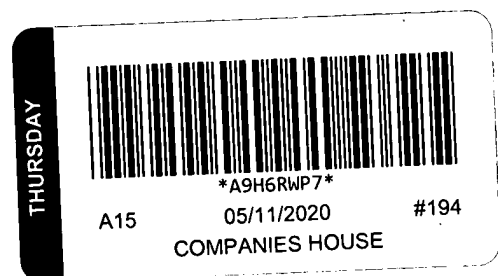


Company Registration No. 03163656

SSY Futures Limited

Annual Report and Financial Statements

for the year ended 31 December 2019



SSY Futures Limited

Report and financial statements 2019

Officers and professional advisers

Directors

M J Richardson
C M Baxter
S G Jekov
D L Dunn
G McAndrew
J A Pearce
A P C Williams
B L Taylor

Secretary

A P C Williams

Registered Office

Tower Bridge House
St. Katharine's Way
London
E1W 1BQ

Independent auditor

Mazars LLP
Tower Bridge House
St. Katharine's Way
London
E1W 1DD

SSY Futures Limited

Directors' report Year ended 31 December 2019

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Directors

The directors, who served throughout the year and up to the date of this report, except as noted, were as follows:

M J Richardson C M Baxter S G Jekov G McAndrew D L Dunn J A Pearce
D J M Soutter (resigned 8 February 2019) A P C Williams (appointed 9 October 2019)
B L Taylor (appointed 8 February 2020)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Principal activities

The principal activity of the Company is broking freight and dry bulk commodity derivatives. The Company has continued to develop its UK activities. The core activities include national, European, and international services, partnering with international member firms, global charterers, owners and financial institutions.

Profit before tax is £2,871,043 (2018: £2,163,708). The trading profits for the year and the Company's financial position at the end of the year are shown on pages 7 and 8 in the financial statements.

At the reporting date the Company had borrowings. The balance sheet continues to show a strong position at the year end with net assets of £3,310,642 (2018: £2,725,985) and total assets being £3,624,247 (2018: £2,930,495).

Coronavirus

Post year-end, the COVID-19 pandemic has resulted in a sudden and significant worsening in the global economy. The situation is constantly evolving, and we are monitoring its global spread.

Our people are our business, and we are doing all that we can to safeguard them. In line with best practice guidelines we have put precautions and measures in place including travel restrictions and self-quarantine requirements. All employees have the capability to work from home and we continue to provide an unbroken service for our clients.

We are in regular communication with our staff members to ensure their safety, and that of their families, during this challenging time.

Going concern

The overall macroeconomic backdrop remains uncertain driven largely by COVID-19, global growth and ongoing Brexit negotiations. While this environment impacts our clients' activity, the resulting volatility also creates market opportunities that give us confidence for the future.

To date, the Company has not observed any material impact on our activities due to COVID-19 and, indeed, has continued to perform in line with expectations since the UK went into lockdown.

We have now been working fully remotely for a month with no issues identified across our teams and throughout our business aspects such as billing, cash collection, client acceptance and continuance, management information and payments to our people and suppliers have been completed without issue.

The directors do not currently believe that operations will be materially affected by Brexit in the forthcoming year, other than any impact arising from movements in the foreign exchange rates. We continue to monitor developments closely and assess the uncertainty and risks associated with the potential economic and geo-political volatility arising from Brexit.

The Company's forecasts, taking account of reasonably possible changes in trading performance including the impact of COVID-19 and Brexit, show that the Company will be able to operate for a period of at least 12 months from the approval date of these financial statements.

SSY Futures Limited

Directors' report Year ended 31 December 2019

The directors have reviewed the Company's forecast and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Existence of branches outside the UK

In the prior year, the Company had a branch in the US, as defined in Section 1046 (3) of the Companies Act 2006.

Dividends

The directors do not recommend the payment of a final dividend for the year ended 31 December 2019. During the year dividends of £1,713,985 were declared and paid (2018: £2,730,059).

Future developments

The directors expect the Company's level of activity to remain in line with recent performance over the forthcoming year. The markets that the Company operates in continue to experience challenging conditions, as both freight rates and dry bulk commodities prices are low. Should these conditions remain, the Company's revenue will be affected in 2020 as it charges a percentage-based commission.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

During the year Deloitte LLP were replaced as the company's auditors by Mazars LLP following a competitive tender process.

The auditors, Mazars LLP, is deemed to be reappointed under s487 (2) of the Companies Act 2006.

These accounts have been prepared in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board on 30 April 2020



A P C Williams
Director

SSY Futures Limited

Directors' responsibilities statement Year ended 31 December 2019

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 '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 and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of SSY Futures Limited

Opinion

We have audited the financial statements of SSY Futures Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, 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 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 state of the company's affairs as at 31 December 2019 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.

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 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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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 auditor's 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 respect of these matters.

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.

Independent auditor's report to the members of SSY Futures Limited

Matters on which we are required to report by exception

In 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

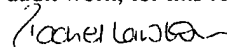
Auditor's responsibilities for the audit of the financial statements

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: 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.



Rachel Lawton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House

St Katharine's Way

London E1W 1DD

30 April 2020

SSY Futures Limited

Profit and loss account Year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover	3	8,102,191	7,719,442
Operating charges	4	<u>(5,231,148)</u>	<u>(5,555,734)</u>
Profit before tax		2,871,043	2,163,708
Tax on profit	6	<u>(572,401)</u>	<u>(449,723)</u>
Profit for the financial year		<u><u>2,298,642</u></u>	<u><u>1,713,985</u></u>

All of the activities of the company are classed as continuing operations.

The Company has no income or expenses other than the results for each year as set out above; no separate statement of comprehensive income is therefore presented.

There is no difference between the profits shown above and their historical cost equivalents.

SSY Futures Limited
registered number 3163656

Balance sheet
31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	7	161,260	110,881
Current assets			
Debtors	8	2,348,007	2,055,593
Cash at bank and in hand		1,114,980	764,021
Total assets		<u>3,624,247</u>	<u>2,930,495</u>
Creditors: amounts due within one year	9	<u>(313,605)</u>	<u>(204,510)</u>
Net assets		<u>3,310,642</u>	<u>2,725,985</u>
Capital and reserves			
Called up share capital	10	1,012,000	1,012,000
Profit and loss account		2,298,642	1,713,985
Total equity shareholders' funds		<u>3,310,642</u>	<u>2,725,985</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

The financial statements of SSY Futures Limited, were approved for issue by the Board of Directors on 30 April 2020.

Signed on behalf of the Board of Directors



A P C Williams
Director

SSY Futures Limited

Statement of changes in equity Year ended 31 December 2019

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2018	1,012,000	2,730,059	3,442,059
Dividends declared and paid in the year	-	(2,730,059)	(2,730,059)
Profit for the financial year	-	1,713,985	1,713,985
At 31 December 2018	<u>1,012,000</u>	<u>1,713,985</u>	<u>2,725,985</u>
Dividends declared and paid in the year	-	(1,713,985)	(1,713,985)
Profit for the financial year	-	2,298,642	2,298,642
At 31 December 2019	<u><u>1,012,000</u></u>	<u><u>2,298,642</u></u>	<u><u>3,310,642</u></u>

SSY Futures Limited

Notes to the financial statements Year ended 31 December 2019

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

General information and basis of accounting

SSY Futures Limited is a private company incorporated in the England under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors report on pages 2 and 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of SSY Futures Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out below.

For the current and preceding financial year, the Company and the group headed by it, qualify as small as set out in section 383 of the Companies Act. Therefore, they are eligible for exemption from presenting consolidated financial statements as determined by reference to section 384 and 399(2a) of the Companies Act.

The financial statements of SSY Futures Limited have been prepared in accordance with the special provisions relating to companies subject to the small companies regime.

Investment in subsidiaries

Investments are initially measured at historic cost, including transaction costs, and stated at cost less accumulated impairment losses. At each reporting date, the Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Turnover

The Company discloses turnover on a net basis after VAT. Turnover represents earnings from derivative broking transactions. Turnover from the supply of services represents the value of services provided under the contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the reporting date. Any differences are taken to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Dividends

Interim dividends are recognised when they are paid to the Company's shareholders. Final dividends are recognised when they are approved by shareholders.

SSY Futures Limited

Notes to the financial statements Year ended 31 December 2019

1. Accounting policies (continued)

Taxation

Current tax including UK corporation tax and foreign tax is provided at amounts expected to be paid using tax rates that have been enacted or substantively enacted. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting 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 reporting date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

Going concern

The Company's current financial performance and position remain strong, however the Board are cognisant of the potential impacts of COVID-19 on the Company. Whilst there has been little impact of COVID-19 on the Company's operations at present there may be impacts on the business going forward which are currently unknown. The Board has considered possible potential future operational disruption from COVID-19 that may be caused by factors such as restrictions applied by governments, illness amongst our workforce and market volatility.

Since 2018 the Company has been preparing for Brexit eventualities, including the UK leaving the EU without a deal. In that circumstance, the Company could lose its ability to provide services in the EU27 zone using passports, and our ability to continue as we have become accustomed would be restricted. However, a large proportion of the Company's broking revenues are largely unaffected by Brexit despite the regulatory and operational challenges that may arise.

The ultimate distribution of our staff between the UK and EU will depend on our clients' requirements and locations but, for the foreseeable future, we expect the UK to remain a major centre for our markets.

Having considered the forecasts and sensitivity scenarios the Board considers it is appropriate to adopt the going concern basis of accounting in preparing these financial statements and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Impairment of financial assets

Assets are assessed for indicators of impairment at reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

SSY Futures Limited

Notes to the financial statements Year ended 31 December 2019

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision for bad debts

Using the information available at the balance sheet date, the company reviews its trade debtor balances and makes judgements based on assessment of past experience, debt ageing and known customer circumstances in order to determine the appropriate level of allowance required to account for potential irrecoverable trade debtors (see note 8).

3. Turnover

An analysis of the Company's turnover by location is set out below.

	2019 £	2018 £
United Kingdom	8,102,191	7,719,442

An analysis of the Company's turnover, by class of business is as follows:

	2019 £	2018 £
Commissions	8,102,191	7,719,442

4. Operating charges

Operating charges incurred by the Company of £5,231,148 (2018: £5,555,734) arise from transactions with a related party, the shipbroking partnership Simpson Spence Young, which is the ultimate parent undertaking. Within these operating charges are £3,043,909 (2018: £3,247,583) of staff costs for employees and directors, foreign exchange costs of £351,667 (2018: £292,012) and management fees of £1,364,823 (2018: £1,485,677). During the year, M J Richardson, C M Baxter, G McAndrew and J A Pearce were partners of Messrs. Simpson Spence Young.

	2019	2018
Average number of employees	20	20

SSY Futures Limited

Notes to the financial statements Year ended 31 December 2019

Analysis of staff costs for employees and directors:

	2019 £	2018 £
Wages and salaries	2,542,286	2,863,573
Social security costs	383,981	274,081
Pension costs	117,642	109,929
	<u>3,043,909</u>	<u>3,247,583</u>

Audit fees have been borne by the parent, Simpson Spence Young, in both years and amounted to £17,500 (2018: £25,000). Fees payable to the company's auditor for audit-related assurance services during the year were £10,000 (2018: £40,000).

5. Directors' remuneration

	2019 £	2018 £
Aggregate remuneration paid to the directors for services to the Company	<u>452,326</u>	<u>417,385</u>
In respect of the highest paid director	<u>157,990</u>	<u>136,688</u>

6. Taxation

The tax charge comprises:

	2019 £	2018 £
Current tax		
UK corporation tax	<u>572,401</u>	<u>449,723</u>
Total tax on profit	<u>572,401</u>	<u>449,723</u>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2019 £	2018 £
Profit before tax	<u>2,871,043</u>	<u>2,163,708</u>
UK corporation tax at 19% based on the profit for the year	545,498	411,105
Effects of:		
Non-deductible expenses	<u>26,903</u>	<u>38,618</u>
Current tax charge	<u>572,401</u>	<u>449,723</u>

There are no recognised or unrecognised deferred tax assets.

SSY Futures Limited

Notes to the financial statements Year ended 31 December 2019

7. Investments

	2019 £	2018 £
Investment in subsidiaries	<u>161,260</u>	<u>110,881</u>

In the prior year the Company invested £112,821 in its wholly owned subsidiary SSY Futures USA LLC, a limited liability corporation which is incorporated in USA. SSY Futures USA LLC commenced trading in 2018. The registered office address is: 9 West Broad Street, Suite 600, New York, USA.

In 2019 the Company invested £48,438 in its wholly owned subsidiary SSY Futures (Denmark) A/S, a limited liability corporation which is incorporated in Denmark. The registered office address is: Tuborg Havnevej 18, Copenhagen, Denmark

The directors believe the carrying value of investments is supported by their underlying net assets.

8. Debtors

	2019 £	2018 £
Trade debtors	1,448,169	1,554,797
Other debtors	50,000	79,950
Amounts due from Simpson Spence Young	<u>849,838</u>	<u>420,846</u>
	<u>2,348,007</u>	<u>2,055,593</u>

All amounts shown under debtors fall due within one year and are presented net of provision for specific bad debts of £44,883 (2018: £25,485).

	2019 £	2018 £
Movement in provision for specific bad debts:		
Opening balance	25,485	87,626
Increase/(Decrease) in provision	<u>19,398</u>	<u>(62,141)</u>
Closing balance	<u>44,883</u>	<u>25,485</u>

9. Creditors: amounts due within one year

	2019 £	2018 £
Corporation tax	301,911	204,510
Trade creditors	<u>11,694</u>	<u>-</u>
	<u>313,605</u>	<u>204,510</u>

SSY Futures Limited

Notes to the financial statements Year ended 31 December 2019

10. Share capital

	2019 £	2018 £
Authorised, called up and fully paid		
1,012,000 Shares of £1 each	<u>1,012,000</u>	<u>1,012,000</u>

The Company has one class of ordinary shares which carries no right to fixed income.

11. Dividends

	2019 £	2018 £
Dividends paid during the year of £1.69 per share (2018: £2.69 per share)	<u>1,713,985</u>	<u>2,730,059</u>

12. Immediate parent company and ultimate controlling party

The immediate parent company is Simpson Spence Young Limited, a company incorporated in England. The ultimate parent undertaking and controlling party is Simpson Spence Young, an unincorporated partnership.

13. Events after the reporting date

No material adjusting or non-adjusting events have occurred subsequent to the year end other than the potential impact of COVID-19 on the Company, which is disclosed in note 1.