

COMPANY REGISTRATION NUMBER 07681649

GRIFFIN MARKETS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2021

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GRIFFIN MARKETS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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GRIFFIN MARKETS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report of Griffin Markets Limited (the “company” or “GML”) for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company provides intermediary services which are regulated by the Financial Conduct Authority (‘FCA’).

The company is a wholly owned subsidiary of Griffin Markets Group Limited (“GMGL”). GMGL and its subsidiaries (Griffin Markets Limited, Griffin Markets Services Limited and Griffin Markets Europe SAS: together the “Griffin Group”) offer intermediary services for the facilitation of energy trading to wholesale energy market participants. Griffin Markets Services Limited (“GMSL”) was founded with the purpose of providing services to other group companies. Griffin Markets Limited was founded with the purpose of providing regulated services to customers of Griffin Group. Griffin Markets Europe SAS (“GME”) was founded in late 2018 in preparation for the United Kingdom leaving the European Union and to continue the provision of regulated services to customers from within the EU-27.

From 1st January 2021 all Griffin Group business was executed via GME, the Griffin Group’s EU-27 entity, thereby allowing customers trading physical gas and power to benefit from the REMIT C (6) carve out. Griffin Markets Limited dispensed with its Organised Trading Facility (“OTF”) permission in March 2021 but still provides services in financial instruments for the benefit of GMSL and GME. In November 2021, GML withdrew its membership from the National Futures Association (“NFA”) given its inactivity since the start of 2021 and the successful transfer of its execution and arranging business to GME.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. Exposure to interest rate costs is limited. The company does not use derivative financial instruments to manage these costs and, as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services it purchases in the UK. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Griffin Group actively maintains cash flow forecasts to ensure the company has sufficient available funds for operations and planned expansions.

PILLAR 3 DISCLOSURES

Copies of the Company’s Pillar 3 disclosures will be available on the Company’s website at www.griffinmarkets.com.

GRIFFIN MARKETS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2021

SECTION 172(1) STATEMENT

The board of directors of GMGL and the wider Griffin Group considers, both individually and together, that it has acted in the way it considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2021.

The Griffin Group is operated with the view to build and develop the business through the pillars of integrity, trust and innovation to deliver excellence in execution and consistent accuracy for its customers.

In particular:

- The strategy of the Griffin Group is to deliver long-term beneficial impact to the group and contribute to its success by delivering a better, more reliable service to its customers over the coming years. The evaluation process prior to any decisions looks not only at the short to medium term but also considers the longer-term impacts and consequences that those decisions may have.
- Our employees are fundamental to the group's business and the delivery of our business model. Quality of service and innovation are at our very core and are driven by the employees. We aim to be a responsible employer in our approach to the pay our employees receive alongside the health, safety and well-being of employees which is one of our primary considerations in the way we do business.
- Our business is built around a customer centric model and through its regulated marketplaces we have best execution policies and obligations to operate fair markets. In delivering best execution, we strive to arrange transactions which achieve the best result, on the most favourable terms for our customers taking account of all the circumstances. We complement this commitment to our customers by ensuring that we operate a fair and orderly marketplace with sophisticated measures in place designed to protect its integrity. We also aim to act responsibly and fairly in how we engage with our suppliers and co-operate with our regulators, all of whom are integral to the successful delivery of our strategy.
- Our strategy and group operations are always considered in the context of the impact they may have on the local community and the environment.
- As the board of directors, our intention is to behave responsibly and ensure that management operates the business in a responsible manner, operating within the highest standards of business conduct and good governance. Reputation and trust are integral to the delivery of our plan and that culture must pervade through the entire business.
- As the board of directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of the strategy.

Approved by the board of directors and signed on behalf of the board by



Simon Davidson
Chief Executive Officer

Dated: 30-March-2022

GRIFFIN MARKETS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The profit for the year amounted to £18,980 (2020: £217,227). The directors have not recommended a dividend (2020: £nil).

FUTURE DEVELOPMENTS

The Griffin Group expects to continue market share growth across its core markets driven by innovation and investment in in-house developed systems and excellence in execution service. Griffin Markets Limited dispensed with its OTF permission in March 2021 but still provides services in financial instruments for the benefit of Griffin Markets Services Limited and Griffin Markets Europe SAS.

FINANCIAL RISK MANAGEMENT

The company's policies and procedures for financial risk management are discussed in the Strategic Report on page 1 of the financial statements.

DIRECTORS

The directors who served the company during the year were as follows:

Dr S F Davidson

Miss S J Smith

Mr A S Stephens

Mr N M P Jackson

Mr H Michelet (resigned 15 July 2021)

Mr K Kanji (appointed 15 July 2021)

DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 year.

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

- ☐ select suitable accounting policies and then apply them consistently;
- ☐ make judgements and accounting estimates that are reasonable and prudent;
- ☐ state whether applicable 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 and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GRIFFIN MARKETS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2021

AUDITOR

Nexia Smith & Williamson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

- ☐ so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- ☐ each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
86 Duke of York Square
London
United Kingdom
SW3 4LY

Signed by order of the directors



Simon Davidson
Chief Executive Officer

Approved by the directors on 30-March-2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRIFFIN MARKETS LIMITED**Opinion**

We have audited the financial statements of Griffin Markets Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and the notes to the financial statements, including 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 2021 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

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.

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.

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 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 set out on page 3, 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.

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:

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations and how management identify breaches of the applicable Financial Conduct Authority (FCA) rules and National Futures Association (NFA) rules. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with requirements of the framework through:

- The Directors managing and overseeing a legal and compliance function
- Internal and external compliance reviews and reporting
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- Applicable regulatory principles, including those governed by the Financial Conduct Authority (FCA) and National Futures Association (NFA)

To gain evidence about compliance with the significant laws and regulations above we reviewed the company's breaches register, reviewed board meeting minutes, inspected correspondence with the FCA and NFA relating to the year and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries and incorrect recognition of revenue. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of revenue transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the company's processes and controls surrounding manual journal entries.

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available 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.



Lindsay Manson
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 30-March-2022

GRIFFIN MARKETS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Note	£	£
TURNOVER	3		
Commission, rebate and view only fees		1,450	20,296,123
Intercompany revenue		<u>866,031</u>	<u>3,987</u>
TOTAL TURNOVER		867,481	20,300,110
Cost of sales		<u>-</u>	<u>(6,650,509)</u>
GROSS PROFIT		867,481	13,649,601
Administrative expenses		<u>(845,605)</u>	<u>(13,395,274)</u>
OPERATING PROFIT	4	21,876	254,327
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		21,876	254,327
Tax on profit on ordinary activities	6	<u>(2,896)</u>	<u>(37,100)</u>
PROFIT FOR THE FINANCIAL YEAR		18,980	217,227
TOTAL COMPREHENSIVE INCOME		<u>18,980</u>	<u>217,227</u>

The notes on pages 13 to 18 form part of these financial statements

GRIFFIN MARKETS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	£	2021 £	2020 £
FIXED ASSETS				
Tangible assets	7		-	-
CURRENT ASSETS				
Debtors	8	196,888		2,744,603
Cash at bank		133,634		1,924,560
		330,522		4,669,163
CREDITORS: Amounts falling due within one year	9	(198,567)		(3,731,188)
NET CURRENT ASSETS			131,955	937,975
TOTAL ASSETS LESS CURRENT LIABILITIES			131,955	937,975
CAPITAL AND RESERVES				
Called-up equity share capital	11		75,100	900,100
Retained earnings	11		56,855	37,875
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			131,955	937,975

These accounts were approved by the directors and authorised for issue on 30-March-2022
and are signed on their behalf by:



DR S F DAVIDSON

Company Registration Number: 07681649

GRIFFIN MARKETS LIMITED

STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	900,100	(179,352)	720,748
Profit and total comprehensive income for the year	-	217,227	217,227
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	900,100	37,875	937,975
Profit and total comprehensive income for the year	-	18,980	18,980
Reduction in capital	(825,000)	-	(825,000)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	<u>75,100</u>	<u>56,855</u>	<u>131,955</u>

GRIFFIN MARKETS LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Note	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	12	(965,926)	963,796
INVESTING ACTIVITIES		-	-
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(965,926)	963,796
FINANCING ACTIVITIES			
Reduction in share capital		(825,000)	-
(DECREASE)/INCREASE IN CASH		(1,790,926)	963,796
Cash and cash equivalents at the beginning of the year		1,924,560	960,764
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		133,634	1,924,560

GRIFFIN MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of accounting

Griffin Markets Limited is a private limited company incorporated in England and Wales. The address of the registered office is 86 Duke of York Square, London, SW3 4LY.

The financial statements have been prepared under the historical cost convention.

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The Statement of Comprehensive Income for the period shows a profit of £18,980 (2020: £217,227) and the company balance sheet at 31 December 2021 shows net assets of £131,955 (2020: £937,975).

The company is part of a group which is made up of Griffin Markets Group Limited and its subsidiaries (Griffin Markets Limited, Griffin Markets Services Limited and Griffin Markets Europe SAS: together the "Griffin Group"). The company and Griffin Group have no bank facilities and their working capital requirements are provided by agreed trade facilities and funds provided by current working capital balances.

From the start of 2021, as a direct result of BREXIT, the Griffin Group successfully migrated all execution and arranging business from Griffin Markets Limited to the EU-27 based Griffin Markets Europe SAS. The group also further enhanced internal systems to differentiate services from competitors and improve internal efficiencies, whilst maximising Griffin's standing and relationships across the European energy sector.

Throughout the year, record volatility in both gas and power markets, combined with high market prices, resulted in migration of significant portions of liquidity in key contacts to Exchange execution. One of the drivers for this migration in liquidity was market concern around counterparty credit risk, with bilateral credit lines significantly reduced. This has significantly impacted overall broker executed market volumes, and therefore also implicitly Griffin's volumes. This was particularly apparent in the fourth quarter when trade counts materially declined, offset somewhat by higher value business in the trade mix.

Based upon the forecasted cash flow and revenue estimates, the Griffin Group is expected to be able to continue trading as a going concern without needing to obtain further borrowing. However, ongoing developments in the Russia-Ukraine crisis and the impact of those on European energy supply may impact the markets that are core to Griffin Group's business. Despite this uncertainty, the board is satisfied that, based upon current profit and loss and cash flow forecasts, both the Griffin Group and the company have adequate resources to meet its liabilities and continue in operational existence for twelve months from the date of approval of these financial statements. For these reasons it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

The turnover shown in the statement of comprehensive income represents amounts earned during the period, recognised on a trade date basis, exclusive of Value Added Tax. Turnover for 2020 includes commission fees, exchange rebates and view only fees. Turnover for 2021 includes exchange rebates and intercompany revenue recognised in line with the intercompany agreement between GML and other group entities.

GRIFFIN MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES *continued*

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 33% straight line

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the profit on ordinary activities before taxation.

Operating profit/(loss)

Operating profit/(loss) is calculated as profit or loss before tax excluding interest received, other income including loan/interest write offs, as well as interest payable.

Financial Instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the company's cash management.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements conforming with generally accepted accounting principles requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reported period.

Management have made no judgements nor believe there is any uncertainty with respect to the company's reported amounts of assets and liabilities as well as revenue and expenses during the reporting period.

GRIFFIN MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

3. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company and arise in the United Kingdom.

4. OPERATING PROFIT

Operating profit is stated after charging:

	2021 £	2020 £
Directors' remuneration	-	-
Depreciation of fixed assets	-	-
Net gain on foreign currency translation	<u>56,976</u>	<u>117,261</u>
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts which is borne by GMSL	<u>6,145</u>	<u>5,965</u>

Fees payable to the company's auditor and its associates for non-audit services are not disclosed in the company's accounts because the consolidated accounts of Griffin Markets Limited's parent, Griffin Markets Group Limited, are required to disclose such fees on a consolidated basis.

5. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year. Employees and directors are employed and paid by a related party.

6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year	2021 £	2020 £
UK corporation tax at 19.00% (2020: 19.00%)	3,284	19,106
<i>Deferred tax</i>		
Origination and reversal of timing differences	1,014	20,615
Effect of tax rate change on opening balance	<u>(1,352)</u>	<u>(2,621)</u>
Total deferred tax charge/(credit)	<u>(338)</u>	<u>17,994</u>
Tax on profit on ordinary activities	<u>2,946</u>	<u>37,100</u>
<i>Provision for deferred tax</i>		
Tax losses carried forward and other deductions	<u>(4,620)</u>	<u>(4,282)</u>
<i>Movement in provision:</i>		
Provision at start of period	(4,282)	(22,276)
Deferred tax charged to the Statement of Comprehensive Income for the period	<u>(338)</u>	<u>17,994</u>
Provision at end of period	<u>(4,620)</u>	<u>(4,282)</u>
Deferred tax (asset)/liability not recognised	<u>-</u>	<u>-</u>

GRIFFIN MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

6. TAXATION ON ORDINARY ACTIVITIES *continued*

Reconciliation of Tax Charge

Profit on ordinary activities before tax	21,876	254,327
Tax on profit on ordinary activities at standard rate of 19.00% (2020: 19.00%)	4,156	48,322
Group relief surrendered/(claimed)	(151)	-
Remeasurement of deferred tax for changes in tax rates	(1,109)	(3,526)
Deferred tax not recognised	-	(7,696)
Total tax charge/(credit) for the year	<u>2,896</u>	<u>37,100</u>

7. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 January 2021	118,132
Additions	-
At 31 December 2021	<u>118,132</u>
DEPRECIATION	
At 1 January 2021	118,132
Charge for the year	-
At 31 December 2021	<u>118,132</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

8. DEBTORS

	2021 £	2020 £
Trade debtors	-	1,218,119
Deferred tax asset	4,620	4,282
Amounts owed by group undertakings	189,218	-
Prepayments and accrued income	3,050	1,522,202
	<u>196,888</u>	<u>2,744,603</u>

Amounts owed by group undertakings are repayable upon demand.

9. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	670,537
Amounts owed to group undertakings	195,333	2,464,079
VAT payable	-	53,095
Corporation tax payable	3,234	19,106
Accruals and deferred income	-	524,371
	<u>198,567</u>	<u>3,731,188</u>

Amounts owed to group undertakings are repayable upon demand.

10. CONTINGENCIES

There are no contingent liabilities at 31 December 2021 (2020: Nil).

GRIFFIN MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

11. SHARE CAPITAL

Allotted, called up and fully paid:

	2021		2020	
	No	£	No	£
Ordinary shares of £1 each	<u>75,100</u>	<u>75,100</u>	<u>900,100</u>	<u>900,100</u>

On 29 April 2021, the Company passed a special resolution to reduce the share capital of the Company from £900,100 divided into 900,100 ordinary shares of £1 each to £75,100 divided into 75,100 ordinary shares of £1 each.

Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

12. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Profit after tax	18,980	217,227
Depreciation	-	-
Taxation charge	2,896	37,100
Decrease/(increase) in debtors	2,547,715	(816,516)
(Decrease)/increase in creditors	<u>(3,535,517)</u>	<u>1,525,985</u>
Net cash (outflow)/inflow from operating activities	<u>(965,926)</u>	<u>963,796</u>

13. FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. Exposure to interest rate costs is limited. The company does not use derivative financial instruments to manage these costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services it purchases in the UK. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Griffin Group actively maintains cash flow forecasts to ensure the company has sufficient available funds for operations and planned expansions.

GRIFFIN MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

14. ULTIMATE CONTROLLING PARTY

The company is owned 100% by Griffin Markets Group Limited (GMGL), which, by way of their shareholdings in GMGL, is under the control of the two founding shareholders, S Davidson and A Stephens.

The largest and smallest undertaking for which a set of group financial statements is drawn up is Griffin Markets Group Limited, a copy of which can be obtained at its registered office at 86 Duke of York Square, London SW3 4LY.

15. RELATED PARTY TRANSACTIONS

The Directors of Griffin Group are considered the key management personnel of the company.

No remuneration was paid to key management personnel by the company.

16. REGULATORY REPORTING DISCLOSURES

Country-by-Country Reporting

As an investment firm within the scope of the CRD IV, the company must report certain information about its business on a country-by-country basis, known as Country-by-Country Reporting (CBCR). Article 89 of the Capital Requirements Directive imposes the ongoing CBCR reporting obligations on institutions in the United Kingdom within the scope of CRD IV.

The information contained in this disclosure is based on the financial statements of the company and reflects the data as at 31 December 2021:

Nature of activities	Intermediary brokerage services to facilitate energy trading	
Country	UK	
	2021	2020
Average number of employees	-	-
Turnover	£867,481	£20,300,110
Profit before tax	£21,876	£254,327
Corporation tax	£2,896	£37,100
Government subsidies received	-	-

Return on Assets

The company is required to disclose its return on assets, calculated as net profit divided by total balance sheet.

	2021	2020
Net profit	£18,980	£217,227
Net assets	£131,955	£937,975
Return on assets (%)	14.38%	23.16%