Registered number: 1528617

ICE Futures Europe

Annual Report and Financial Statements

For the Year Ended 31 December 2021

ICE Futures Europe

Contents

Strategic Report
For the Year Ended 31 December 2021

Introduction

The directors present their Strategic Report for ICE Futures Europe ('the Company') for the year ended 31 December 2021.

Principal activities and review of the business

The Company is a Recognised Investment Exchange and Recognised Auction Platform in the UK and is supervised by the Financial Conduct Authority with oversight by the U.S Commodity Futures Trading Commission ('CFTC') for linked contracts. The Company's ultimate parent and controlling entity is Intercontinental Exchange, Inc., ('ICE'), a corporation registered in Delaware, United States. The Company is registered under the Foreign Boards of Trade ('FBOT') requirements. Related companies in these financial statements refer to members of the ICE Group of companies ('the Group'). ICE Clear Europe Limited, a Group company and a Recognised Clearing House in the UK, provides clearing services for the contracts traded on the Company's exchange.

The Company is an exchange for futures and options contracts for crude oil, interest rates, equity derivatives, natural gas, power, coal, emissions and soft commodities. These activities include the provision of data derived from the execution business. The Company is also a registered Benchmark Administrator under the UK Benchmark Regulations.

The Company offers a range of futures and options products that are designed to enable our customers to manage their risk across global energy markets. The Company's largest energy contract is the ICE Brent crude oil futures contract which serves as the cornerstone of a global oil network that today includes nearly 700 related crude and refined oil products including locational and refined spreads. The Company also offers a diverse suite of equity futures and options contracts based on ICE Group indices as well as those created by MSCI® and FTSE®. The Company's diverse interest rate complex spans geographies, currencies and tenors, providing participants with tools to manage risk in a capital efficient manner. Key products during 2021 included: Short Sterling, Euribor, Gilts, Sterling Overnight Index Average ('SONIA'), and Secured Overnight Financing Rates ('SOFR'), among others. In addition. the Company offers futures and options on the leading global soft commodity markets including: sugar, coffee and cocoa.

Market participants may become members or trade through a member firm. For example, to become a member, an applicant must undergo a thorough review and application process and agree to be bound by the Company's rules. Membership in the Company's futures and options markets totalled 228 member firms as of 31 December 2021 (2020: 277).

The distribution of data derived from the execution business of the Company is managed by Group entity ICE Data LLP. The data is provided to clients both for internal and external use and includes publication of daily indexes, historical price and other transaction data, view-only and mobile access to ICE's trading platform, end of day settlements and price data. In addition to the redistribution of data, ICE Data LLP also has contracts with data distributors, known as quote vendors, such as Bloomberg or Refinitiv, who package this data into real-time, tick, intra-day, delayed, end-of-day and historical data packages to sell to end users. The real-time packages are accessed on a subscription basis. End users include financial information providers, futures commission merchants, pension funds, financial services companies, funds, insurance companies, commodity pools and individual investors.

The regulatory framework applicable to the Company is supplemented by a series of legislative provisions regulating the conduct of participants in the regulated market. The Financial Services and Markets Act 2000 contains provisions making it an offence for participants to engage in certain market behaviour and prohibits market abuse through the misuse of information, the giving of false or misleading impressions or the creation of market distortions. Breaches of those provisions give rise to the risk of sanctions, including financial penalties.

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The following table presents volume statistics for the years ended 31 December 2021 and 2020.

Contracts

	ADV* 2021 '000	ADV* 2020 '000	ADV* change %	Total Volume 2021 '000	Total Volume 2020 '000	Volume change %
ICE Brent Crude Futures and Options	1,082	1,019	6%	272,686	257,743	6%
ICE Gas Oil Futures and Options	329	335	(2%)	83,017	84,689	(2%)
ICE Other Oil**	635	628	1 %	159,921	158,824	1 %
ICE Natural Gas	26	34	(24%)	6,590	8,602	(23%)
ICE Emissions & Other***	32	56	(43%)	8,065	14,163	(43%)
Agricultural	60	68	(12)%	15,210	17,248	(12)%
Interest rates	2,089	1,963	6%	526,478	496,694	6%
Equities	300	285	5 %	75,606	72,112	5 %
Total	4,553	4,388	4%	1,147,573	1,110,075	3%

* Average Daily Volume.
** ICE Other Oil includes Global Oil Products, WTI, Heating Oil and RBOB Gasoline.
*** ICE Emissions & Other includes all emissions contracts, Freight, Coal and Iron Ore.

The Company also uses open interest to measure the success of its business as it is an indicator of the strength of the Company's competitive position in its contracts. Open interest is the number of contracts (long or short) that a member holds either for its own account or on behalf of its clients. Open interest refers to the total number of contracts that are currently open or, in other words, contracts that have been traded but not liquidated by either an offsetting trade, exercise, expiration or assignment. In general, the higher the level of open interest, the greater the extent it is being used as a hedging and risk management tool. Open interest is also a measure of the health of a market both in terms of the number of contracts which members and their clients continue to hold in the particular contract and by the number of contracts held for each contract listed.

	2021 '000	2020 '000	Change %
ICE Brent Crude Futures and Options	4,325	4,114	5%
ICE Gas Oil Futures and Options	663	942	(30%)
ICE Other Oil	5,065	5,191	(2)%
ICE Natural Gas	557	598	(7%)
ICE Emissions & Other	234	1,343	(83%)
Agricultural	696	582	20 %
Interest rates	19,291	22,637	(15%)
Equities	5,374	5,550	(3)%
Total	36,205	40,957	(12%)

Strategic Report (Continued)
For the Year Ended 31 December 2021

Summary of the Company's financial results

	Year ended 31 December		
	2021	**2020**	**Change**
	$000	**$000**	**fav/(adv)**
Transaction fees	123,529	123,215	— %
Membership fees	1,989	2,141	(7)%
Data services	141,297	138,803	2 %
Turnover	266,815	264,159	1 %
Administrative expenses	(168,121)	(168,123)	— %
Other operating income	30,450	27,963	9 %
Operating profit	129,144	123,999	4 %
Loss on modification of intangible assets	—	(75)	(100)%
Interest receivable	97	642	(85)%
Taxation	(23,198)	(22,943)	1 %
Profit after tax (before dividends)	106,043	101,623	4 %
Profit after tax %	*40%*	*38%*	
Cash and short term deposits and investments	123,343	113,643	9 %
Net assets	167,169	154,288	8 %

Transaction fees stayed flat comparably flat, increasing by only $314,000 for the year ended 31 December 2021, from the comparable period in 2020. Data income increased by $2,494,000, or 2%, in the year ended 31 December 2021 compared with prior year due to increased data usage. Administrative expenses stayed comparably flat, decreasing by only $2,000 for the year ended 31 December 2021 from the comparable period in 2020. As a result, operating profit increased by $5,145,000, or 4%, for the year ended 31 December 2021, from the comparable period in 2020.

Dividends of $90,500,000 were declared by the directors and paid during the year (2020: $82,500,000).

Section 172(1) statement - Stakeholder engagement

The following disclosures describe how the directors have had regard to the matters set out in section 172(1)(a) to (f) and form the directors' statement required under section 414CZA of The Companies Act 2006.

The Board oversees, counsels and directs management in the long-term interests of the Company, its customers, shareholders and other stakeholders. It is the duty of the Board to serve as a prudent fiduciary for shareholders, to oversee the management of the Company and to promote the success of the Company. Board decisions are undertaken with regard to the success and long-term stability of the Company for the benefits of its stakeholders and the Board is regularly engaged in business strategy, risk oversight, financial reporting and corporate responsibility matters.

The tables that follow on pages 4 to 9, describe how the directors have performed their duty to promote the success of the Company as required by 172(1)(a) to (f) of The Companies Act 2006 during 2021.

Stakeholder group	Form of Engagement	Key topics and impact of engagement
Shareholder Intercontinental Exchange, Inc., as ultimate shareholder, and its affiliates (‘ICE Group’ or ‘ICE’). ICE serves customers by operating the exchanges, clearing houses and information services they rely upon to invest, trade and manage risk across global financial and commodity markets. The Company is an integral part of this service offering as a provider of exchange, benchmark and auction services.	The Company’s and ICE’s directors and employees collaborate frequently on projects and expertise is shared in both directions in various ways including through directorships of affiliated companies and cross functional management meetings. Directors; Messrs. Sprecher and Goone have executive responsibilities elsewhere at ICE. Mr. Sprecher is the Chairman and CEO of ICE and Mr. Goone is the Chief Strategy Officer of ICE. Both attend the Company’s Board meetings. Director; Mr. Williams (President) is a member of the ICE Executive Management Team, the ICE Operational Oversight Committee (‘OOC’) (as is the Company COO) and the ICE Exchange Executive Committee.	Key topics during the year included; strategic planning in respect of the UK’s withdrawal from the EU, LIBOR transition, the post-Brexit regulatory and commercial landscape, development and introduction of new products, including alternative risk-free rates, and cybersecurity. The Company also engages with ICE on global best practices for enterprise risk management, operations, business continuity and disaster recovery and other key functions. Outcomes of engagement included; the launch of a range of new products and strategic alignment for the end of the Brexit transition period.
People Our people include colleagues directly employed by the Company, consultants and others who work throughout the Group. The Company’s long-term success is predicated on the skills, commitment, engagement and success of our people.	Engagement with our people includes interactive town halls and periodic staff update meetings, delivered by the President and other ICE Group and Company senior managers. Feedback is gathered across a mix of "always on feedback", employee surveys and individual employee-focused assessments. This allows actionable feedback to be gathered across a variety of populations, and circumstances, throughout the year. There is also an established whistleblowing policy and a conduct dashboard which is presented to the Board along with an employee conduct risk appetite metric. ICE put a dedicated team in place to manage the COVID-19 pandemic response, adapting to rapidly changing developments, addressing individual concerns, and sharing information across the ICE Group. Firm-wide emails sent frequently, with updates including preventative health guidance and work from home tips; a dedicated section on our employee intranet with an FAQ, the ability to track office closures and IT tools.	During the COVID-19 pandemic, the following steps have been taken: – Robust paid sick and family leave pay for all employees and contractors. – No workers laid off or furloughed as a result of COVID-19. – No government assistance. The Group continues to conduct a biannual employee survey (last conducted in 2020, the results of which are discussed with the Board and actions continue to be taken on the feedback gathered focusing on topics such as collaboration, communication, problem solving, leadership and employee development. Succession planning continues to be a focus, strengthening management structures and ensuring opportunities are being provided to high performers. Culture and brand identity continue to be a focus with particular emphasis on the impacts of remote working due to COVID-19 work from home requirement.

Strategic Report (Continued)
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Stakeholder group	Form of Engagement	Key topics and impact of engagement
Customers		
The Company's customers include its Members and market participants including financial institutions, asset managers, pension funds, commodity producers and refiners, utilities and governments, as well as industrial and manufacturing businesses that are increasingly engaging in hedging, trading and risk management strategies.	Regular meetings at senior management and operational levels, such as a periodic Technology and Operations Group call and bilateral customer meetings at senior management and operational levels. Collaboration by senior management and certain directors with, and membership of, various industry organisations to help further engage with and understand multiple perspectives from a variety of customers and industry participants. Industry representation, where appropriate, on certain governance and product committees of the Exchange, chaired by certain directors, providing a forum to discuss matters such as membership, the Exchanges' regulations and the evolution of the ICE Brent Index.	Continuous dialogue with customers on enhancing transparency and liquidity in the markets we serve, developing and launching new energy, interest rate, equity and soft commodity futures contracts, the post-Brexit regulatory landscape and supporting members and participants domiciled within EU27 countries. Transition of European Union Emission Allowance Contracts from the Company to ICE Endex Markets, the Group's exchange in the Netherlands, as a result of increasing customer demand for execution of European Union Allowances in the EU. Outcomes of engagement included; the launch of several new markets and liquidity programmes and strategic alignment on preparations for the end of the Brexit transition period. Our customer base continues to grow due to our expansion into new markets and the expansion of our product set which has facilitated the continued emergence of new participants; the increased use of hedging programs by commercial enterprises and the increased access to our markets as a result of electronic trading.
Suppliers		
To support operations, ICE, through various agreements, provides assorted services to the Company including those critical to supporting the matching and execution of contracts on its markets, distribution of data and the running of emissions auctions (UKAs) under UK ETS. The Company uses technology owned and developed by ICE for the provision of services to its customers. The Company licenses and sources data from various providers for the purposes of settlement prices for certain of its contracts and other information services.	Management and the Board utilise the mechanisms discussed in the Shareholder section, on page 4, to engage effectively with suppliers of services from the ICE Group. The Company has contractual outsourcing and data provision arrangements in place with its outsourced service providers. The Board reviews the performance of material outsourcing arrangements annually. The Company performs thorough due diligence on its external suppliers both during on-boarding and on a recurring basis.	Key topics of engagement in relation to the ICE Group suppliers centred on technology development and operational resilience, cybersecurity and business continuity arrangements. Generally, any changes to services or goods supplied and developing needs are worked on concurrently between the Company and its suppliers. The Board receives updates on the duty to report on prompt payment, practices and performance. The most recently published payment practices report showed the average time to pay an invoice was 24 days. The Company continues to engage with suppliers to improve workflow and refine payment practices.

Strategic Report (Continued)
For the Year Ended 31 December 2021

Stakeholder group	Form of Engagement	Key topics and impact of engagement
Suppliers (continued) The Company also has a wide range of other suppliers which provide the Company with the goods and services relied upon for operations, ranging from large multinational companies to smaller-scale local service providers.	We expect all our customers to be compliant with the Modern Slavery Act and we work closely with our suppliers to build on our knowledge and promote best practice.	The Board approves the Company Modern Slavery statement on an annual basis.
Regulators and Policy Makers The Company's regulators are listed in the 'Principal activities and review of the business' section of this report on page 1. Effective engagement with the Company's regulators is fundamental to the business which requires various regulatory permissions to operate (refer to page 1). During 2021 the Company hosted United Kingdom Allowances (UKAs) emissions auctions on behalf of the UK Government, this followed the launch of a UK ETS replacing the UK's participation in the EU ETS.	The Board and senior management meet with the Company's regulators on an ongoing basis. Routine reports capturing a broad range of data are provided to the FCA and other regulators. Further, the President and senior management shares knowledge and expertise with regulators, legislators and industry organisations to contribute to the development of policy initiatives. Information provided by management to the directors and approved by the Board at its meetings is available to the Company's principal regulators including regulatory compliance reporting produced on a regular basis.	The Board agenda has been strongly focused on regulatory issues this year including those stemming from the end of the Brexit transition period. During the year, discussions with regulators enabled the launch of several new products and programmes to develop liquidity. The Company continues its significant communication and engagement with regulators regarding COVID-19 related matters focusing on ensuring transparency and contributing to market stability. Other key topics included LIBOR transition, technology and operational resilience, and the development of further regulatory policy in response to for example the UK's exit from the European Union. Maintaining good relationships with policy makers and regulators and ensuring compliance with applicable legal and regulatory obligations helps to contribute towards maintaining high standards of business conduct.

Strategic Report (Continued)
For the Year Ended 31 December 2021

Stakeholder group	Form of Engagement	Key topics and impact of engagement
Community and society The global financial market community and wider society including the environment are stakeholders impacted by the actions and continued success of the Company. As a globally important futures exchange, the Company's business and success or failure impacts the community in which it operates and the wider society. The 2021 ICE Group's Corporate Responsibility Report and more information about ICE's approach to sustainability can be found by visiting: https://www.ice.com/about/corporate-responsibility. This report addresses a range of key topics that are also relevant for the Company	The President and certain members of senior management and the Board engage in consultation and advisory activities with governments and policy makers on matters concerning key industry developments and initiatives. Additionally, the Company regularly responds to consultation documents issued by various regulatory bodies during policy formation. Such responses may be submitted on behalf the Company or as part of a response from the ICE Group. Staff Members and occasionally directors, present at industry events, for example Eurofi, FIA, CityUK, City Week and Institutional Investors. The global markets operated by the Company provide transparent, market-based pricing to help companies make better decisions when allocating resources and investing in more sustainable technologies and innovative solutions. We assess the impacts of our suppliers' products and services and engage with them whenever possible to limit environmental impacts. We believe that it is important to create opportunities for ICE and its people to make a difference by helping others in our communities. We pursue that goal through financial support and volunteering our time and talents using several channels, including, charitable donations funded both by ICE and through fine income generated by enforcement action taken by the Company, an employee matching program, corporate sponsorships and community investments.	Key topics of engagement include Brexit, the energy transition, and interest rate benchmark reform. A focus on mitigating climate change is driving a transition toward cleaner energy sources. As demand for transparent pricing in carbon grows, the Company supports market-based solutions through its suite of environmental products. Our customers can access a broad portfolio of derivatives - covering emissions, carbon offsets, renewable energy and renewable fuels. We offer critical risk management tools and help businesses meet government-mandated emissions reduction targets in a cost-effective manner. The Company operates a certified environmental management system to ensure that we meet and, wherever possible, exceed compliance obligations such as legal and regulatory requirements, industry standards and other voluntary commitments related to our environmental aspects. The ICE Group's Modern Slavery Statement and GDPR Statements are available on the ICE website and these statements apply to the Company. The Company's Streamlined Energy and Carbon Report ('SECR') disclosures are presented at an ICE UK Group level in the financial statements of ICE Europe Parent Limited, which will be publicly available via Companies House.

Strategic Report (Continued)
For the Year Ended 31 December 2021

Principal decisions

The Company defines principal decisions as those made during the year that are material and significant to any key stakeholder groups as defined in the Stakeholder engagement section of the Strategic Report. In making the following principal decisions the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct.

Decision	Impact	Stakeholder considerations
Financial resources regulatory requirement		
The Board reviewed and approved the annual FCA regulatory capital requirements and the amount of capital and financial resources allocated to meet these requirements (see note 14 for amounts). The Board also reviews and approves the annual budget which is used as part of the determination of the regulatory capital requirements.	Holding sufficient capital to safeguard against risk and meet ongoing regulatory requirements is necessary for the immediate and long-term sustainability and success of the Company and underpins the business model. The Board has established a risk appetite in respect of the minimum capital and financial resources it determines to be acceptable for the Company to hold.	Restricting and safeguarding appropriate amounts of capital is a fundamental consideration for all the Company's stakeholders. The Company seeks to ensure it has adequate levels of capital to protect against the risk of disruption to the provision of exchange services to customers or be able to wind down or restructure following a stress event, if necessary. The Company's approach to ensuring (i) capital held is sufficient, to ensure the Company is at all times able to comply with its regulatory obligation; and (ii) that it is robustly managed, contributes to overall market stability.
Dividends		
The Board reviewed and approved a total of $90.5 million in dividend distributions which were paid during the year, see note 21.	The Board duly considered the Company's ongoing operational, capital, regulatory and legal requirements and incorporated adequate contingency for reasonable foreseeable future events in order to assess suitability of making a distribution. These considerations included an assessment of any additional risks and potential financial and operational demands associated with the COVID-19 pandemic. The Company is not a public lender or liquidity provider and is not exposed to credit risk the same way Banks or insurance providers are that had their dividend payments restricted by regulators due to the COVID-19 pandemic. No alternative use of capital was identified as having been foregone in favour of the dividends paid as all financial resources and capital required for other principal decisions made had been provided for.	The Board considered the dividends to be in the best interests of the Company having carefully considered the impact to all of its stakeholders based on the information provided by senior management at the time of each dividend. No single or combined stakeholder groups were left disadvantaged or lacking resources otherwise needed following the dividend declarations. The Company did not access the COVID Corporate Financing Facility (CCFF) and has not accessed and has no plans to, nor any reasonable expectation that it will, access any other COVID-19 related government liquidity facilities.

Strategic Report (Continued)
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Decision	Impact	Stakeholder considerations
Board appointments In February 2021 Mr. Abbott was formally appointed to the Company's Board of directors.	Mr. Abbott brings extensive experience skills and knowledge of the global energy sector serving the needs of the Company and its stakeholders.	The appointment of a Director is subject to a rigorous procedure performed by the Nominations Committee of the Company including in consultation with ICE Group. This procedure includes interviews with various members of management and the Board of Directors and notification to certain regulators.
Transition of European Union Emission Allowance Contracts to ICE Endex In June 2021 ICE EUA Futures and Options, ICE EUA Daily Futures and ICE EUAA Futures contracts transitioned from the Company to ICE Group Exchange, ICE Endex Markets B.V.	The transfer was made as a result of increasing customer demand for execution of European Union Emission Allowances in the European Union.	The Company engaged with members and their customers regarding arrangements for the transfer, communicating key dates and arrangements to the market through announcement and transition date. A transition management plan was agreed between the Company, ICE Endex and ICE Clear Europe to minimize impact on members, customers and vendors. The transitioned contracts continue to be cleared by ICE Clear Europe and benefit from the same margin offsets within ICE's global energy complex.
LIBOR transition plan Following the FCA announcement to no longer compel banks to submit to ICE LIBOR ("LIBOR") after 31 December 2021, by this date the Company developed and successfully executed a transition of all affected contracts (contracts referencing GBP and CHF LIBOR rates) to contracts referencing alternative replacement rates using a conversion mechanism of outstanding Open Interest ("OI").	LIBOR is a widely used benchmark for short-term interest rates (STIRs). Used globally, LIBOR is often referenced in derivative, bond and loan documentation, and in a range of consumer lending instruments such as mortgages and student loans. Since the benchmark reform process began ICE, including the Company and ICE Clear Europe, alongside participants in global and domestic financial markets has worked to develop and adopt alternative RFR products as a replacement to LIBOR.	The Company has launched contracts, referencing SONIA, SOFR and SARON as the preferred alternative RFRs for pound Sterling, US Dollar and Swiss Franc, respectively. The Company's product development efforts focused on RFRs and commitment to creating the broadest multi-currency product suite to service its users and support them through the transition process. ICE published a consultation paper in October 2020 ahead of the planned cessation date to members inviting comment regarding the transition plan and conversion approach of LIBOR based futures to RFRs. Rule changes required as part of the transition plan were subject to public consultation.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks:

1. Global economic, political and financial market events or conditions may negatively impact the Company, including the impact of climate change and the transition to renewable energy and a net zero economy.

2. The Company's business and the business of many of the Company's clients has been and continues to be subject to increased legislation and regulatory scrutiny. The Company's compliance and risk management methods, as well as its fulfilment of its regulatory obligations, might not be effective, which could lead to enforcement actions by the Company's regulators. The Company faces the risk of significant actions by regulatory and tax authorities and could be subjected to new or substantially higher taxes or other governmental charges in connection with the undertaking of its business.

3. The Company's business is subject to the impact of inflation and financial markets volatility, including the prices and interest rates underlying derivative products, due to conditions that are beyond the Company's control.

4. The Company faces intense competition; failure to keep up with rapid changes in technology and client preferences could negatively impact our competitive position. The Company may not be successful in offering new products or technologies or in identifying opportunities and damage to the Company's reputation could damage our business. Financial benchmark reform (LIBOR) and the evolution of energy benchmark product are factors that could have an adverse impact on transaction volumes.

5. The Company's systems and those of ICE and other of the Company's third party service providers may be vulnerable to cyber-attacks, hacking and other cyber security risks, which could result in wrongful manipulation, disclosure, destruction, or use of our information or that of a third party, or which could make the Company's members unable or participants unable or reluctant to use our electronic platforms.

6. The Company relies on intercompany and third party service providers and other suppliers for a number of services that are important to the business, including ICE's trading platform. An interruption or cessation of an important service, data or content supplied by any party, or the loss of an exclusive license, could have a material adverse effect on the business.

7. The Company's success largely depends on key personnel, including senior management, and having adequate succession plans in place. The Company may not be able to attract, retain and develop the highly skilled employees needed to support the business.

The directors believe the following to be key risks:

Regulation

EU market participant access

On 8 February 2022 the European Commission adopted a decision to extend temporary equivalence for UK central counterparties (‘CCPs’) until 30 June 2025. This followed the previous 18-month temporary equivalence decision, which began to apply as of 1 January 2021. Based on this temporary equivalence, ICE Clear Europe Limited (‘ICEU’) has been recognised by ESMA as a third-country CCP in accordance with the European Markets Infrastructure Regulation, or EMIR. In December 2021, ESMA published its comprehensive review of the systemic importance of ICEU, currently designated as a Tier 2 CCP, and determined not to issue a recommendation for derecognition. ESMA instead proposed that measures be considered by relevant EU institutions and authorities to mitigate risks related to Tier 2 CCP clearing services identified as being of substantial systemic importance to the EU (including services provided by

ICEU). ESMA also proposed regulatory and supervisory measures that incentivise EU clearing participants and clients to reduce their exposures towards Tier 2 CCPs and enhancements to ESMA's supervisory powers.

Separately, the Company will continue to be able to permit access to its platform from relevant EU jurisdictions. The absence of an equivalence decision by the EU for U.K. trading venues, however, may result in increased costs for certain EU market participants, which could impact the Company's trading volumes and the impact to our business and the potential for regulatory changes remain uncertain at this time.

Coronavirus (COVID-19) pandemic

Since March 2020, the coronavirus (COVID-19) pandemic has created economic and financial disruptions globally and has led governmental authorities to take unprecedented measures to mitigate the spread of the disease, including travel bans, border closings, business closures, quarantines and shelter-in-place orders, and to take actions designed to stabilise markets and promote economic growth.

From an operational perspective, the ICE Group and the Company have continued to operate and there are no plans to close any business operations as a result of the COVID-19 pandemic. However, due to the COVID-19 pandemic, preventative measures have been taken and contingency plans implemented, and in accordance with UK Government guidance many employees worked remotely for much of 2021.

From a financial perspective, global health concerns relating to COVID-19 and preventive measures taken to reduce its spread have created significant volatility in financial markets, which has resulted in higher trading volumes for some of the Company's contracts.

The ICE Group and the Company continue to monitor government mandates in determining office re-openings, re-closures and work-related travel. The full extent of the impact of the pandemic on the Company will depend on future developments, including the duration, spread and severity of the outbreak, the effectiveness of vaccines against COVID-19 over the long term and against new and emerging variants thereof, and the actions taken to contain the spread of the disease or mitigate its impact. We continue to monitor this dynamic situation, including guidance and regulations issued by governmental authorities. In light of the continually evolving nature of the COVID-19 outbreak, it is not possible at this time to estimate the ultimate effect of the pandemic on the Company's business, results of operations or financial condition in the future.

ICE put a dedicated team in place to manage the COVID-19 pandemic response in regards to Company and Group employees; adapting to rapidly changing developments, addressing individual concerns, and sharing information across the Company and the ICE Group. Firm-wide emails were sent frequently, with updates including preventative health guidance and work from home tips; a dedicated section on our employee intranet with an FAQ, the ability to track office closures and new IT tools.

In addition, to the extent that COVID-19 may adversely affect the business, financial condition or results of operations, it may also heighten other risks described in this section.

Russia-Ukraine conflict

The impact of the geopolitical tensions associated with the Russia-Ukraine conflict are multifaceted and complex, and the overall potential impact on the Company is not able to be estimated. Whilst there is no current indication of a first order impact on the Company's day-to-day operations, we are not able to know at this time what the ultimate effect of the conflict will be on the global economy and the Company and this will depend on how the conflict develops. We continue to monitor this dynamic situation.

Risk management

Credit risk

Credit risk is the risk that customers will fail to honour their agreed obligations and will fail to perform under their contractual commitments in relation to services provided by the Company.

Credit risk is managed by credit dispensing policies and compliance monitoring in relation to credit sanctioning procedures. Credit exposures from related accounts are aggregated and monitored on a consolidated basis. Note that the Company faces limited exposure to credit risk as a high proportion of its revenues are collected by a fellow subsidiary which has rigorous risk management policies.

Market risk

Market risk arises from adverse movements in foreign exchange rates, interest rates, equity shares and other securities prices, and commodity and energy prices. Those risks are managed by the Company on the basis of agreed limits which are kept under continuous review. Compliance is monitored through management reporting and the audit process.

Interest rate risk arises as a result of timing differences on the repricing of assets and liabilities. The Company has exposure to market risk for changes in interest rates relating to its cash and cash equivalents and short-term investments. The Company would not expect its operating results or cash flows to be significantly affected by changes in market interest rates. This risk is managed by regularly reviewing the returns received on the Company's investments.

Currency risk results from adverse movements in the rates of exchange between currencies arising as a result of the existence of a net currency position in one or more currencies. The Company seeks to mitigate the effect of currency exposures by ensuring, as far as is possible, that it holds an equal amount of monetary assets and liabilities that are denominated in currencies other than the USD.

Liquidity risk

Liquidity risk is the risk that the Company is unable to fully or promptly meet payment obligations and potential payment obligations as and when they fall due. This risk includes the possibility that the Company may have to raise funding at higher cost or sell assets at a discount.

The Company is highly cash-generative but still aims to mitigate liquidity risk by managing cash generated by its operations and applying cash collection targets for its membership fee income.

Capital management

As a Recognised Investment Exchange, the Company is subject to regulatory capital and liquid financial asset maintenance requirements which are based on the Company's level of operating costs. Adherence to the requirements is monitored and reported to the Financial Conduct Authority on a monthly basis.

Operational risk

Operational risk arises from disruption in the provision of exchange services. The Company aims to proactively reduce the probability and severity of unexpected losses.

Strategic Report (Continued)
For the Year Ended 31 December 2021

This report was approved by the board on 27 April 2022 and signed on its behalf.

S. Williams
Director

Directors' Report
For the Year Ended 31 December 2021

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

Directors' responsibilities statement

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

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

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

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

Results

The profit for the year, after taxation, amounted to $106,043,000 (2020: $101,623,000).

Dividends of $90,500,000 were declared by the directors and paid during the year (2020: $82,500,000).

Directors

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

J.Sprecher
P. Reed
R. Barton
D. Goone
P. Bruce (resigned 12 November 2021)
Lord W. Hague
V. Sharp
A. Whittaker
C. Dubin
S. Williams
J. Abbott (appointed 1 February 2021)

Information on how the directors have discharged their duties under s. 172 of the Companies Act 2006 is available in the Company’s Strategic Report.

Directors' Report (Continued)
For the Year Ended 31 December 2021

Streamlined Energy and Carbon Report

The Company's Streamlined Energy and Carbon Report ('SECR') disclosures are presented at an ICE UK Group level in the financial statements of ICE Europe Parent Limited, registered company number 7295772, which will be publicly available via Companies House prior to 30 September 2022.

Non-adjusting post balance sheet event

On 17 March 2022, a dividend of $37,000,000 was approved by the directors and paid by the Company on 22 March 2022.

Future developments

The directors do not foresee any change in the Company's principal activities.

Qualifying third party indemnity provisions

The Company has granted an indemnity to directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions were in place during the relevant financial year and remain in force as at the date of approving the Directors' Report.

Disclosure of information to auditors

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

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

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 April 2022 and signed on its behalf.

S. Williams
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICE FUTURES EUROPE

Opinion

We have audited the financial statements of ICE Futures Europe for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 25, 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 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 up to 27 April 2023, being not less than 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

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

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

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 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 14, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the regulations, license conditions and supervisory requirements of the Company's primary regulators the Financial Conduct Authority (FCA) and U.S. Commodity Futures Trading Commission (CFTC). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Financial Reporting Standard 102 and the relevant direct and indirect taxation regulations.
- We understood how the Company is complying with those frameworks to prevent override of controls designed to prevent fraud by enquiry of management and the directors to understand how the Company maintains and communicates its policies and procedures as well as through the evaluation of corroborating documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by making enquiries of management, and those charged with governance, and by considering their incentives to manage earnings or influence the perceptions of stakeholders.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing controls that exist at the entity level, as well as controls at the individual transaction level. We tested specific manual adjusting journal entries, where we exercised a heightened level of professional scepticism and included an element of unpredictability in the nature, timing and extent of our testing.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Andrew Bates (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
28 April 2022

Statement of Comprehensive Income
For the Year Ended 31 December 2021

	Note	2021 $000	2020 $000
Turnover	2	**266,815**	264,159
Gross profit		**266,815**	264,159
Administrative expenses		**(168,121)**	(168,123)
Other operating income	3	**30,450**	27,963
Operating profit	4	**129,144**	123,999
Loss on modification of intangible assets	10	**—**	(75)
Interest receivable	8	**97**	642
Profit before tax		**129,241**	124,566
Tax on profit	9	**(23,198)**	(22,943)
Profit for the financial year		**106,043**	101,623
Other comprehensive income for the year		**—**	—
Total comprehensive income for the year		**106,043**	101,623

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 22 to 35 form part of these financial statements.

ICE Futures Europe
Registered number: 1528617

Balance Sheet
As at 31 December 2021

	Note	2021 $000	2021 $000	2020 $000	2020 $000
Fixed assets					
Intangible assets	10		**35**		79
Tangible assets	11		**4,349**		5,736
Investments	12		**32,000**		32,000
			36,384		37,815
Current assets					
Debtors	13	**74,051**		77,874	
Cash at bank and in hand	14	**123,343**		113,643	
		197,394		191,517	
Creditors and other payables: amounts falling due within one year	15	**(55,912)**		(65,667)	
Net current assets			**141,482**		125,850
Total assets less current liabilities			**177,866**		163,665
Creditors: amounts falling due after more than one year	16		**(8,926)**		(7,588)
Other provisions	17		**(1,771)**		(1,789)
Net assets			**167,169**		154,288
Capital and reserves					
Called up share capital	20		**—**		—
Share premium account			**10,000**		10,000
Profit and loss account			**157,169**		144,288
			167,169		154,288

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2022.

S. Williams
Director

The notes on pages 22 to 35 form part of these financial statements.

ICE Futures Europe

Statement of Changes in Equity
For the Year Ended 31 December 2021

	Called up share capital	Share premium	Profit and loss account	Total equity
	$000	$000	$000	$000
At 1 January 2020	—	10,000	127,407	137,407
Comprehensive income for the year				
Profit for the year	—	—	101,623	101,623
Total comprehensive income for the year	—	—	101,623	101,623
Dividends: Equity capital	—	—	(82,500)	(82,500)
Payments under share-based payment agreements	—	—	(7,447)	(7,447)
Effect of capital contributions relating to share-based payment agreements	—	—	5,543	5,543
Decrease in amounts due under share-based payments recharge agreements	—	—	(338)	(338)
Total transactions with owners	—	—	(84,742)	(84,742)
At 1 January 2021	—	10,000	144,288	154,288
Comprehensive income for the year				
Profit for the year	—	—	106,043	106,043
Total comprehensive income for the year	—	—	106,043	106,043
Dividends: Equity capital	—	—	(90,500)	(90,500)
Payments under share-based payment agreements	—	—	(7,153)	(7,153)
Effect of capital contributions relating to share-based payment agreements	—	—	6,091	6,091
Decrease in amounts due under share-based payments recharge agreements	—	—	(1,600)	(1,600)
Total transactions with owners	—	—	(93,162)	(93,162)
At 31 December 2021	—	10,000	157,169	167,169

The notes on pages 22 to 35 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

1.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Intercontinental Exchange, Inc., as at 31 December 2021 and these financial statements may be obtained from www.ice.com.

1.3 Going concern

The Company has considerable financial resources and receives transaction revenues from a broad range of futures and options contracts across a diverse set of customers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully in spite of the current uncertain economic and regulatory outlook. The Russia-Ukraine conflict together with the associated geopolitical tensions are being closely monitored but, at present, do not materially impact the ability of the Company to continue as a going concern.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period up to 27 April 2023, being not less than twelve months from when the financial statements are authorised for issue. In reaching this determination they have considered the strong cash flows and capital resources of the Company. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, net of value added tax and incentive payments.

1.5 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.6 Tangible fixed assets and depreciation

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

Leasehold improvements and office equipment	-	5 - 15 years
Computer equipment	-	3 - 5 years

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

1.7 Investments

Fixed asset investments are shown at cost, less provision when it is considered that an impairment in value has occurred. Fixed asset investments include instruments that are non-convertible and non-puttable.

1.8 Impairment review

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

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash, that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

1.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

Debt instruments that are payable or receivable within one year, typically trade receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest. Basic financial liabilities, other than short-term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the Statement of Comprehensive Income. Short-term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.11 Dilapidations provision

The Company is required to perform dilapidation repairs on leased properties prior to the properties being vacated at the end of their lease term. Provision for such costs is made where a legal obligation is identified and the liability can be reasonably quantified.

1.12 Foreign currencies

The Company's functional and presentational currency is US dollars (’USD’ or ’$’). Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the balance sheet date.

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

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

1.13 Derivatives

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables or payables.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The Company does not undertake any hedge accounting transactions.

1.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

1.15 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Interest receivable

Interest receivable is recognised as earned.

1.17 Current and deferred taxation

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

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

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

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

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

1.19 Share-based transactions

The cost of employees' services received in exchange for the grant of rights under ICE group equity-based employee compensation schemes is measured at the fair value of the equity instruments at the date of the grant and is expensed over the vesting period. This expense in the profit and loss account is offset by the recognition of a capital contribution in reserves. In the case of Employee Stock Purchase Plans ('ESPP') and options granted, fair value is measured using the Black-Scholes pricing model. Under ESPP, employees may purchase ICE shares at a price equal to 85% of the lesser of the fair market value of the shares on the first or the last trading day of each offering period. A share-based payment expense is recognised for the 15% discount given to participating employees.

The Company has entered into recharge agreements with ICE in respect of ICE group incentive plans. Under the terms of the recharge agreements, the Company may be charged for the benefit of share-based compensation at the date of vesting/exercise, pro-rated over the period that the employees were in the service of the Company. Any amounts paid under these agreements have been recorded as a distribution of reserves.

Any liability under the recharge agreements with respect to outstanding share-based compensation, calculated at the share price at the balance sheet date and pro-rated over the life of the equity instrument, is also recorded as a distribution of reserves.

2. Turnover

An analysis of turnover by class of business is as follows:

	2021	2020
	$000	$000
Transaction fees	**123,529**	123,215
Membership fees	**1,989**	2,141
Data services	**141,297**	138,803
	266,815	264,159

All turnover arose within the United Kingdom.

Turnover, which is stated net of value added tax and net incentives amounting to $315,726,000 in 2021 (2020: $309,437,000), is derived from the continuing business of the Company, and is comprised as above.

Turnover from Data services is revenue received for the Company's market data which is distributed by an affiliated Group entity.

3. Other operating income

	2021	2020
	$000	$000
Services provided to group entities	**29,058**	27,043
Fine income	**1,392**	920
	30,450	27,963

4. Operating profit

The operating profit is stated after charging:

	2021 $000	2020 $000
Exchange differences	**1,611**	826

5. Audit remuneration

	2021 $000	2020 $000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	**327**	322
Auditors' remuneration - non-audit	**143**	135
	470	457

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 $000	2020 $000
Wages and salaries	**39,590**	34,333
Social security costs	**4,024**	3,690
Cost of defined contribution scheme	**2,029**	1,866
	45,643	39,889

Included in the wages and salaries costs disclosed above was a charge of $6,091,000 (2020: $5,543,000) in respect of share-based payment transactions.

The average monthly number of employees, including the executive directors, during the year was as follows:

	2021 No.	2020 No.
	199	190

7. Directors' remuneration

	2021 $000	2020 $000
Directors' emoluments	**2,325**	2,085
Company contributions to defined contribution pension schemes	**62**	55
	2,387	2,140

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of $1,460,000 (2020: $1,374,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to $62,000 (2020: $55,000).

9 directors (2020: 9) received shares in respect of qualifying services during the year.

Additional directors' remuneration in respect of qualifying services borne by the ultimate parent company, ICE, for the year is currently estimated at $1,100,000 (2020: $1,433,000).

8. Interest receivable

	2021 $000	2020 $000
Other interest receivable	**97**	642
	97	642

9. Taxation

	2021	2020
	$000	$000
Current tax		
Current tax on profit for the year	**24,089**	22,983
Adjustments in respect of previous periods	**(167)**	8
	23,922	22,991
Foreign tax		
Foreign tax on income for the year	**3**	3
Total current tax	**23,925**	22,994
Deferred tax		
Origination and reversal of timing differences	**175**	372
Changes to tax rates	**(902)**	(423)
Adjustments in respect of prior periods	**—**	—
Total deferred tax	**(727)**	(51)
Tax charge on profit on ordinary activities	**23,198**	22,943

Factors affecting tax charge for the year

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

	2021	2020
	$000	$000
Profit on ordinary activities before tax	**129,241**	124,566
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	**24,556**	23,668
Effects of:		
Adjustments to tax charge in respect of prior periods	**(167)**	**8**
Expenses not deductible for the year	**70**	5
Statutory deduction on share schemes in excess of accounting charges	**(362)**	(318)
Change in rates	**(902)**	(423)
Foreign tax on income for the year	**3**	3
Total tax charge for the year	**23,198**	22,943

Factors that may affect future tax charges

The headline rate of UK corporation tax for the period was 19%. On 3 March 2021 it was announced, and later enacted on 10 June 2021, that the UK corporation tax rate would increase from 19% to 25% from 1 April 2023.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The deferred tax asset is expected to decrease by $607,000 before 31 December 2022.

10. Intangible assets

	Other intangibles $000
Cost	
At 1 January 2021	**1,265**
At 31 December 2021	**1,265**
Amortisation	
At 1 January 2021	**1,186**
Charge for the year	**44**
At 31 December 2021	**1,230**
Net book value	
At 31 December 2021	**35**
At 31 December 2020	79

The intangible fixed assets recognised during the year are in relation to the costs associated with prepaid incentive schemes from which the Company expects to derive future revenue. The intangible fixed assets are amortised evenly over their useful lives which are between 4.5 and 7 years on recognition for the costs of the initial incentive scheme and subsequent drawdowns. The estimated useful life is based on the expiry of the prepaid incentive scheme which is September 2022. Amortisation is included in administrative expenses in the Statement of Comprehensive Income.

11. Tangible fixed assets

	Leasehold improvements and office equipment	Computer equipment	Total
	$000	$000	$000
Cost			
At 1 January 2021	**26,726**	**5,906**	**32,632**
Additions	**19**	**293**	**312**
Disposals	**(1,595)**	**(720)**	**(2,315)**
At 31 December 2021	**25,150**	**5,479**	**30,629**
Depreciation			
At 1 January 2021	**21,087**	**5,809**	**26,896**
Charge for the year	**1,606**	**93**	**1,699**
Disposals	**(1,595)**	**(720)**	**(2,315)**
At 31 December 2021	**21,098**	**5,182**	**26,280**
Net book value			
At 31 December 2021	**4,052**	**297**	**4,349**
At 31 December 2020	5,639	97	5,736

12. Fixed asset investments

	Other fixed asset investments
	$000
Cost and net book value	
At 1 January 2021	**32,000**
At 31 December 2021	**32,000**

Pursuant to the Company's ongoing agreement with ICE Clear Europe Limited for clearing services, the Company’s investments relate to the purchased of $32 million preference shares issued by a Group entity, Exchange Participations Limited. The proceeds from the preference share issuance have been contributed to ICE Clear Europe Limited which has added the amount to its own resources contribution to the guaranty fund. This reflects the alignment of risk sharing between the Company in its role as the exchange, the clearing house and its members. The amount of the minimum contribution is reassessed annually; no additional contribution is required in 2022. The investments are an integral part of the agreement with ICE Clear Europe Limited and are expected to be held without curtailment for the foreseeable future.

These amounts may be utilised under certain circumstances set out in the clearing house rules. The ICE Clear Europe Limited guaranty fund is a pool of resources established by the clearing house that provides additional cover in the event that the resources of a defaulting clearing member are insufficient to cover the cost of closing out their positions. Any amounts utilised by ICE Clear Europe Limited in accordance with clearing house rules are subject to replenishment by the Company. There have been no utilisations of these amounts since the first contribution was made.

The investments are held at cost less impairment as there is no reliable estimate of fair value.

The Company also owns 100% of the ordinary share capital of ICE Futures Limited, a company incorporated and registered in England and Wales. ICE Futures Limited is currently dormant.

13. Debtors

	2021	2020
	$000	$000
Due after more than one year		
Other debtors	—	7,290
	—	7,290
Due within one year		
Trade debtors	—	19
Amounts owed by group undertakings	28,156	29,649
Other debtors	1	6
Prepayments and accrued income	40,320	36,334
Tax recoverable	1,055	784
Deferred taxation (note 18)	4,519	3,792
	74,051	77,874

14. Cash at bank and in hand

	2021	2020
	$000	$000
Cash at bank and in hand	123,343	113,643
	123,343	113,643

As a Recognised Investment Exchange, the Company is required by the Financial Conduct Authority to restrict the use of the equivalent of six months of operating expenditures plus an amount for an operational risk buffer, subject to certain deductions, in cash or cash equivalents or investments at all times. As of 31 December 2021 the the amount held by the Company was $100,000,000 (2020: $100,000,000) and these amounts form part of the cash at bank and in hand balance.

15. Creditors and other payables: Amounts falling due within one year

	2021 $000	2020 $000
Trade creditors	**627**	442
Amounts owed to group undertakings	**5,394**	5,252
Other taxation and social security	**2,427**	4,205
Accruals and deferred income	**47,464**	55,768
	55,912	65,667

All creditors are unsecured. Accruals and deferred income include $2,978,000 (2020: $3,123,000) due under share-based payments recharge agreements.

16. Creditors and other payables: Amounts falling due after more than one year

	2021 $000	2020 $000
Accruals and deferred income	**8,926**	7,588
	8,926	7,588

Accruals and deferred income include $8,299,000 (2020: $6,554,000) due under shared-based payments recharge agreements.

17. Provisions

	Provision for dilapidation $000
At 1 January 2021	**1,789**
Credited to profit or loss	**(18)**
At 31 December 2021	**1,771**

The above provision has been recognised for expected costs to remove alterations to leased premises on lease expiry in September 2024.

18. Deferred taxation

	2021 $000	2020 $000
At beginning of year	**3,792**	3,741
Credit to the profit and loss	**727**	51
At end of year	**4,519**	3,792

The deferred tax asset is made up as follows:

	2021	2020
	$000	$000
Decelerated capital allowances	**2,991**	2,714
Other timing differences	**1,528**	1,078
	4,519	3,792

19. Derivatives

The Company did not recognise an asset or liability at 31 December 2021 (2020: none) for its forward foreign currency contracts held at fair value. During the year the Company recognised total losses in the fair value of forward foreign currency contracts of $479,000 (2020: losses of $1,785,000), these are included in administrative expenses in the Statement of Other Comprehensive Income.

20. Share capital

	2021	2020
	$000	$000
Allotted, called up and fully paid		
101 (2020: 101) Ordinary shares of $1.00 each	**—**	—

The Company is a private company limited by shares and incorporated under the laws of England and Wales.

21. Dividends

	2021	2020
	$000	$000
Dividends paid on equity capital	**90,500**	82,500
	90,500	82,500

On 17 March 2022, a dividend of $37,000,000 was approved by the directors and paid by the Company on 22 March 2022.

22. Pension commitments

The Company operates money purchase pension schemes for eligible employees. The assets of the schemes are held separately from those of the Company in independently administered funds. There were no contributions outstanding at 31 December 2021 (2020: nil).

23. Operating lease commitments

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	$000	$000
Not later than 1 year	**5,076**	5,165
Later than 1 year and not later than 5 years	**8,829**	14,068
	13,905	19,233

Total lease payments recognised as an expense during the year were $4,777,000 (2020: $4,348,000).

24. Ultimate parent undertaking and controlling party

The Company is owned by ICE Futures Holdco No. 1 Limited and ICE Futures Holdco No. 2 Limited, both companies incorporated and registered in England and Wales. ICE Futures Holdco No. 1 Limited holds substantially all of the shares of the Company, with ICE Futures Holdco No. 2 Limited holding one nominee share. The ultimate parent company and controlling entity is Intercontinental Exchange, Inc., a corporation registered in Delaware, United States.

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

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

25. Registered office

The registered office of the Company is:

Milton Gate
60 Chiswell Street
London
EC1Y 4SA
United Kingdom