the charitable causes that are important to the Group's global community.

Further two-way communication and engagement has been enabled through:

- Global executive and divisional management forums that meet online monthly;
- The Employee Voice Forum with Clarkson PLC Non-Executive Directors, which is attended by employees from various divisions across the Group and provides for and encourages two-way communication between employees and Non-Executive Directors. The forum is chaired by the designated Non-Executive Director for employee engagement. Discussions over the last year have centred on key topics impacting the industry such as digital transformation, the green transition and the impact these have had on employees.

The involvement of employees in the Company's performance is encouraged through inviting eligible employees to participate in the Group's ShareSave Plan. Some employees also participate in the Group's Long Term Incentive Plan, holding restricted shares as a result.

Communities

The Board's strategy for engagement with communities is driven through the corporate social responsibility programme within the wider Group. The Group's aim is to bring about positive social change and have a lasting impact on people and communities.

The Group engages with communities in various ways, including:

- Volunteering
- Charitable donations
- Industry partnerships

Our shareholder

The Company's ultimate shareholder is Clarkson PLC and engagement with the Clarkson PLC Board is principally effected through regular updates to that Board. In addition, from time to time, members of the Company's Board may be requested to attend Clarkson PLC Board meetings in order to provide updates on strategy, business performance and people matters.

CLARKSONS PLATOU FUTURES LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

SECTION 172(1) STATEMENT CONTINUED

Suppliers

Whilst the Board does not consider the Company's suppliers to be a significant stakeholder in the business, it is committed to treating suppliers fairly. In particular, the Board recognises the importance of prompt payment of invoices for the Company's smaller suppliers. The Company's suppliers are paid by a Group subsidiary company and settled by the Company via inter-company balance. The Board is satisfied that the majority of invoices are being paid on a timely basis.



By order of the Board:
B Courtney
Director
29 March 2022

CLARKSONS PLATOU FUTURES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2021.

DIVIDENDS

The Directors do not recommend a final dividend for the year (2020: £nil). During the year a £3,500,000 interim dividend was paid (2020: £2,500,000).

FUTURE OUTLOOK

The Company has historically demonstrated a quality service and expertise in the futures market. The Company will continue to pursue volume growth within its existing markets, whilst continuing to pursue opportunities to diversify its product offering.

The business review, risk management and any key performance indicators are detailed in the Strategic Report on pages 2 and 3.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

An assessment was carried out by management surrounding going concern. The Directors believe that the Company is well placed to manage its business risks successfully, and have reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

EMPLOYEES

Details of the number of persons employed by the Company during the year are set out in note 7 to the financial statements.

The Group practices equal access to jobs, development and promotion opportunities as it believes that it is the differences amongst its employees which create a dynamic and agile organisation. The business is meritocratic and the Company seeks to appoint the best candidate for each and every role. Candidates are considered against fair and objective criteria.

Details of how the Directors have engaged with employees are included in section 172(1) statement in the Strategic Report.

REMUNERATION POLICY

The principles of the Company's remuneration policy adhere to the FCA's Remuneration Code which was introduced with effect from 1 January 2011. The Company's policy is to ensure that executive rewards are linked to performance, to provide an incentive to achieve the key business aims and deliver an appropriate link between reward and performance whilst ensuring base salary levels are not set at an artificially low level. The Company operates a discretionary bonus policy directly correlated to annual profitability of the Company which, being based on cashed brokerage fees, significantly reduces the risk profile of the bonus plan. A proportion of the bonus pool is deferred to purchase restricted shares in the ultimate parent, Clarkson PLC. Senior management employed directly by the Company during the year consisted of five Directors (2020: five), who received total remuneration of £2,541,211 (2020: £560,682) of which £1,871,000 (2020: £193,610) related to variable remuneration.

FINANCIAL RISK MANAGEMENT

The Company's financial risk management policy is disclosed in the principal risks and uncertainties section of the Strategic Report.

DIRECTORS

The Directors who held office during the year or at the date of signing the financial statements are given below:

B Courtney (appointed 1 March 2021)

A J Gray

R Hayes

R A Hewitson

R C Knight

V Naphray

A Suttill (resigned 24 June 2021)

J D Woyda

CLARKSONS PLATOU FUTURES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS' INSURANCE AND INDEMNITIES

The Group maintains a Directors' and Officers' insurance policy. No qualifying indemnity provisions were in place for the benefit of the Directors during the financial year or at the date of approval of the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

At the date of this report, as far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and, they have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.



By order of the Board:
B Courtney
Director
29 March 2022

CLARKSONS PLATOU FUTURES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLARKSONS PLATOU FUTURES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Clarkson's Platou Futures Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2021; the Profit and Loss Account and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

CLARKSONS PLATOU FUTURES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLARKSONS PLATOU FUTURES LIMITED (CONTINUED)

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

~~As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory license requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the artificial inflation of reported results through the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

29 March 2022

CLARKSONS PLATOU FUTURES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

PROFIT AND LOSS ACCOUNT

	Note	2021 £'000	2020 £'000
TURNOVER	5	21,635	14,579
Administrative expenses		<u>(15,696)</u>	<u>(11,316)</u>
OPERATING PROFIT	6	5,939	3,263
Interest receivable and similar income		<u>-</u>	<u>22</u>
PROFIT BEFORE TAXATION		5,939	3,285
Tax on profit	9	<u>(1,072)</u>	<u>(630)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>4,867</u>	<u>2,655</u>

There are no material gains or losses other than the profit for the financial year (2020: None). Accordingly, as there are no unrealised gains or losses, a separate statement of other comprehensive income is not presented.

All amounts arise from continuing operations.

The notes set out on pages 13 to 19 are an integral part of these financial statements.

CLARKSONS PLATOU FUTURES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

BALANCE SHEET

		2021 £'000	2020 £'000
	Note		
FIXED ASSETS			
Tangible assets	11	-	1
		<u>-</u>	<u>1</u>
CURRENT ASSETS			
Debtors (including £648,000 (2020: £333,000) due after one year)	12	5,044	3,613
Cash at bank and in hand		12,787	8,300
		<u>17,831</u>	<u>11,913</u>
Creditors: amounts falling due within one year	13	(10,503)	(5,953)
NET CURRENT ASSETS		<u>7,328</u>	<u>5,960</u>
NET ASSETS		<u>7,328</u>	<u>5,961</u>
CAPITAL AND RESERVES			
Called-up share capital	14	500	500
Retained earnings	15	6,828	5,461
TOTAL EQUITY		<u>7,328</u>	<u>5,961</u>

The notes set out on pages 13 to 19 are an integral part of these financial statements.

The financial statements on pages 10 to 19 were approved by the Board of Directors on 29 March 2022, and signed on its behalf by:



B Courtney
Director
29 March 2022

Clarksons Platou Futures Limited
Company Registration No. 03052018

CLARKSONS PLATOU FUTURES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF CHANGES IN EQUITY

	Note	Called-up share capital £'000	Retained earnings £'000	Total equity £'000
BALANCE AS AT 1 JANUARY 2020		500	5,306	5,806
Profit for the year	15	-	2,655	2,655
Total comprehensive income for the year		-	2,655	2,655
Dividends	10	-	(2,500)	(2,500)
BALANCE AS AT 31 DECEMBER 2020		500	5,461	5,961
BALANCE AS AT 1 JANUARY 2021		500	5,461	5,961
Profit for the year	15	-	4,867	4,867
Total comprehensive income for the year		-	4,867	4,867
Dividends	10	-	(3,500)	(3,500)
BALANCE AS AT 31 DECEMBER 2021		500	6,828	7,328

The notes set out on pages 13 to 19 are an integral part of these financial statements.

CLARKSON'S PLATOU FUTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom, the National Futures Association ("NFA") in the United States of America and the Monetary Authority of Singapore ("MAS") in Singapore.

The Company provides a brokerage service, acting as an arranger of deals on behalf of clients in shipping and commodity related derivative financial instruments.

The Company is a private company limited by shares and is incorporated in the UK and registered in England and Wales. The address of its registered office is Commodity Quay, St Katharine Docks, London, E1W 1BF.

2 STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006, under provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) BASIS OF PREPARATION

The financial statements are prepared on a going concern basis, under the historical cost convention.

An assessment was carried out by management surrounding going concern. The Directors believe that the Company is well placed to manage its business risks successfully, and have reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The preparation of financial statements (in conformity with FRS 102) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(b) EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Clarkson PLC, includes the Company's cash flows in its own consolidated financial statements. The Company has also taken advantage of the exemption from disclosing share based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments.

(c) FOREIGN CURRENCIES

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

(d) REVENUE RECOGNITION

The Company considers brokerage earnings from derivative broking transactions as turnover. Turnover is recognised when a trade is executed, when there are no significant conditions outside of the entity's control that raise doubt about collection of the consideration, and when the amounts to be recognised are reasonably estimable. The Company discloses turnover on a net basis after adjusting for movements in the provision for trade debtors.

(e) INTEREST INCOME

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

NOTES TO THE FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(f) EMPLOYEE BENEFITS**

The Group provides a range of benefits to employees, including share-based compensation plans and defined benefit and defined contribution pension plans.

(i) SHARE-BASED PAYMENT TRANSACTIONS

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the awards granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to vest. At each balance sheet date, the Company revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Profit and Loss Account.

(ii) PENSIONS

The Company participates in a defined benefit Group scheme, being the Clarkson PLC scheme. The charge to annual profits for the defined benefit element of the UK pension scheme is calculated so as to recognise the cost on a rational and systematic basis over the period of the employees' service lives. The Clarkson PLC scheme was closed to further accrual for all existing members as from 31 March 2006. As it is not possible to identify the Company's share of the scheme's assets and liabilities, this scheme is accounted for as a defined contribution scheme.

The Company also participates in a defined contribution pension scheme. Contributions are charged in the Profit and Loss Account as they become payable in accordance with the rules of the schemes.

(g) TAXATION

Taxation expense for the year comprises of current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

(i) CURRENT TAX

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Profit and Loss Account.

(ii) DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

(h) TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Depreciation is calculated to write off the cost of tangible fixed assets to their estimated residual values over their expected lives. Rates and bases (straight line) are those considered appropriate for the Company and for the particular class of asset as follows:

Office furniture and equipment	3-5 years
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The carrying values of tangible fixed assets are reviewed if circumstances indicate these values may have been impaired.

CLARKSONS PLATOU FUTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) PROVISIONING

Trade debtors are stated net of specific provisions against doubtful debts which are made on the basis of policies and regular reviews established by management. Provisions are established on the basis of the age of the amounts overdue. Further provisions are made in respect of particular problem balances, which may be indicated by the existence of any disputes, recent historical payment patterns or any known information regarding the client's financial position.

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(j) FINANCIAL INSTRUMENTS

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial statements.

(i) FINANCIAL ASSETS

Basic financial assets, including trade and other debtors, cash at bank and in hand, are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method.

At the end of each reporting period financial assets are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and fair value. The impairment loss is recognised in the Profit and Loss Account.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Profit and Loss Account.

Financial assets are derecognised when; (a) contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) FINANCIAL LIABILITIES

Basic financial liabilities include trade and other creditors.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(k) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. The principal area where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is the provisioning of trade debtors, which is included above in the summary of significant accounting policies section.

5 TURNOVER

The Company's broking activities consist solely of the arrangement of a variety of shipping-related derivatives in the United Kingdom, Singapore and Switzerland.

Geographical analysis of turnover by origin of invoice:

	2021 £'000	2020 £'000
United Kingdom	20,093	12,377
Singapore	1,540	2,060
Switzerland	2	142
	<u>21,635</u>	<u>14,579</u>

CLARKSONS PLATOU FUTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6 OPERATING PROFIT

	2021 £'000	2020 £'000
Operating profit is stated after charging/(crediting):		
Wages and salaries (see note 7)	12,437	8,601
Foreign exchange gains	(86)	(25)
Depreciation of tangible fixed assets	1	1
Auditor's remuneration: Audit services	29	21
Fees payable to auditors for other services:		
Audit services for branches	14	14
Other assurance services	38	30
	<u>12,437</u>	<u>8,601</u>

Other assurance services consists of fees payable for non-statutory audit services of £22,000 (2020: £14,000) to satisfy a requirement imposed by the MAS and £16,000 (2020: £16,000) to satisfy a requirement imposed by the FCA upon the Company's registration with both regulators.

7 WAGES AND SALARIES (INCLUDING DIRECTORS)

	2021 £'000	2020 £'000
Wages and salaries	10,644	7,447
Social security costs	1,464	811
Other pension costs (see note 16)	329	343
	<u>12,437</u>	<u>8,601</u>

The average monthly number of persons employed during the year, including Directors, is analysed below:

	2021 No.	2020 No.
United Kingdom:		
Brokers	21	19
Administration / other	5	4
Singapore branch:		
Brokers	9	11
Administration / other	1	1
	<u>36</u>	<u>35</u>

8 DIRECTORS

	2021 £'000	2020 £'000
Aggregate emoluments in respect of qualifying services	2,541	561
Other pension costs	52	24
	<u>2,593</u>	<u>585</u>

The emoluments of the highest paid Director, excluding pension contributions, were £948,113 (2020: £191,044). Pension contributions of £16,000 (2020: £nil) were made on behalf of the highest paid Director.

During the year, 1,593 shares (2020: 1,699) were awarded to the highest paid Director in settlement of 2020 (2019) bonuses. There was no expense in 2021 (2020: £nil) as a result of these awards.

The defined benefit section of the Group's pension schemes closed to new entrants on 31 March 2004 and closed to further accrual for all existing members from 31 March 2006. One Director employed directly by the Company was a member of the defined benefit scheme as at 31 December 2021 (31 December 2020: one).

The number of directors directly employed by the company who are members of the Clarkson PLC Group pension scheme as at 31 December 2021 is three (2020: four).

The number of Directors directly employed by the Company who received share awards in Clarkson PLC in respect of qualifying services during the year was three (2020: three).

CLARKSONS PLATOU FUTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9 TAX ON PROFIT

	2021 £'000	2020 £'000
(a) Tax on profit		
<i>Current Tax:</i>		
UK corporation tax on profit for the financial year	1,329	582
UK corporation tax adjustments in respect of prior years	(1)	-
	<u>1,328</u>	<u>582</u>
Foreign corporation tax on profit for the financial year	77	80
Foreign corporation tax adjustments in respect of prior years	(18)	8
	<u>1,387</u>	<u>670</u>
<i>Deferred Tax:</i>		
UK deferred tax - current year	(189)	9
UK deferred tax - prior year	(15)	(29)
UK deferred tax - impact of change in tax rates	(88)	-
	<u>(292)</u>	<u>(20)</u>
Foreign deferred tax - current year	(21)	(22)
Foreign deferred tax - prior year	(2)	2
	<u>(315)</u>	<u>(40)</u>
Tax on profit	<u>1,072</u>	<u>630</u>

(b) Reconciliation of tax charge

The tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit before tax	<u>5,939</u>	<u>3,285</u>
Tax at average UK corporation tax rate of 19% (2020: 19%)	1,128	624
Effects of:		
Expenses not deductible for tax purposes	56	24
Adjustments for changes in tax rates	(88)	-
Adjustments in respect of prior years	(17)	(29)
(Lower)/higher tax rates on overseas earnings	(7)	11
Total tax charge for the year	<u>1,072</u>	<u>630</u>

(c) Deferred tax

	Deferred bonus £'000	Other £'000	Total £'000
Included in debtors (see note 12) is a deferred tax asset comprising:			
At 1 January 2021	272	61	333
Adjustments to prior year deferred tax asset	17	-	17
Provided during the year in respect of short-term timing differences	192	18	210
Impact of change in tax rate	88	-	88
At 31 December 2021	<u>569</u>	<u>79</u>	<u>648</u>

The standard rate of corporation tax in the UK remained at 19% throughout 2021. Accordingly, the Company's profit for this accounting year is taxed at a rate of 19%.

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). The Government made a number of budget announcements on 3 March 2021. These include confirming that the rate of corporation tax will increase to 25% from 1 April 2023. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

CLARKSONS PLATOU FUTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 DIVIDENDS

	2021 £'000	2020 £'000
Declared and paid during the year:		
Ordinary dividend: interim dividend for 2021 paid £7 per £1 share (2020 paid £5 per £1 share)	3,500	2,500
	<u>3,500</u>	<u>2,500</u>

11 TANGIBLE ASSETS

	Office furniture and equipment £'000
ORIGINAL COST	
At 1 January & 31 December 2021	266
ACCUMULATED DEPRECIATION	
At 1 January 2021	265
Charge for the year	1
At 31 December 2021	<u>266</u>
NET BOOK VALUE AT 31 DECEMBER 2021	-
Net book value at 31 December 2020	<u>1</u>

12 DEBTORS

	2021 £'000	2020 £'000
Trade debtors	3,006	1,974
Amounts owed by Group undertakings	365	909
Other debtors	65	46
Deferred tax asset (see note 9)	648	333
Prepayments and accrued income	960	351
	<u>5,044</u>	<u>3,613</u>

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £948,000 (2020: £555,000).

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Amounts owed to Group undertakings	169	145
Other creditors	12	4
Corporation tax	1,415	662
Accruals and deferred income	8,907	5,142
	<u>10,503</u>	<u>5,953</u>

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14 CALLED UP SHARE CAPITAL

	Number of shares	Nominal value £'000
At 1 January and 31 December 2021		
Ordinary shares of £1 each: nominal value		
Allotted, issued and fully paid	<u>500,000</u>	<u>500</u>

CLARKSONS PLATOU FUTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15 RETAINED EARNINGS

	2021 £'000	2020 £'000
At 1 January	5,461	5,306
Profit for the financial year	4,867	2,655
Dividend paid	(3,500)	(2,500)
At 31 December	<u>6,828</u>	<u>5,461</u>

16 PENSION COMMITMENTS

The Company participates in a scheme that is operated for the employees of the Group and its subsidiaries.

This scheme is a defined benefit scheme, funded by the payment of contributions to separately administered trust funds. The contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation, as at 31 March 2019 is disclosed in the financial statements of Clarkson PLC.

For the purposes of the disclosures required under FRS 102 Section 28, the qualified actuary has updated the valuations to assess the liabilities of the schemes at 31 December 2021. Scheme assets are stated at their market value at 31 December 2021. The pension surplus (2020: surplus) for the Group schemes arising under these valuations is £25.8m (2020: £18.1m). It is not possible to identify the Company's share of the scheme's assets and liabilities, details of which are disclosed in the financial statements of Clarkson PLC.

The Company also participates in a defined contribution scheme in conjunction with other Group companies. Where required the Company makes contributions into this scheme. Pension contributions made in the year are disclosed in notes 7 and 8. There were no amounts prepaid or outstanding at the year-end.

17 CONTINGENT LIABILITIES

From time to time, the Company may be engaged in litigation in the ordinary course of business. The Company carries professional indemnity insurance. There are currently no liabilities expected to have a material adverse financial impact on the Company's results nor are there any matters which would warrant further disclosure in the financial statements.

18 CONTROLLING PARTIES

The immediate parent undertaking is Clarkson PLC.

The ultimate parent undertaking and controlling party is Clarkson PLC, a company registered in England and Wales, which is the parent of the smallest and largest group to consolidate these financial statements. Copies of the Clarkson PLC consolidated financial statements can be obtained from Commodity Quay, St Katharine Docks, London, E1W 1BF.

19 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of Clarkson PLC and is included in the consolidated financial statements of Clarkson PLC, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 1.12(b).

The Company is also exempt under the terms of FRS 102 Section 33 from disclosing related party transactions with wholly owned entities that are part of the Clarkson PLC Group.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both. The definition of related parties includes the parent company and the Company's key management which includes its Directors.

There were no other related party transactions during the year (2020: none).

20 FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET AND CONCENTRATION OF CREDIT RISK

The Company is an agent in the brokerage of derivatives. At no point does the Company accept principal risk in these brokerage transactions. If a counterparty to a transaction defaults, the Company will not be exposed to any principal risk to the underlying contracts. As a consequence, the Company has no exposure to any material off-balance sheet risk through its trading activities.

Concentration of credit risk with respect to trade debtors are limited due to the large number of clients comprising the Company's client base. Customers' payment profile and credit exposure are continuously monitored by the credit control team and reported to the management and Board of Directors. The Company had one debtor (2020: one) that individually represented more than 10% of trade debtors at the balance sheet date.