CLARKSON PLC

In a fast-changing world, we are leading positive change.

2023 Annual Report

2023 highlights

Revenue*

£639.4m

2022: £603.8m

Underlying profit before taxation*^

£109.2m

2022: £100.9m

Reported profit before taxation

£108.8m

2022: £100.1m

Dividend per share

102p

2022: 93p

* Classed as a key performance indicator. Refer to page 20 for more information.
^ Classed as an alternative performance measure. See below for further details.

Contents

Forward-looking statements

Certain statements in this Annual Report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Alternative performance measures ('APMs')

Clarksons uses APMs as key financial indicators to assess the underlying performance of the Group. Management considers the APMs used by the Group to better reflect business performance and provide useful information. Our APMs include underlying profit before taxation and underlying earnings per share. See pages 219 and 220 for further information on APMs.

Throughout this Annual Report you will find a series of icons which will direct you to further information:

Scan the QR code to access video content.

Find out further information in other parts of this Annual Report.

Access further information online.

A fast-changing world

In 2023, shipping has had to rise to the challenge of increasing disruption and complexity.

The drive to emission reduction has created a need for fuelling transition; new advanced technology has enabled enhanced risk management, improved efficiency and data-led decision-making; and geo-political shifts and climate change have created focus on energy and food security irrespective of changing trade flows and other disruptions.

But navigating change and complexity is what we do best.

At a glance

We enable smarter, cleaner global trade by empowering our clients and our people to make better informed decisions using our market-leading technology and intelligence. In doing so, we meet the demands of the world's rapidly evolving maritime, offshore, trade and energy markets.

Read more:
Our business model on pages 22 and 23.

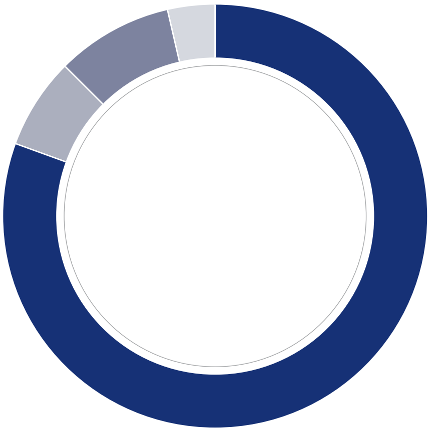
Enabling global trade

24	Countries in which Clarksons operates
64	Clarksons offices
2,000+	Employees
85%	Of global trade carried on ships
1.5 tonnes	Seaborne trade per capita in 2023
12bn tonnes	Of global seaborne trade in 2023

At the heart of global shipping

We offer a complete ecosystem of maritime services. Our integrated offering is powered by intelligence, providing authoritative insight, industry know-how and smarter solutions.

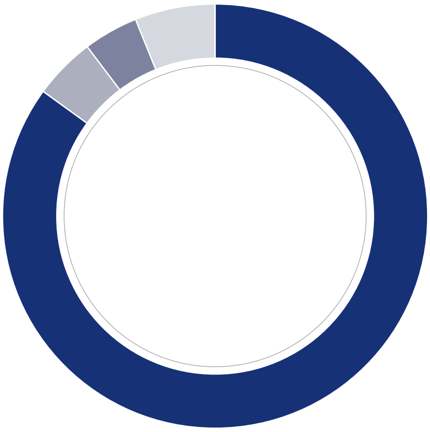
Share of revenue



	2023 £m	2022 £m
■ Broking	**516.8**	495.5
■ Financial	**44.1**	49.8
■ Support	**56.6**	39.0
■ Research	**21.9**	19.5

Read more:
Financial review on pages 16 to 19.

Segmental split of underlying profit before taxation



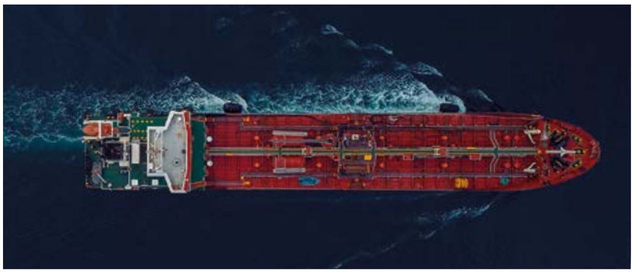
	2023 £m	2022 £m
■ Broking	**121.2**	117.6
■ Financial	**6.6**	7.8
■ Support	**6.4**	5.0
■ Research	**8.4**	7.0

Read more:
Business review on pages 32 to 57.

Leading positive change

Change in our industry is constant. And with an accelerating green transition, change is increasingly being driven by new and complex regulation and process. Our resilience, innovation and understanding of our industry ensure we can respond to and lead change successfully and sustainably in an ever-more complex world.

Fuelling transition



Informing shipping strategies and innovative solutions
We're continuing to work with our clients and industry partners to explore sustainable solutions to the fuelling transition, which will be vital to the move towards a lower-carbon future for the maritime industry.

Click to read more at www.clarksons.com/green-transition

Offshore renewables

Investing in our support for the offshore renewables industry
Our leading offshore renewables team provides comprehensive services to all stages and sizes of offshore wind renewable energy projects. We enhanced our global presence during the year through a new Edinburgh office and the expansion of our US team.

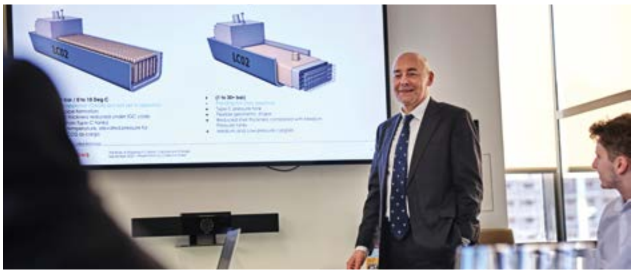
Click to read more at www.clarksons.com/broking/renewables/

Diversity

Inspiring the next generation of women in maritime
We highlighted stories from women across Clarksons and held a successful networking event to bring together women from across the business and drive collaboration and community.

Click to read more about women at Clarksons at www.clarksons.com/women-in-shipping

Decarbonisation



Driving CO_2 solutions through collaboration
We joined the Carbon Capture and Storage Association, contributing to the evolution of this exciting new market that will drive commercial decarbonisation.

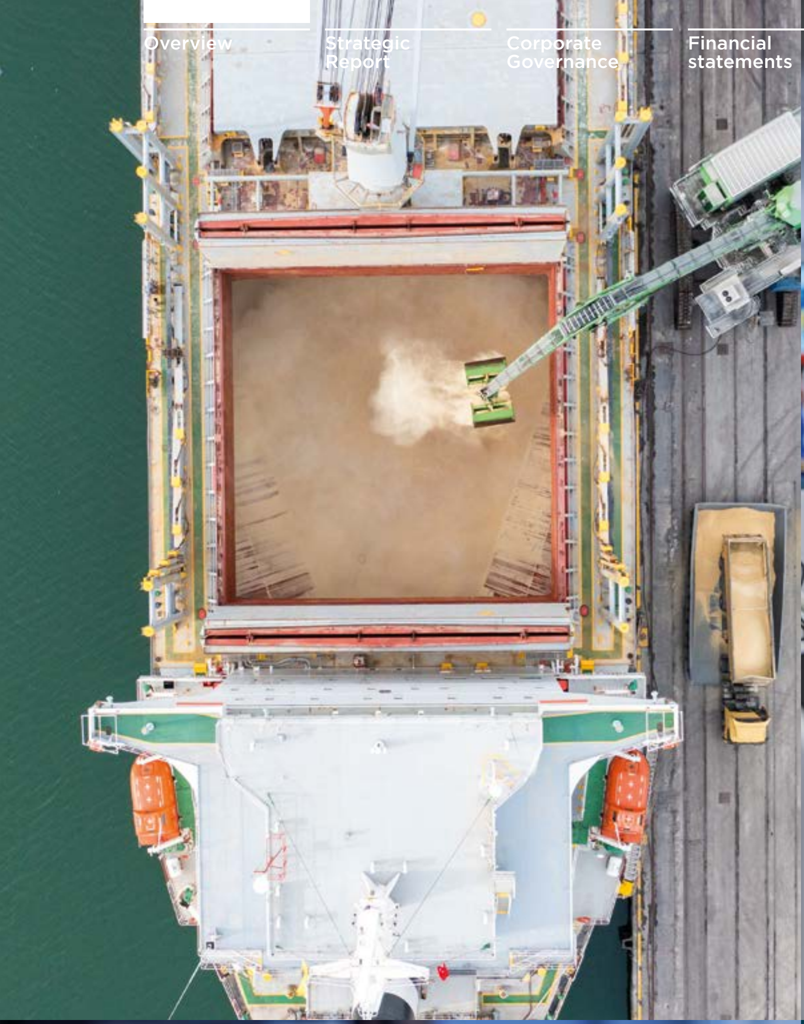
Click to read more at www.clarksons.com/clarksons-joins-ccsa/

We are leading positive change

At Clarksons, we help our clients and our people to navigate change, make strategic decisions, solve problems, adapt to meet challenges and capitalise on opportunities.

Our market-leading intelligence means we can map and understand every global change impacting on maritime, from the political to the environmental. We make sense of the bigger picture, so we can join the dots and drive smarter, faster and cleaner decisions.

In a fast-changing world, Clarksons is at the heart of the conversations that count. We advise our clients not only how to respond to change, but how to stay ahead.



Clarity in a fast-changing world

The impact of climate change

The ongoing drought conditions in the Panama Canal – a key waterway with more than 13,000 transits per year involving 2.5% of global trade – continues to disrupt global trade.

We provide expert insight into canal transit restrictions, congestion times, vessel re-routing, and its impact on freight rates.

Read more:
Our markets
on pages 24 to 29.
Business review
on pages 32 to 57.

Driving greener solutions

Our clients are investing in new and innovative technologies that will help drive the world's progress towards lower emissions. We help our clients understand and execute these complex but vital investments.

Click to read more:
www.clarksons.com/clarksons-and-hydrogenious/

Advising on fleet renewal decisions

The average age of the world fleet is increasing. And new CII regulations mean a third of tonnage could report D or E ratings, highlighting the need for a huge programme of fleet renewal. With ship owners needing to make crucial fleet renewal decisions, we're helping them to gain clarity on how the fuelling technology they choose will perform, alongside chartering potential.

Read more:
Our markets
on page 28.

Click to read more:
www.clarksons.com/news-and-insights/2022/ammonia-and-the-cuckoo-in-the-nest/

Unlocking cleaner energy

Offshore renewables will play a vital role in the world's energy transition. The number of offshore wind farms and turbines is growing rapidly, providing vital clean energy. We're accelerating the discussion around investment in offshore wind, and helping facilitate the shipping support and finance needed.

Read more:
Business review
on pages 32 to 57.
Our impact
on pages 80 to 81.

Click to read more:
www.clarksons.com/
the-future-of-offshore-energy/

Understanding the regulatory landscape

Regulation is driving change. IMO 'short-term' measures are influencing investment decisions and operational behaviour, and with a net zero commitment for the first time, regulation is accelerating. Our understanding allows us to guide our clients through the increasingly complex regulatory landscape.

Read more:
Business review
on pages 32 to 57.
Our impact
on pages 80 to 81.

Click to read more:
www.clarksons.com/
green-transition

Clarity in a fast-changing world

Understanding impact drives cleaner decisions.

The impact of the green transition is starting to be felt now more than ever.

New and significant regulation came into effect in 2023, with the CII introducing an emissions rating system for all deep sea vessels. And from 2024, the EU ETS has introduced a price on CO_2 emissions for European shipping.

Regulation will increase the need for replacement as older vessels become non-compliant and less competitive.

Alternative newbuild fuel orders are increasing. By 2026, the number of LNG fuel-capable vessels on the water will have doubled. Investments in methanol, and now ammonia, fuelling are also growing. Around a third of shipping capacity is now fitted with at least one form of significant Energy Saving Technology.

But the ongoing uncertainty regarding fuel and technology may also limit orders and delay the fuelling transition in some segments, impacting market supply and demand.

As the industry finds its way through the energy transition, Clarksons continues to be at the heart of the conversation and lead positive change.

> “Understanding the energy transition challenges means we can lead the change.”

Kenneth Tveter
Head of Green Transition

Clarity in a fast-changing world

Transforming with trust

From the impact of technology on society and economies, to the growth in cyber security, data mining and malicious use, new technology brings risk as well as opportunity.

For Clarksons, trust is part of our currency. The authority of our data has always been market-leading, and as we continue to take strides in digital innovation, this remains paramount.

Read more:
Our markets on page 29.
Risk management on pages 64 to 73.

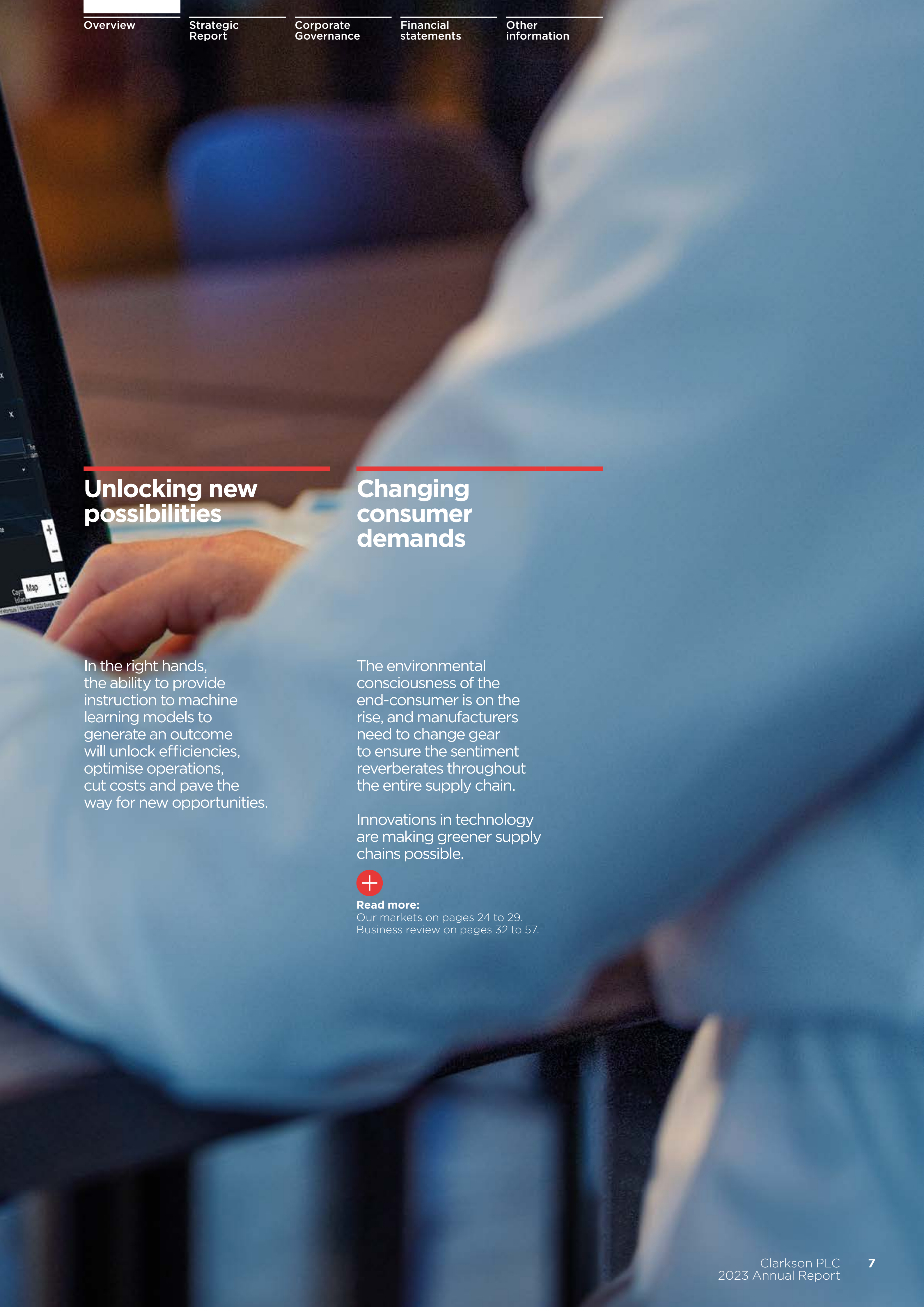
Harnessing data to optimise performance

The ability to leverage data and act on it efficiently will bring greater competitive advantage in our industry.

Technology is key.

We invest in technology and data across all our business lines – our core broking teams have tools for trade, while our brokers and analysts have access to proprietary tools, enabling them to perform their roles with greater insight and market knowledge.

Click to read more:
www.clarksons.com/leveraging-data-for-stronger-client-service/



Unlocking new possibilities

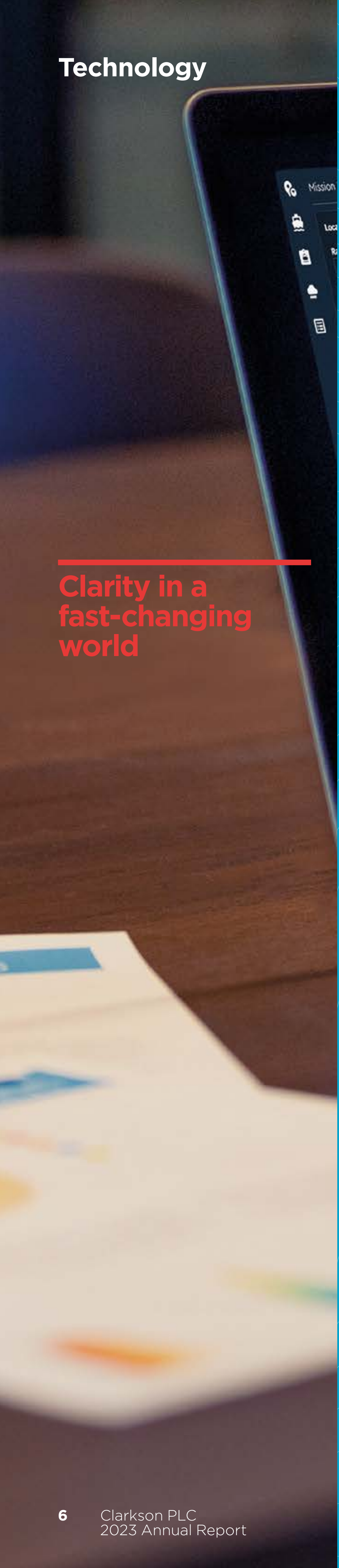
In the right hands, the ability to provide instruction to machine learning models to generate an outcome will unlock efficiencies, optimise operations, cut costs and pave the way for new opportunities.

Changing consumer demands

The environmental consciousness of the end-consumer is on the rise, and manufacturers need to change gear to ensure the sentiment reverberates throughout the entire supply chain.

Innovations in technology are making greener supply chains possible.

Read more:
Our markets on pages 24 to 29.
Business review on pages 32 to 57.



Clarity in a fast-changing world

Changing performance, transforming possibilities.

Technological innovations will unlock new possibilities, address complex challenges and drive sustainable growth and societal impact.

How can shipping leverage new technologies in a way that progresses the industry? The ability to optimise voyage routes, use decision-modelling tools for fleet utilisation, calculate voyage speeds to coincide with regulatory requirements, weather patterns and port congestion is already a unique advantage to the Clarksons offering and how we work with clients.

But staying curious and innovative means we can continue to meet the needs of global trade whilst encouraging collaboration among stakeholders.

Success and speed of adoption will be dependent on trust. Shipping must use innovative technology to digitalise its workflows but needs trusted partners that understand, not just technology, but also our industry.

> “By staying curious and innovative, we lead positive change.”

Eli Perpinyal
Head of Digital Transformation

Clarity in a fast-changing world

A return to growth

Shipping is at the heart of global trade, with economic development and population trends driving growth. Seaborne trade volumes returned to growth in 2023, expanding by 3% year on year to reach 12.3bn tonnes. Geo-political events and underlying trends towards longer-haul trading routes have driven even higher tonne-mile growth of 5%, the highest levels for six years. We advise our clients how this growth will impact markets and we also benefit from expanded volumes as we play our vital role in enabling global trade.

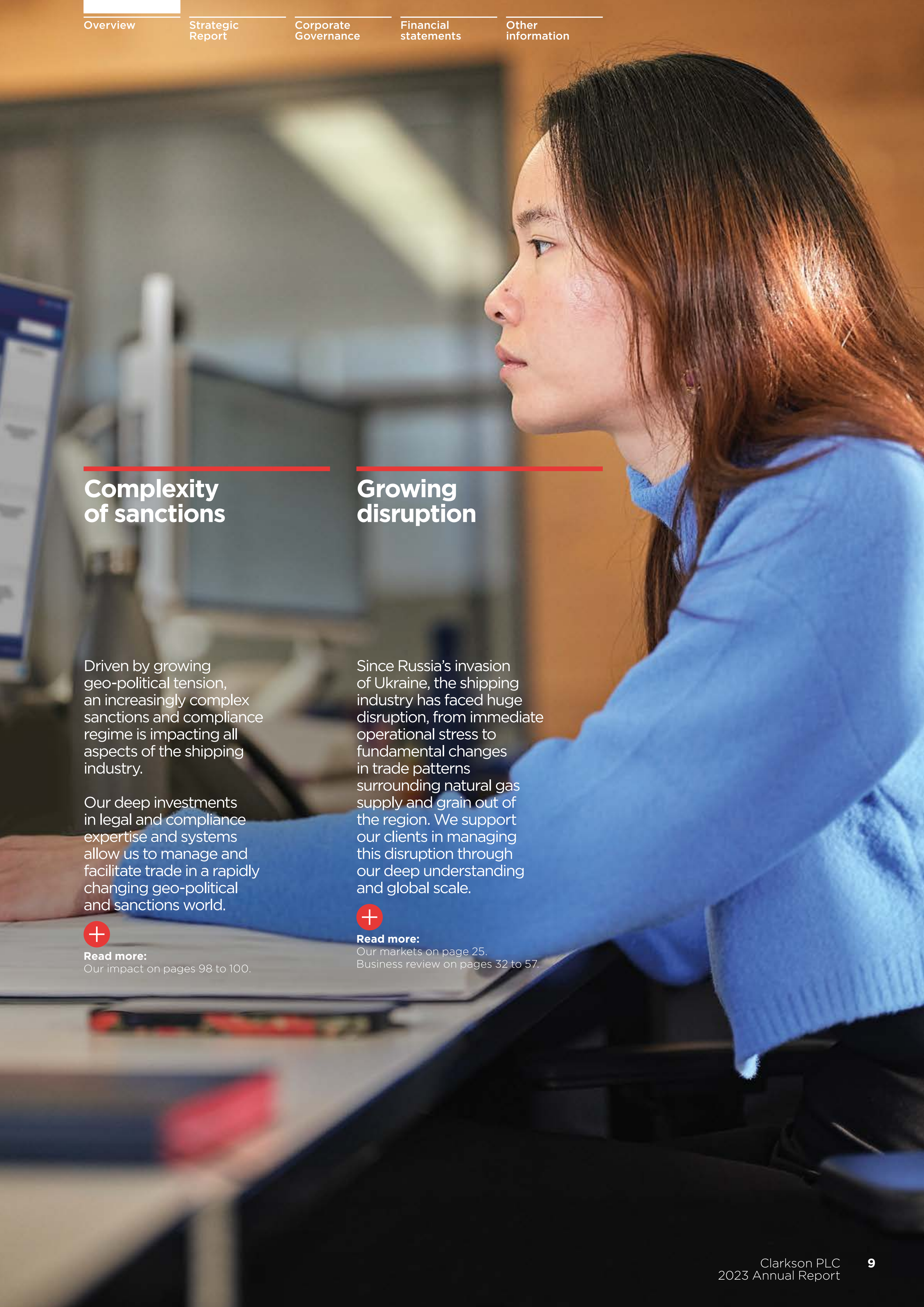
Read more:
Our markets on pages 24 to 29.
Business review on pages 32 to 57.

Greater distances

The Russia-Ukraine conflict has led to a fundamental redistribution of trade flows, with Russian oil heading further east and European imports pivoting towards longer-haul suppliers. Recent Red Sea disruption is also diverting trade, creating additional shipping demand and volatile freight and charter markets.

Clarksons' global presence and insights mean we can continue to help our clients manage this bifurcation of trade.

Read more:
Our markets on page 25.



Complexity of sanctions

Driven by growing geo-political tension, an increasingly complex sanctions and compliance regime is impacting all aspects of the shipping industry.

Our deep investments in legal and compliance expertise and systems allow us to manage and facilitate trade in a rapidly changing geo-political and sanctions world.

Read more:
Our impact on pages 98 to 100.

Growing disruption

Since Russia's invasion of Ukraine, the shipping industry has faced huge disruption, from immediate operational stress to fundamental changes in trade patterns surrounding natural gas supply and grain out of the region. We support our clients in managing this disruption through our deep understanding and global scale.

Read more:
Our markets on page 25.
Business review on pages 32 to 57.

Clarity in a fast-changing world

Growing complexity, managing disruption.

Trade continues to grow, reaching the equivalent of 1.5 tonnes for every person on the planet. Asia remains a growth driver for maritime trade while energy exports from the US and Middle East continue to expand.

But geo-political tensions are increasingly changing and disrupting trade patterns, influencing our markets every day. Understanding this new complexity is vital to our clients. From assessing transactional risk to modelling impacts on market supply and demand, we help them understand and manage this growth and disruption.

The speed, volume and complexity of changes in international sanctions is growing. And as a truly global business at the heart of trade, our industry is being deeply impacted.

Clarksons' continued investment into expert legal and compliance resource across our network ensures we remain at the forefront of understanding and managing this change.

> “We invest in technology and resources in order to manage risk and empower, reassure and protect our stakeholders.”

Sandra Rosignoli
Group General Counsel
and Head of Compliance

Another set of record results Consistent investment in our strategy has positioned us well.

Laurence Hollingworth
Chair

Overview

As the Chair of Clarkson PLC, I am privileged to report another set of record results. As I reflect on the drivers of this performance, despite all the disruptions to shipping faced throughout the year, I believe it comes down to a number of key factors, the seeds of which were planted many years ago. For a number of years, Clarksons has consistently invested in line with its strategy to build breadth and depth of services to its clients with leading positions in each segment. As a result, it has created a truly global company with local teams across all the key shipping geographies which are intrinsically connected to those localities.

Over this time, Clarksons has also built a large market data and intelligence capability and a technology platform, providing best-in-sector tools for trade so our outstanding colleagues can offer clients the best, most informed advice. We have strategically invested in the trends which drive our industry, whether it be the financing of the industry or, more recently, in shipping’s green transition. With global trade continuing to grow in both volume and complexity, these strategic pillars of Clarksons are providing our clients with sector-leading advice, market intelligence and capabilities.

Results

The results for 2023 reflect the strength and diversity of our business model, as well as our ability to adapt to changing market conditions. Revenue increased by 5.9% to £639.4m, driven by strong growth in our Broking, Support and Research divisions, as well as responsible treasury management. Underlying profit before taxation[1] increased by 8.2% to £109.2m. We have maintained a strong balance sheet, with net assets of £456.6m (2022: £413.2m) and free cash resources[1] of £175.4m as at 31 December 2023 (2022: £130.9m).

Dividend

In line with our progressive dividend policy, the Board has recommended a final dividend of 72p per share, bringing the total dividend for 2023 to 102p per share, an increase of 10% compared to 2022. This reflects our confidence in the future prospects of the Group and our commitment to continued delivery of shareholder returns. We are proud of our dividend growth track record, 2023 being our 21st year of consecutive dividend increases.

People

Our people are unquestionably our most important and valuable asset and the key to our success. We have a talented, diverse and dedicated team of over 2,000 employees across more than 60 offices in 24 countries, who share our vision and values. We continue to invest in their development, wellbeing and engagement, as well as in attracting and retaining the best talent in the industry. Our specialist teams are deeply embedded in their markets, enabling us to retain our market-leading positions across each market segment. I would like to take this opportunity to thank all my colleagues for their hard work, commitment and dedication to both Clarksons and to our clients.

Giving back

We are proud of our long-standing tradition of contributing to the communities where we operate and the causes we care about. In 2023, through The Clarkson Foundation, we made donations to various charitable initiatives, both at home and around the world. We have also supported many of our employees' volunteering efforts throughout the year.

We are also leading positive change by continuing to invest in the growth of our Green Transition team, which is importantly helping our clients to reduce the impact of shipping on the environment.

Board

I am grateful to my fellow Board members, whose strengths and diversity of experience bring a range of skills and perspectives to the boardroom table. In February 2024, Birger Nergaard had served nine years on the Clarksons Board. He has agreed to stay on the Board until our AGM in May 2024 where he will not be standing for re-election. A search for a new non-executive director has commenced and we will make a further announcement when appropriate. We thank Birger for his important contribution to the development and governance of the Group and wish him well for the future.

Outlook

We are optimistic about the route ahead of us. Sector trends remain favourable, global trade continues to grow in both scale and complexity, and the green transition in shipping is moving ahead apace. We believe that Clarksons is well-positioned to capitalise on these trends and opportunities, with a consistent and clear strategy, and a strong market position serving a loyal client base which is having to navigate more challenges. Sustained investment in our strategy has given us a competitive edge. With a record forward order book of secured 2024 revenues of US$217m, the Board looks to the future with confidence.

I would like to take this opportunity to thank my colleagues, our clients and our shareholders for their support as Clarksons continues to play a critical role in powering, feeding and connecting the world, regardless of the unexpected challenges the trading world presents. Clarksons is an outstanding business.

Laurence Hollingworth
Chair
1 March 2024

Investment proposition

Strong growth

We are a consistently profitable and cash-generative business

Momentum

We continue to invest to build on our position as the market leader across our core sectors

Experience

We provide best-in-class advice and service to all our clients by having the best people

Track record

This is our 21st year of consecutive dividend increases

Read more:
Governance on pages 102 to 149.

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1 Classed as an APM. See pages 219 and 220 for further information on APMs.

A year of global uncertainty Guiding our clients through an ever-more complex world.

Andi Case
Chief Executive Officer

2023 was a year of disruption in the maritime markets and I am enormously proud of, and grateful to, my colleagues across the business, who have together achieved another record year. Seaborne trade has continued to grow, and the increase in shipping demand has been exacerbated by tonne-mile impact arising from a variety of disruptions, be they climate or geo-political-related. Our results reflect our resilience, agility, and market leadership as we provide integrated advice, intelligence and services to clients, helping them make better decisions in increasingly complex times.

We have highlighted the impact of supply and demand dynamics in the shipping industry for the past few years, and the supply side remains tight in most sectors. Shipbuilding capacity is limited, the cost of building new vessels has risen with increased input costs, and financing is expensive. The green transition and the need for alternate-fuelled ships has exacerbated the squeeze, with owners being hesitant to commit to newbuilds while uncertainty remains about which fuelling technology to move forward with. As a result, the average age of the global fleet is increasing. The global fleet grew by just 3% during the year, and the global orderbook, which is still only 12% of the fleet, is highly skewed towards container and gas in the near term, which is likely to result in constraints for other markets.

Demand-supply dynamics have supported various growth drivers including global seaborne trade, increased complexity in the energy supply chain, global economic growth and rising global energy consumption. Climate, environmental issues and the green transition have played a part here too. Vessels are being run at reduced speeds to lower emissions as corporates and consumers intensify their scrutiny on carbon emissions, and reduced water levels in the Panama Canal have slowed the passage of ships through the waterway and forced many to take alternative, longer routes. The inclusion of shipping in the EU's ETS has created even greater demand for vessels, both now and for the future, which meet the requirements of both customers, who are demanding more carbon-efficient journeys, and the regulators.

The shipping markets have also had little respite from geo-political challenges since the turn of the decade. Disruptions to trade routes in any form pose challenges that reach far beyond the world of shipping. The need for the movement and surety of food, energy and goods is paramount to keeping both businesses and countries moving globally. It is in times such as these that the shipping industry has to adapt to meet new challenges. Clarksons' data and intelligence, market coverage, flexibility and depth of connectivity ensures that our clients have the tools and information to make the best decisions and maintain trade flows as efficiently as possible.

Broking

The Broking division had another successful year. Energy shipping led the way, with gas, tankers, specialised products, offshore and car carriers all experiencing strong conditions and dry bulk and containers freight rates rallying later in the year.

As global trends evolve, Clarksons' strategy to invest in all areas of shipbroking has ensured that we are able to support our clients across both mainstream and more niche markets, in every vertical. Within the car carrier market, electric vehicle manufacturers and their customers are increasingly requiring carbon-neutral delivery of both components and end products, and Clarksons' expertise in the green transition has enabled us to assist our clients' investment into this important market.

The offshore sector has seen a recovery this year as global disruption to energy supplies has created a buoyant market in which increased utilisation rates have led to a supportive rate environment. When Clarksons acquired RS Platou in 2015, we became the world's largest offshore broker with a team of unrivalled scale and expertise in the marketplace. This market-leading position now optimally positions us to capitalise on the sector recovery in 2024 and beyond as long-term targets for energy security, offshore supply and renewable energy are becoming increasingly important.

The sale and purchase team had another very successful year as demand for secondhand vessels was high, and we delivered strong newbuilding activity within the Group. Clarksons' market-leading global teams and analysts have again assisted our clients with their strategy and execution.

Segmental profit before taxation from Broking was £121.2m, up £3.6m over the year, with a margin of 23.5%.

Financial

The Financial division had a more challenging year as the real estate sector and global capital markets remained quiet. Many clients in shipping have taken advantage of the markets to pay down debt, however the team has been involved in most of the sizeable transactions in the shipping industry and continues to develop and evolve its offering to meet clients' needs. The Financial division plays a critical role in Clarksons' integrated offering for clients and secures Clarksons' position as the only full service provider in the sector.

The Financial division produced a segmental profit before taxation of £6.6m in 2023, compared with £7.8m in 2022.

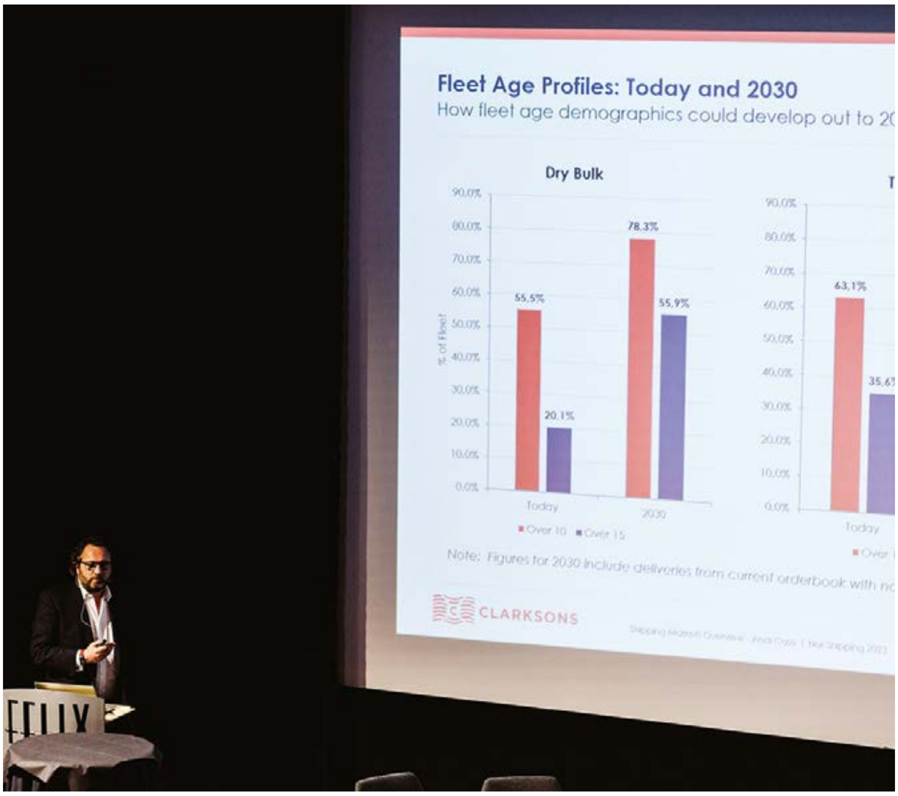
Support
The Support division in the UK, EU and Egypt had an excellent 12 months as its agency, customs clearance, canal transit and Gibb Group, its PPE and safety & survival supplier, all performed very well. Clarksons Port Services acquired DHSS early in 2023. This business is now fully integrated and has exceeded management's expectations at the time of the acquisition. Investment in office and warehouse facilities in Aberdeen has introduced new technology and capacity, enabling us to serve more clients and work more efficiently.

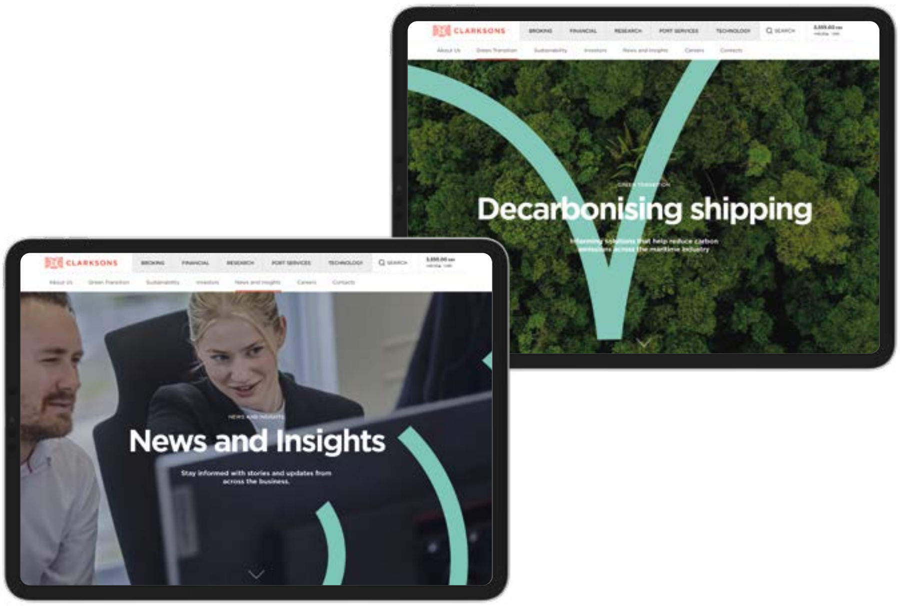
The Support division produced a segmental profit before taxation of £6.4m and a 11.3% margin in 2023 (2022: £5.0m and 12.8%).

Research
Clarksons Research is renowned as the standard bearer across the industry, with the division delivering proprietary data to both our teams and our clients to enable better decision-making. The quality of the team's unparalleled analysis and understanding of global megatrends and trade complexities, including the green transition, energy transition and fleet evolution, has resulted in recurring revenues in excess of 85% as clients seek consistently high-quality data and commentary to manage their business decisions.

The division increased segmental profit before taxation by 20.0% to £8.4m (2022: £7.0m).

Sea
We are very pleased with the progress the Sea platform has made this year as regulation, risk requirements and increasing trade complexities have led clients to seek improved governance and efficiencies in their contract management. Our investment in Sea has created an opportunity from this market trend. Revenue, both one-off and recurring, has increased, and the volume of contracts fixed on the platform continues to rise. We acquired MarDocs and brought Recap Manager back into the business over the period, further accelerating Sea's progress in digitising and managing chartering workflows from pre-fixture negotiation to at-fixture documentation.





Outlook

The business today is a reflection of two decades' investment in our strategy, and we are confident in our outstanding team, our breadth of market-leading services, our technologies and our geographic reach to meet the growing needs of our clients in a world which is ever-more complex. We nurture long-term relationships with clients and we have built a business which helps support them with their decision-making.

These investments have set the foundations for the business into the future and we are optimistic in the outlook for Clarksons in the near, medium and long term. We are unwavering in our commitment to growth and our strong forward order book for delivery in 2024 only, and which stands at US$217m, together with our much larger forward order book which stretches further into the future, gives us growing forward visibility and the confidence to continue to invest in our capabilities across the business. Our strategy of investing in market-leading positions, pioneering technology, top teams, and continually increasing the breadth and depth of our advisory capabilities has optimally positioned us to capture future opportunities in the global shipping markets. We will continue all elements of this investment strategy and seek further opportunities for M&A.

Supply and demand dynamics and the impact of the green transition, which is still in its early stages, ongoing trade disruptions and other geo-political, economic and environmental challenges will require more insights, experience, advice and connectivity than ever before. Clarksons is uniquely positioned to help guide its clients through this challenging and ever-evolving environment.

Andi Case
Chief Executive Officer
1 March 2024

Another year of record financial performance Strong cash generation enables us to continue our progressive dividend policy for the 21st consecutive year.

Jeff Woyda
Chief Financial Officer & Chief Operating Officer

Introduction

The Group delivered another excellent financial performance in 2023, with revenue of £639.4m (2022: £603.8m) and underlying profit before taxation[1] of £109.2m (2022: £100.9m), both ahead of the comparative period. Underlying basic earnings per share[1] grew 9.9% to 275.0p (2022: 250.3p).

Reported profit before tax and basic earnings per share were £108.8m (2022: £100.1m) and 275.2p (2022: 247.9p) respectively. In line with the progressive dividend policy, the recommended full year dividend of 102p, as described in more detail on page 18, represents the 21st consecutive year of growth.

Free cash resources[1] increased to £175.4m (2022: £130.9m); the Group's strong cash-generative position enables us to continue investing in the best people, market intelligence and technology to support and advise our clients. The Group also actively pursues M&A activity where this is complementary to the broader strategy.

2023 performance overview

The Broking division performed strongly, with revenues of £516.8m (2022: £495.5m) representing an increase of 4.3%. The division enhanced its market-leading position across every segment of shipping and remains well placed to advise clients in the face of ongoing trade disruptions, environmental concerns and geo-political changes affecting the industry. The division generated a segmental profit of £121.2m (2022: £117.6m) at a margin of 23.5% (2022: 23.7%).

Energy-related markets performed strongly in 2023, including gas, tankers and specialised products. Offshore markets also performed well, supported by concerns around energy security and a focus on renewable alternatives. The environment was more challenging for freight rates in dry cargo and containers, although these remain above historical levels and saw improvement into 2024 following disruption to Red Sea trade routes.

Increased scale and complexity of global trade, higher asset utilisation and environmental concerns created the backdrop for strong asset pricing and another successful year for the sale and purchase team. We continue to support clients with their asset investment strategies for both new and secondhand vessels, aligned to the wider industry focus on the green transition.

The Financial division reported revenues of £44.1m (2022: £49.8m). A challenging economic backdrop and increase in interest rates reduced revenue and profitability from real estate and project finance business. This reduction was partially offset by growth in banking where, despite more challenging capital markets, the division increased revenue, focused in M&A advisory. The offshore energy services team also had a strong year, executing a range of transactions for clients following increasing investor confidence. The division generated a segmental profit of £6.6m (2022: £7.8m) for the year.

In Support, both revenue and segmental profit increased compared to the previous year at £56.6m (2022: £39.0m) and £6.4m (2022: £5.0m) respectively. The division's core agency business performed well in both the UK and Egypt, the latter benefiting from strategic partnerships with major clients. Gibb Group also performed very strongly, investing in new facilities and people to meet strong client demand for specialist tools and safety equipment for the offshore industry. The division benefited from new business opportunities following the acquisition of DHSS, which contributed £10.8m of revenue during the year.

The Research division reported revenue of £21.9m (2022: £19.5m) and a segmental profit of £8.4m (2022: £7.0m) following continued investment in market intelligence, expanding both the breadth and depth of coverage and insight into evolving market trends. In particular, the division's strategy to provide leading data and insights around the green transition evolved in 2023, meeting strong client appetite to understand the maritime sector's decarbonisation pathway. As a market leader in its sector, the division remains well placed to provide high-quality information and analysis to clients, enabling them to make the best decisions for their business.

Administrative expenses

The Group incurred underlying administrative expenses[1] of £508.8m (2022: £481.2m), representing an increase of 5.7%. The main driver of this increase was variable compensation, aligned to the improvement in underlying profitability. In addition, the Group continued to invest in new people and teams, in training and developing our existing talent, in expanding our product footprint and in developing market-leading tools and intelligence. We remain committed to investing in all areas of the business to ensure that we can service the growing needs of our clients globally.

Acquisitions

At the beginning of the year, the Group completed the acquisition of DHSS, a renewables-focused port services business based in the Netherlands for an initial consideration of £4.1m. DHSS (now rebranded to Clarkson Port Services B.V.) has had a successful year, exceeding management's first-year expectations and making a meaningful contribution to the Support division's segmental performance. The business increases the breadth of our offering in the offshore renewables sector, as part of our wider investment and focus on the green transition across the business.

The Group also invested in Sea during the year, adding the MarDocs digital platform for consideration of £1.2m. In addition, the commercial management of Recap Manager was brought back into the Group following an agreement with the London Tanker Broker Panel. Both transactions complement the Setapp and Chinsay acquisitions made in 2022 and leave the Group strongly positioned for growth in this area.

In November 2023, the Group expanded its global coverage in dry cargo broking with the acquisition of a new team in Rio de Janeiro to complement the existing offshore and specialised product expertise locally.

Acquisition-related costs of £2.6m (2022: £0.8m), which include the above transactions, have been disclosed separately in the consolidated income statement, and relate to the amortisation of intangibles and variable remuneration recognised over the employee service periods. We estimate acquisition-related costs for 2024 to be £2.1m assuming no further acquisitions are made.

Financial performance

Revenue

£639.4m ↑

2022: £603.8m

Reported profit before taxation

£108.8m ↑

2022: £100.1m

Underlying profit before taxation[1]

£109.2m ↑

2022: £100.9m

Dividend per share

102p ↑

2022: 93p

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1 Classed as an APM. See pages 219 and 220 for further information on APMs.

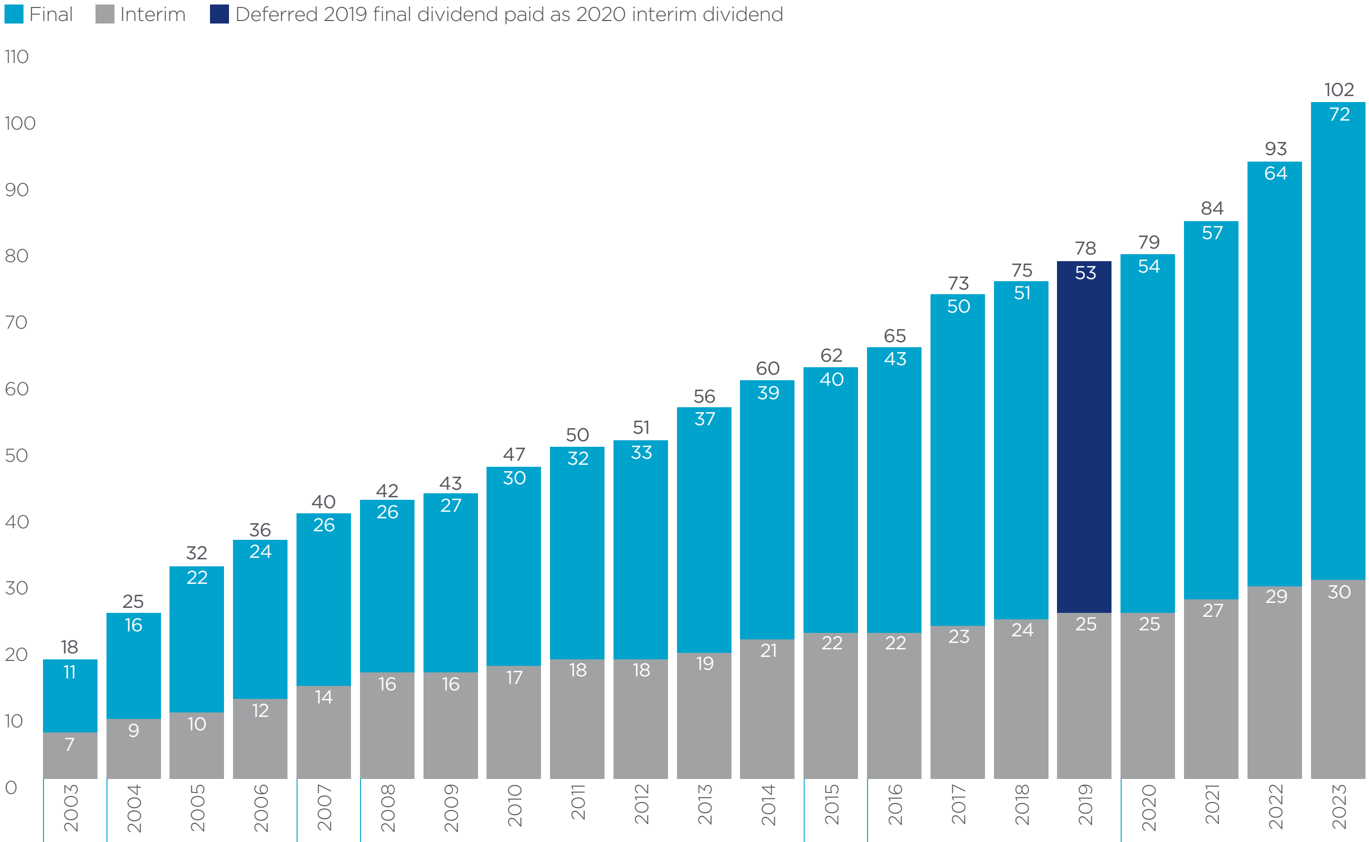
Consistent performance in a changing world

Dividend

The Board is recommending a final dividend in respect of 2023 of 72p (2022: 64p) which, subject to shareholder approval, will be paid on 24 May 2024 to shareholders on the register at the close of business on 10 May 2024.

Together with the interim dividend in respect of 2023 of 30p (2022: 29p), this would give a total dividend of 102p for 2023, an increase of 10% on 2022 (2022: 93p) and representing the 21st consecutive year the Group has increased returns to shareholders. In reaching its decision, the Board took into consideration the Group's 2023 performance, balance sheet strength, ability to generate cash and forward order book.

Dividend per share (pence)



2003
US and UK send troops into Iraq, marking the start of the Iraq War

2004
Social media platform Facebook is launched, revolutionising the way we communicate and share information

2007
Apple debuts the iPhone, putting the internet in our pockets and bringing instant news and messaging, wherever we are

2008
The global financial crisis hits, leading to a protracted downturn in the world's economy

2015
The Paris Agreement is adopted with the goal of limiting the global average temperature increase in this century

2016
The UK votes to leave the EU, triggering the process which culminates in 'Brexit' in January 2020

2020
The World Health Organization declares the worldwide outbreak of COVID-19 a pandemic, triggering global lockdowns and recessions

Exceptional items

In December 2023, the Group completed the sale of an industrial unit that it had owned for several years. The property's favourable location as part of a wider site redevelopment meant a sale in excess of market value was achieved, which resulted in an exceptional gain of £3.5m after transaction fees and costs. The Group donated £1.3m of the proceeds to The Clarkson Foundation for use in charitable projects. The activities of The Clarkson Foundation are described in more detail on pages 92 to 97. An exceptional net gain of £2.5m including tax credits of £0.3m has been disclosed separately in the consolidated income statement.

Finance income and costs

The Group reported finance income of £10.5m (2022: £1.9m), benefiting from active treasury management, a high interest rate environment and strong underlying cash generation from the business. Finance costs remained at £2.2m (2022: £2.2m) and are mainly comprised of interest expenses on lease liabilities from the Group's application of IFRS16.

Taxation

The Group reported an underlying effective tax rate[1] of 21.4% (2022: 20.4%). The Group's underlying tax rate remains stable, with the lower rate reported in 2022 including a one-off US tax credit. The effective tax rate is reflective of the broad international operations of the Group. The Group's reported effective tax rate was 21.1% (2022: 20.5%).

Foreign exchange

The average sterling exchange rate during 2023 was US$1.25 (2022: US$1.23). At 31 December 2023, the spot rate was US$1.27 (2022: US$1.21).

Free cashflow

The Group ended the year with cash balances of £398.9m (2022: £384.4m) and a further £39.9m (2022: £3.1m) held in short-term deposit accounts and government bonds, classified as current investments on the balance sheet.

Net cash and available funds[1], being cash balances after the deduction of the total cost of accrued bonuses, at 31 December 2023 were £201.1m (2022: £161.7m). The Board uses this figure as a better representation of the net cash available to the business since bonuses are typically paid after the year-end, hence an element of the year-end cash balance is earmarked for this purpose. It should be noted that accrued bonuses include amounts relating to the current year and amounts held back from previous years which will be payable in the future.

A further measure used by the Board in taking decisions over capital allocation is free cash resources[1], which deducts monies held by regulated entities from the net cash and available funds[1] figure. Free cash resources[1] at 31 December 2023 were £175.4m (2022: £130.9m).

In addition to these free cash resources[1], the Group has a strong balance sheet and has consistently generated an underlying operating profit and good cash inflow. Management has stress tested a range of scenarios, modelling different assumptions with respect to the Group's cash resources and, as a result, continues to adopt the going concern basis in preparing the financial statements. See pages 72 and 73 for further details.

Balance sheet

Net assets at 31 December 2023 were £456.6m (2022: £413.2m). The balance sheet remains strong, with net current assets and investments exceeding non-current liabilities (excluding pension assets and lease liabilities as accounted for under IFRS 16 'Leases') by £206.5m (2022: £163.6m). The Group's pension schemes had a combined surplus before deferred tax of £13.4m (2022: £15.4m).

Forward order book ('FOB')

The Group earns some of its commissions on contracts where the duration extends beyond the current year. Where this is the case, amounts that can be invoiced during the current financial year are recognised as revenue accordingly. Those amounts which are not yet invoiced, and therefore not recognised as revenue, are held in the FOB. In challenging markets, such amounts may be cancelled or deferred into later periods.

The Directors review the FOB at the year-end and only publish the FOB items which will, in their view, be invoiced in the following 12 months. At 31 December 2023, this estimate was US$217m (31 December 2022: US$216m).

Subsequent Events

In February 2024, the Group completed the acquisition of Trauma & Resuscitation Services Limited. The investment increases our service offering to the oil and gas, marine and renewable energy sectors through the provision of market-leading advanced first aid training for the offshore wind sector.

Alternative Performance Measures ('APMs')

Clarksons uses APMs as key financial indicators to assess the underlying performance of the Group. Management considers the APMs used by the Group to better reflect business performance and provide useful information. Our APMs include underlying profit before taxation, underlying earnings per share, net funds and free cash resources. See pages 219 and 220 for further information on APMs.

Jeff Woyda
Chief Financial Officer
& Chief Operating Officer
1 March 2024

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[1] Classed as an APM. See pages 219 and 220 for further information on APMs.

Our financial indicators show our progress in delivering against our strategy to create long-term sustainable value for all stakeholders.

Whilst we use non-financial metrics within the business, such as in relation to employment matters, we do not use non-financial KPIs to measure the strategic performance of the Group.

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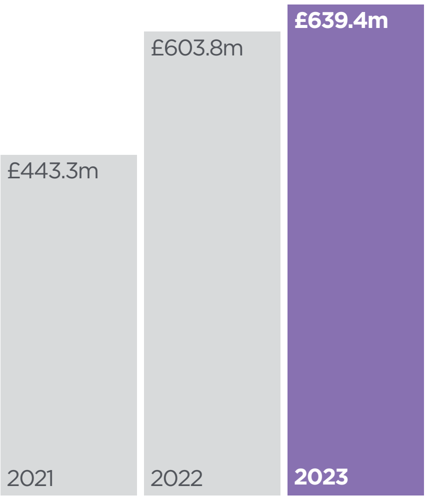
1 Classed as an APM. See pages 219 and 220 for further information on APMs.

Revenue

£639.4m ↑



Definition
Revenue in sterling equivalent, translated at the rate of exchange prevailing on the date of the transaction. We have four revenue segments: Broking, Financial, Support and Research.

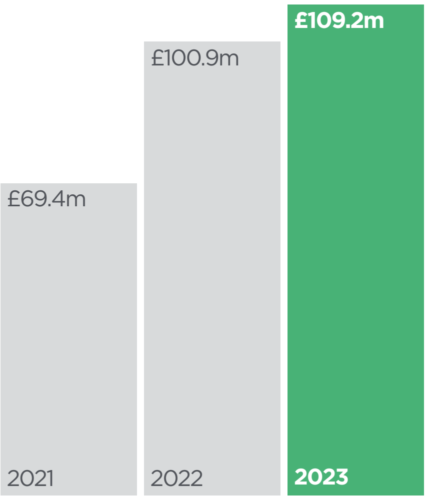
Why it is important for Clarksons
Revenue drives the business, resulting in cash generation and rewards to stakeholders.

Performance in 2023
Revenue increased by 5.9% from the prior year with growth in the Support and Research segments and a strong performance in the Broking segment in particular. The Financial segment experienced a tougher year.

Read more:
Note 3 of the consolidated financial statements on pages 170 and 171.

Underlying profit before taxation[1]

£109.2m ↑



Definition

Profit before taxation, exceptional items and acquisition-related costs as shown in the consolidated income statement.

Why it is important for Clarksons

The Board considers that this measurement of profitability provides stakeholders with information on trends and performance, before the effect of exceptional items, acquisition-related costs and different tax regimes around the world.

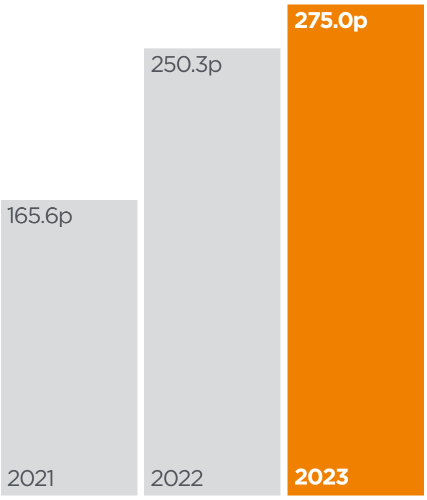
Performance in 2023

This increased by 8.2% from the prior year driven by revenue growth, increased investment return and effective cost management across the Group.

Read more:
Financial review on pages 16 to 19.

Underlying earnings per share[1]

275.0p ↑



Definition

Profit after taxation and before exceptional items and acquisition-related costs attributable to equity holders of the Parent Company divided by the weighted average number of ordinary shares in issue during the year.

Why it is important for Clarksons

This measure shows how much money the Group is generating for its shareholders. It takes into consideration changes in profit and the effects of issuance of new shares but excludes the impact of exceptional items and acquisition-related costs. It is an important variable in determining our share price.

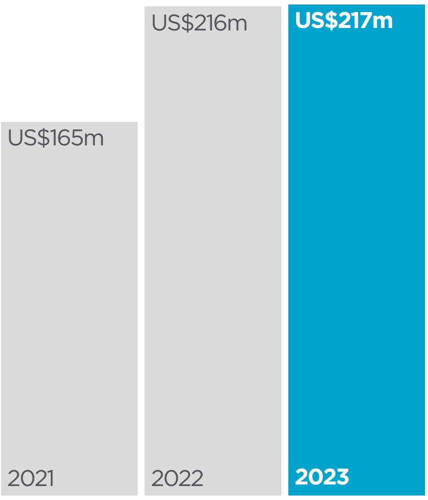
Performance in 2023

This increased by 9.9% in line with the growth in underlying profit before taxation[1] and a reduced minority interest.

Read more:
Note 8 of the consolidated financial statements on page 176.

Forward order book ('FOB') at 31 December for following year

US$217m ↑



Definition

Directors' best estimate of commissions to be invoiced over the following 12 months as principal payments fall due.

Why it is important for Clarksons

The FOB gives a degree of forward visibility of income.

Performance in 2023

The FOB for the next 12 months was comparable to the prior year with strong freight rates across key markets, an increased focus on period business across all segments and increased newbuilding business driven by the green transition, leading to more long-term fixtures executed.

Read more:
Business review on pages 32 to 57.

Enabling global trade. Leading positive change.

Our purpose

We empower our clients and our people to make better informed decisions using our market-leading intelligence; and in doing so, meet the demands of the world's rapidly evolving maritime, offshore, trade and energy markets.

Our values

We always act with integrity
We are honest and straight talking with no tolerance for hidden agendas or politics. We act with thoughtfulness and integrity so our clients know they can trust us to do the right thing.

We're dedicated to excellence
We work as a team, using our insight and intelligence to explore innovative solutions. We strive to exceed clients' expectations, every time.

We collaborate and challenge
We're committed to collective success and we're not afraid of challenging the status quo to achieve it. Across over 60 offices in 24 countries, we work together to reach the best outcomes.

Read more:
Purpose, values, behaviours and culture on pages 110 to 111.

Scan to watch how we live our values

Our behaviours

Driven
...is the desire and passion to succeed, deliver excellence and make positive change: 'the will to win.'

Resilient
...is the ability to persist and adapt in difficult situations, bouncing back from setbacks.

Collaborative
...is working with colleagues to share information, develop skills, build Clarksons' community and deliver results.

Relationship builder
...is building strong, sustainable partnerships with colleagues, clients and stakeholders.

Smart
...is solving problems, providing advice and making smarter decisions based on logic, facts, data and a future view.

Our competitive strengths

We have a leading reputation
We have built an end-to-end global service over 170 years, and our clients remain loyal to us due to our unrivalled service, breadth of knowledge and industry-leading range of products that span the maritime and financial markets.

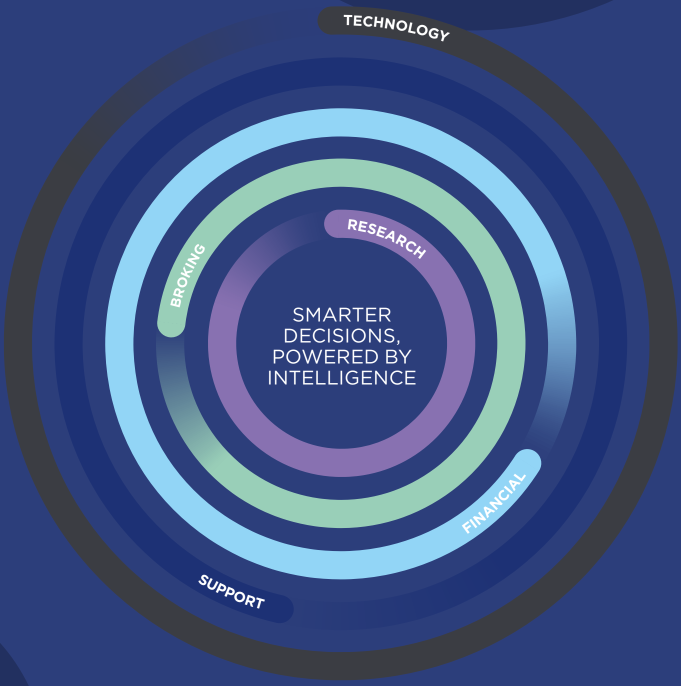
We have the best people in the business
Our people are our most important asset, differentiating us from our competitors. We focus on attracting, retaining and developing the best talent in the market, and our people have a track record of delivering for our global client base.

We take time to understand our clients' needs
We understand the challenges our clients face in a rapidly evolving world, drawing on the expertise from across our four divisions to provide them with tailored solutions and services and the intelligence and tools they need to make smarter and cleaner decisions.

We provide clients with authoritative intelligence
Research sits at the heart of everything we do, enabling us to provide bespoke solutions for our clients and support them in making fully informed business decisions across their freight and asset-owning strategies.

We provide clients with robust technology platforms and tools
Our investment in technology complements the expertise of our people and provides our clients with real-time intelligence for decision-making and innovative tools for trade.

We facilitate smarter, cleaner, global trade
Through our Green Transition offering, which encompasses the full lifecycle of global maritime activity, we are committed to helping our stakeholders across the industry with the critical decisions that they will need to make to move towards a cleaner future for global trade.



Broking
Our brokers act as intermediaries between shipping principals in all major markets in the world's major shipping centres. We bring together charterers who have cargoes to move, and owners of vessels capable of transporting those cargoes. We help the principals negotiate the terms of a voyage, a timecharter hire or a contract of affreightment, including the freight or hire rate. We also help clients contract newbuildings, buy and sell secondhand vessels, and arrange the scrapping of older tonnage. Additionally, we provide derivative broking services to enable principals to manage and mitigate their risks.

We earn a broking commission based on the value of the freight, the hire or the asset. On our derivative broking services we earn commission based either on the underlying contract value or as a fixed fee per contract.

Financial
The Financial division provides full investment banking services, project finance and bespoke asset finance solutions to the shipping, offshore and natural resources markets. We help clients to manage risk, fund transactions and conclude deals which are not available through more traditional routes. We liaise with a range of potential investors in order to raise funding for clients' projects.

We earn commissions and fees from these financial services activities.

Support
The Support division provides the highest standards of support with 24/7 attendance to vessel owners, operators and charterers at a wide range of strategically located ports. We provide vessel agency, project logistics, vessel chartering, freight forwarding, warehousing, crew travel and industrial supplies.

We earn fixed agency fees and revenue from the sales of supplies.

Research
The Research division provides and sells data, analysis and intelligence covering every aspect of our markets, including shipping, trade, offshore and maritime. We provide clients with access to the information they need to operate their businesses more effectively.

We earn revenue from digital offerings, typically recurring, alongside the provision of specialist services including data feeds, consultancy, valuations and market reports.

Read more:
Business review on pages 32 to 57.

Leading positive change

Enabling the green transition
Supporting our clients to reduce their carbon footprint through sector intelligence, technology and vessel replacement strategies.

Enabling digital transformation
Investing in our internal tools to build data-driven solutions for our clients, and further developing our Sea proposition to bring transformative digital solutions to the freight transaction process.

The value we create

Our clients
Offering a market-leading service at every step of the shipping lifecycle.

Our people
Providing a great place to work where everyone can fulfil their potential.

Our communities
Having a positive impact on both the shipping community and wider society.

Our shareholders
Generating sustainable long-term value and returns.

Understanding market dynamics in a fast-changing world

Market trends

Trade complexity
Global economic development, leading to growth in volumes shipped, amidst a dynamic geo-political landscape, drives ever-increasing complexities in trade. As an essential part of the supply chain, our Broking teams benefit from growing volumes of cargoes and ships chartered, and our expertise, global network and market-leading research leave us well placed to guide our clients through this complex and ever-changing environment.

Read more:
On page 25.

Energy transition
As the demand for sources of energy which will moderate climate change grows, changes in the fleet will be required to accommodate the transportation of alternative fuels and to build and support offshore renewable energy. The combined expertise of all of our divisions positions us well to support our clients in their ship chartering, asset and financing strategies as they navigate the energy transition.

Read more:
On page 26.

Green transition
Shipping must play its part in the drive for a more sustainable future, and societal and regulatory pressures are accelerating the focus on the vital fuelling transition that is needed to meet targets to decarbonise the industry and the IMO's net zero commitment. We have built a dedicated Green Transition team of experts who are advising our clients on their freight, carbon and fleet renewal strategies.

Read more:
On page 27.

Fleet evolution
As global trade continues to grow, so too does the capacity of the world's shipping fleet. Dynamics across the shipping fleet have become increasingly complex.
As well as providing greater potential volumes for our asset broking teams, our Broking and Financial teams' deep understanding of the markets, supported by our comprehensive and market-leading intelligence and our growing technology business, enable us to provide unrivalled support to our clients.

Read more:
On page 28.

Technology growth
Growing demand from clients for digital services and solutions that improve efficiency, regulatory compliance, transparency and risk management (particularly around greenhouse gas emissions) is resulting in increased demand for data, intelligence and technology solutions. We continue to invest in these areas in line with our strategy, helping to differentiate our offering from that of our competitors and providing market-leading solutions for our clients.

Read more:
On page 29.

Trade complexity

Context

Global economic development drives growth in trade while a shifting geo-political landscape is creating disruption events and increasing complexity. Today the shipping industry moves 12.3bn tonnes of trade, with volumes increasing by 80% in the past 20 years and 20% in the past 10 as population growth, emerging markets and trends in expanding commodities such as gas impact. Change is constant, from economic cycles and, increasingly, from disruption events that the shipping industry must manage while continuing its vital role in moving 85% of all international trade. Geopolitics increasingly disrupts and changes trade flows while also creating an extensive international sanctions and compliance regime. The redistribution of oil and gas flows after the Russia-Ukraine conflict has increased trade distances and driven tanker rates to high levels. LNG has largely replaced European pipeline trade. Trade tensions between the US and China remain and Middle East conflict is disrupting vital shipping choke points and threatening supply chains. Against this dynamic backdrop shipping companies, traders and cargo interests look increasingly to service providers that can guide, partner and support them through these ever-increasing complexities.

What this means for Clarksons

Enabling global trade is central to our strategy. As an essential part of the freight supply chain and market leaders across all major cargo sectors, our Broking teams benefit from growing volumes of cargo traded and ships chartered and in the support needs of our clients in managing disruption. We are diversified, achieving market-leading positions and specialised expertise in every shipping segment, increasingly vital as volumes and complexity build. Our strategy to build a truly global network of offices, expanded again in recent years, allows us to combine global reach with local relationships, knowledge and expertise. Our deep understanding, through our research and analysis of increasingly complex trade flows and geo-political disruption, makes us a trusted advisor and intelligence provider to cargo interests and shipowners as they execute strategies to manage increasing disruption. Our investments and scale are increasingly needed by clients as they look to improve productivity and manage risk, leveraging off our investments in legal and compliance support, in our technology and in our data-led solutions. This truly differentiates our service offering in an increasingly complex world.

Global trade carried on ships

85%

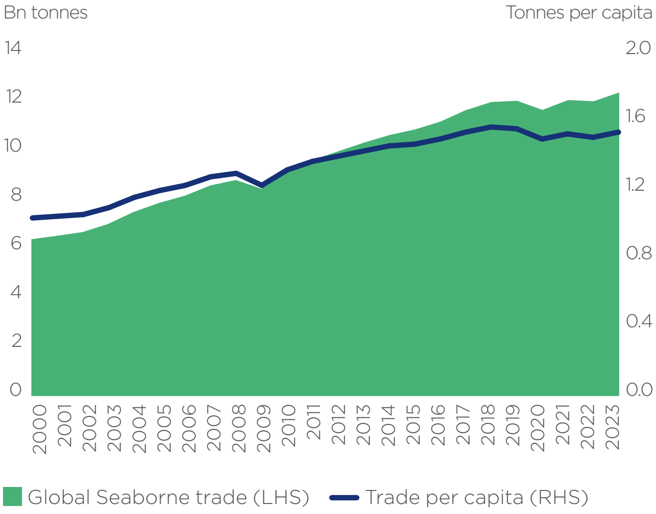
Estimated total increase in global seaborne trade average haul across 2020-24

+4%

Reduction in Suez Canal transits in January 2024, versus first half of December 2023

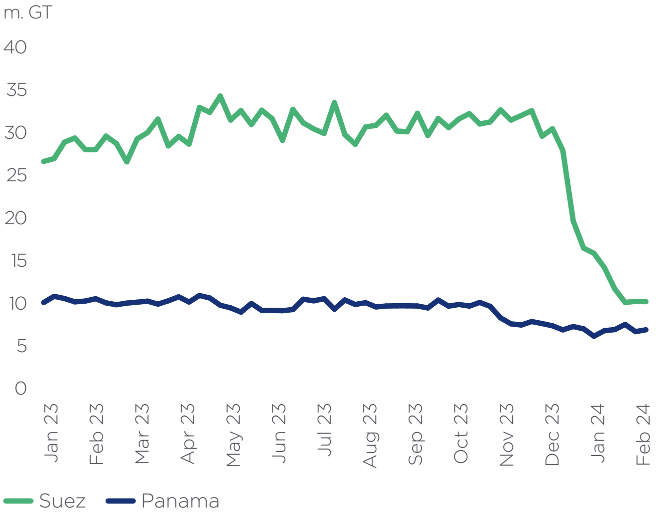
-54%

Seaborne trade 2000-2023



Source: Clarksons Research

Weekly Suez Canal and Panama Canal transits



Source: Clarksons Research

Energy transition

Context

As pressures build globally to moderate climate change, the energy transition will impact demand for shipping. Offshore renewables will provide green energy, expanding significantly from a current 0.4% of global energy supply. A dedicated fleet is needed for this expansion, supporting the development and maintenance of offshore wind farms as this sector becomes more international and moves further from shore. Alternative fuels such as ammonia and methanol will require transportation, with newbuilding investment needed, while transportation needs for CO_2 will expand, requiring a new generation of tankers. But at the same time this transition must be managed while ensuring energy security, where the shipping industry will play an equally vital role. Nearly 40% of all seaborne trade today involves energy transportation, crucial in ensuring this security in the decades to come. Alongside more mature trends in coal, shipping requirements for cleaner energy such as gas are expanding. Offshore oil and gas continue to provide 16% of global energy supply, requiring important investment for the foreseeable future.

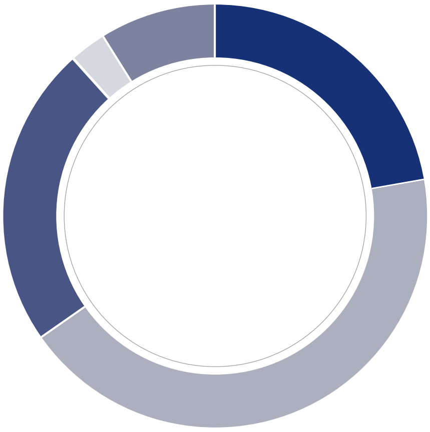
What this means for Clarksons

Our strategy commits to supporting the vital energy transition and energy security. We are growing our participation in the renewables sector, allowing us to help lead positive change. The dedicated renewables broking and advisory team at Clarksons has become a market leader, focusing on the offshore wind industry and working closely with clients in this expanding sector and executing a significantly increased level of newbuilding and chartering business. Within our Broking division, we have also built out specific teams that are now supporting the development of carbon capture and transportation and we are well positioned as market leaders in the growing gas transportation markets of LNG and LPG. Our Support and Financial divisions, leveraging our expertise in offshore oil and gas, have also built dedicated renewables teams that are growing organically and through acquisitions as they become increasingly active. Our Financial team is active across the renewables market to include specialist battery minerals, carbon and hydrogen. Furthermore, our Research team has developed world-leading research and intelligence on the global offshore wind industry, delivered through their Renewables Intelligence Network platform, while running analysis that allows understanding of the energy transition in a maritime context. As long-term market leaders in shipping services support to the oil tanker and offshore oil and gas vessel sectors, we are committed to supporting energy producers and traders in their ship chartering, asset and financing strategies as they manage both energy transition and energy security.

Estimated increase in global offshore wind power generation in the last 10 years

11x

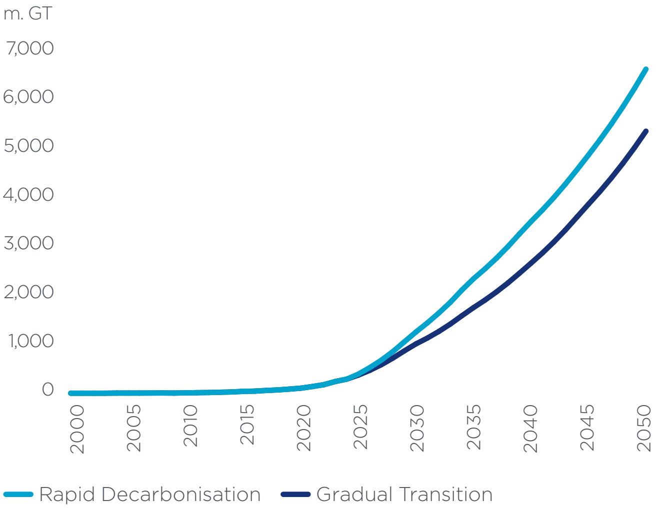
Seaborne energy trade (2023e): 4.7bn tonnes



■ Steam coal	1,046mt
■ Crude oil	2,032mt
■ Oil products	1,083mt
■ LPG	128mt
■ LNG	411mt

Source: Clarksons Research

Offshore renewables generation 2000-2050(f)



Source: Clarksons Research

Green transition

Context

The need to transition to a green and sustainable economy is an urgent priority for society and the shipping industry must play its role in reducing greenhouse gas emissions whilst managing the complex but essential flow of global trade. Shipping produces around 2% of global CO_2 emissions and, whilst shipping remains the most carbon-efficient means of transport, further acceleration of decarbonisation strategies is crucial. Regulation is driving change.

IMO short-term measures introduced in 2023 are already starting to influence investment and operational behaviour. And from 2024, shipping is included in the EU ETS carbon trading system, putting a price on carbon in the shipping industry for the first time. These new and complex environmental regulations and policies are a significant step on shipping's decarbonisation pathway. With a net zero commitment for the first time from the IMO, regulation will accelerate. Significantly increased investments in fleet renewal, technology and port infrastructure will be needed to facilitate the fuelling transition that will be vital to decarbonisation. However, there are hugely challenging strategic decisions for shipowners and cargo interests given uncertainties around propulsion technology, regulation and timing of investment decisions. Regulations and policies are also increasingly impacting supply and demand dynamics and commercial decisions across the shipping markets, including the speed of vessels.

The impacts of the green transition across the maritime industry will be deep and long-standing, requiring huge investment, technology change and innovation.

What this means for Clarksons

The green transition is central to our strategy as we look to lead positive change. We strive to manage our own operations sustainably and, by evolving and investing in our market-leading service offering, we can facilitate positive industry change by supporting our clients to develop, validate, execute, finance and monitor their policies and strategies to decarbonise. We invest to provide market-leading support to cargo interests and shipowners in executing their freight, carbon and fleet renewal decisions that combine commercial opportunities with the meeting of environmental targets. Clarksons is uniquely placed to advise, execute and finance fleet renewal strategies, building on our unrivalled track record with alternative-fuelled newbuilding projects by continuing to invest in our expertise and offering. We have established a dedicated advisory team to work with our Broking teams to develop and execute decarbonisation strategies for our clients and are uniquely placed to understand and explain the economic impact of new regulations and policies.

We have initiated advisory and broking services for the growing carbon credits market. Our Financial teams are already active in green financing initiatives and increasingly across the specialist battery, mineral and renewables industries. Our technology team has developed innovative emissions reporting and monitoring tools. The wide-ranging data and intelligence developed by our Research team, including coverage of green technology on board ships, alternative fuels, CO_2 emissions benchmarking, vessel speeds and bunkering facilities, is widely used by the shipping industry, academic research and policymakers as a trusted source.

Shipping's share of global CO_2 emissions (2023e)

2.2%

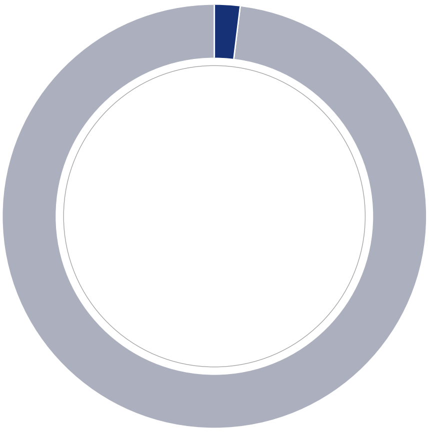
Estimated amount of CO_2 produced by the world shipping fleet in 2023 (tank-to-wake)

833m tonnes

Share of tonnage ordered in 2023 capable of using alternative fuels

45%

Shipping's share of global CO_2 emissions (2023e)



■ Shipping	2.2%
■ Other	97.8%

Source: Clarksons Research

Fleet evolution

Context

Over the past 20 years, the capacity of the world's shipping fleet has grown by more than 150% to over 1.6 billion GT as the shipping industry has expanded to meet its crucial role in servicing global trade. Although fleet growth has started to moderate in recent years and some supply constraints have developed helping markets recalibrate, the world fleet is significantly larger (+90% by tonnage) and broader by type than at the start of the global financial crisis, providing greater potential volumes for our asset broking teams. The dynamics across the shipping fleet are also becoming increasingly complex, with trends towards slower speeds, increasing length of haul, storage plays, 'tiering' of charter markets, shipyard consolidation and congestion. The finance landscape for the shipping industry has also changed significantly since the financial crisis, impacting the number and geography of institutions participating and the scale of finance available. This has led to many shipowners and cargo interests diversifying their funding sources and investigating new and more complex financing solutions and structures. Green issues specifically, and ESG more broadly, are increasingly impacting the policies of ship finance institutions and access to finance for cargo and vessel owners. Despite these trends and complexities, financing the world shipping fleet and its renewal to meet decarbonisation targets remains hugely capital intensive, with today's shipping and offshore fleet valued at US$1.7tn and the world orderbook limited by historical standards.

What this means for Clarksons

Our strategy, to develop Broking teams that are market leaders through the full lifecycle of the asset and across every ship type operating in the world fleet, benefits from the increased fleet capacity, the broader nature of the shipping fleet and greater volumes of vessels bought and sold in recent years. The guidance and execution that our market-leading Financial teams can provide across the more complex ship finance landscape, at a time of increasing investment needs around the green transition, is unique in the market. Our deep expertise, combined with an innovative approach, allows us to support our clients to raise finance across capital markets, project finance, debt markets and through leasing structures. Our understanding of the world's shipping fleet and shipbuilding industry, both at an aggregate trend level and on an individual asset basis, is unrivalled. This understanding builds on the synergies between our Broking, Financial and Research teams and supports our clients in their decision-making across our complex and multi-cyclical markets. Our Research coverage has been built out to cover all markets and offer unique understanding of the expanded global fleet and shipbuilding capacity position. Our valuations, leveraging our understanding of the more complex dynamics driving the world fleet, continue to be trusted as the market-leading source across the finance sector.

Value of the world fleet and orderbook at start-2024

US$1.7tn

Global orderbook as a percentage of fleet capacity

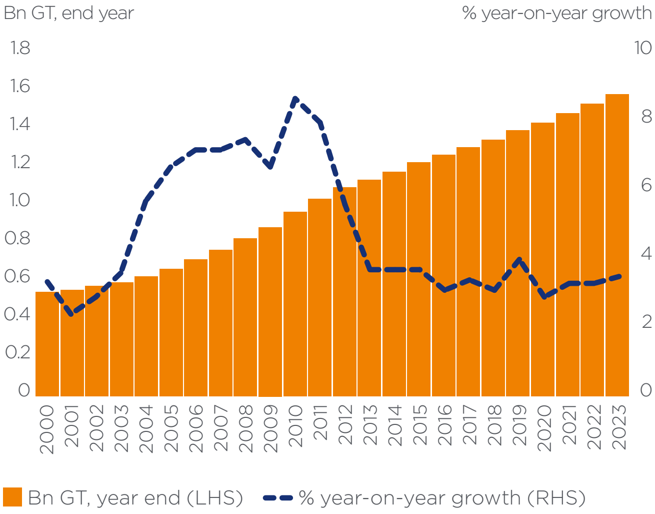
11%

Value of the world fleet and orderbook at start-2024

■ Tankers	US$332bn
■ Bulkers	US$317bn
■ Boxships	US$243bn
■ Gas	US$236bn
■ Other Vessels	US$349bn
■ Offshore	US$264bn

Source: Clarksons Research

World fleet growth 2000-2023



Source: Clarksons Research

Technology growth

Context

Rapidly evolving technology is introducing opportunities to radically improve efficiency, regulatory compliance and transparency. These trends are amplifying within the shipping industry, as they are across society, with growing demand for digital services and solutions that leverage these opportunities around the freight transaction process and the monitoring and management of risk and emissions. But with the opportunities from new technology, such as AI, there are also risks. The need to provide trusted data and intelligence is more vital than ever. And while a range of new technology entrants are also looking to exploit these opportunities, industry participants are increasingly looking to work with established partners with critical mass, domain knowledge and industry understanding.

What this means for Clarksons

Technology is central to our strategy. Shipping must use innovative technology to digitalise its workflows but needs trusted partners that understand, not just technology, but also our industry. We invest in technology and data across all of our business lines, including developing tools for trade for our core Broking business that help differentiate our teams from competitors and demonstrate the power of our offering and market knowledge to clients. Our Broking business is now executing a dedicated Digital Transformation strategy. Our broader investments into the digitalisation of our workflows and the evolution of digital support systems are long-standing and provide a competitive edge for our Broking, Financial and Support divisions. Our Research division continues to utilise innovative technology to generate and deliver its proprietary data and intelligence, with growing demand across the industry to integrate data into client internal digital systems. Our technology arm has invested in a market-leading integrated platform connecting charterers, brokers and owners to support streamlined pre-fixture workflows. This investment has been significant, long-term and in recent years has involved a number of strategic acquisitions. The platform enables greater collaboration and stronger governance across the chartering ecosystem, while also allowing users to optimise their freight and emissions.

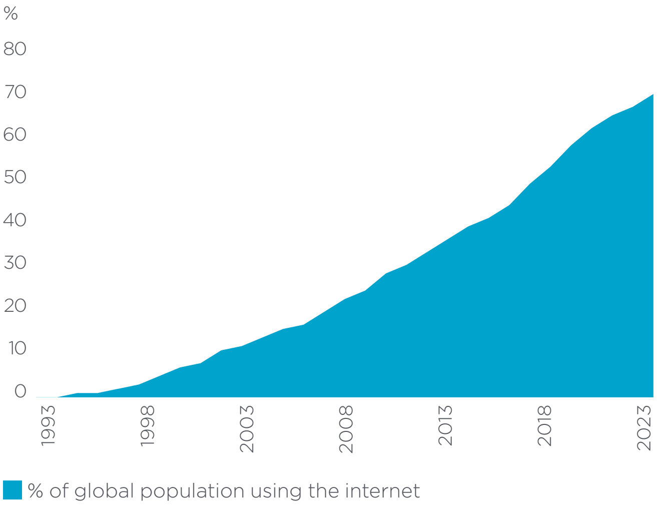
Share of global population connected to the internet

~70%

Increase in total annual data created globally over the last three years

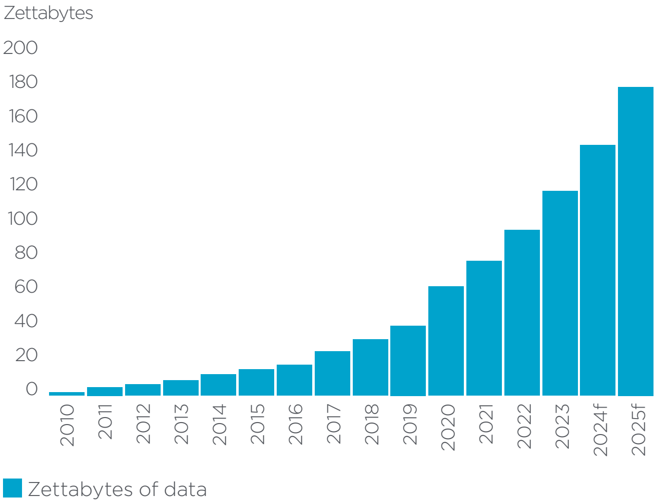
+88%

Global growth in internet access



Source: UN, industry sources, Clarksons Research

Total global data created annually



Source: Industry sources, Statista

Our strategy is to create long-term sustainable value for all of our stakeholders

We do this by building on our strong performance, which allows us to maintain and develop our position as the global market leader in shipping services.

Breadth

Expanding our breadth to better tailor our integrated offer

With an expanding and industry-leading range of products and services spanning the maritime, offshore, trade and energy markets, and more touch points across the industry than anyone else, we are uniquely positioned to empower our clients to make better informed decisions, whilst enabling smarter, cleaner global trade.

Achievements

- Significant investment in new resources in the US in order to attract more investment in the development of offshore wind vessels in the US market and support the expansion of the offshore wind market.
- Acquisition by the Sea business of both MarDocs and Recap Manager software which enables companies to create, share and manage their charterparties.
- Further development and expansion of the Green Transition team.
- Formation of a strategic partnership between Spot Ship and the Sea business to automate the vessel and cargo matching process, enhancing the data available to clients and powering data-driven decisions.

Read more:
Our strategic performance in 2023 on page 42.

Reach

Extending our reach to support clients globally

Our global presence enables us to meet client needs wherever and whenever they arise. Through our growing global office network we share culture, values, IT systems and high standards of corporate governance across our business, as we use our local knowledge to provide our clients with truly global, cross-border advice.

Achievements

- Acquisition by the Port Services business of DHSS, a leading provider of integrated logistics services to the offshore renewable industry. Based in the Netherlands, the acquisition expands our reach into mainland Europe.
- Opening of an office in Edinburgh to support the offshore renewables market in Scotland.
- Extension of the dry cargo business's global coverage by acquiring a new team in Rio de Janeiro to expand into the South American market.
- New Gibb Group facility opened in Rhode Island (trading from 2024) to respond to customer demand and the growth of offshore energy.
- Expansion of the Research team's presence in New Delhi to cement its Asian and emerging market position.

Read more:
Our strategic performance in 2023 on pages 49.

Understanding

Stronger understanding of clients' needs

With a broad and long-established client base, we have worked with many of our clients for generations, building a deep understanding of their businesses and providing the services that have helped them to prosper. We use our leading technology and authoritative intelligence to offer unique and tailored solutions to meet our clients' needs.

Achievements
- Reformation and relaunch of a projects desk within Specialised Products to perform a more integrated role across newbuilding, sale and purchase and time charter.
- Establishment of the Custom Software Development business unit within our Sea business, which creates bespoke software solutions for our clients.
- Further development and expansion of the Green Transition team.

Read more:
Our strategic performance in 2023 on page 45.

People

Empowering people to fulfil their potential

We are committed to attracting and retaining the best people, providing them with the tools and training that empower them to fulfil their potential. Our employees have access to our leading technology and authoritative intelligence, enabling them to support our clients to make smarter and better informed decisions.

Achievements
- Further embedded our competency and behaviours framework to support leadership and employee development, performance management and promotions based on consistent criteria.
- Launch of the 2023 Trainee Broker Programme, designed to provide trainees with experience across various broking teams to accelerate their career development and develop the next generation of brokers.
- Campaign to inspire the next generation of women to join the maritime industry through promoting stories from women across Clarksons.
- Launch of the Clarksons Academy, our centralised global learning portal which provides access to a wide range of learning and development opportunities for all employees.
- Establishment of the Clarksons' Buddy Programme, a 12-month mentoring programme for junior employees.

Read more:
Our strategic performance in 2023 on page 33.

Trust

Maintaining trust in shipping intelligence

Globally respected as a provider of market-leading data and intelligence, our research and data is widely trusted across the shipping industry to inform effective decision-making.

Achievements
- Regular tracking and briefings around Red Sea disruption, supporting vital understanding of impacts on shipping markets.
- Continued provision of market-leading data on alternative fuelling, Energy Saving Technologies, vessel speeds and CII ratings.
- Market impact assessments around fuelling transition, IMO short-term measures and the EU ETS.
- Further enhancements of Renewables Intelligence Network, providing leading data on offshore renewables, including the fast-growing offshore wind sector.

Read more:
Our strategic performance in 2023 on page 52.

Growth

Growing our business to improve performance

We are a consistently profitable and cash-generative business that is focused on creating long-term value for our shareholders. We continue to invest to build on our position as the market leader across our core sectors through the provision of best-in-class advice and service to our clients.

Achievements
- Maintained our progressive dividend policy and increased our dividend for the 21st consecutive year.
- Attained an 8.2% increase in underlying profit before tax[1].
- Remained cash-generative and increased our free cash resources[1].
- Continued to invest in new people and teams, training and developing our existing talent, expanding our product footprint and developing market-leading tools and intelligence.

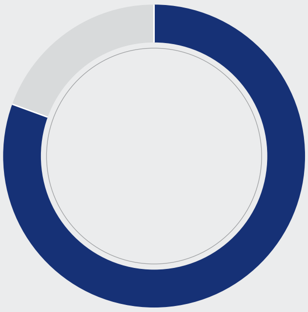
Read more:
Financial review on pages 16 to 19.

[1] Classed as an APM. See pages 219 and 220 for further information on APMs.

Broking

Our investment in all areas of shipbroking ensures that we can support our clients across both mainstream and more niche markets, in every vertical.

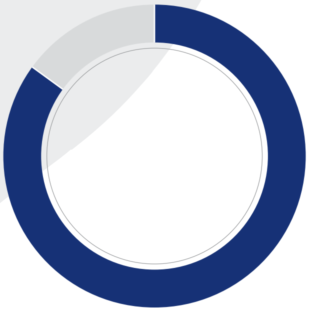
Share of revenue



£516.8m

2022: £495.5m

Segmental split of underlying profit before taxation



£121.2m

2022: £117.6m

Employees

1,365

2022: 1,301

Forward order book for 2024

US$217m*

As at 31 December 2022 for 2023: US$216m*

* Directors' best estimate of deliverable forward order book ('FOB')

Services:

- Dry cargo
- Containers
- Tankers
- Specialised products
- Gas
- LNG
- Sale and purchase
- Offshore
- Renewables
- Futures

Dry cargo

Supporting a range of important industrial sectors including construction, energy and agriculture, the dry cargo sector moved over 5.5bn tonnes of cargo in 2023 across a range of dry bulk commodities, including metals and minerals, agricultural products and some semi-processed goods. The dry bulk market in 2023 was characterised by very firm cargo volumes despite the macro-economic backdrop, a series of weak economic data points and headlines in key economies, and higher interest rates. However, continued fleet growth plus an unwinding in congestion meant that dry cargo markets were relatively subdued for much of 2023, with weighted bulkcarrier earnings averaging US$12,371/day, down 40% year on year and close to the long-term trend.

Market conditions took a sharp upward turn in the final quarter of the year, as a surge in Capesize cargoes from the Atlantic combined with a rise in congestion at Chinese discharge ports to create an upturn in Capesize earnings, peaking at approximately US$50,000 per day, their highest level since October 2021. At the same time, a firm grain export programme from Brazil plus sustained strength in Asian coal markets boosted demand for mid-size tonnage against a backdrop of growing restrictions around Panama Canal transits. Further trade flow disruption emerged at the end of the year with many owners choosing to avoid the Suez Canal due to attacks on ships in the Red Sea. This has led to increasingly significant re-routing of ships, longer voyages, vessel positioning disruption and some upside pressure on freight rates.

Looking forward to 2024, another year of moderate fleet expansion is projected, particularly in the mid-size sectors, while demand is generally expected to remain firm, even if growth may moderate from last year's strong rates. Emerging markets look likely to drive the majority of trade growth, while the outlook for Chinese seaborne demand (particularly around coal) is uncertain after record volumes in 2023.

Investing in people drives growth

Strategy in action:

What we achieved in 2023

We are continuing to build the diversity of our talent pipeline through skills and experience development programmes, such as paid internships and the Trainee Broker Programme. We have reached an increasingly broad pool of candidates through careers events, partnerships and campaigns.

Read more:
Our people on pages 84 to 89.

Containers

83%

Of newbuild capacity ordered was alternate fuel capable

Tankers

81%

Year-on-year increase in VLCC earnings in 2023

Headline supply-demand fundamentals in the bulker sector seem fairly balanced, while there is some potential for gains to materialise through the year, especially given typical seasonal trends. Port congestion and disruption from the re-routing of trade flows towards longer distance routes may also impact vessel demand, while the accelerating environmental and regulatory agenda (including the EU ETS), alongside volatility and risks to markets from geo-political and weather events, could add additional complexity to markets in 2024. These weather events include the developing El Niño event and its influence on commodity supply.

Our dry cargo shipbroking team are market leaders and achieved strong increases in volumes across all desks in 2023, including significant increases in transactions and fixtures. We increased headcount, including an expansion into South America that created the dry cargo team's first footprint in the region. Following previous investments, we have also significantly increased our forward orderbook through increased period fixture activity. Our investments in the green transition supported a successful tender to become exclusive brokers for a green steel project in Northern Europe.

Containers

The container sector facilitates transportation of a wide range of goods, often high-value, including consumer and industrial goods, foodstuffs, chemicals and other manufactures. Container shipping markets saw a downward trend across most of 2023, after a sharp normalisation in the second half of 2022 from the previously exceptional levels, amid lower levels of port congestion, an accelerated expansion in fleet capacity and weak container trade trends. As a result, container freight rates and containership timecharter earnings faced negative pressure and declined through large parts of the year with the SCFI spot box freight index falling to a three-year low by the end of September, close to the pre-COVID-19 trend. The Clarksons charter rate index remained marginally above the pre-COVID-19 trend but also slipped to a three-year low. However, late 2023 saw major disruption to liner services due to the rapidly evolving events in the Red Sea region. This tightened the container freight market notably, including a sharp spike in Far East-Europe spot box freight rates.

Supply expansion was the key driver of container market pressure in 2023, with capacity growth of 8% and record deliveries (2.3m TEU), although some excess supply was absorbed by slower speeds (decreased by 3% to a record low). Newbuild ordering remained active in 2023 overall, with 1.6m TEU contracted, led by liner fleet renewal efforts, while 83% of capacity ordered was alternative fuel capable (mostly methanol, but also LNG). Seaborne container trade remained weak in 2023 with growth estimated at just 0.4% in TEU (1.4% in TEU-miles) amid macro-economic headwinds on key trades, though more robust volume trends were seen in exports from Asia to developing economies, and volumes globally began to stabilise in the second half.

Looking ahead, the positive freight market impetus from the Red Sea disruption at the outset of the year adds significant uncertainty. The base case outlook for container shipping markets through 2024 suggests, once disruption eases, further softening across freight and charter markets. A second consecutive year of accelerated supply expansion (7.3% projected with record deliveries of 2.6m TEU) looks set to impact, even if global seaborne container trade has the potential to improve in 2024 (TEU growth of more than 3% forecast) as economic headwinds moderate. However, the duration of disruption in the Red Sea remains highly uncertain and the scenario of a prolonged period of re-routing containerships around the Cape of Good Hope would have significant demand implications, providing the possibility of significant upside to the market outlook.

In 2023, our containership broking teams were able to assist in several long-term charters of new generation vessels, helping to secure liner companies' access to cheaper and more fuel-efficient tonnage going forward. Working with our Green Transition advisory team, we also assisted many containership investors globally evaluate the various cleaner fuel types that will be available in the coming years and this is expected to remain a major theme going forward.

Tankers

The tanker sector plays a crucial role in global energy supply chains, moving crude oil and refined oil products to facilitate their eventual use as transportation fuels, for heating and electricity generation, and as industrial feedstocks.

Overall, 2023 was another very strong year for tanker markets. There was some divergence in the trajectory of earnings across the various size ranges, with large crude tankers performing particularly well relative to 2022 and Aframax and product tankers easing slightly but remaining at historically strong levels. The VLCC market benefited from a rebound in Chinese crude imports from low levels across 2021-22 due to COVID-19-related disruption. OPEC+ production cuts implemented from November 2022, and successive additional voluntary cuts, proved to be headwinds to the market. However, rising production and exports from Atlantic Basin producers lent support. The net effect of these developments, and limited newbuilding deliveries, was that average VLCC earnings* increased by 81% year on year in 2023, bringing earnings back above long-run average levels. The Suezmax and Aframax sectors continued to be heavily influenced by the impact of the Russia-Ukraine conflict and the resultant rearrangement of crude oil trading patterns, including longer transport distances for European crude oil imports and Russian crude oil exports. An increase in volumes loaded from the Atlantic also aided this sector, with average Suezmax earnings rising 21% year on year, while average Aframax earnings were broadly steady. Products tanker earnings generally softened marginally from very strong 2022 levels, though remained historically firm.

* All earnings basis non-eco, non-scrubber fitted units.

Earnings for LR2s on the Middle East-Far East route fell 7% year on year in 2023, while earnings for LR1s on the same route declined by 16% year on year and average earnings for clean trading MRs fell by a similar extent. Earnings in all three sectors remained well above long-run averages. Products tanker markets were also supported by increases in clean products shipments from the Middle East, as well as disruption at the Panama Canal.

Looking ahead, the tanker sector is expected to see a continuation of strong but volatile market conditions. The supply side remains very supportive with newbuilding deliveries set to fall to extremely low levels in 2024, while fleet carrying capacity is also expected to be constrained by environmental regulations. On the demand side, additional OPEC+ production cuts announced at the end of November 2023 are expected to be a short-term headwind. However, projections for rising oil demand and growth in long-haul Atlantic–Asia crude oil trade point to further growth in vessel demand. In the products tanker markets, further increases in refinery throughput in the Middle East look set to provide market support. Ongoing geo-political uncertainties point to the potential for further volatility in the markets. Geo-political and weather developments have brought uncertainty to two key transit areas, namely the Bab al-Mandeb Strait in the Red Sea and the Panama Canal, which have the potential to create a substantial increase in vessel demand should disruption persist or worsen.

Supported by our scale, regional breadth, expert analysis and technology tools, our tanker shipbroking team performed exceptionally in 2023 as we supported our clients through disrupted and volatile markets. In the current volatile geo-political environment, our teams reacted proactively to changes in key market dynamics, supported in particular by our expert analyst team. All of our core hub offices benefited from the power of our global teams working together, driving information flows and commercial advantage across our key markets, and our successful strategy to grow our time charter team has resulted in increased period fixture business and forward orderbook. Growth of teams in key emerging markets, including India, Dubai, Brazil and China, is planned for 2024.

Specialised products

The chemical tanker fleet within the specialised products market transports a wide range of liquid chemical cargoes, supporting the supply chains of a diverse range of sectors across global industry, including manufacturing and agriculture.

The specialised products tanker market remained healthy in 2023, with a number of factors including the ongoing Russia-Ukraine conflict and the associated re-routing of chemical, biofuel and CPP trade flows, as well as the separate Panama and Suez Canal disruptions, supporting the markets despite some economic and demand headwinds. Bulk chemical freight rates fell by 14% in 2023, albeit from firm levels in 2022. Freight increased by 9% in the second half of the year and freight rates ended the year 30% higher than levels reported in 2008. Elsewhere, competition for CoA volumes rose with owners looking for longer-term coverage to ensure cargo cover, rather than purely relying on the spot market.

Looking at 2024 and beyond, the ongoing disruption in the Middle East and Panama Canal will continue to have an impact on fleet productivity and trading distances, at least in the short term. Demand headwinds look set to be in place for the next few months, so overall fixture numbers are likely to remain stable, at least in the first half of the year. The prevailing medium- to long-term picture is however more optimistic, with supply side constraints from low, or even negative, fleet growth expected to impact.

With the ongoing geo-political and macro-economic upheaval taking place around the world, our specialised products shipbroking team once again proved its resilience throughout 2023 with a strong trading performance. Our unmatched knowledge, expertise and global breadth of coverage in this sector ensured our customer portfolio was maintained and their requirements exceeded. Our market-leading analysis allowed us to deepen relationships with the senior management teams of owners, pools and charterers and we also spent time, supported by the carbon broking desk at Clarksons, advising our client base on the impact of the EU ETS. We stand at the forefront of the specialised products markets, mitigating client freight risk by utilising our global network of offices and local knowledge to provide an unmatched breadth of service provision in what is a challenging and complex marketplace.

Gas

The gas shipping markets move liquefied petroleum and other gases, supporting a wide range of sectors, from plastics and rubber production to industrial and domestic energy markets. Around 130mt of LPG was moved in 2023, as well as smaller quantities of ammonia, ethane and petrochemical gases.

2023 was a record-breaking year for VLGC earnings, as increased vessel demand and market inefficiencies outweighed the delivery of 42 newbuild units into the trading fleet. The benchmark Ras Tanura-Chiba spot rate reached a record US$183/mt in late September 2023 ($5.3m per month on a TCE basis) and averaged a record US$109/mt across the full year. Market strength in 2023 came on the back of firm growth in US LPG exports (+13% year on year), which surprised to the upside, while severe disruption at the Panama Canal also played a key role, particularly in the fourth quarter as transit limits came into force amid low water levels. The resulting switch in most US-Asia trade to much lengthier alternative routings drove a major uplift in tonne-mile demand, which has recently been further complicated by ongoing security issues in the Red Sea.

Specialised products

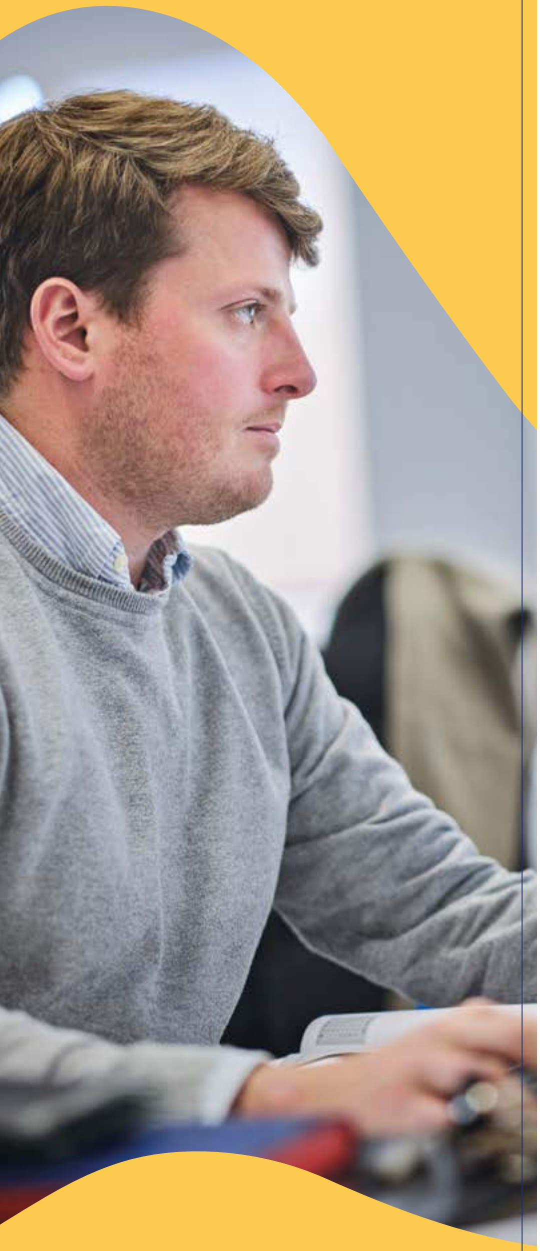
-14%

Fall in bulk chemical freight rates in 2023

Gas

130mt

Of LPG moved by sea during 2023



Exceptional spot market strength in the largest segment trickled down to smaller vessel sizes, with one-year TC rates for MGCs ending the year at US$1.25m per month, also an all-time high. In the petchems sector, a pivotal shift in the market dynamics saw the balance of power transitioning from charterers to owners. Rates grew consistently in the smaller semi-ref and pressure segments that are active in petrochemical gases, and asset utilisation is reaching high levels across the fleet. Sentiment remains generally positive in the smaller ship segments against a limited orderbook as we enter 2024, albeit against a backdrop of a tricky European petrochemical climate.

The buoyant chartering environment supported both newbuild and secondhand sale and purchase (‘S&P’)activity, with asset prices rising firmly. In terms of longer-term trends, newbuild activity was focused on Very Large Ammonia Carriers (‘VLACs’), with 21 units ordered. From being a non-existent segment previously, VLACs accounted for the bulk of the 40 newbuild VLGC orders placed in 2023. Decarbonisation was also an evident theme in the smaller sizes, with the first ever ammonia-fuelled vessels ordered, as well as the first ever speculative newbuild liquefied CO_2 (‘LCO_2’) carriers. Already involved in these orders, Clarksons further deepened its visible commitment to the emergent LCO_2 segment by joining the UK’s Carbon Capture and Storage Association (‘CCSA’), becoming the first shipbroker to take advantage of the opportunities offered by this high-profile business and networking platform. The Clarksons gas chartering teams performed exceptionally across 2023, particularly in the LPG sector.

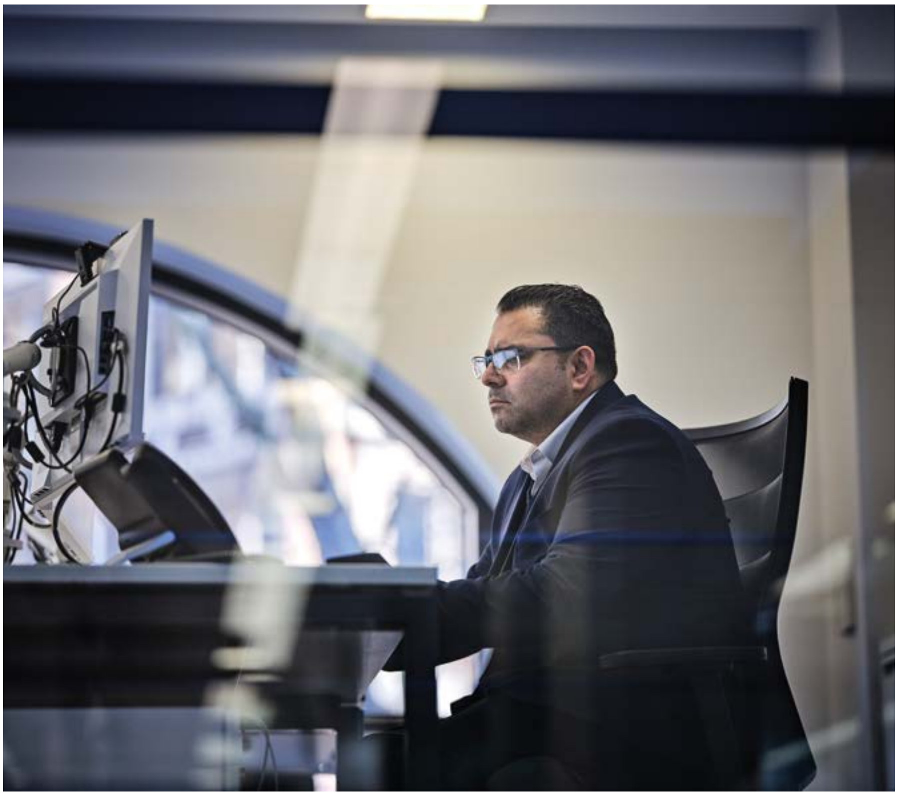
LNG

The LNG shipping market moved 400mt of liquefied natural gas in 2023 on a fleet of highly specialised vessels. This sector is critical to both energy transition and energy security, particularly in the wake of the Russia-Ukraine conflict and subsequent diminishing of Russia-Europe gas pipeline trade, and is set for a major phase of expansion in the coming years.

LNG carrier market conditions remained strong in 2023, though spot rates dropped on an annual basis from the record levels seen in 2022, largely on the back of a narrower US LNG export arbitrage and reduced security of gas supply concerns. The headline spot rate for a conventional 160k cbm TFDE unit averaged US$97,100 per day in 2023, down 26% year on year.

LNG tonne day demand was up 6.3% to 7,553 million tonne days in 2023, driven by longer voyage duration, floating storage and higher LNG trade flows. LNG tonne-mile demand was up 3.3% year on year, driven by higher LNG trade flows on long-haul voyages. Global LNG trade volumes rose by 2.0% to 413.7m mt in 2023, as the US became the world’s largest exporter. Meanwhile, project sanctioning continued at a firm pace, with over 40mtpa of liquefaction capacity reaching FID, while a similar volume could take FID in 2024. Newbuild activity remained healthy in 2023, with 64 LNG carriers ordered, though this was down from the record levels seen in 2022. Newbuild ordering has started 2024 on a strong note, with several berths declared for Qatari units in early January 2024, while the outlook for the rest of 2024 and further beyond is positive.

Looking ahead, LNG tonnage demand and freight rates in the first part of 2024 could be impacted by strong gas inventory levels in Europe, while firm fleet growth may impact rates later in the year. However, Panama Canal restrictions and Red Sea re-routing could support freight, depending on the level of disruption, while IMO and EU ETS carbon regulations could also impact productivity and tighten the market. Clarksons remains very active in the expanding LNG market, with leading teams across spot, period, newbuilding and sale and purchase.



Sale and Purchase ('S&P')

Secondhand

2023 was another active year for secondhand sales activity, with over 2,200 vessels of a combined 130m dwt reported sold across the full year, in line with the 2022 total (which was the second firmest level on record after 2021) and remaining around 32% above the 10-year trend in tonnage terms.

Containership sales increased by 19% year on year in 2023 to circa 800,000 TEU but remained well down from the remarkable record 1.6m TEU set in 2021, while bulkcarrier sales also increased by 16% year on year to 55m dwt. Activity in both sectors remained above the average levels seen in the previous 10 years. Tanker sales slowed marginally in 2023 to 57m dwt, but this was still the second highest level on record (after 2022) and remained 41% above the 10-year trend.

Both Chinese and Greek owners were particularly active in S&P markets in 2023. Secondhand pricing in the tanker sector continued to firm through 2023, with our Tanker Secondhand Price Index rising by a further 16% to a new 15-year high by the end of the year, on the back of continued firm market conditions. Our Bulkcarrier Secondhand Price Index also increased, by 11%, while our Containership Secondhand Price Index declined by 12% across the full year, taking the total decline since early 2022's 14-year high to 59% by the end of the year.

Gas

400mt

Of LNG trade in 2023

Sale & Purchase – Secondhand

32%

Above the 10-year trend in 2023 for sales volumes

Sale & Purchase – Newbuilding

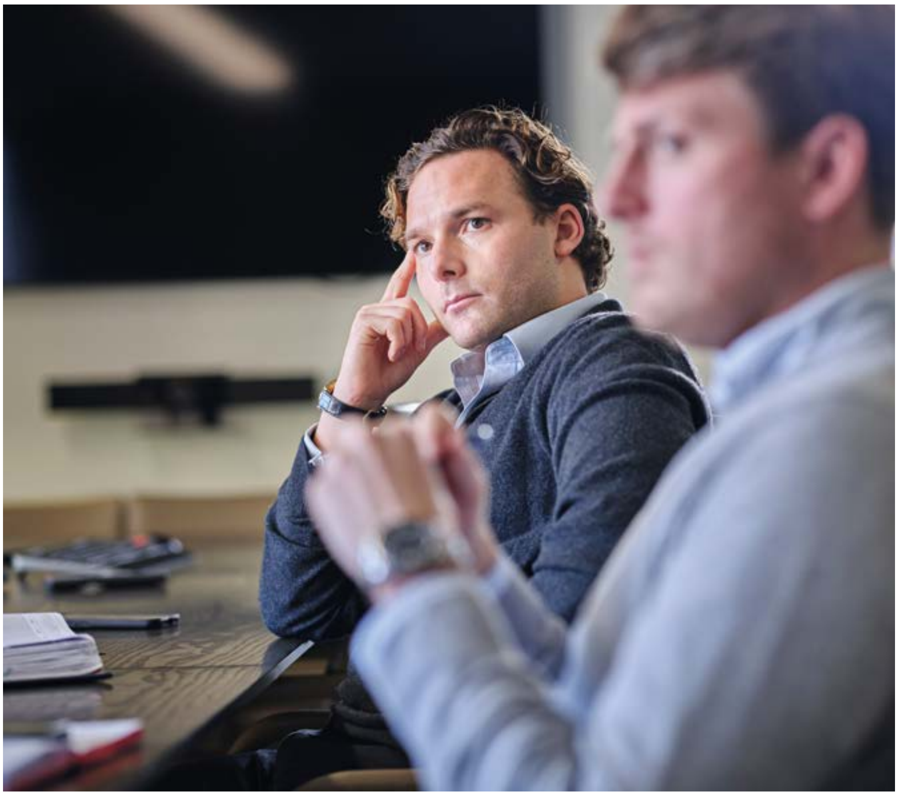
80

Car carrier orders of US$8.1bn, a record year

Sale & Purchase – Newbuilding

50%

Tonnage by GT on order that is alternative-fuel capable



Our global S&P broking teams saw continued strong volumes in 2023 and a healthy increase in the total value of transactions, reflecting an increase in tanker asset values which outweighed weaker containership pricing. There was also a focus on higher value transactions which yielded notable success in the larger tanker segments. Our industry-leading expertise allowed our teams to benefit from the firm markets, with divisions globally growing their market shares. We made headcount investments in key regions globally, cementing our market-leading positions in London, Oslo, Singapore, Tokyo and Athens. This expansion, alongside a new team in Dubai, helped drive progress forwards in 2023 and positions the division well to leverage opportunities in 2024, when volatility and market dynamics relating to Red Sea disruption and positive tonne-mile growth trends look likely to remain in focus.

Newbuilding

The newbuilding market saw a good flow of orders in 2023, with ordering volumes down in CGT and value from 2022, but up in dwt (by 5% to 109m dwt). Tanker contracting increased (albeit from a low base), with bulkcarrier ordering up slightly. Although containership ordering eased back (by 43% in TEU), this still represents historically high volumes, supported by liner companies continuing to invest in green fleet renewal programmes. It was a record year for car carrier orders (80 orders of US$8.1bn) and there were also good order volumes for gas carriers. There were also some good volumes (and with innovative alternative fuel/ESTs) in the smaller ship market (for example shortsea/MPP, offshore wind, ferry) and, with the cruise market recovering, some big ship project discussions started. Reflecting the uptick in tanker orders, Greek investors committed 60% more newbuild investment (and their highest in dwt since 2013), and European owners committed more investment than Asian owners for the first time in six years.

Newbuild prices increased further through 2023, supported by inflationary pressures and increased forward cover at yards. Our Newbuilding Price Index rose by 10% across the year, and now stands at the highest level since 2008 (within 7% of the 2008 peak, but still down circa 35% on an inflation-adjusted basis). Despite the good order flow, the global orderbook backlog increased only marginally across 2023 (by 4% in CGT) to remain at historically low levels (12% of fleet capacity). However, the share of tonnage on order that is alternative-fuel capable moved to nearly 50% by GT. Global shipyard output increased last year, by 11% to 36.5m CGT, with China delivering 50% of output by CGT for the first time, with Chinese yards also dominating ordering (60% by CGT).

Our global newbuilding broking team retained its market-leading position, working with a wide range of major cargo and industrial players globally besides leading shipowners in each sector on their fleet renewal programmes. We were also very active in placing alternative-fuel newbuild orders for our clients, including dual-fuel LNG, methanol and ammonia projects.

Offshore and Offshore Renewables

The offshore sector supports the development, production and support of offshore oil and gas fields and renewables, with over 13,000 mobile assets playing a vital role in supporting operations across the lifecycle of offshore energy projects.

Overall, 2023 saw continued strengthening in the global offshore market, with drilling and field development activity increasing, and the offshore renewables (wind) sector continuing to expand. Global offshore E&P spending increased, with capex reaching an eight-year high. Utilisation and dayrates have trended higher across the segments to elevated levels, driven by a combination of moderate demand gains and a significant reduction in supply of assets since the cyclical downturn started in 2014/15. With almost no new capacity coming into the market, and with demand expected to continue to strengthen in 2024, the market outlook appears optimistic for the coming years. We expect our market-leading offshore broking teams to continue to leverage these market opportunities in 2024, following a strong performance in 2023 that reflected our global scale and deep expertise.

Drilling market

Mobile drilling units (comprising jack-ups, semi-submersible units and drillships) drill wells in the sea floor to locate and facilitate extraction of oil and gas. The rig markets strengthened further in 2023, with demand increasing and supply constrained. Global floater utilisation rose to 90%, the highest level since 2014, while the jack-up segment also continued to strengthen, particularly due to significant contracting by Saudi Aramco. Idle capacity is currently limited, there are almost no remaining stranded assets at shipyards and stacked pools are largely exhausted. The market outlook for next year appears positive, with high offshore activity levels providing more project opportunities for contractors and supporting demand for rigs.

Subsea field development market

The subsea sector involves the usage of a range of assets, with capabilities in lifting, pipelay, cable lay, diving and ROV support, to install and maintain subsea production infrastructure. The subsea field development market continued to improve in 2023, with further increases in the backlog for the major EPC contractors. The subsea vessel market also continued the improving trend that started in 2022, with rates and contract durations generally increasing. The main drivers remain improving demand in subsea oil and gas, combined with continued demand for many of the same vessels from the offshore wind sectors. The outlook for 2024 appears positive, with high offshore activity levels supporting project opportunities for smaller contractors and increasing vessel demand.

Investing in breadth drives growth

Strategy in action:

What we achieved in 2023

We brought together our experts from our Green Transition offering, Investment Banking, Research and Offshore Renewables to share their views on the future of offshore energy. This breadth of knowledge and expertise is the foundation of our integrated offer to our clients, empowering them to make better informed decisions, and us to lead positive change.

Offshore support vessels

The OSV sector provides towage and support duties to drilling rigs, mobile production units and fixed production platforms. The OSV market strengthened significantly in 2023. Demand increased across most regions and tonnage availability remains constrained, with virtually no newbuild orders having been placed since 2014, the stacked pool now standing close to exhausted, and with few newbuilds remaining at shipyards. There was a sharp increase in sale and purchase activity, with values rising. Rates are expected to continue to move higher due to lack of available capacity and expected continued high demand.

Offshore renewables

The offshore renewables industry continues to expand, and going forward is expected to account for a growing share of the global energy mix supported by the increased focus on decarbonisation and energy security. However, the offshore wind sector experienced some challenges in 2023 amid pressures from inflation, supply chain issues and delays. Still, new project investment increased to reach a new record, and construction activity continues to run high. While current sentiment amongst industry stakeholders is mixed, the long-term outlook for growth in the sector remains very positive, and developers are working to improve project economics. Increased project investment is expected in China and the US next year, which could support another new high in global capex commitments. From a vessel perspective, rate increases have been notable across segments, and owners are becoming more confident, with end-users fixing earlier and for longer. In the CSOV segment, a key sector for Clarksons, limited deliveries in 2023 have led to more interest from charterers, which is likely to keep rates elevated in 2024. Following significant investments in our broking and advisory capacity, Clarksons has developed a dedicated team focused on the offshore renewables market that is a market leader and performed well during 2023 while leveraging synergies with the Financial, Support and Research divisions of Clarksons.

There has been a significant increase in demand for specialised green offshore vessels, particularly in the offshore wind and renewables sector, and we are actively engaging in discussions with end-user clients regarding technical green solutions and initiatives. As more of the energy mix shifts towards renewables, offshore wind and renewables is becoming a larger part of the Clarksons offshore business. While there remains uncertainty around future technology choices and the overall cost landscape, by leveraging our expertise and forging partnerships we continue to help stakeholders navigate the evolving landscape and contribute to the successful green transition in the offshore sector.

Futures

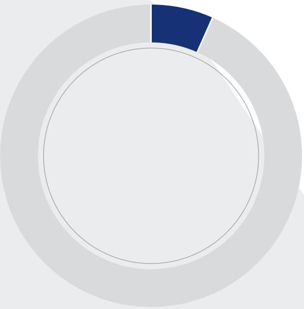
Clarksons Futures is the leading provider of freight derivative products, helping shipping companies, banks, investment houses and other institutions seeking to manage freight exposure by increasing or reducing risk. It leverages the expertise and market dynamics of the wider Group to offer best-in-class execution services to derivatives markets across freight, iron ore and carbon. Against the backdrop of increased regulatory requirements, Clarksons Futures has, with support from the wider Clarksons team, positioned itself at the forefront of the sector.

2023 was a positive year for Tanker FFAs, with the desk remaining a strong market leader, reaching new records in terms of volumes, and bringing in new counterparts. Prospects for 2024 appear positive with a continued stream of new market participants. In the dry futures business, lower rates led to a tough start to the year, but as the year progressed volumes reached new highs, negating the impact of lower rates. In the fourth quarter, the combination of high volumes and stronger rates led to a strong close. The swaps business grew, with our market share increasing significantly late in the year. In the options market, our market share increased again. Our Dry FFA team benefited from strategic hires in 2023, developing synergies with the securities team in Oslo and improved technology tools.

Financial

From full investment banking services to project finance and bespoke asset solutions, for the shipping, offshore and natural resources markets, our Financial division plays a critical role in our integrated offering for clients.

Share of revenue



£44.1m

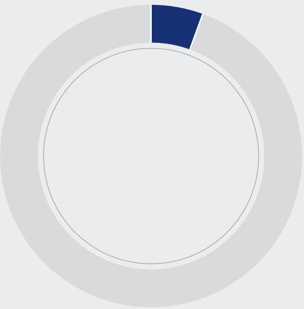
2022: £49.8m

Segmental split of underlying profit before taxation

£6.6m

2022: £7.8m

Employees



115

2022: 112

Services:
- Securities
- Project finance
- Structured asset finance

Securities

General

Clarksons Securities is a sector-focused investment bank for the shipping, offshore energy, renewables and minerals industries, with deep sector knowledge and global reach driven by research and relationships. In 2023, activity in Clarksons Securities' core sectors was positive relative to a backdrop of continued volatility in commodity prices, interest rates and credit spreads, but also with underlying markets generally improving. Investment banking performance was supported by firmer activity in the debt capital markets which more than offset slower equity capital markets. Offshore energy services was the strongest performing sector, with transactions completed across the product offering, testament to Clarksons Securities' long-standing relationships and its ability to provide actionable advice to clients through the market cycle. Revenues from secondary trading also rose, both in bonds and equities; and a number of companies within oil services completed refinancings in 2023, attracting interest from generalist and 'long-only' funds. Clarksons Securities remains the preferred adviser and speaking partner for its clients, creating opportunities by connecting capital and good ideas within its core sectors.

Shipping

In 2023, shipping stocks experienced a modest performance, with continued good cashflow and upward pressure on asset pricing in a number of sectors. Capital markets activity remained muted, with listed shipping companies largely remaining focused on returning capital to shareholders and de-leveraging balance sheets. Nonetheless, Clarksons Securities was active, participating in IPOs in both Oslo and New York, multiple capital raisings and leasing transactions.

Energy services

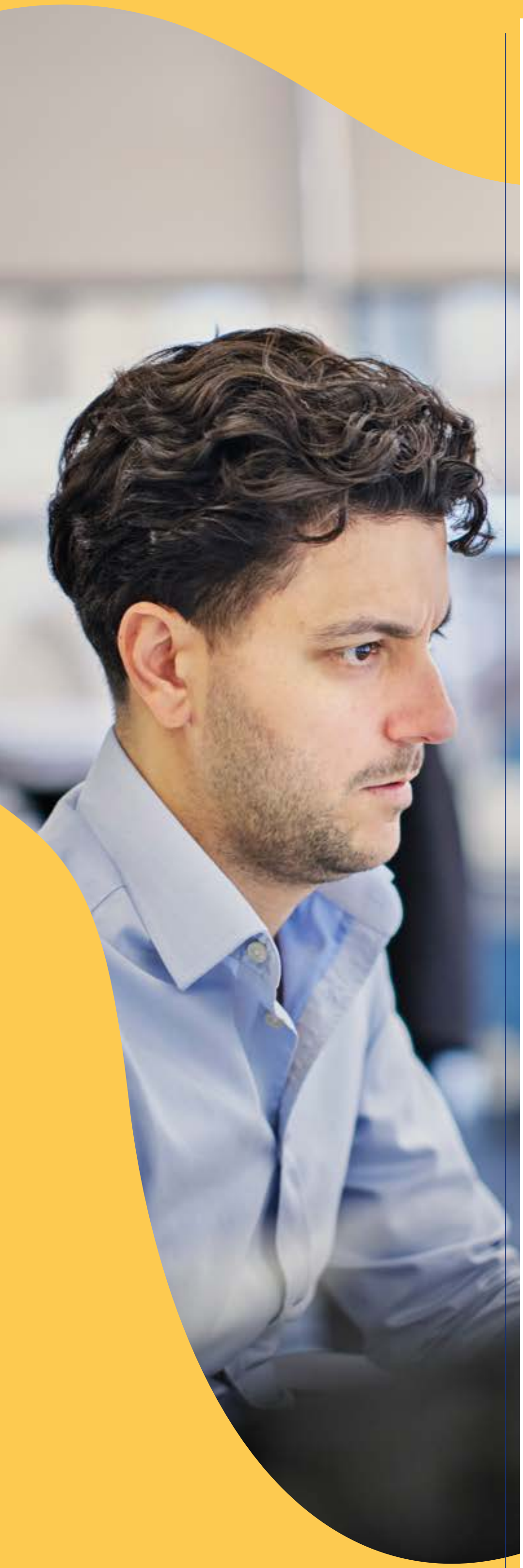
Capital markets activity within offshore energy services continued to strengthen in 2023, driven by increased investor appetite, despite ongoing macro-economic uncertainty (although the markets for offshore wind vessel owners became more challenging with increased uncertainty around project economics impacting). Clarksons Securities capitalised by executing a range of transactions for its clients, with refinancing of existing debt facilities in the high yield bond market contributing significantly to overall transaction volumes.

Investing in understanding drives growth

Strategy in action:

What we achieved in 2023

Clarksons Securities was engaged by Ocean Ventus to help find financing and strategic partners for their end-to-end solution to deliver cost-competitive power from floating wind. Our deep knowledge of the offshore wind sector and our understanding of our client's needs meant that we were uniquely placed to win this mandate.



Metals and minerals

2023 saw continued volatility in the metals and minerals sector driven by uncertainty around demand for industrial/infrastructure-related commodities, and in future-facing sectors, including battery-related minerals. Clarksons Securities participated in multiple transactions during the year across products and, whilst seeing continued support from the industrial minerals segment, remains well positioned to assist clients in meeting demand for commodities driven by the green transition.

Renewables

The renewable energy sector continues to see impressive growth. Traditional technologies such as wind and solar are continuing to expand while emerging technologies such as hydrogen and carbon capture and storage are developing significantly and the expansion of the dedicated offshore wind fleet requires substantial capital funding. However, as expected, 2023 proved to be a slower year for transactions across the renewable energy sectors, though M&A and private equity markets remain firm. Last year, the Clarksons Securities renewables team completed transactions for public and private clients within sectors such as solar, hydrogen, e-fuels, charging infrastructure and heat pumps, and maintains a healthy pipeline of transactions.

Exploration & Production (‘E&P’)

Against a backdrop of renewed global activity in oil and gas E&P in recent years, particularly offshore, Clarksons Securities aims to work with high quality assets and operators to develop oil and gas fields fit for the future. In 2023, following the return to a focus on E&P in the previous year, the team continued to develop.

Debt capital markets

Following a challenging 2022 in the credit markets, 2023 saw increased primary activity supported by improved risk appetite and ample cash positions among investors, despite an uncertain macro-economic outlook and rising interest rates. With the oil services sector seeing a resurgence, capital markets opportunities emerged for international drilling and offshore companies and Clarksons Securities engaged in a firm volume of debt capital market transactions. At the end of 2023, falling corporate capital costs coupled with robust investor confidence and liquidity looked set to stimulate good volume in the credit markets.

Project finance

Our project finance business is a leading Nordic player within shipping and real estate project finance, which in recent years has offered investment opportunities in modern fuel (and carbon) efficient shipping and offshore assets, with a focus on assisting the shipping and offshore industry in transitioning to be more sustainable and less carbon-intensive. 2023 was an active year in the Norwegian project finance market and our team structured and placed a number of new projects across the dry bulk, containership, offshore, tanker and expedition cruise sectors whilst asset sales across tankers, offshore and dry bulk generated strong cash returns for investors.

The real estate market in Norway in 2023 was heavily impacted by high inflation, rising interest rates and macro-economic uncertainty, and market activity weakened with investor sentiment. These conditions made 2023 the most challenging year in recent times and impacted our real estate business. Overall transaction volumes were down on 2022, although activity was maintained throughout the year. 2023 also saw the first investment from one of the team’s newly established real estate funds.

Structured asset finance

Our structured asset finance business maintains relationships with asset financiers globally including around their activities and headline terms, with a view to helping our broking clients understand the sources of finance available to them and providing introductions where relevant. It acts as an exclusive mandated financial adviser, structurer and arranger working closely with newbuilding and strategy teams on large long-term strategic procurement projects for end-users and cargo interests.

2023 was characterised by reductions in leverage and the re-financing of existing facilities on lower margins, as owners reacted to increased liquidity from improved earnings. This was partially offset by the higher interest rate environment, increased liquidity costs and corresponding upward pressure on margins for some of the mainstream traditional shipping banks.

The mortgage-backed debt market appears 'three-tiered'. Firstly, the Poseidon Principles group of banks, aligning their portfolios to key (now 'net zero' and 'well-to-wake') emissions targets, continues to focus on lending to top-tier borrowers, linked to 'green' vessels and/or sustainability-focused projects. Secondly, banks outside this group, especially in Cyprus, Greece and Scandinavia, remain a competitive source able to focus on opportunities to finance or re-finance tonnage, especially for slightly older units and/or projects with less 'green' credentials (although new EU reporting rules may place pressure on these shipping banks to focus on more fuel-efficient vessels). Thirdly, a growing tier of mortgage-backed debt lenders includes credit funds and the providers of private credit facilities, typically seeking higher margins but offering reasonable leverage and with appetite for a far wider range of tonnage. Leasing remains the other main asset-backed finance product in the shipping sector and here the market is also tiered. The first tier, comprising the larger Chinese leasing companies but also including (for transactions that qualify) the growing French tax lease product and to a lesser extent the Japanese tax-based JOLCO product, is able to compete with the mainstream traditional shipping banks, and saw portfolios increase during 2023. The second tier comprises some of the smaller Chinese leasing companies, some European leasing companies, and some of the credit funds that also offer leasing products. This sector has seen some of the largest early repayments over the last year due to increased borrower earnings. Overall, although debt service visibility remains a key criterion for all asset-based financiers, there is capacity available to be deployed to finance 'good' projects.

The Clarksons structured asset finance business had a successful 2023, concluding further mandates with a number also active going into 2024. It continues to fulfil a specific highly value-adding role, with an excellent reputation and first-class execution track record. Against a backdrop of developing sources of asset finance, the emergence of alternative fuels and propulsion methods and growing ESG considerations, and with a range of financing choices available to our clients for longer-term strategic tonnage procurement, we continue to provide highly valuable expertise and service.

Fleet value

US$1.7 trillion

Value of the world fleet and orderbook today.

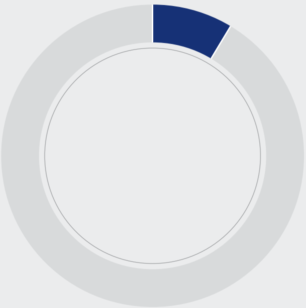
Offshore

110

Clarksons Offshore Day Rate Index, the highest level since 2008

Support
Our teams provide the highest levels of support with 24/7 attendance at a range of strategically located ports in the UK, mainland Europe and Egypt, offering a wide range of services to the marine and offshore industries.

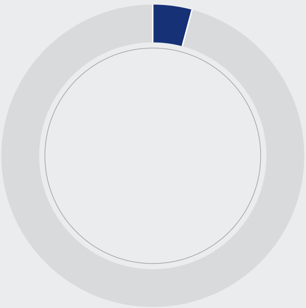
Share of revenue



£56.6m

2022: £39.0m

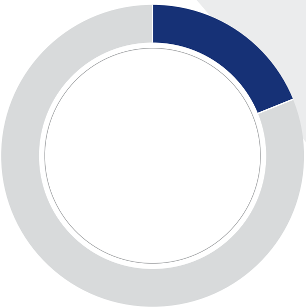
Segmental split of underlying profit before taxation



£6.4m

2022: £5.0m

Employees



383

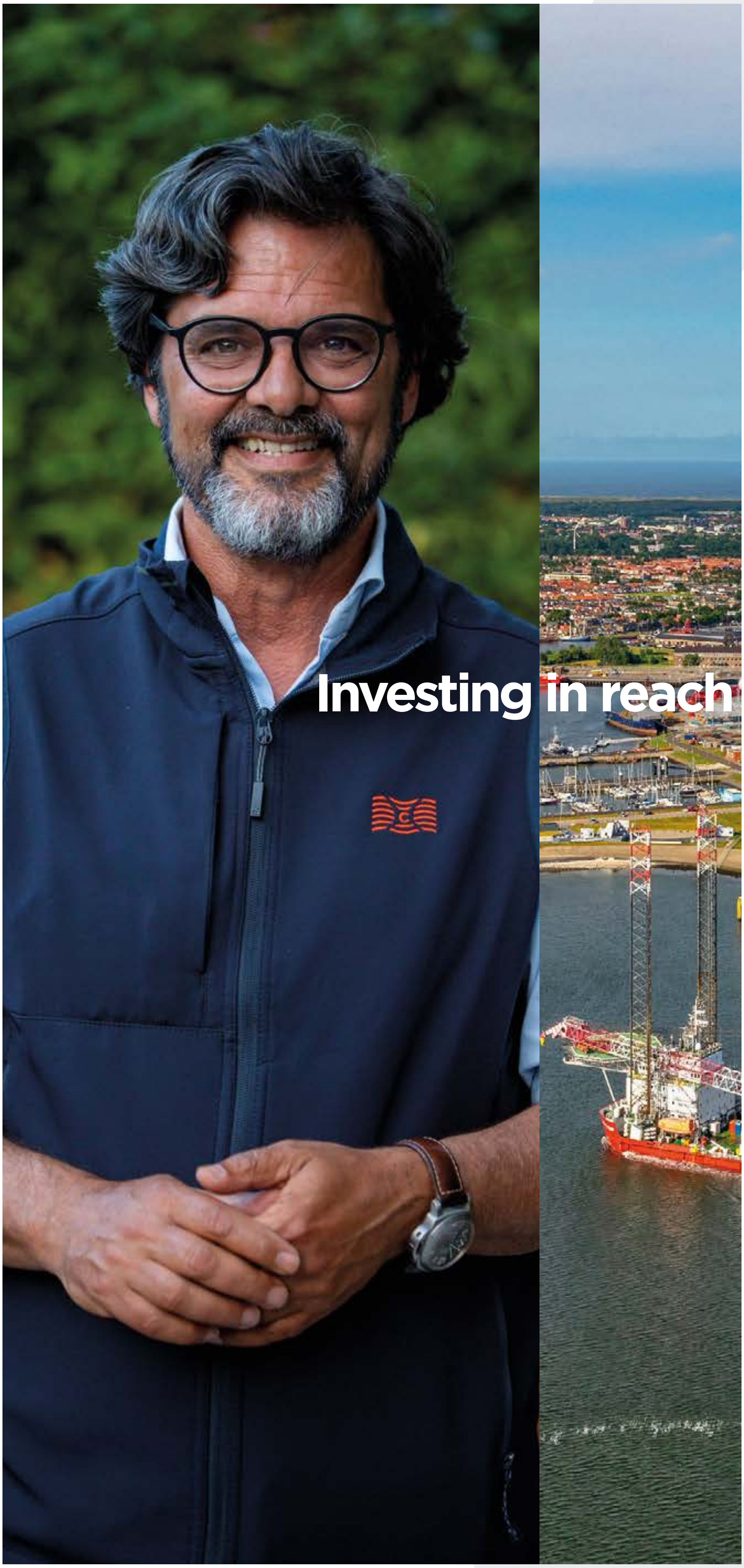
2022: 306

Services:
- Stevedoring
- Shortsea broking
- Agency and customs clearance
- CPS BV
- Gibb Group
- Egypt agency

Stevedoring
In 2023, our stevedoring business, highly experienced in loading and discharging bulk cargoes, performed much in line with expectations. Export volumes began the year strongly, but the second half of the year was adversely affected by weakened UK grain harvest volumes that reduced both the harvest quality and the exportable surplus. Nonetheless the year as a whole saw export tonnage rise by 64,000 tonnes. Import volumes were in line with expectations and down by 35,000 tonnes, in part due to the very high stock in store for a leading customer at the end of 2022.

Shortsea broking
Following exceptional freight rates in 2022, our shortsea broking business which, with specialist skills, in-depth knowledge and strong relationships, provides market-leading brokerage services for shortsea dry cargo shipping, saw market freight levels down circa 35% in 2023, though still ahead of long-term averages. This, coupled with lower grain volumes shipped, saw revenues fall last year. The business has been planning diversification away from its traditional reliance on agricultural volumes, working in conjunction with other parts of the Clarksons Group, and expects to see revenues from the transportation of scrap markedly improve in the future.

Agency and customs clearance
Through exceptional port agency and first-class logistics services, our business provides a range of solutions for clients in the marine and energy sectors. Aside from an anticipated reduction in trading volumes (related to the reversion to more normal container freight markets), in 2023 the business generally met expectations. A market need for customs advice was recognised, particularly in the offshore renewables market. Working with windfarm developers and their suppliers offers consultancy opportunities going forward. The acquisition of DHSS early in 2023 allowed the UK business to extend its services to include (from the fourth quarter) helicopter transfer crew changes, initially from Aberdeen. As windfarms on average are becoming located further offshore, helicopter transfers become more central to customer needs.



Investing in reach drives growth

Strategy in action:

What we achieved in 2023

Our Clarkson Port Services ('CPS') business acquired DHSS, an offshore renewable energy provider, in February 2023. Based in the Netherlands, and with a presence across a number of ports in the Netherlands, DHSS's activities and locations were complementary to CPS' existing strengths in the offshore renewable energy sector, providing us with the opportunity to extend our reach into larger offshore renewables contracts internationally.

Offshore renewables

>30 GW

Of active European offshore wind capacity today

Offshore oil and gas

10 years

Highest day rates in the North Sea OSV market for 10 years

Clarkson Port Services B.V. ('CPS BV')

DHSS was acquired in February 2023, and its performance exceeded expectations in the remainder of the year. The business was rebranded CPS BV and fully integrated into the Clarksons Group. Its commercial team has dovetailed with the existing business and this has led to fresh income both in the UK and in the Netherlands. Meanwhile, we have invested in a new quayside multi-user office, warehouse and yard facility in Eemshaven, which will meet considerable customer demand as an installation and O&M base for offshore energy projects. CPS BV is very well placed to take advantage of the quickly developing offshore energy market in the UK, Dutch and German sectors of the North Sea.

Gibb Group

Gibb Group is the industry's leading provider of PPE and MRO products and services as well as one of the offshore renewable energy sector's most experienced, qualified suppliers. In 2023, the business saw revenue and profits grow as it continued to respond to customer demand and the growth of offshore energy by opening a new facility in Rhode Island which will begin trading from 2024; relocating its Aberdeen facility into a much larger modern facility and investing in that new facility to allow its Safety & Survival business to expand markedly; investing in further staff and facilities in IJmuiden; and developing its Middlesbrough location to meet rapidly growing customer demand for locally serviced needs. We expect to open a new facility in Immingham in 2024 to meet the growing customer needs in the region as further windfarm development is announced at locations close to the Humber. We have also recognised changing customer needs for hire fleet assets, and additional service, inspection and repair, on site and on customers' premises.

Egypt agency

The Suez Canal is a vital trade route between Europe and Asia, and our regional experts in Egypt deliver on-the-ground expertise around transit and port agency. Our Egypt agency business proved successful in 2023 despite regional geo-political pressures, developing strategic partnerships with major clients and local authorities. Increased canal transits and port calls (especially grain volumes) saw the business gain market share, whilst chartering revenues were down in 2023 and liner service activity was steady. Significant opportunities in the Egyptian market remain, although late in the year Suez Canal transits and activity in the region were disrupted by events around the Bab al-Mandab Strait, which has led to significant uncertainty over future trends.

Research

Clarkson Research delivers market-leading proprietary data to both our teams and our clients to enable better decision-making.

Clarksons Research, the data and analytics arm of Clarksons, is a market-leading provider of independent data, intelligence and analysis around shipping, trade, offshore and energy transition in the maritime context. Millions of data points are processed and analysed each day to provide trusted and insightful intelligence to support the workflows and decision-making of thousands of organisations across the increasingly complex and dynamic maritime industry.

Research performed strongly across 2023. Continuing a long-term growth trajectory, with high levels of recurring revenue and client retention, Research provided a unique flow of market-leading sector research and data across the year, including a focus on the building complexities in global trade and developments around maritime energy transition. Our Research output also continues to support the Broking, Financial, Support and technology businesses of Clarksons with differentiating data, intelligence and profile.

Our strategy to provide leading data and insights around the green transition continues, meeting strong client appetite to understand the maritime sector's decarbonisation pathway. This has included tracking of shipping's carbon footprint and increasingly complex emissions regulation; monitoring green technology uptake including alternative fuel; and understanding impacts on shipping's cargo base and activity as energy transition develops while important global energy security is also managed. We are also focusing investment into our research and understanding of global maritime trade flows as they are increasingly impacted, and disrupted, by geo-political developments, helping meet growing client requirements.

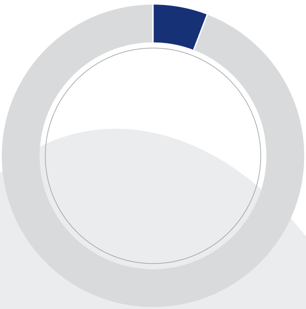
Organisationally, we continue to invest in our people and are implementing headcount growth across our teams with a specific focus on IT development, data analytics and sales. Our strong Asian and emerging market position was cemented by the expansion of our operations in Delhi in 2023. Following a successful external audit in June, Clarksons Research has been awarded ISO 27001 information security standard certification.

Share of revenue

£21.9m

2022: £19.5m

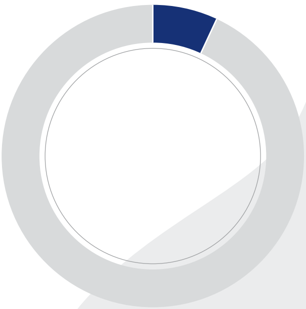
Segmental split of underlying profit before taxation



£8.4m

2022: £7.0m

Employees



141

2022: 122

Services:
- Digital
- Services

Investing in trust drives growth

Strategy in action:

What we achieved in 2023

With geopolitics driving increasingly complex and disrupted trade patterns, our focus on trusted intelligence is more vital than ever. In December 2023, we quickly launched the first of a series of briefings and impact assessments around Red Sea disruption, supporting vital understanding of impacts on shipping markets and the broader global economy.

Digital

Sales across our digital platform grew by an encouraging 21% year on year, supported by our product investment strategy, a constant flow of high-quality and market-relevant analysis and an expansion of the depth and breadth of our wide-ranging proprietary database. The benefits of our major 2022 upgrade roll-out, and individual improvement programmes for each product, continue to be realised. Our platform provides immediate access to our intelligence for over 4,000 maritime companies and 12,000 individual users via a single-access integrated platform.

Principal digital products include:
- **Shipping Intelligence Network (‘SIN’)** provides wide-ranging data and analysis tracking and projects shipping market supply and demand, freight, vessel earnings, indices, asset values and macro-economic data around trade flows and global economic developments. Sales of SIN increased significantly across the year as we closely tracked Chinese economic trends and growing disruption and complexity in maritime trade, including Ukraine grain exports, Panama Canal restrictions and, at the close of the year, Red Sea disruption. Our Red Sea impact assessments were particularly well received and sourced across the global business media. Shipping market themes tracked on SIN across the year included: tanker, gas, car carrier and offshore markets that experienced strong conditions; soft bulk carrier markets but an improved fourth quarter; weak container market conditions but a late rally following Red Sea disruption; building complexities in global trade as it reached 12.3bn tonnes; a shipping supply side experiencing low orderbooks and some limitations in shipbuilding capacity; and growing market impacts from emissions policies.
- **World Fleet Register (‘WFR’)** provides data and intelligence around the world fleet, vessel equipment and technology, companies, shipbuilding, emissions regulation, fuelling transition and alternative fuels. A focus on tracking green technology and decarbonisation across the shipping industry, aligning with the broader Group’s investments around the green transition, helped support a robust increase in sales of WFR. During the year, impact assessments around new IMO short-term measures and the EU ETS were released. A new dashboard on ship repair and green technology retrofits was released in late 2023 and progress towards the release of data focused on ‘green’ investments at ports and vessel activity analytics dashboards continues.
- **Offshore Intelligence Network (‘OIN’)** provides data and analysis of utilisation, day rates and market supply and demand of the offshore fleet including rigs, OSVs, subsea and floating production. Sales of OIN are up robustly year on year; there has been a positive product upgrade over 2023; and there is a good pipeline of client enquiry. Market improvements in the offshore oil and gas vessel markets, alongside an energy security focus, continued in 2023, with OIN now tracking 14-year high day rates and an offshore oil and gas industry contributing 16% of global energy supply.

Digital

12,000

Individual users of our digital platform

Digital

180,000+

Vessels we hold data and intelligence on

- **Renewables Intelligence Network ('RIN')** provides comprehensive data, intelligence and analysis around every offshore wind farm in the world and the fleet of vessels that support development and maintenance. Although the offshore wind market experienced some weaker sentiment in 2023 due to inflationary pressures and some project slippage, we still believe the industry will play a vital role in global energy transition (we forecast growth from 13,000 turbines offshore today to 28,000 by 2030) and project it could provide between 7% and 9% of global energy supply by 2050 (today it is 0.4%). Vessel markets remained relatively tight with improvements in day rates. Despite the weaker backdrop, RIN saw good sales growth and we continue to invest heavily in the platform. We are increasingly working with the insurance industry to provide reference data on offshore wind infrastructure and believe this will lead to good sales opportunities.
- **Sea Net** has been developed in conjunction with the Clarksons technology business, Maritech. This vessel movement system blends satellite and land-based AIS data with the Clarksons Research leading database of vessels, ports and berths. Working with Maritech, Research continues to improve the depth of our underlying movement and deployment data.

Services

Our dedicated services and consultancy team was very active during the year, focusing increasingly on data contracts to key corporates across maritime (increasingly via API delivery) and multi-year research agreements. There was strong client attendance at our shipping and offshore forecasting forum events in March 2023 and September 2023 while the team also worked successfully on a number of IPO industry sections.

The Research client base continues to expand and diversify, building strong long-term relationships with leading companies involved in maritime and with good market penetration across shipowning, charterers, shipbuilding, marine equipment, oil service, insurance and government.

Clarksons Valuations, the market-leading provider of authoritative, consistent and independent valuation services to shipowners and financiers, continues to successfully invest in analysis and technology to support financial institutions, including to meet new European Banking Authority guidelines on valuations and to understand the emissions profile of their debt portfolios and the impact of technology and emissions policies on value. The valuations team performed well in 2023, with good volumes and sales, and was active in supporting the S&P broking teams of Clarksons.

Renewables Intelligence Network

28,000

Offshore wind turbines projected for 2030 (from 13,000 turbines today)

Offshore Intelligence Network

16%

Of global energy supply from offshore oil and gas

Technology

2023 has been a year of strong growth and progress for our technology arm, Sea, with good product development, expansion in client base and the execution of strategic acquisitions and new partnerships.

Sea is now focused around three business areas. Firstly, the long-term development of our platform supporting the digitalisation of freight and fixtures ('the intelligent marketplace for fixing freight'); secondly, our digital platform for soft commodity contracts ('the intelligent contracts platform for commodities'); and thirdly, our custom software development team. During 2023, Sea has made significant progress in all three of these areas, resulting in significant revenue and customer growth. We are strongly committed to 'powering better decisions to enable sustainable shipping'.

Intelligent marketplace

Over the past year, the positive development of our single platform connecting charterers, brokers and owners through streamlined pre-fixture workflows continued. The platform enables greater collaboration and stronger governance across the chartering ecosystem, while also allowing users to optimise their freight and emissions. In addition to our continued platform development, we made important strategic moves in 2023, including the acquisitions of MarDocs and Chinsay (which Sea acquired in late 2022) and the successful migration of all customers to a consolidated platform. In addition, Sea took full control of Recap Manager, the leading online tool for the tanker sector, thus creating the leading contract management platform for the shipping industry resulting in over 45,000 charterparties and recaps being conducted on our platform. During the year we have significantly expanded the client base, widening the network of charterers, brokers and owners on our platform and receiving positive feedback from across the customer base on our development pathway.

We have also expanded our network of industry-leading partners, allowing us to provide an increasingly seamless user experience to our client base. We implemented a successful brand refresh during the year, providing a new visual identity and website upgrade while showing the direction of our business and our purpose of 'powering better decisions to enable sustainable shipping'. During the year we gained new customers, expanded current engagements and developed new solutions as we cement our position as 'the intelligent marketplace for fixing freight'.

ICP commodities

The ICP commodities platform, acquired as part of our acquisition of Chinsay, delivers an industry-leading solution. Whenever a commodity is being transacted there is a need for a standardised and digitised contract to form the basis of the transaction. ICP commodities provides this, enabling data-driven decision-making and insights to commodities trading. We expanded existing customer relationships and gained new customers in 2023. We expect continued growth in this business unit, along with a potential workflow connection between our commodity contract and freight transaction platforms in the future.

Custom software development

The development of our custom software development business unit follows our full integration with Setapp (acquired in the fourth quarter of 2022). The team's expertise in maritime software development has been instrumental in creating bespoke software solutions for our customers, while allowing Sea to insource all software development and drive down our cost base.

Committed to effective engagement with our stakeholders, enabling us to respond to their needs in a fast-changing world

Our clients

Who they are
We have over 5,000 clients globally which includes charterers, vessel owners, trust funds, investors and ship agents.

What they care about
- Integrity
- Quality of service
- Expertise
- Trusted advisor
- Innovation and technology
- Market leadership
- Sustainable products and solutions
- Business conduct

Why they are important to us
As the world's leading provider of integrated shipping services, our market-leading technology and intelligence set us apart. This allows us to influence client decisions at every step of the shipping lifecycle and form the trusted partnerships with our clients that continue to drive our business.

How we engage with them
Adopting a bespoke approach is key to how we engage with our clients. This includes:
- Client meetings and presentations
- Client forums
- Client feedback and input into product development
- Social media
- Website

Issues raised during the year
- Decarbonisation of the industry, including the fuelling transition (transition in the industry away from conventional fuels for vessels), energy transition (impact on trade flows of changes in energy usage) and growth of the offshore renewables market
- The digital transformation of the industry
- Impact of geo-political uncertainty on trade flows and supply chains

Actions and outcomes
- Continued focus from the Green Transition team on working with clients on understanding evolving regulations and broader decarbonisation strategies
- Continued investment in and development of technological solutions (eg to facilitate decision-making to support decarbonisation of the industry, and to support negotiation and management of freight transactions)
- Continued development of our sanctions compliance programme

Our people

Who they are

We have over 2,000 employees across more than 60 offices in 24 countries.

What they care about

- Client relationships
- Maintaining market position
- Broad experience and leading the way in industry change
- Culture and values
- Training and development
- Employer brand
- Reward and benefits
- ESG

Why they are important to us

As a trusted advisor to our clients leveraging market-leading intelligence enabled by technology, our people are our biggest asset. We continually strive to engage, develop and retain them.

How we engage with them

- Leadership and divisional management forums
- Employee Voice Forum
- Global conferences
- Active management
- Internal communications channel (Voyage)
- Social media
- Digital platforms
- Social and networking opportunities
- CSR activities

Issues raised during the year

- The green transition
- Strategic client engagement
- Leadership in complex global markets
- The digital transformation of the industry
- ESG agenda
- CSR priorities

Actions and outcomes

- New training and development and cross-business collaboration on key market developments around digitisation and the green transition
- Funding and supporting charitable causes that are meaningful to our people and communities
- Enhancement of mental health-focused benefits provided to employees
- Evolution of ways of working and bringing the Group together: new channels of communication, new networks of collaboration and a consistency of knowledge sharing
- Continued focus on leading with compassion and empathy, and enhancement of focus on management and leadership skills and competencies
- Conducted our first ESG materiality assessment, developing a framework that will provide the foundation of an ESG action plan

Our communities

Who they are

The shipping community, industry-related partnerships and the wider communities in which we operate.

What they care about

- Authoritative data and intelligence
- Sustainability
- Clarksons as a responsible company
- Employment opportunities
- Charities and community causes

Why they are important to us

All participants in the wider shipping community play an important role in shaping the industry in which we operate, as well as being our current and potentially our future clients. Furthermore, we want to have a positive and lasting impact on communities, and fundamentally believe that behaving in a socially responsible way is the right thing to do.

How we engage with them

- Publications and our database
- Sharing of expertise and knowledge through participation in industry forums and employee directorships of shipping-related boards
- Industry partnerships
- Volunteering
- Charitable donations
- Social media

Issues raised during the year

- Decarbonisation of the industry, including the fuelling transition (transition in the industry away from conventional fuels for vessels), energy transition (impact on trade flows of changes in energy usage) and growth of the offshore renewables market

Actions and outcomes

- Continued support of already established industry partnerships and establishment of new partnerships
- Provision of Sea technology modules to maritime universities at a heavily reduced price
- Focus on our local communities through charitable giving and employee volunteering
- Continued charitable giving by The Clarkson Foundation
- Conducted our first ESG materiality assessment, developing a framework that will provide the foundation of an ESG action plan

Our shareholders

Who they are

Our shareholders range from small private investors to large institutional investors.

What they care about

- Operating and financial performance
- Strategy and outlook
- Shareholder value creation
- Dividend policy
- ESG performance
- Remuneration

Why they are important to us

Our shareholders own our business and provide us with the capital that enables us to continue to grow the business.

How we engage with them

- One-to-one meetings
- Investor roadshows
- Capital markets days
- Analyst briefings
- Half year and full year results presentations
- Annual Report
- AGM
- Website

Issues raised during the year

- Sustainability matters
- Diversity
- Executive remuneration
- Succession planning

Actions and outcomes

- Continued strong financial performance
- Maintenance of the Company's progressive dividend policy
- Enhanced understanding of the Company's executive remuneration structures
- Conducted our first ESG materiality assessment, developing a framework that will provide the foundation of an ESG action plan

Understanding what matters to our shareholders and how our decisions impact them

The Board recognises the value of building strong relationships with our stakeholders to gain a better understanding of what matters to them and how our decisions will impact them.

This helps to inform our decision-making, deliver our strategy in a sustainable way and meet our stated purpose. We are therefore committed to effective and regular engagement with each of the Company's stakeholders (as set out on pages 58 and 59).

The Board engages directly with shareholders and employees, and we receive regular updates from the Executive Directors on how management engages with other stakeholders. Further information can be found on direct engagement activities on pages 112 and 113 and on the Company's engagement with its stakeholders more generally on pages 58 and 59.

In their discussions during the year ended 31 December 2023, the Company's Directors have acted in the way that they consider, 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 stakeholders and the matters set out in subsections 172(1)(a)-(f) of the Companies Act 2006). The Board considers these matters in all its discussions and decision-making, as set out on the next page.

The likely consequences of any decision in the long term:
The Directors recognise the need to take a long-term view in every decision that they take to ensure the continued growth of a sustainable business.

Read more:
Our business model on pages 22 and 23.
Our strategy on pages 30 and 31.
Principal risks on pages 68 to 71.
Viability statement on pages 72 and 73.

The interests of the Company's employees:
Our people are at the heart of how we engage with each other, our clients, and the products and services that we provide. As our biggest differentiating factor, engagement with our employees is key to our success. The Board engages with members of the Executive Team through business presentations at Board meetings. In addition, the attendance of our Employee Engagement Director (Heike Truol) at meetings of our Employee Voice Forum provides a further means of ensuring two-way communication – Heike shares employee views and feedback with the Board following each meeting of the Forum, and updates the Forum on relevant Board matters. Heike's updates help us to take account of the interests of our employees when taking decisions. Our Executive Directors also provide updates on people matters at each Board meeting.

Read more:
Our stakeholders on pages 58 and 59.
Our impact on pages 84 to 89.
Purpose, values, behaviours and culture on pages 110 and 111.
Stakeholder engagement on page 112.

The need to foster the Company's business relationships with suppliers, customers and others:
Our client base is diverse in terms of both size and needs, and our brokers' approach to engaging with our clients is bespoke to, and driven by, each client's needs. The most meaningful way for the Board to receive feedback gathered through this engagement is therefore through updates from management, including through the CEO's regular update to the Board and business presentations made by senior management. Trends in the marketplace and client feedback on products are also key elements that the Board takes into account in evolving the Group's strategy.

As with our clients, our stakeholders in the shipping community are diverse and management takes an appropriately tailored approach to engaging with them. The Executive Directors and senior management report back to the Board on key issues raised by our stakeholders, and updates are also provided by the Research division on the salient trends in the shipping community that frame our strategy.

Whilst we do not consider our suppliers to be a significant stakeholder in our business, we are committed to treating our suppliers fairly. In particular, we recognise the importance of prompt payment of invoices for our smaller suppliers. The Board receives regular updates on supplier payment practices. Our largest operating subsidiary in the UK complies with payment practices reporting, with circa 91% of all invoices being paid within 60 days and approaching 75% being paid within 30 days.

Read more:
Our strategy on pages 30 and 31.
Our stakeholders on pages 58 and 59.
Our impact on pages 78 to 101.

The impact of the Company's operations on the community and the environment:
The long-term partnerships that our brokers form with our clients, our expertise and depth of experience in our markets and our broad service offering (enabled by technology and data) mean that we are uniquely placed to drive forward change in the shipping industry. This is embodied in our short-form purpose – 'Enabling global trade. Leading positive change.' Our Green Transition offering forms the framework within which we are working with stakeholders to move towards the decarbonisation targets set by the maritime industry.

With regard to our own operations, whilst we are cognisant that as a largely office-based organisation our direct impact on the environment is modest, we are committed to monitoring and minimising our carbon footprint in the nearer term and achieving net zero by 2050 in line with current UK government targets.

Read more:
Our strategy on pages 30 and 31.
Our impact on pages 78 to 101.
TCFD on pages 74 to 77.

The desirability of the Company maintaining a reputation for high standards of business conduct:
As a Board we are acutely aware of our responsibility for setting the tone from the top, which ensures that we maintain our reputation for providing the highest quality of service for our clients whilst operating at the highest level of integrity. We achieve this through the Company's clear purpose, which is embedded through our values and culture. Our governance framework enables effective decision-making, supported by day-to-day policies and procedures which are communicated to all. Our delegated authorities matrix supports the efficient operation of our business whilst retaining clear accountabilities.

Read more:
Our impact on pages 98 to 101.
Governance framework on pages 108 and 109.
Purpose, values, behaviours and culture on pages 110 and 111.
Audit and Risk Committee Report on pages 120 to 127.

The need to act fairly between the members of the Company:
The Board is conscious of the need to balance the broad range of interests and perspectives of our shareholders in our deliberations, whilst acknowledging that not every decision that we make will deliver everyone's desired outcome. Board papers for principal Board decisions include a section on stakeholder interests and impacts, which supports us in considering how our decisions might affect our shareholders.

Read more:
Stakeholder engagement on pages 58 and 59.
Voting rights on page 146.

Taking section 172 into consideration as part of Board discussion and decision-making

Decision

The Group's Clarkson Port Services business ('CPS') acquired DHSS in February 2023. DHSS is a leading provider of integrated logistics services to the offshore renewable industry, based in the Netherlands. With a presence across a number of ports in the Netherlands, DHSS acts as a gateway to offshore wind farms, with services spanning the lifecycle of turbine installation, day-to-day operation and ongoing maintenance with sector-specialist coordination of port logistics, warehousing and helicopter movements from strategically located marshalling ports.

How the Board considered section 172 matters in taking its decision

Long-term consequences:
The Board considered whether the proposal to acquire DHSS was aligned with the Company's purpose and strategy.

We were satisfied that the proposal would support in particular the 'Leading positive change' aspect of the Company's purpose, given that investment in offshore renewable energy capacity continues to be needed to support the energy transition.

We also agreed that the proposal would support our Breadth, Reach and Growth strategic objectives:

Breadth – increasing the value of services offered to our customers by bringing together the spread of activity of DHSS with that of the Group in the renewables sector

Reach – expanding the reach of our CPS business into mainland Europe

Growth – allowing us to capitalise on the expansion of renewable energy and presenting enhanced growth opportunities through the ability to tender for larger offshore renewables contracts internationally

We also reviewed whether the proposal would create long-term financial and sustainable value for the Group's stakeholders and were of the view that it would.

Employees:
The acquisition would establish the enlarged business as a sector leader, providing employees of both the Group and DHSS with a significant knowledge base from which to grow. In addition, DHSS's employees would be able to reap the benefits of being employed by a financially stable, global, listed Group which would offer various medium- to long-term opportunities including training and role/career development.

Fostering relations with clients:
We were satisfied that the acquisition of DHSS would provide benefits for both the Group's own clients and those of DHSS. The investment in complementary activities and locations would diversify and deepen our offering to existing and future clients, whilst the integration of DHSS within the CPS business would enable their clients to benefit from the strength of the Group.

Impact on communities and environment:
The Group is committed to continuing to invest in renewables, which we see as making a crucial contribution to the energy transition. As a leading provider of services to the offshore renewable industry, the acquisition of DHSS enables us to support that industry on a global scale.

High standards of business conduct:
The necessary due diligence was undertaken prior to the transaction being approved. We were satisfied that DHSS's own standards of business conduct and its culture were aligned with those of the Group.

Board engagement

The Board approved the acquisition and the Executive Directors have provided regular updates on the integration of the business and its rebranding as CPS BV.

Acquisition of DHSS drives growth

Read more
Business review on page 50.

Preserving the integrity and reputation of the Clarksons brand through effective risk management

Our risk profile continues to evolve as a result of fast-changing market conditions and regulations, global macro-economic and geo-political uncertainty with associated market volatility, increasing cyber criminality and climate change. This evolving external context also brings strategic opportunities such as the green transition and technology and data-driven commercial options which enable us to lead positive change and develop the tools to future-proof our business.

Our risk management framework ensures that we manage risks against a risk appetite that seeks to protect on the downside while promoting the necessary entrepreneurism to seize opportunities which further our strategy to create value for shareholders and other stakeholders.

Risk environment

Our business model determines our inherent internal risk:

We act as agents in the provision of services for and on behalf of our clients

As agents, we are bound by the scope and authority determined by our General Terms and Conditions, which are communicated to our clients on commencement of business. We do not take principal trading positions, other than in the convertible bonds business and in exceptional circumstances in the Financial division should there be a failure of a client to meet its obligations during the settlement period.

We do not own physical assets of material value

The strength of our balance sheet comes from cash and other current working capital which grow with our consistently profitable business. Our profit and cash flows are not exposed to asset valuations or the risk of loss or damage to physical assets of material value integral to our day-to-day business.

Capital commitments

Aside from regulatory capital commitments in our regulated entities, we are not required to commit amounts of capital in the conduct of our day-to-day business.

Borrowings
The Group has no borrowings.

We experience external risks as we operate worldwide and are subject to changing geo-political and market dynamics, macro-economic factors and climate change.

Risk culture
Risk management is an integral part of all of our activities. Risks are considered in conjunction with opportunities in all business decisions. We focus on the principal risks which could affect our business performance and therefore the achievement of our strategic objectives.

Our flat management structure and culture of open communication across all areas of the business enables employees to identify, assess, manage and report current, potential or emerging risks to senior management in a timely manner. Employees are actively encouraged to suggest improvements to processes and controls.

Risk appetite
Risk appetite reflects the overall level of risk we are willing to seek or accept in order to achieve our strategic objectives and is therefore at the heart of our risk management processes. Determining the nature and extent of the risks we are willing to take is the responsibility of the Board. Our aim is to manage each of our principal risks and mitigate them to within their agreed individual risk appetite levels.

The Board approves the Group's policies, procedures and controls. This process enables, where possible, a reduction in risks to the tolerance levels set by the Board. In determining its risk appetite, the Board recognises that a prudent and robust approach to risk mitigation must be carefully balanced with a degree of flexibility so that appropriate levels of risk are accepted in line with our strategy and the entrepreneurial spirit which has greatly contributed to the success of the Group is not inhibited.

Control environment
Our internal control system is embedded into our culture and encompasses the policies, processes and behaviours that, taken together:

- facilitate its effective and efficient operation by enabling us to respond appropriately to significant risks that prevent us from achieving our objectives. This includes the safeguarding of assets from inappropriate use or from loss or fraud and ensuring that liabilities are identified and managed;
- ensure the appropriate quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information that enables management to make appropriate strategic and operational decisions; and
- ensure compliance with applicable laws and regulations.

Our internal control system is designed to evaluate and manage, rather than totally eliminate, risk and can only provide reasonable, and not absolute, assurance against material loss or misstatement.

The Group continually seeks to improve and update existing procedures to introduce new controls where necessary and to evaluate emerging risks.

It is clearly communicated to all staff that they are responsible for ensuring compliance with Group policies, identifying risks within their business and ensuring these risks are controlled and monitored in the appropriate way. Annual mandatory training reinforces this approach.

Read more
Our strategy on pages 30 and 31.
Our markets on pages 24 to 29.
Principal risks on pages 68 to 71.
Audit and Risk Committee Report on pages 120 to 127.

Risk governance

Top down
Risk oversight
and assessment

The Board is responsible for:

- Managing risk to protect operations and deliver strategic opportunities;
- Setting the Group's strategic objectives and determining the nature and extent of the risks it is willing to take (the risk appetite) in achieving these strategic objectives;
- Establishing risk management policies, key controls and procedures to ensure that they continue to be effective and protect the Group's stakeholders; and
- Maintaining the Group's system of internal controls and risk management and reviewing the effectiveness of these systems annually.

The Audit and Risk Committee is responsible for:

- Undertaking an annual review of the Group's internal controls and procedures;
- Reviewing the adequacy and effectiveness of the Group's risk management systems and processes;
- Overseeing the development of internal control procedures which provide assurance that the controls which are operating in the Group are effective and sufficient to counteract the risks to which the Group is exposed;
- Reviewing the External Auditor's report in relation to internal control observations; and
- Considering all internal audit reports, and overseeing implementation of associated recommendations.

Operational management is responsible for:

- Embedding risk management processes and internal controls across divisions and functional areas;
- Ensuring effective risk identification, assessment and mitigation is performed across the business; and
- Ensuring risk awareness and safety culture is embedded across the business.

Bottom up
Assessment at
operational
level

Approach and framework

Our approach is to maintain and strengthen our risk management and internal control framework by identifying, assessing, controlling, evaluating, monitoring and reporting the risks facing our business.

Our risk assessment is formed in stages:

1. Identify current and emerging risks facing the Group, including an appraisal of the extent the risk is affected by climate change;
2. Document risks on a centrally managed risk register;
3. Identify the level of appetite appropriate for each risk;
4. Assess the likelihood of occurrence of each risk over a 36-month period;
5. Evaluate the potential impact of each risk on the Group using a quantified scale;
6. Determine the strength and adequacy of the controls operating over each risk;
7. Identify and assess the effect of any mitigating factors on both the likelihood and impact;
8. Compare the residual risk against the identified risk appetite;
9. For each principal risk, after considering the relevant risk appetite and mitigants, identify the extent to which any risk exceeds appetite;
10. Identify the plan of action for the next 12 months to deliver enhanced controls and, where necessary, bring the risk within appetite;
11. Consider the level of additional assurance derived from the Three Lines of Defence model, including internal audit; and
12. Monitor and report all risks, any emerging risks, any changes to the level of risk appetite and the status of the plan of action on a regular basis.

The Board recognises that it has limited control over many of the external risks it faces, including, the macro-economic and geo-political environment and climate change. It nevertheless reviews the potential impact of such risks on the business and actively considers them in its decision-making. The Board monitors the principal risks at each Board meeting.

Every year, through the integration of culture, compliance and training, we make further progress in embedding our risk management approach with all employees. Using the risk management system we introduced in 2022, we continue to improve risk awareness, refine key controls and enhance procedures to further mitigate risks.

The Board and senior management take a forward-looking approach to risk to ensure early identification, timely assessment and, where necessary, mitigation of new and emerging risks, such that they can be evaluated alongside known and continuing risks.

Priority for 2024

In addition to our regular risk management activities, we continue to promote an environment of identifying, assessing, controlling, evaluating, monitoring and reporting the effectiveness of our existing controls in light of emerging and evolving macro-economic, geo-political, cyber and technological challenges and opportunities to enable the Board to execute its responsibilities. Our risk management system will continue to monitor the effectiveness of key controls and enable rapid remedial action where necessary. This is supported by enhanced management information from across the Group including our Research division.

Principal risks

The backdrop to 2023 has been one of continued geo-political instability, although the macro-economic position has been more settled than in 2022. Against this wider context, the Board determined that no changes were necessary to either the principal risks or their risk factors (following increases to the risk factors of some risks in the prior year).

The risks that follow, whilst not exhaustive, are those principal risks which we believe could have the greatest impact on our business and have been discussed at meetings of the Board and the Audit and Risk Committee. The Board reviews these risks in the knowledge that currently unknown, non-existent, emerging or immaterial risks could turn out to be significant in the future and confirms that a robust assessment has been performed.

Whilst not a principal risk for the Group at this time, we consider climate change to be a thematic risk which potentially impacts a number of our principal risks. The Audit and Risk Committee recognises that the assessment of the opportunities and the impact on principal risks arising from climate change requires consideration of much longer timescales beyond the 36 months used in the viability analysis on page 73, and will continue to take a long-term view of the potential impacts and mitigants for the Group. In leading positive change in a fast-changing world, we continue to assess and manage areas where climate change can impact our business and clients, and seek ways in which we can proactively support our clients through the green transition.

Macro-economic and geo-political factors

Change in risk factor since 2022
No change

Link to strategic objective
Understanding, Growth

Description
The strength of, and changes in, world trade, global GDP and other general economic fluctuations impact the demand for ships. The actions of owners and financiers have a direct impact on the supply side of our business.

Supply/demand imbalances cause fluctuations in freight rates. If freight rates, volumes or asset prices fall, the commission that we receive on any deal would also fall.

World seaborne trade in 2022 declined, albeit by only 0.4%. 2023 witnessed renewed growth, which is forecast to continue into 2024. However there remain considerable uncertainties in the geo-political landscape, including as a consequence of the Russia-Ukraine conflict, tensions across the Middle East and weaker growth in China.

Controls/mitigating factors

- We are not dependent on any one country's economy as our operations and clients are located in all major maritime and trade centres globally.
- Our business model is built on the ability to deal with downturns and remain profitable. Our employee remuneration, which is weighted toward profit-related variable compensation, means that overheads are responsive to swings in asset values and freight rates.
- We have the resources and capability available to open offices in new locations, mitigating the reliance on regional performance.
- Our broad product offering, led by experts in their fields, means we are in the best position to find new opportunities in volatile market conditions and able to take advantage of market turnarounds.
- We review the performance of each office and product line at least monthly.

Activities in 2023
Our results for 2023 show the robustness of our strategy and business model against volatility in our markets.

Read more:
Our markets on pages 24 to 29.

Changes in the broking industry

Change in risk factor since 2022
No change

Link to strategic objective
Understanding, Breadth, Reach, Trust, Growth

Description
There is a risk that we do not take advantage of, or are overtaken by, changes in our industry.

Clients are becoming increasingly sophisticated and looking to technology to provide efficiencies, access to more intelligence for informed decision-making, as well as data to meet their reporting requirements. Consideration of environmental factors is also coming to the forefront of clients' strategy.

These changing requirements in the broking industry create business opportunities for the Group as a trusted advisor to our clients. Failure to consider these changes, both at a strategic and operational level, could lead to a loss of market share, loss of revenue and reputational damage.

Controls/mitigating factors
- We monitor and develop technological applications which will impact the broking industry and ensure we remain best-in-class.
- We monitor competitors' activities in terms of product offerings to ensure we can react accordingly.
- We maintain strong client relationships and continuously review and improve based on our clients' broking requirements.
- The Sea suite of sophisticated technological tools enhances our service offering to our clients and helps to future-proof our business.
- Our market research and analysis gives our brokers insights into the near- and future-term shipping climate, placing them in a knowledgeable position to best support our clients to make smart decisions.

Activities in 2023
- We continued our strategy to be at the forefront of the digital transformation of our industry by investing in the Sea suite of tools to ensure that we anticipate and meet the evolving needs of our clients.
- We continued to invest in internal tools for trade to provide our brokers with the best technology to service our clients.
- We further grew our in-house specialist Green Transition team to complement our brokers' offering, helping clients understand, plan for and comply with the changing environmental requirements.
- We actively worked to take advantage of the opportunities which arose across all verticals from the green transition, as a result of the IMO target set for 2030. This will position the Group to play a strong role in these fast-changing markets over the longer term.
- We expanded our research to both meet clients' needs and to ensure the best market intelligence for our Broking teams.

Read more:
Business review on pages 32 to 57.

Adverse movements in foreign exchange

Change in risk factor since 2022
No change

Link to strategic objective
Growth

Description
The Group can be exposed to adverse movements in foreign exchange as our revenue is mainly denominated in US dollars and the majority of expenses are denominated in local currencies, whilst we continue to report in sterling.

The average exchange rate in 2023 of US$1.25/£1 was similar to that in 2022 when the average was US$1.23/£1. There is a risk of a weakening in the US dollar.

Controls/mitigating factors
- The Group hedges currency exposure through forward sales of US dollar revenues.
- We also sell US dollars on the spot market to meet local currency expenditure requirements.
- We continually assess rates of exchange, non-sterling balances and asset exposures by currency.

Activities in 2023
We continued to apply our hedging strategy consistently and, as at 31 December 2023, the Group had hedges in place for 2024, 2025 and 2026 of US$111m, US$75m and US$15m respectively.

Read more:
Our financial risk management objectives and policies in note 28 on pages 194 to 196.

Financial loss arising from failure of a client to meet its obligations

Change in risk factor since 2022
No change

Link to strategic objective
Understanding, Growth

Description
Uncertainty in our markets continues to affect the amount of debt that may be recoverable. Furthermore, any forward order book values may have to be written off, thereby impacting future income as well as existing booked income.

Controls/mitigating factors

- We maintain good relationships and communication with our clients.
- We regularly monitor global client debt levels using information from a range of sources.
- Provisions are based on ageing of balances, disputes or doubts over recoverability.

Activities in 2023

- We continued to provide for doubtful debts on a conservative basis.
- There were no unexpected losses arising from a client failure in 2023.
- We monitored cash collections daily.

Read more:
Our trade receivables in note 15 on pages 183 and 184.

Cyber risk and data security

Change in risk factor since 2022
No change

Link to strategic objective
Trust

Description
Financial loss, reputational damage or operational disruption resulting from a major breach in the confidentiality, integrity or availability of our IT systems and data.

A breach could be caused by an insider, an external party, inadequate physical security, insecure software development, or inadequate supply chain management.

The market has seen an increased volume of spam, targeted phishing type emails and ransomware attacks. The increased frequency of zero-day attacks and the increasingly sophisticated methods of social engineering attempts are further examples of the risks we face.

Controls/mitigating factors

- IT processes include regular penetration testing, anti-virus and firewall technologies, monthly network vulnerability scans, frequent password changes including complexity requirements, enforced multi-factor authentication requirements, email scanning and strict procedures on granting and removing access.
- Operational processes include 24/7 cyber threat monitoring, strict segregation of duties, business continuity planning and regular cyber awareness training.

Activities in 2023

- We continued to invest significantly in enhanced security policies and measures, people, resources and training dedicated to the prevention of cyber crime, both in an office and remote working environment.
- Employee awareness communications, enhanced access control technologies and additional security monitoring were implemented to combat the increased threat.

Breaches in rules and regulations

Change in risk factor since 2022
No change

Link to strategic objective
Trust

Description
Breaches of regulations, intentional or unintentional, could have a significant financial and reputational impact on the Group. In regulated entities, this could result in the loss of licences required to operate.

Regulations that could be breached include laws governing sanctions, bribery and corruption, market abuse (including insider dealing and market manipulation), money laundering, facilitation of tax evasion, data privacy, and health and safety.

Controls/mitigating factors

- Investment in compliance, KYC and legal functions.
- Policies and procedures for all areas.
- Regular training including mandatory annual training in all areas.
- Due diligence performed on clients, vessels and transactions.
- Various internal controls to identify, block, escalate and record activity that may be prohibited.
- Regular monitoring and audits of relevant internal controls.

Activities in 2023

- Updated global risk assessments across various areas.
- Increased and upgraded resources in KYC, sanctions and compliance support.
- Reviewed and amended various policies, created additional policies and procedures, introduced various additional internal controls and upgraded functionality of various internal controls.
- Created additional training.

Read more:
Leading a responsible business on pages 98 to 100.

Loss of key personnel – normal course of business

Change in risk factor since 2022
No change

Link to strategic objective
People

Description
Losing key personnel may impair our coverage of a particular line of business as our success depends on the experience, reputation and performance of our specialist teams across the Group.

The continued relative strength of shipping markets has improved the financial position of competitors and thus their ability to poach our staff through enticing financial packages.

Controls/mitigating factors
- We offer competitive remuneration, a wide range of progressive employee benefits and an excellent working environment.
- Employment contracts include restrictive covenants, appropriate notice periods and gardening leave provisions to prevent the loss of key information.
- The Group seeks to create a working culture that is inclusive for all, thereby maintaining high standards and good employee relations.
- Group and divisional organisational and management structures ensure clarity of strategic direction and goals and allow us to expose employees to maximum opportunity.
- Global mobility is encouraged and supported wherever possible.
- We invest in our teams through training and development, and promote further learning through lectures and encouraging personal study.
- Bi-annual promotions process, succession planning and documentation of key procedures help minimise any impact of losing personnel.
- Cross-divisional and business collaboration is actively encouraged across the Group.

Activities in 2023
- Continued focus on strategic hires.
- Promotion of new Managing Directors, Directors and Divisional Directors to expand the cohort of future leaders.
- Further embedding of our competency and behaviours framework to support leadership and employee development, performance management and promotions based on consistent criteria of performance requirements.
- Launched the Clarksons Academy, a central hub where employees can access valuable learning resources for their continued personal and professional development, each programme specially curated to equip employees with the skills and resources they need while also providing valuable context on global shipping and Clarksons' role as an industry leader.
- Continued to roll out our bespoke management and leadership development programme.
- Launched the Trainee Broker programme providing trainee brokers with a breadth of experience to help accelerate career development and developing the next generation of brokers who can deliver the full value of the Group to clients.
- Strengthened our employee engagement initiatives through further channels to listen to employees and extended the Employee Voice Forum to global locations supported by our dedicated Employee Engagement Director, Heike Truol.
- Analysis of turnover and absenteeism and exit interview data to actively address anything of concern.
- Significant employee transfers across global locations within the Group.

Read more:
Our people on pages 84 to 89.
Employee engagement on page 112.

Loss of key personnel – Board members

Change in risk factor since 2022
No change

Link to strategic objective
People

Description
At the Annual General Meeting in May 2024, the Company will seek approval of its Directors' Remuneration Report ('DRR'). There is a risk that shareholders will not appreciate the context of the existing contractual arrangements of the Executive Directors (as reflected in the shareholder-approved Directors' Remuneration Policy). This could result in shareholders voting against the binding resolutions to re-elect individual Non-Executive Directors.

Controls/mitigating factors
We explain the work that has been undertaken to mitigate this risk in the DRR.

Activities in 2023
Continuing engagement with major shareholders to ensure an understanding of the context of the Directors' Remuneration Policy and its alignment and continuing importance to the success of the Group's strategy.

Read more:
Directors' Remuneration Report on pages 128 to 144.

Viability statement

Provision 31 of the 2018 UK Corporate Governance Code requires the Directors to make a statement in the Annual Report regarding the viability of the Group.

In carrying out their robust assessment, the Directors have considered the resilience of the Group with reference to:
- the risk appetite set by the Board;
- the Group's principal risks and their impact on its strategic objectives;
- the effectiveness of mitigating actions;
- the business model;
- future projected operational performance;
- financial performance, solvency and liquidity over the assessment period; and
- the robustness of the operating model and longer-term strategy.

The Board conducted this review for the three-year period to 31 December 2026, which is appropriate for the following reasons:
- in Broking, over 70% of the forward order book is due to be invoiced within the next three years;
- historical average newbuilding process from inception to delivery is two to three years;
- existing hedging activities extend to 2026;
- pension scheme funding is subject to triennial valuations; and
- external investment analysts provide estimates and forecasts for three years of market expectations for revenue and profit before taxation.

The Board has identified the principal risks that could impact the Group. See pages 68 to 71 for more information on these risks, together with mitigating factors and controls. The Board does not consider that any single event detailed on the next page would give rise to a viability event for the Group. Failure to monitor and take the appropriate mitigating action could result in a combination of smaller events or circumstances accumulating to create conditions in which the longer-term viability is brought into question. The compounding of events will only occur if no action is taken to mitigate each of the smaller events which arise; therefore the probability of such a compound viability event is considered to be low.

The Group has considerable financial resources available to it: a strong balance sheet and it has consistently generated an underlying profit and good cash inflow. As a result of this, the Directors believe that the Group is well placed to manage its business risks successfully, despite the challenging market backdrop and geo-political tensions.

Management has stress tested a range of scenarios, modelling different assumptions with respect to the Group's cash resources. Three different scenarios were considered:
- Management modelled the impact of a reduction in profitability to £30m (a level of profit the Group has exceeded in every year since 2013), whilst taking no mitigating actions: the Group remained cash-generative before dividends.
- Management assessed the impact of a significant reduction in world seaborne trade similar to that experienced in the global financial crisis in 2008, the COVID-19 pandemic in 2020 and the Russia-Ukraine conflict in 2022: seaborne trade recovered in 2009, 2021 and 2023 along with the profitability of the Group. Since 1990, no two consecutive years have seen reductions in world seaborne trade.
- Management undertook a reverse stress test over a period of three years to determine what it might take for the Group to encounter financial difficulties. This test was based on current levels of overheads, the net cash and available funds[1] position at 31 December 2023, the collection of debts and the invoicing and collection of the forward order book. This test determined that, in the absence of any mitigating action which would be applied in these circumstances, less than 30% of current levels of new business would be required to remain cash positive over a three-year period.

Under the first two scenarios, the Group is able to generate profits and cash, and has positive net cash and available funds[1]. In the third scenario, expected levels of new business and/or mitigating action by management make it implausible that such an event could occur.

Given the net cash and available funds[1] of the Group and the forward order book for all future years, the probability of a compound series of events collectively resulting in the Group becoming unviable is low.

Based on their assessment of the prospects and viability of the Group and the outcome of the sensitivity analyses, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 December 2026. In doing so, it is recognised that such future assessments are subject to a level of uncertainty that increases with time and, therefore, future outcomes cannot be guaranteed or predicted with certainty.

The Group's viability and going concern status is reviewed regularly by the Audit and Risk Committee. The viability assessment is reviewed annually by the Board.

Viability analysis

The analysis below seeks to identify viability events which are considered so material and which, if they arose and were not promptly mitigated, could be sufficiently material as to bring into question the viability of the Group.

Risk	Analysis
Macro-economic and geo-political factors	Our markets are multi-cyclical and volatile. Our industry has not seen a two-year period of volume decline since 1990. The Group is consistently profitable, assisted by the forward order book. Sustained declines in world trade rarely occur overnight, so the business will be able to respond with appropriate measures, as occurred during the COVID-19 pandemic in 2020 and the Russia-Ukraine conflict in 2022.
Changes in the broking industry	Broking contributes a considerable proportion to the Group's results. We closely monitor technological changes which will impact the industry and are developing our own applications based on our views of clients' broking requirements.
Adverse movements in foreign exchange	The majority of the Group's revenues is in US dollars. Over the last three years, the USD/GBP rate has reached lows of 1.04 and highs of 1.42. The Group has hedges in place for 2024, 2025 and 2026, reducing the effect of any changes in the exchange rate.
Financial loss arising from failure of a client to meet its obligations	The Group benefits from having thousands of clients spread around the world in a wide range of sectors. The largest client balance, other than amounts arising on a settlement across the year end, accounts for 4.5% of the total outstanding trade receivables balance at 31 December 2023.
Cyber risk and data security	We utilise state-of-the-art internal processes and training to prevent any cyber attack breaching our defences. A successful attack could occur without warning and could affect the Group's ability to conduct business for a period of time. Emails can be quickly rerouted or run on other unaffected parts of our network. In the event of an attack which causes the loss of the network, it is possible to reconstruct it using backups. Assuming suitable hardware is available, key services can be restored within hours and all other services within days. Whilst this might result in errors, omissions and possible claims, key business decisions can still be taken using other forms of communication.
Breaches in rules and regulations	The Group has extensive and adequate tools and procedures to ensure compliance with rules and regulations. The Group continues to develop and invest in these tools to improve further the effectiveness of these procedures. It has a highly experienced, expert Compliance and Legal team.
Loss of key personnel – normal course of business	No one global divisional team accounted for more than 22% of revenue or 36% of underlying profit before taxation[1] in 2023. No individual generated more than 4% of new business for the Group in 2023 or 2022.
Loss of key personnel – Board members	The loss of one or more Non-Executive Director will not have a direct impact on the trading performance or financial position of the Group.

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[1] Classed as an APM. See pages 219 and 220 for more information.

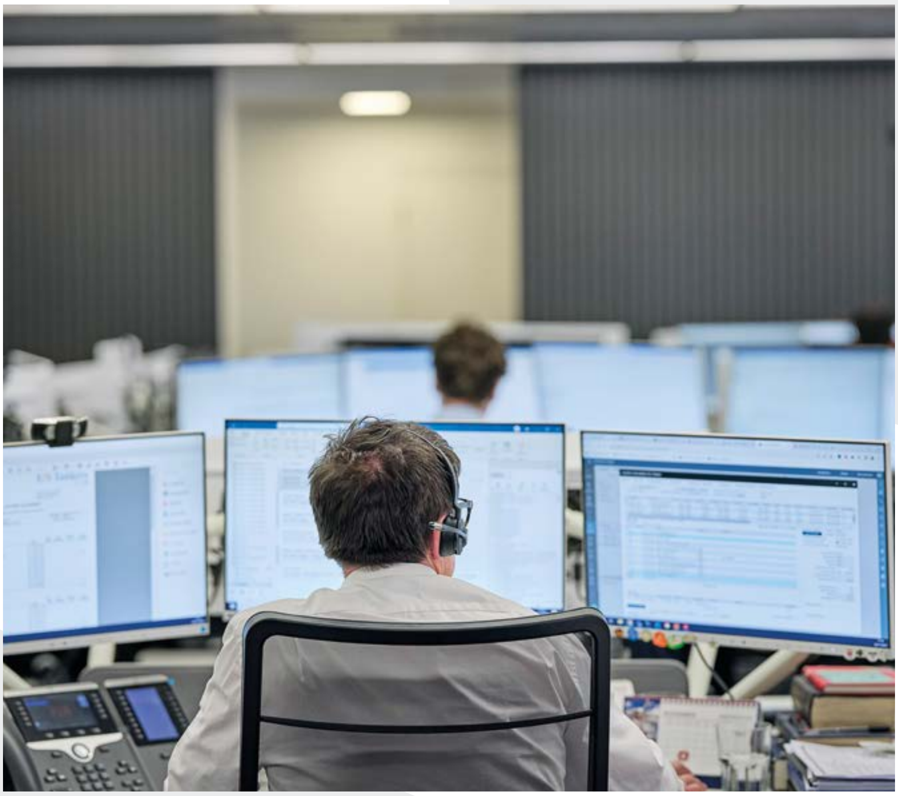
Going concern

The Group's business activities, strategic objectives, business performance and financial position, together with the factors likely to affect its future development, are set out in the Strategic Report on pages 10 to 101.

A full explanation of the assessment undertaken by management and considered by the Directors is set out in the viability statement on page 72.

The Group has considerable financial resources available to it, a strong balance sheet and has consistently generated an underlying profit and good cash inflow. There are no material uncertainties related to events or conditions that cast doubt on the Group's ability to continue as a going concern. Accordingly, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for at least the next 12 months. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Task Force on Climate-Related Financial Disclosures ('TCFD')



The Company has reported consistent with the TCFD recommendations during the year ended 31 December 2023, with the exception of the recommendation under the Metrics and Targets pillar, where we have provided an explanation.

Our approach to the governance and risk management pillars of TCFD is integrated into our wider processes, and our reporting in relation to these areas is therefore set out within the relevant sections of the Annual Report.

Governance

Describe the board's oversight of climate-related risks and opportunities

The Board has overall responsibility and accountability for all risks and opportunities, including all climate-related matters. The Audit and Risk Committee monitors the impact of climate change on our principal risks, including their materiality, as part of their ongoing monitoring of actual and emerging business risks.

Read more:
Our governance framework on pages 108 and 109.

Describe management's role in assessing and managing climate-related risks and opportunities

Our CFO & COO takes overall executive responsibility for ESG matters (including climate change). Our CEO and the Executive Team lead the identification of climate-related opportunities as part of their responsibility for delivering the strategy, and identify and manage climate-related risks within their relevant areas.

Read more:
Risk governance on pages 66 and 67.
Our governance framework on pages 108 and 109.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term, and their impact on the organisation's business, strategy, and financial planning

The risks and opportunities for our business are identified through existing business planning and risk management processes. In 2023, we revisited previously identified risks and opportunities and were satisfied that there were no new emerging risks to be considered. Further detail on the review undertaken and the risks and opportunities identified through the review are set out on the next page.

Read more:
Climate scenario analysis on pages 76 and 77.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

In 2021, we undertook climate scenario analysis to understand how the climate-related risks and opportunities that we face may manifest themselves under two different temperature pathways (including one aligned to the Paris Agreement). We are satisfied that this remains relevant.

Read more:
Climate scenario analysis on pages 76 and 77.

Risk Management

Describe the organisation's processes for identifying, assessing and managing climate-related risks and how those processes are integrated into the organisation's overall risk management

Our processes for identifying, assessing and managing the impact of climate change on our principal risks are integrated into our existing risk management processes.

Read more:
Our risk management framework on pages 66 and 67.

Metrics and Targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The metrics used by the Board to assess our climate-related opportunities are set out on pages 80 and 81. The principal climate-related risk that we have identified relates to stakeholder environmental expectations, which the Board assesses through stakeholder feedback.

Read more:
Our impact on pages 80 and 81.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks

Our Scope 1, 2 and limited Scope 3 emissions are disclosed on page 83. Following work undertaken in 2022 to start collating wider Scope 3 data, a revised approach is now being taken. This is focused initially on assessing all Scope 3 categories in relation to our largest broking subsidiary, rather than focusing on the Scope 3 categories that we had selected and measuring them in our largest locations. This revised approach ensures that assumptions will not be made regarding which Scope 3 categories are most relevant to the Group. Work will be required in this area to satisfy the Audit and Risk Committee of the robustness of the Scope 3 data before it is disclosed. We will provide a further update in the 2024 Annual Report.

Read more:
Our environmental performance on pages 82 and 83.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

We have confirmed our commitment to achieving net zero by 2050 in line with current UK government targets.

Evaluating climate risks and opportunities

The risks and opportunities relating to climate change for our business are identified through existing business planning and risk management processes, In 2021 we conducted a thorough analysis of transition and physical risks and opportunities that could affect the shipping industry. As a result, one risk and two opportunities were assessed in terms of likelihood and impact, in line with our risk management framework, from a long-term perspective, in accordance with internally developed maritime-specific climate scenarios:

- **The Gradual Transition scenario** tracks to a moderate overshoot of the Paris Agreement 2°C temperature increase by 2100. In this scenario, CO_2 emissions peak in the late 2020s and then gradually decline through a gradual shift away from fossil fuel use and robust growth in solar, wind and other renewable energy sources, alongside some developments in carbon capture.
- **The Rapid Decarbonisation scenario** is compatible with the goals of the Paris Agreement, and requires steep global annual emissions reductions, sustained for decades, to stay within a 1.5°C to 2°C temperature increase. This scenario is characterised by a rapid decline in fossil fuel use, albeit with gas playing a role as a transition fuel, and an exponential growth of renewable energy production, developments in carbon capture and land use changes.

In 2023 we revisited the risks and opportunities relating to climate change for our business, and were satisfied that there were no new emerging risks which needed to be factored into our assessment. Focusing therefore on the one risk and two opportunities identified in 2021, we were satisfied that the climate scenario analysis conducted in 2021 remains relevant and that there have not been any new developments that need to be factored in to this analysis. The potential impact of these risks and opportunities if they were to occur is outlined here, along with our resilience to these risks and opportunities. However, these are not considered to be material to the Group at this time.

Risk

Stakeholder environmental expectations

Timeframe: Short term (0-5 years)

Recognising the importance of mitigating climate change, our investors, clients and employees (and in particular our future 'Gen Z' employees) are increasingly aware of the environmental credentials of their investee companies, suppliers and employer respectively. As a result, investors will expect companies to proactively align operations with external environmental frameworks through emission cuts and/or offsetting. We expect this to materialise in the short term, and certainly within the next five years. Stakeholder environmental expectations will continue to develop and grow in the medium and long term as more transparency is required across the value chain.

Mitigation: We are committed to proactively engaging with our investors and clients to understand their environmental expectations. We will collaborate with our key stakeholders to help them achieve the shared objective of reducing their impact on the environment. Our purpose statement and the launch of our Green Transition offering demonstrate to our stakeholders our commitment to be part of the solution through leading and facilitating positive change in the shipping industry.

Furthermore, we understand that transparency surrounding our position in the climate crisis is crucial. We disclose our GHG emissions annually and are aligning our reporting to the recommendations of TCFD. As a business we are committed to supporting our stakeholders by providing the information necessary to contribute to the level of transparency required.

Opportunity

Offshore wind energy

Timeframe: Medium term (5-10 years)

To meet both global and national climate targets, including the procurement of clean energy, renewables are expected to become an increasingly vital part of the energy mix. Due to higher and more consistent wind speeds, offshore wind farms can create more electricity than their onshore counterparts, whilst minimising noise and visual pollution and land use competition. Offshore wind energy therefore has the potential to significantly contribute to the decarbonisation of the energy mix. As important players in the financing, brokering and provision of research and port services for specialist vessels, this growing offshore wind energy market presents us with a significant opportunity. Although renewable energy sources are already starting to increase, we expect this to grow further in the medium term, within the next 10 years.

There is significant growth in offshore wind energy capacity and associated farms and turbines in both the Rapid Decarbonisation and Gradual Transition scenarios, with greater growth in the Rapid Decarbonisation case. However, the world continues to heavily rely on non-renewable energy sources, even though renewable sources have seen an uptick in recent years. The infrastructure for facilities such as offshore wind is still being developed and is unlikely to overtake consumption of fossil fuels in the short term (less than five years).

Harnessing this opportunity:
We need to be the way-finder for the industry, best able to provide research, advice, strategic guidance, and broking and financial execution services to support the development of offshore wind energy projects. Our renewables team was established around 20 years ago for this very purpose and has enabled us to hold a market leadership position in offshore wind energy intelligence. We will continue to adapt our policies, strategy and targets to maintain this position, and we will grow and pivot capacity towards offshore renewables brokerage, port services, banking and research.

Trends in offshore wind energy forecasting do not show a uniform distribution around the world; certain areas are likely to grow more strongly, in part due to their geographical configuration. As such, identifying these at an early stage is crucial for us to consequently build our capacity in the relevant geographical areas. Offshore wind energy is a nascent industry for many areas of the world. Our broking and advisory teams are equipped to support these areas in procuring shipping vessels and infrastructure from more established markets, whilst concurrently supporting them in building a strong supply chain locally for future projects.

Moreover, and increasingly after 2030, a share of global annual investment will be required to replace existing or retired capacities with more advanced technologies. Our renewables team will play a crucial role in developing the intelligence required to best support clients in the replacement and retirement of offshore wind energy capacities.

As we evidence our expertise in these areas, we can gain a competitive advantage over those who do not align to a low-carbon future, ensuring we do not lose market share to new entrants to the market. Through the actions outlined above, we believe that we are in a strong position to capture a significant share of this growing market.

Opportunity

Newbuilding fleet renewal

Timeframe: Medium term (5-10 years)

Despite the present dominance of oil-powered ships, international commerce and climate change pacts and policies are already starting to impact on the current world fleet and newbuilding orderbook. Lowering the carbon emissions associated with the shipping industry will require new ships to be built, compatible with clean fuels. As the green transition evolves, older assets will need replacing and chartering strategies will evolve. Further, port and infrastructure investment will be required to accommodate renewed fleet standards. We expect this opportunity to materialise in the medium term, within the next 10 years.

Similar to the offshore wind energy opportunity, whilst the newbuilding fleet renewal opportunity is already providing opportunities for our business, there is potential for this opportunity to grow significantly in both the Gradual Transition and Rapid Decarbonisation scenarios. As policies and regulations in international maritime are still being developed, technology is still evolving, and the vast majority of the existing fleet is powered by conventional fuel, it is unlikely that in the next five years (a short-term horizon) demand for oil-powered ships will become obsolete.

Harnessing this opportunity:
To support this growing area of the business, we have invested in our market-leading teams which provide research, ship renewal expertise, advisory services and the execution and financing of alternate-fuelled newbuilding of vessels. We are focusing efforts on building expertise within newbuilding, sale and purchase, and our chartering brokerage. We remain a major tonnage provider to the key global shipbuilding players. As intermediaries, we are well informed on both demand- and supply-driven expectations, concerns and strategies. Our aim is to assist and support both shipowners and commodity interests towards the transition to a low-carbon economy. As the industry is becoming more complex, our unique level of understanding of the market and regulatory landscape is ever-more important to help clients navigate this fast-changing environment. We remain well placed to capitalise on this next phase of shipbuilding fleet renewal.

We are committed to closely monitoring the development of latest trends, regulations and technologies which will affect the need for fleet renewal. Environmental regulations are not rolled out uniformly around the world. We will leverage our position as a global company to use our experience in areas where environmental regulations are most stringent to best prepare for the transition in other areas. This opportunity is likely to be most significant in a scenario where the world undergoes an extensive transformation to a low-carbon economy by 2030.

Building a more sustainable future through our focus on ESG

Our purpose as a Company is to 'enable smarter, cleaner global trade' and to 'lead positive change', and we are committed to supporting our clients to achieve their decarbonisation goals.

Every business must play its part in achieving a more sustainable future. Whilst we strive at all times to reduce our environmental footprint and remain dedicated to achieving net zero by 2050, we strongly believe that the single most material impact we can have is through our sector-leading work in the green transition. The shipping industry currently accounts for 2.2% of global CO_2 emissions, and we play a pivotal role in the reduction of emissions across the maritime sector.

This year we increased our focus across all areas of sustainability. We conducted our first ESG materiality assessment to identify priorities and areas where Clarksons can have the most significant impact. The assessment included interviews and workshops with employees and a materiality survey with key internal stakeholders to prioritise material issues. The process reaffirmed our strategic focus; the green transition was identified as the key priority across all considerations. We also identified other environmental, social and governance areas of focus that we plan to invest in further.

Our people are the driving force of our Company, and we are committed to a diverse and inclusive workplace where we prioritise their health, wellbeing and development. Supporting society as a whole is central to our values, and we will continue to achieve impact through The Clarkson Foundation and our Corporate Social Responsibility programme.

Our governance structures are integral to the long-term success of our business; we have robust systems and policies in place to maintain trust and deliver value to our stakeholders.

ESG Framework
Using the results of the materiality assessment, we have developed a framework (below) that will provide the foundation of an ESG action plan. The action plan will support us to measure, track and develop our ESG maturity, and to meet the needs of our stakeholders for increasing levels of sustainability reporting and comparability. We have aligned our ESG priorities with the UN Sustainable Development Goals ('SDGs') to reflect where we believe the Company can have the most significant impact.

Clarksons' ESG pillars and goals

Environment
Managing our environmental impact

Planet
Drive the green transition in shipping
Support the reduction of carbon emissions across the maritime industry through research, innovation and expertise.

Reduce our environmental footprint
Take action to achieve net zero by 2050 and reduce our resource consumption.

Link to UN Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION

Read more:
On pages 80 to 83.

Social
Focusing on our people and our communities

People
Support our people to thrive
Build a diverse and inclusive workplace where we prioritise the health, wellbeing and development of our employees.

Deliver impact in our communities
Support charities and communities to deliver impact.

Link to UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Read more:
On pages 84 to 97.

Governance
Maintaining robust governance practices

Principles
Lead a responsible business
Operate with high standards and integrity. Maintain trust with our stakeholders and deliver sustainable value.

Link to UN Sustainable Development Goals

10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Read more:
On pages 99 to 100.

Environment

We're playing a pivotal role in the reduction of emissions across the maritime sector. As a business, we are committed to monitoring and minimising our carbon footprint in the nearer term and achieving net zero by 2050 in line with current UK government targets.

Driving the green transition in shipping

Our purpose as a Company is to 'enable smarter, cleaner global trade' and to 'lead positive change', which is aligned with our strategy, in particular our strategic pillars of Breadth, Reach, Understanding, People and Trust (read more on pages 30 and 31). As an enabler of global trade, we work closely with our clients to lead and facilitate positive environmental change in shipping.

In line with our purpose and strategy, the Board has set an objective to work alongside our clients to minimise emissions from the shipping industry by:

- Raising awareness and understanding amongst our clients of changes in IMO and EU regulation.
- Providing our clients with the data and tools necessary to make decarbonisation decisions.
- Helping clients to meet their climate-related goals by working with them to identify solutions.

The Board assesses whether this objective has been met through a number of metrics, which include:

- Developments in our Research division to broaden the intelligence available to clients.
- Investment in divisional teams to better support our clients in their decarbonisation strategies.
- Evolving our technology offering to provide clients with the tools to inform cleaner decisions.
- The way in which we are working with other stakeholders in our shipping community to further support the shipping industry's role in meeting global decarbonisation.

The Board noted the progress set out on the next page against these metrics in 2023.

Metric	Update
Developments in our Research division to broaden the intelligence available to clients.	– Growth of data streams on every vessel type, supporting clients in selecting the most environmentally friendly ships. – Enhanced provision of market-leading data on alternative-fuelled vessels, Energy Saving Technologies, vessel speed and CII ratings. – Release of market impact assessments around fuelling transition, IMO short-term measures and the EU ETS. – Development of a new dashboard on ship repair and green technology retrofits. – Further enhancements of Renewables Intelligence Network, providing leading data on offshore renewables generally, including the fast-growing offshore wind market. – Development of the Clarksons Research energy transition model, which supports our clients in planning for the coming decades around changes in the energy mix. – Increasing use of data and intelligence by the global shipping industry, academic research and policymakers as a trusted source.
Investment in divisional teams to better support our clients in their decarbonisation strategies.	– Acquisition by the Support division of DHSS, a leading provider of integrated logistics services to the offshore renewable industry, based in the Netherlands (see pages 49 to 50 for more information). – Focused the Gibb Safety and Survival business in the Support division on meeting the needs of the industry which supports the construction and maintenance of offshore wind farms. – Significant amount of business won by the Support division to support offshore wind farms. – Significant investment in new resources in US offshore wind in order to attract more investment in the development of offshore wind vessels in the US market and support the expansion of the offshore wind market. – Continued training of our people so that they can raise awareness and understanding amongst clients of changing IMO and EU regulations around decarbonisation. – Further development and expansion of the Green Transition team, launched in 2021. – Continued investment in a carbon capture presence within both the Green Transition and gas teams. – Investment in the car carrier team, which works with clients to meet the needs of Electric Vehicle manufacturers and their customers to deliver sustainably produced and transported vehicles. – Enhancement of expertise within the newbuilding team to support clients in their decisions regarding alternative-fuelled vessels, thereby evolving the tonnage on the water towards lower-emitting vessels. – Deal-flow within the Securities business across renewable and clean technology.
Evolving our technology offering to provide clients with the tools to inform cleaner decisions.	– Acquisition by the Maritech business of both MarDocs and Recap Manager, software which enables companies to create, share and manage their charterparties. – Scaling the Sea business throughout 2023 to enhance products.
How we are working with other stakeholders in the shipping community to further support its role in meeting global decarbonisation.	– Continued work by the Financial division with banks and shipowners to meet the needs of the Poseidon Principles. – Joining the Carbon Capture and Storage Association ('CCSA') to help drive CO_2 shipping solutions and evolution of the sector. The CCSA is the leading European association accelerating the commercial deployment of carbon capture, utilisation and storage, an essential solution to reach net zero emissions.

Reducing our environmental footprint

As a business, we are committed to monitoring and minimising our carbon footprint in the near term and achieving net zero by 2050 in line with current UK government targets.

The Board has reflected on Clarksons' position as a largely office-based intermediary which has been committed to minimising its Scope 1 and 2 emissions over recent years, and the global nature of its business in which overseas travel is essential for forming and maintaining client relationships. As a result, the Board recognises that opportunities to significantly reduce our own emissions further, whilst growing the business, are limited.

Actions that we have already taken over the last few years to minimise our Scope 1 and 2 emissions are set out below. We will continue to take actions that will minimise our footprint further where available.

- Roll-out of LED lighting, which has already been implemented in a number of offices, and continues to be progressed across our largest office in London.
- Incorporation of sustainable considerations at the forefront of the design of a purpose-built office and warehouse facility in Great Yarmouth for our CPS business.
- Increased use of technology to enable virtual meetings, thereby reducing emissions associated with travel.
- Changes to monitor power settings to put monitors to sleep more quickly and save energy.
- Purchase of a commercial standard cardboard and paper shredder for our CPS business to convert used boxes into packing material for items we distribute.
- Launch of an Electric Vehicle scheme for UK employees, alongside cycle-to-work schemes.
- Recycling of food waste to make fertiliser and to generate gas for electricity production.
- Minimising the use of plastic in staff canteens by removing plastic cutlery and using recycled materials for takeaway products.
- Through the Employee Voice Forum, raising awareness of and inviting employee input into energy-saving measures to be implemented.

2023 environmental performance

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Clarkson PLC to disclose annual UK energy consumption and Greenhouse Gas ('GHG') emissions from Streamlined Energy and Carbon Reporting ('SECR') regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31 December 2023.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas, gas oil and business travel in company-owned vehicles and grey fleet, water, waste and upstream paper emissions. The table on the next page details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

Summary

Following the easing of COVID-19 pandemic restrictions and the return to business-as-usual across the globe, Clarksons' total GHG emissions have continued to increase since 2022. Overall, on a market basis, our emissions were 8,755 tCO_2e, which is an increase of 48% on 2022. On a location basis, emissions were 8,740 tCO_2e. Although this is a 47% increase on 2022, emissions remain lower than pre-COVID-19 levels in 2019.

While Scope 1 and 2 emissions and energy consumption levels remained comparable to 2022, the continued resumption in business travel following COVID-19 resulted in a significant increase in Scope 3 emissions. This has been predominantly driven by flight emissions, which contributed to 69% of total emissions. We believe that overseas travel is integral to a global relationship-led business. The increase in emissions is therefore in line with our expectations, albeit Scope 3 emissions remain below pre-COVID-19 levels in 2019.

With regards to our carbon emissions intensity, in 2023 Clarksons averaged 4.3 tCO_2e (an increase of 30% on 2022: 3.3 tCO_2e) per employee.

Read more:
TCFD on pages 74 to 77.

Our energy efficiency initiatives

We are committed to reducing our environmental impact and contribution to climate change through continuous improvement procedures. Energy-efficient lighting controls and motion sensors were installed in the London office, whilst there is continued focus on initiatives already in place across our global offices to recycle paper and food waste and print less.

Outlook

We are committed to monitoring and minimising our carbon footprint in the nearer term and achieving net zero by 2050 in line with current UK government targets.

Methodology

We are reporting our GHG emissions and associated energy use as required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the '2018 Regulations') for our global operations.

We have reported the emission sources for which we have operational control for our global estate for the reporting period 1 January 2023 to 31 December 2023. A sample period of November 2022 to October 2023 was used to allow time to gather data and meet the internal deadline for this Annual Report.

Our GHG emissions were calculated in accordance with the requirements of the WRI 'GHG Protocol Corporate Standard (revised version)' and Defra's 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance' (March 2019). We have applied the appropriate GHG conversion factors from the UK Department for Energy Security and Net Zero, the International Energy Agency, as well as the EXIOBASE environmentally extended input-output model for expenditure conversions.

We have included in scope all the properties where we are directly responsible for the consumption of energy, including our tenanted offices. Our carbon footprint for the 2023 reporting year was calculated from activity data for Scope 1 emission sources and electricity consumption in Scope 2.

This disclosure builds on the minimum requirements for compliance with the 2018 Regulations to include additional material Scope 3 emissions from business travel and office operations (waste, water, paper). Our emissions are presented on both a location and market basis. Location-based reporting applies a country-specific factor to electricity consumption whilst market-based reporting takes account of the specific electricity tariff/supplier used.

DHSS was acquired by the Group in February 2023. The emissions inventory for DHSS for 2022 was used as a proxy for emissions in 2023. Following the GHG Protocol, the 2022 SECR disclosure for Clarkson PLC has been adjusted to reflect the addition of DHSS, so that a like-for-like comparison can be made.

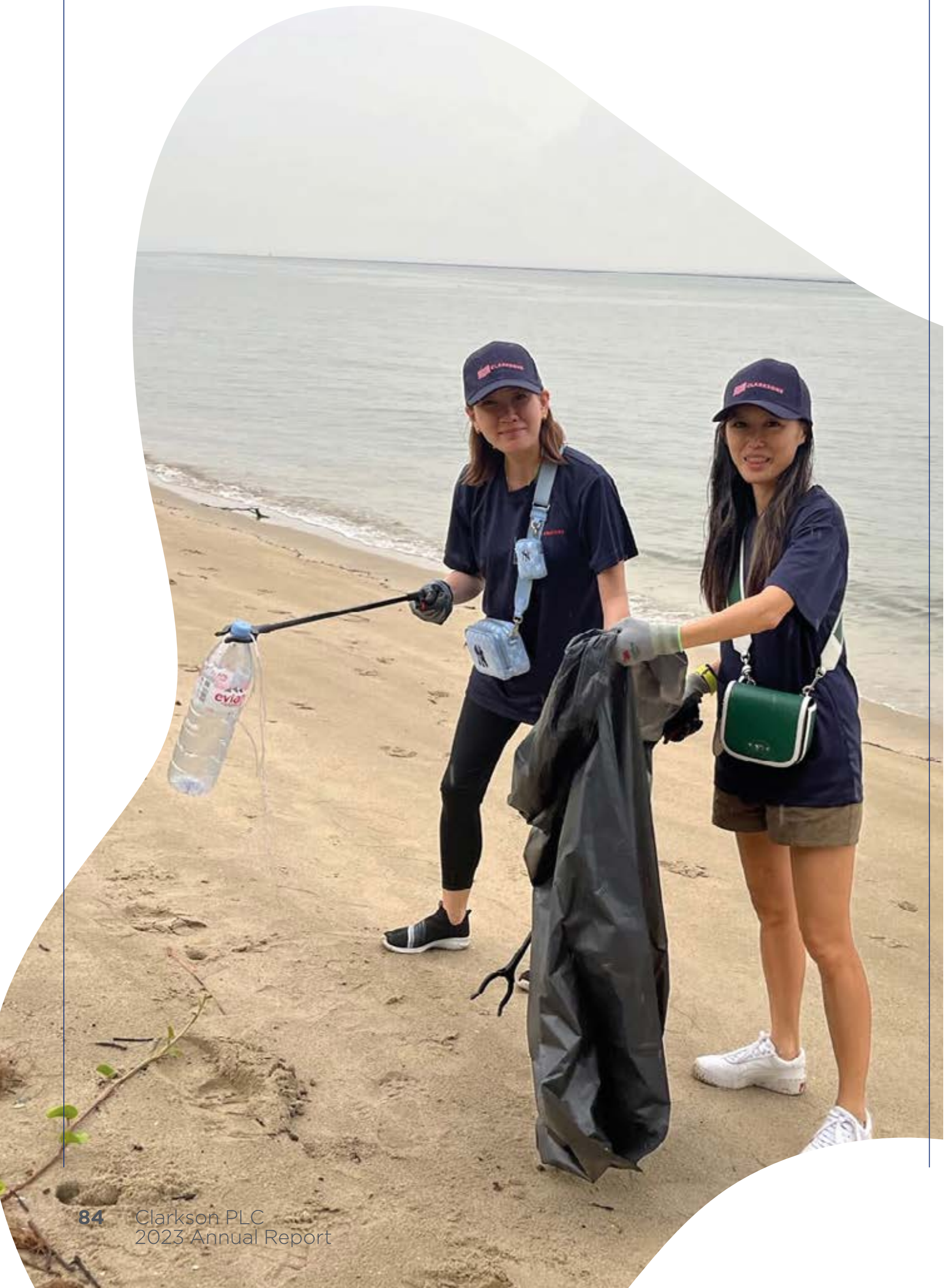
Whilst we have endeavoured to obtain accurate and complete data wherever possible, where there were data gaps, we have used reasonable estimations such as annualisation of actual data, use of expenditure data as a proxy and typical office consumption benchmarks.

Clarksons' GHG emissions (tCO_2e) and associated energy consumption (MWh) for 2023

	UK 2022 (tCO_2e)	Global (excluding UK) 2022 (tCO_2e)	**UK 2023 (tCO_2e)**	**Global (excluding UK) 2023 (tCO_2e)**	% change in total emissions (vs 2022)
Scope 1	765.0	239.5	**448.6**	**565.4**	1
Natural gas	236.0	88.0	**138.8**	**105.0**	-25
Other fuels	240.0	60.6	**228.3**	**57.4**	-5
Company cars	125.0	90.9	**43.8**	**370.6**	92
Fleet	161.0	–	**37.7**	**32.4**	-56
Refrigerants	3.0	–	**–**	**–**	-100
Scope 2 location-based (electricity)	687.0	578.6	**638.2**	**685.4**	5
Scope 2 market-based (electricity)	664.0	568.6	**653.9**	**685.4**	8
Scope 2 purchased heat and cooling	–	–	**–**	**86.3**	100
Scope 3[1]	460.0	3,226.0	**3,475.1**	**2,840.1**	71
Total Scope 1 + 2 + 3 (location-based)	1,912.0	4,044.1	**4,561.9**	**4,177.3**	47
Total Scope 1 + 2 + 3 (market-based)[2]	1,889.0	4,034.1	**4,577.6**	**4,177.2**	48
Total Energy Usage (MWh)	7,180	2,990	**5,234**	**4,915**	-1
Total global (including UK) emissions/FTE		3.3		**4.3**	30

1 Scope 3 emissions from business travel and office operations (waste, water, paper).
2 Location-based factors have been applied where there are no residual mix factors available.

Social
Focusing on our people and our communities.



Supporting our people to thrive

Clarksons is a relationship-driven business. Our people bring innovation, expertise and drive to deliver an unrivalled service to our clients. We continue to attract top talent and it is our people that maintain our position as the world's leading provider of integrated shipping and offshore services. We are dedicated to delivering a diverse and engaging workplace where people can thrive, both professionally and personally. During 2023, we have continued to invest in and grow the Clarksons community.

Engagement

Engaging with our people and understanding what is important to them is essential to our ongoing success. We pride ourselves on a culture that promotes personal, open and direct engagement at every level. We ensure that our employees understand what the organisation is focused on achieving and that each has a role contributing to the success of the Group. We support managers to understand and meet the needs of their teams through open and constructive dialogues. Our people are encouraged to share regular feedback and insights through open lines of communication, as well as more structured channels.

The Employee Voice Forum continues to serve as an invaluable opportunity to engage with our people and learn what is important to them. The sessions bring together Non-Executive Directors with a cross-section of employees from various divisions, levels and tenure to share questions, feedback and insights. The Forum is chaired by Heike Truol, our Employee Engagement Director, and run on a quarterly basis, moving between locations to ensure we receive a global perspective. Participating employees are given the opportunity to raise any issues, including regarding remuneration, that they deem relevant or appropriate. In 2023, topics discussed included ESG, technology and compliance in shipping markets, being part of the global group, and communication methods and channels. Insights are fed back to the Executive Team and the Board; we continue to invest in all these areas and welcome continued employee collaboration.

As well as the Employee Voice Forum, we have a variety of means to engage with our people:

- Global executive and divisional management forums that meet monthly.
- Employee pulse surveys on specific topics and divisions.
- Regular internal communications highlighting sector news, company updates, colleague interviews and educational content.
- Presentations and video updates from our CEO and CFO & COO on key matters.
- Events and offsites to bring teams together to connect the Clarksons community.

Talent management, promotion, recognition and reward

We provide our people with world-class opportunities in an innovative and ever-changing industry, and we are proud that our employees choose to build and progress their careers at Clarksons. By investing in our people, we empower them to do more and develop as future leaders. Our talent management activities include:

- Global executive and divisional management forums that meet monthly.
- A structured global promotions process that is conducted bi-annually based on consistent assessment criteria.
- Clarksons' competency and behaviours framework which is integrated into our assessment criteria for prospective candidates and employee performance management.
- A bespoke management and leadership development programme.
- Regular sessions with Maritime Masters on industry trends and technical insights.
- A structured annual performance review model. Conducted annually, the process has been piloted and scaled across various divisions. The framework will help employees to better understand how they can excel in their roles and drive their career progression.

Recruitment

Our company culture and success are underpinned by our values: integrity, excellence, collaboration and challenge. These values are central to our recruitment strategy and support us to hire the best talent.

We continue to challenge our talent agencies to operate their Diversity and Inclusion policies in a manner that matches our aspirations and ensure that we are increasing the diversity of recruitment pools, and to partner with organisations that share our values. We have also reviewed and updated our recruitment practices to encourage a broader cohort of applicants and are leveraging our employer brand to reach more diverse candidates.

Diversity, equity and inclusion ('DEI')

We believe that a diverse business, is a better business. Our aim is to deliver a diverse, inclusive and equitable workplace where the most talented people in our markets can thrive. We have made strong progress in embedding DEI practices across the business, including enhanced policies, training, recruitment and awareness campaigns. We recognise that there are some challenges to the pace of change to diversity across the industry, particularly regarding gender; we are committed to driving that change.

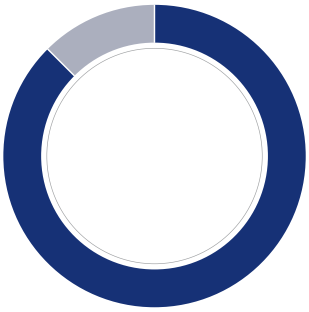
We are continuing to build the diversity of our talent pipeline through skills and experience development programmes, such as paid internships and the Trainee Broker Programme. We have reached an increasingly broad pool of candidates through careers events, partnerships and campaigns.

Throughout the year we highlighted stories from women across Clarksons to inspire the next generation of women to join the maritime industry. As part of the campaign, we held a successful networking event to bring together women and colleagues from across the business. We look forward to building on this campaign over the next year and progressing DEI within the Clarksons community.

Gender diversity

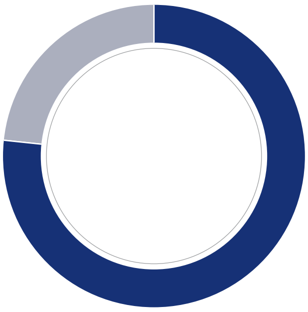
As at 31 December 2023

Executive Committee



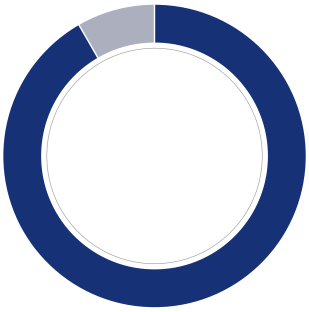
■	Male	21
▨	Female	3

Executive Committee and direct reports



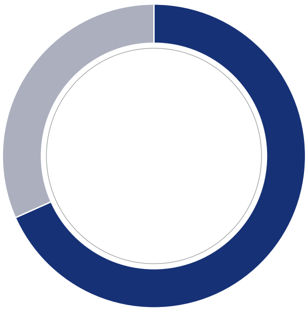
■	Male	188
▨	Female	57

Senior managers[1]



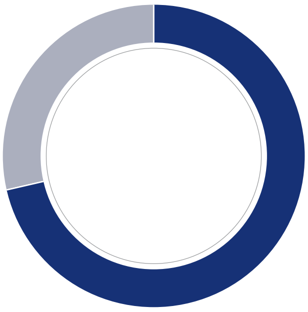
■	Male	209
▨	Female	19

New hires



■	Male	301
▨	Female	138

All employees



■	Male	1,446
▨	Female	578

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[1] Employees who have responsibility for planning, directing or controlling the activities of the Group, including all directors of subsidiary companies.

Read more:
Diversity, equity and inclusion on pages 85 and 119.

In accordance with the Listing Rules, we report on the gender identity and ethnicity of our Board and executive management. The data below was collected from Directors on a voluntary basis. The data of executive management was captured via the Company's internal HR system on a voluntary basis, with 19 different options being provided under ethnicity.

Gender

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]	Number in executive management[2]	Percentage of executive management
Men	5	63%	3	21	87%
Women	3	37%	1	3	13%
Not specified/prefer not to say	–	–	–	–	–

Ethnicity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	7	89%	4	19	79%
Mixed/Multiple Ethnic Groups	1	11%	–	1	4%
Asian/Asian British	–	–	–	3	13%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	1	4%

[1] Defined as Chair, Senior Independent Director, CEO and CFO & COO.
[2] Defined as direct reports of the CEO and the Company Secretary.

Learning and development

We provide our people with continuous opportunities to learn, develop their skills and advance their careers. We pride ourselves on delivering a dynamic and engaging environment for professional development through close mentoring and experiential learning. This hands-on approach is complemented by bespoke development programmes and digital learning tools.

Our teams can continually develop the depth and breadth of their expertise to advance their careers. The Clarksons Academy – our centralised global learning portal – provides access to a wide range of learning and development opportunities, from technical and industry training to personal and professional skills. We also provide global access to online learning programmes with a leading provider, Goodhabitz.

Our bespoke management and leadership development programme supports leaders to build thriving teams that can adeptly respond to the fast-changing demands of the industry.

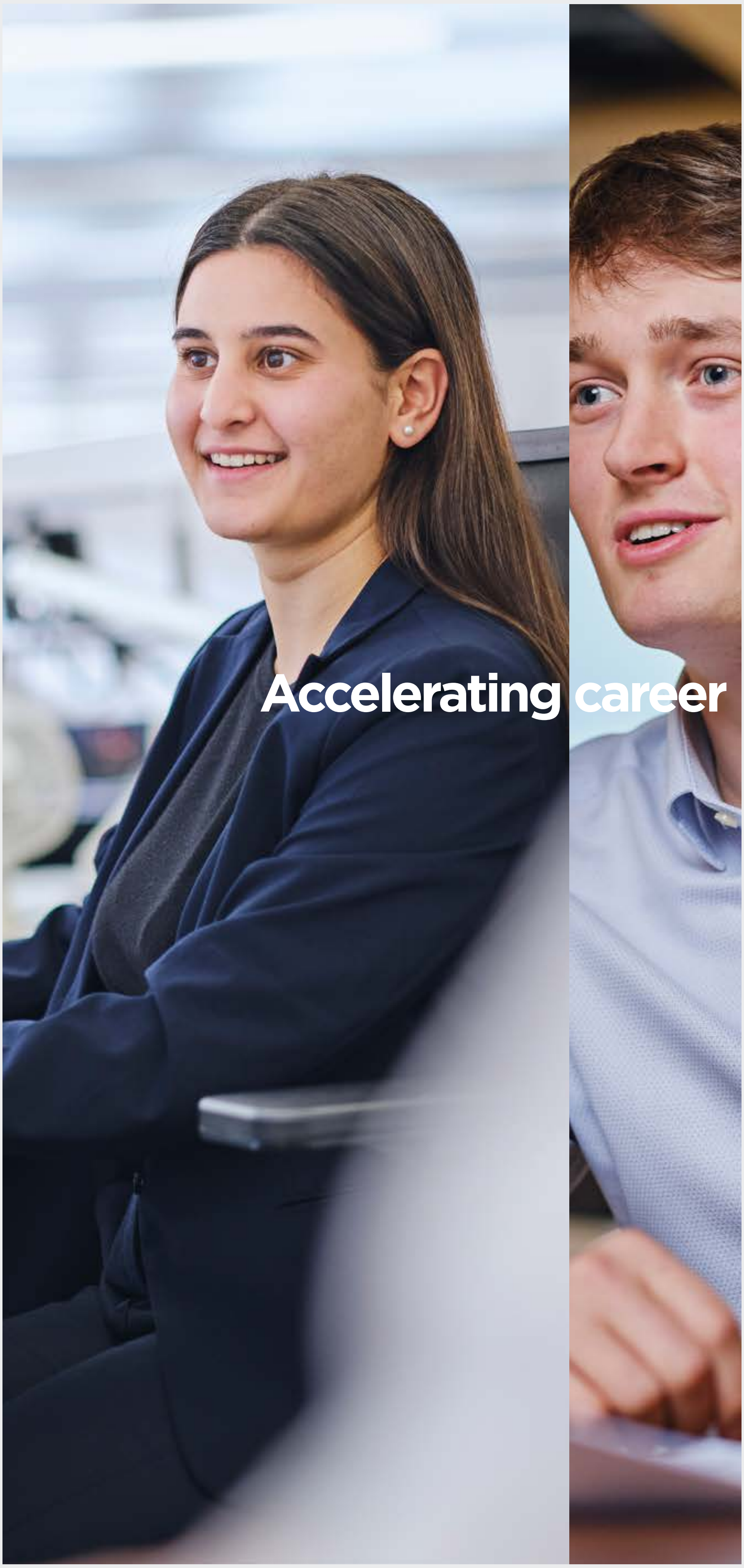
With a wealth of in-house expertise and a strong network of partners, we have produced a full calendar of seminars and webinars to keep our people continually informed on current affairs, key topics and challenges in the maritime industry. These educational sessions include our continued partnership with the Maritime UK's Maritime Masters programme.

We continue to support employees to study for membership of the Institute of Chartered Shipbrokers. Membership is attained via a series of modules and exams including legal principles, shipping finance, port agency and other sector-specific subjects.

We are also proud to have launched Clarksons' Buddy Programme. The 12-month programme provides an opportunity for those early in their careers at Clarksons to be mentored by senior colleagues. The programme has been successfully piloted in the Broking division, with 30 employees paired with a mentor. Over the coming year we plan to expand it to other teams across the business.

Opportunities for young people

Clarksons is committed to supporting the next generation of talent to discover the maritime industry. Over the summer, we welcomed 11 interns who spent five weeks in our London office learning about the business and gaining experience, insights and exposure across the shipbroking departments, as well as assisting the brokers.



Accelerating career development

In September, we launched our 2023 Trainee Broker Programme. Following a robust and structured selection process, we have welcomed 18 trainees to our offices across seven different countries. The programme is designed to provide trainees with experience across various broking teams to accelerate their career development, whilst also developing the next generation of brokers. The programme is also intended to increase diversity within shipbroking and nurture the best talent to support our clients.

Over the next year, our trainees will undertake three broking rotations, gaining invaluable on-the-job experience within their assigned teams. The programme provides accelerated learning and the development of technical and professional knowledge and skills, with unmatched access to leading resources and mentorship.

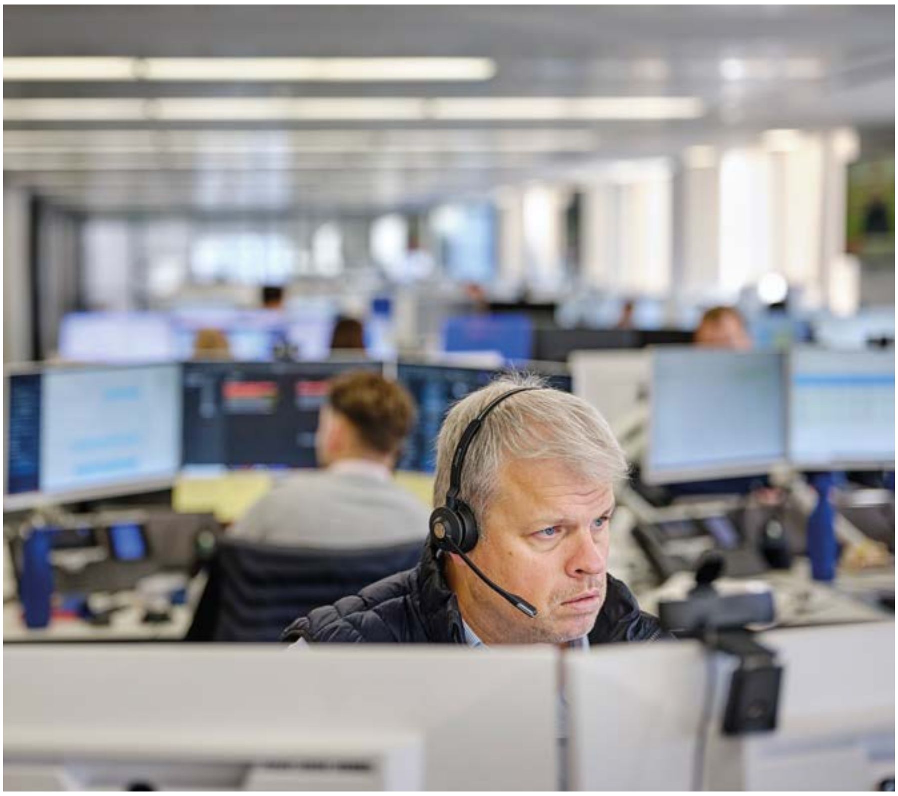
Health, safety and wellbeing

The health, safety and wellbeing of our people remains a key priority for us. We offer a range of resources to all employees, including digital therapy, access to the Thrive mental health app and a comprehensive Employee Assistance Programme. This year, we marked Mental Health Awareness Week with several events to promote good mental health practices and the support services available to all employees.

We maintain policies and procedures to minimise the risk of injury and ill health in our workforce as well as for visitors attending our premises.

The Board has approved the Group Health and Safety Framework and has appointed the CFO & COO as sponsor for health and safety. The Group Health and Safety Committee is responsible for monitoring compliance of the framework and reporting key updates and any areas of concern to the Board.

Each site is responsible for managing its own health and safety in line with the Group Health and Safety Framework and in compliance with local laws and regulations. With the exception of some higher-risk activities within our Support division, such as port agency and freight forwarding, all locations conduct office-based activities only and are therefore considered relatively low risk. Health and safety within the Support division is managed by a Health and Safety Committee, which reports to the Group Health and Safety Committee.



Delivering impact in our communities

Industry partners
Throughout 2023, we partnered with a number of maritime associations which are paving the way for the future of the maritime industry.

This was demonstrated by our continuing support for Maritime UK's Maritime Masters programme. We ran a series of webinars for postgraduate students studying for Master's qualifications at nine leading UK universities and business schools, culminating in us hosting a virtual finalists reception in October. These webinars proved to be very popular and we aim to provide them again in support of the 2024 programme.

Our ongoing involvement with Maritime UK's Maritime Masters supports the significant role we play in encouraging and developing young talent in shipping. This year we wanted to support students further by increasing their connectivity to the industry. We hosted three events (two webinars and one in-person), geared specifically to aid students' learning and understanding of the challenges and trends within the wider maritime industry. The in-person event focused on people in shipping and the skills needed to succeed, which will help the students to take proactive steps in improving their employability within a competitive marketplace.

Clarksons Research provides over 50 maritime university and research programmes across the world with access to research and data, helping important academic research and supporting the learnings of our clients and colleagues of the future. Many of these relationships are long-standing, involve both undergraduate and postgraduate research and extend to universities based in key maritime centres around the world, including Asia, Europe and the Americas.
We also provide data and intelligence to inter-governmental organisations, governments, regulators and various industry and trade bodies, helping frame debate and policy decisions around the development of the shipping industry, including climate change and safety at sea.

Charitable giving and volunteering
At Clarksons, we foster a culture of giving back via our Corporate Social Responsibility programme. Our CSR Committee is tasked with initiating, encouraging and supporting staff from across the business to participate in activities that will have a positive impact on the charities and causes they care about. To us, charity is more than money; it is about giving. Our charitable giving falls broadly into three categories of giving: giving time, giving energy and providing funding.

This affords us a rounded approach whereby we support a variety of different causes such as health, education, community and maritime-related causes. This blend ensures that employees from across our offices, and at all levels, feel empowered to participate in charitable activities in a way that suits them.

Giving time
We encourage our employees to volunteer their time and skills:
- The Renaissance Foundation ('RF'), is a charity that supports young carers and patients. In 2023, RF moved into a new premise in Aldgate, London. The Clarksons IT team spent several days supporting RF in setting up their IT equipment, internet, wifi, and A/V requirements within the new space, in readiness for the young people to use.
- As part of a wider excursion by RF to the Nobel Peace Prize ceremony, the Clarksons Oslo office hosted RF whilst the young people were in the city. Clarksons was able to provide an insight into the industry and office life.
- The Singapore office organised its annual beach clean-up day, whilst staff in the London office participated in a litter pick around St Katharine Docks and surrounding streets, in recognition of Earth Day.
- The Clarksons Dubai team came together to pack and distribute nearly 100 'health and hygiene' bags for the construction workers in their local communities.
- To start the festive period, we held two workshops in the London office to help wrap gifts and pack sweets to be distributed by Spread a Smile in their efforts to bring some joy and laughter to seriously ill and hospitalised children over the Christmas holidays.

- We recognise and support the ongoing efforts of our employee Vicki Oosthuizen, who with the support of the CSR programme has been able to make generous donations to soup kitchens in Cape Town, South Africa; a 'blanket and beanie' drive; a Christmas present giveaway for underprivileged children; and garden development project for Herbert Street Special School.

Giving energy

We support employees in their sporting efforts:

- Our annual Charity Giving Day saw over 250 employees from 13 global offices take part in the Big Row, challenging participants' endurance and grit as well as generosity with over £37,000 being raised by employees. The money raised went to The Clarkson Foundation, whose trustees identified Bowel Cancer UK and Hospice in the Weald as key charities to provide grants to.
- We are proud to support and encourage employees' personal fundraising efforts. In 2023 this included Harry Shaw from the Dubai office who ran 100km to raise money for humanitarian aid in Gaza; Neil Gill for the 500km Bologna to Rome Cycle; Ryan Grant for his Ben Nevis Climb for Brainwave; and Rob Poskitt's participation in the Essex100 bike ride.

Providing funding

We continued our annual participation in Mercy Ships' Cargo Day in November 2023, with brokers across our offices forgoing 50% of their commission. This resulted in a contribution of over US$75,000 to Mercy Ships, a development organisation that deploys hospital ships to some of the poorest countries in the world, delivering vital, free healthcare to people in desperate need.

We have continued to make charitable giving easier through the Payroll Giving scheme. UK employees are able to make regular, tax-free donations from their gross pay.

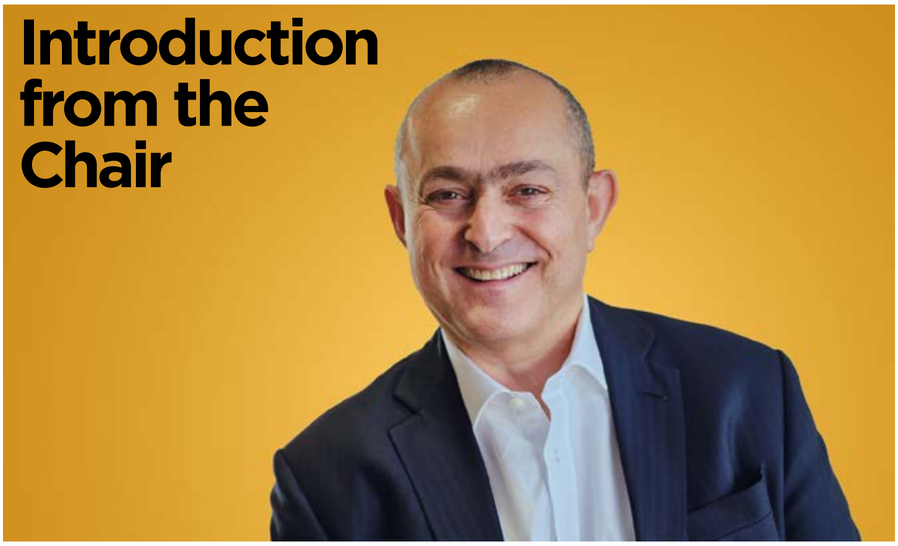
The CSR committee provided funding for the Mission for Seafarers and the Aberdeen Seafarers Centre which provides seafaring communities with support for both their emotional and physical welfare.

Much of our charitable donating is provided to The Clarkson Foundation, an independently run grant-giving charity. You can read more about The Clarkson Foundation on pages 92 to 97.

Read more:
The Clarkson Foundation on pages 92 to 97.

The Clarkson Foundation

Introduction from the Chair



> “We are continually inspired by the charity leaders who are making such a positive difference. Where we can support them, we will!”

Having established The Clarkson Foundation (the ‘Foundation’) in November 2020, we are immensely proud to look back at the impact we have made over the last three years, including raising £1.40m and donating to 68 great causes.

We have supported so many incredible projects during this period ranging from minibuses to playgrounds, crayweed reforestation to installation of disabled toilets, all focused predominantly on poverty, children, health and the environment. During this time the Trustees have met with many truly inspirational leaders, each of whom lead charities that have excelled in their targeted areas and are every day making a significant positive impact on the world in which we live.

Each project we support has a predefined outcome and impact; each project is fully researched and considered by the board of Trustees; and the success of every project is monitored and supported before, during and after delivery. You will hear about some of the many projects from my fellow Trustees later in this report – and each project, however big or small, is treated with the same care and attention.

Scan to view How our donations are helping others

Having grown the ambitions of the Foundation since inception, during 2023 we have been working on a very exciting project, the details of which we hope to announce very soon. At the end of last year, we presented the project, together with our charity partner, to the Board of Clarkson PLC and we were delighted that on the back of this presentation the Board determined to support the Trustees with a donation to the Foundation of £1.25m. We are currently finalising the arrangements for the delivery of the project and will update our website with a release, setting out the full details, in due course.

This donation, when added to those already made, now means that in three years we have raised £2.65m of which £2.1m has been donated or pledged so far to support 69 causes and projects.

On behalf of the Trustees, I thank the Board of Clarkson PLC and each and every one of our donors for the huge support given to the Foundation.

In 2024 we will continue to strive towards achieving our objectives to help more people, to create lasting solutions and to make a real positive difference to the world in which we live.

Jeff Woyda
Chair
The Clarkson Foundation

Since November 2020, The Clarkson Foundation has raised

£2.65m

Number of causes we’ve donated or pledged to

69

Spotlight stories

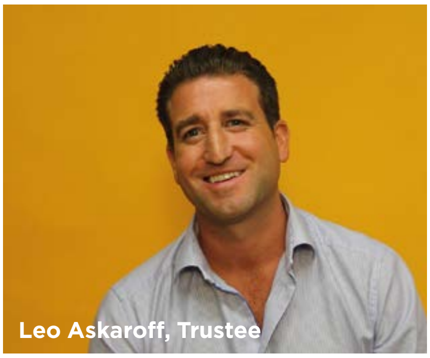
Independent decision-makers

As Trustees, we're empowered to bring forward suggestions and are open to applications from the causes that align with our collective ethos of achieving lasting impact. We actively seek out charities where we can build a relationship and work closely to ensure our grant-giving can go as far as possible. The range of charities that we support encompasses causes that support children and young people, tackling issues like homelessness and poverty, and physical and mental health. Importantly, we're in a position where we can also be agile, and support causes reactively in times of crisis.

The Lotus Flower

Late in 2022, we connected with Taban Shoresh, the founder of The Lotus Flower, a charity that focuses primarily on women and their families who have been impacted by conflict. Across 2023 we were privileged to provide the required funding to run its crucial Rwanga support centre in Kurdistan. The support centres are a vehicle that empower vulnerable women and girls so that they have opportunities to learn, heal and grow. They are given the tools to become financially independent and can start rebuilding their lives. Since 2016, The Lotus Flower has impacted 60,000 people. A big congratulations to Taban Shoresh OBE, founder of the charity, for her recognition in the 2024 New Year's honours list for her impressive work.

> "A brilliant springboard for women to rebuild their confidence and find a brighter future."



Leo Askaroff, Trustee

Dig Deep

Following the success of our first project with Dig Deep to install safe toilet facilities across five schools in Bomet County, Kenya, we were delighted to continue to support Chief Executive Ben Skelton on a new initiative to implement a sustainable way of bringing clean water to the whole county. In 2023, we supported eight spring protection projects and a community rainwater harvesting solution, to bring a constant source of clean water closer to each community. The population currently has limited access to clean, readily available, reliable drinking water, resulting in widespread health and sanitation problems, which in turn impacts education and earning potential. Providing clean water solutions will help break the cycle of poverty and poor health. We're excited to share that the nine projects are close to completion.

> "The difference the projects are making to Bomet's community is night and day."

Scan to watch the video

Kate Thompson, Trustee

The Renaissance Foundation

Congratulations to The Renaissance Foundation ('RF') which, in 2023, moved into its new premise in Aldgate, London. The 'Hub' is the first permanent home for the charity. RF looks to ignite a spark in their young carers and patients so that they can reach their full potential and embark on a positive journey into adulthood. We were thrilled to be invited by Sat Singh, RF's CEO, to visit the Hub and see firsthand the young people using the music and media centre that the Foundation funded – the talent and enthusiasm in that room was inspiring! The new HQ provides the young people with a safe place to hang out with one another and build connections. It can be used as a workshop space or simply as a quiet spot to get some homework done. These amazing young people carry a lot of responsibility in their personal lives so it's great to see them being able to thrive.

> “RF's young people are such go-getters and will be a true asset to society!”

Lily Bagshaw, Trustee

Spread a Smile

Spread a Smile is an incredible charity that addresses challenges that are unimaginable for most by bringing joy and hope to seriously ill children and their families in hospitals and hospices across the UK. Together, we enabled Spread a Smile entertainers to make 120 hospital visits, spreading smiles to over 1,900 children and their families. In the run-up to the festive period, the Foundation was delighted to provide further support by funding the purchase of Christmas presents for distribution to children undergoing treatment. Again, congratulations to founders Josephine Segal MBE and Vanessa Crocker MBE on their much-deserved recognition in the 2024 New Year's honours list for their work over the last 10 years.

Rich Haines, Trustee

> **We hope Spread a Smile's positivity brings some joy and support to the children and their families."**

The Felix Project

When we found out that 9.3 million adults in the UK struggle to afford to eat every day, and 3.7 million children are at risk of missing their next meal, we felt compelled to find a way to help. The Felix Project is a brilliant charity that helps to bridge the gap between good quality food which would otherwise go to waste and the people who need it. The Foundation is committed to supporting 20 schools across London with weekly food deliveries which are then distributed to families through after-school market stalls, providing up to 278,000 meals annually for those families, whilst teaching the children about nutrition and the benefits of reducing food wastage. Such a positive and educational approach for lasting impact!

Widening our reach

Sports can be an incredibly powerful channel in which to engage young people who could be facing challenges engaging at school, suffering with mental health or anxiety, or potentially have disruptions in their home lives. These factors could easily lead to anti-social behaviour. Over 2023, we've supported School of Hard Knocks, Carney's Community and The Wave Project in their respective programmes, utilising sports to make a positive impact on young people's lives.

Thank you!

The impact that has been achieved for the beneficiaries of individual charities would not have been possible without the support of our donors. We'd like to say a big 'Thank You' – the grants that the Foundation is able to provide is a result of their generosity.

Scan to find out more

We are passionate about sharing stories of the many worthy causes we support and the impact that our grants are having on the people and communities around the world. From food bank donations in deprived areas of London, to sensory gardens at cancer hospices, or providing happy memories for terminally ill children. In doing so, not only does it bring our donors on the journey of progress, but also enables us to raise awareness of the causes and the awe-inspiring teams that continue to make good things happen. We're proud to have a platform that is a force for good and a channel for effective grant-giving. We look forward to sharing more progressive and impactful updates with you.

Read more:
About The Foundation at
www.theclarksonfoundation.com


Dharani Sridharan, Trustee

> It's great to see how The Felix Project works within the community to enhance its knowledge of nutrition and food waste."

Governance
Maintaining robust governance practices.

Leading a responsible business

Ethics at Clarksons

We are committed to conducting our business in an ethical, honest and professional manner wherever we operate and to:

- Act fairly, honestly and with integrity at all times and in everything we do, and to comply with all applicable laws.
- Treat our employees, clients, contractors, suppliers and other stakeholders fairly and with respect.
- Create a high-quality, equal-opportunity working environment for all our employees, based on merit and free from discrimination, bullying and harassment.
- Respect human rights.

Compliance at Clarksons – leading positive change

Our senior management have created and fostered a culture of ethics and compliance with the law at all levels within Clarksons. They have ensured sufficient resources with authority and autonomy to develop and run our compliance programme.

We have created a risk-based compliance programme following risk assessments of a variety of factors, such as the location of our operations, our industry sector, the regulatory environment, potential clients and business partners, transactions with foreign governments, gifts, travel and entertainment. The programme seeks to focus on high-risk areas and transactions rather than more modest and routine transactions.

To enshrine our commitment to act legally, we have an easily accessible and comprehensible Compliance Code which sets out the expectations and standards we place on ourselves with regard to full compliance with relevant laws. Following our Compliance Code is mandatory and all employees, officers and Board members are required to read, understand and commit to it annually.

The Compliance Code contains a suite of robust and proportionate policies and procedures that mitigate legal risks such as sanctions breaches, bribery and corruption, money laundering, insider dealing, market abuse and conflicts of interest.

Tailored training and communications, including annual mandatory online training modules, ensure that policies and procedures are integrated into the organisation. Additional training is given to employees in relevant control functions and employees know where to obtain clear guidance or assistance relating to compliance policies.

Our global compliance support team helps embed the policies and procedures across our offices and divisions.

A clear and accessible whistleblower policy exists to enable reporting of misconduct in confidence (and anonymously) to an independent external provider without fear of reprisal. Whistleblowing reports arising from its operation are investigated appropriately and reported to the Board in line with the UK Corporate Governance Code. Where required, local mandatory whistleblowing policies also exist.

Sound internal controls are in place which help reduce the risk of inter alia money laundering, sanctions breaches and bribery and corruption. These include risk-based due diligence on all staff, clients and third parties; transparent accounting records; external audit and an outsourced internal audit function; and an effective Audit and Risk Committee.

In addition, our regulated businesses are subject to further compliance requirements which are set out in their specific compliance codes and implemented through specific procedures.

Anti-bribery and corruption (‘ABC’)

In line with overall compliance processes, the Group has a robust ABC compliance programme consisting of:

- A detailed risk assessment.
- A formal ABC policy highlighting our zero tolerance of bribery and corruption which is communicated to and applies to all employees and third parties undertaking business for or on behalf of the Group.
- An external Group ABC policy statement available on our website to communicate the Group’s ethical position.
- ABC online and bespoke training for all employees to raise and reinforce awareness, particularly with those open to greater risk of bribery and corruption, and additional training for employees in relevant control functions.
- Risk-based due diligence, carried out on clients, contractors, suppliers and employees before contracting with them and periodically thereafter.
- A sound system of financial controls which helps reduce the risk of bribery and corruption, such as separation of duties and delegated authority levels, transparent accounting records and a requirement for full supporting documentation for all transactions.
- A comprehensive set of policies which address possible bribery and corruption risks, for example conflicts of interest, expenses and gifts and hospitality policies.
- Our whistleblower policy to permit reporting of misconduct to an external provider without fear of reprisal.
- External audit and an outsourced internal audit function, whose effectiveness is evaluated annually.
- An effective Audit and Risk Committee, which oversees our compliance programme.

Sanctions

Clarksons has a truly best-in-class sanctions compliance programme. It has positively led the way in sanctions risk management in shipbroking and in the fast-changing world of sanctions. We protect ourselves and indirectly our clients with the support of bespoke proprietary sanctions tracking tools, illicit behaviour red flag tools and the largest KYC team in the industry.

Human rights

We believe that the respect of human rights is integral to being a responsible company and we are committed to treating individuals with respect and dignity.

Clarksons places value on difference and believes that diversity of people, skills and abilities is a strength that helps us to achieve our best. Any discrimination based on race, religion, nationality, gender, age, marital status, disability, sexual orientation or political affiliation is prohibited within the business.

We have a Supplier Charter in which we ask our suppliers, amongst other things, to commit to respecting human rights, diversity, equity and inclusion and the environment.

We are committed to providing a workplace free of any form of harassment or discrimination and expect our suppliers to do the same. Read more about our approach to diversity, equity and inclusion on page 85.

Modern slavery

Slavery, servitude, forced labour and human trafficking (‘modern slavery’) is a global and growing issue, and no sector or industry can be considered immune. We are committed to ensuring that there are no forms of modern slavery within our operations or supply chains.

Our supply chain comprises worldwide suppliers providing a wide range of support functions and products including catering, maintenance, information technology, cleaning and security. In our material supplier contracts in the UK, we request that our suppliers commit to ensuring that their supply chain complies with legislation with regard to modern slavery.

Our General Terms and Conditions also include client obligations to comply with modern slavery legislation.

Our procurement procedures seek to ensure that our suppliers, contractors and service providers act ethically and with integrity, and have in place effective systems and controls so that modern slavery is not taking place within their own businesses. Our Supplier Charter asks our suppliers to commit to respecting human rights, diversity, inclusion and the environment. Suppliers which do not meet the standards we expect are not engaged to provide goods or services.

We remain committed to building and strengthening our existing policies and practices to eliminate modern slavery and human rights violations in our supply chain. We therefore continue to review the effectiveness of our current arrangements and, where necessary, implement additional safeguards and procedures.

In line with the Modern Slavery Act 2015, we publish an annual Modern Slavery and Human Trafficking Statement on our website.

Suppliers

Whilst we do not consider suppliers to be a significant stakeholder in our business, we are committed to treating our suppliers fairly. You can read more about how the Board takes account of suppliers in its decision-making on page 61.

Non-financial and sustainability information statement

The table below constitutes the Company's non-financial and sustainability information statement, in compliance with sections 414CA and 414CB of the Companies Act 2006.

Reporting requirement	Key policies and standards, and more information
Environmental matters	**Read more:** Environment on pages 80 to 83.
Our employees	Global Staff Handbook Global Diversity and Inclusion Policy Compliance Code Global Privacy Statement and Policy Health and Safety Policy Statement Whistleblowing Policy **Read more:** – Our people on pages 84 to 89. – Leading a responsible business on pages 98 to 100.
Social matters	CSR Committee **Read more:** Communities on pages 90 and 91.
Human rights	Ethics Policy Statement Modern Slavery and Human Trafficking Statement Global Privacy Statement and Policy **Read more:** – Our people on pages 84 to 89. – Leading a responsible business on pages 98 to 100.
Anti-corruption and anti-bribery	Anti-Bribery and Corruption Policy **Read more:** Leading a responsible business on pages 98 to 100.
Business model	**Read more:** Our business model on pages 22 and 23.
Principal risks	**Read more:** Risk management on pages 68 to 71.
Non-financial key performance indicators	**Read more:** Key performance indicators on pages 20 and 21.
Climate-related financial disclosures	**Read more:** TCFD on pages 74 to 77.

The Strategic Report on pages 10 to 101 was approved by the Board and signed on its behalf by:

Jeff Woyda
Chief Financial Officer & Chief Operating Officer
1 March 2024

Good governance is essential to enable us to lead positive change.

Highlights in 2023

- We maintained our focus on executing our strategy, which continues to deliver sustainable business performance for all of our stakeholders.
- As a people business with a high-performance culture, we continued to prioritise succession planning, receiving regular updates on ongoing initiatives in this area including on performance and development and Diversity, Equity and Inclusion ('DEI').
- We conducted our first ESG materiality assessment to confirm the priorities and areas where Clarksons can have the most significant impact.
- We engaged with our shareholders on a range of areas including remuneration outcomes, environmental matters, succession planning and diversity.

Board meeting attendance

	Meetings
Laurence Hollingworth (Chair)	8/8
Andi Case	8/8
Jeff Woyda	8/8
Martine Bond[1]	2/8
Sue Harris	8/8
Dr Tim Miller	8/8
Birger Nergaard	8/8
Heike Truol	8/8

[1] Unable to attend meetings due to illness. The Chair ensured that there was an opportunity for Martine to provide comments on the business of the meeting in advance.

Engagement activities: Shareholders

94

meetings with shareholders and potential investors attended by the CEO and CFO & COO

17

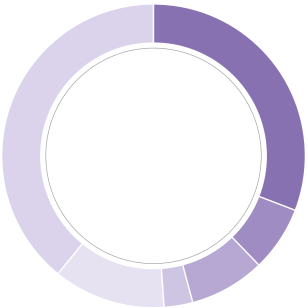
meetings with shareholders attended by the Chair and/or the Chair of the Remuneration Committee

Priorities for 2024

Our priorities for 2024 remain largely unchanged from our areas of focus in 2023, and are as follows:

- Continuing to execute on our successful strategy, ensuring that it keeps delivering sustainable business performance for all of our stakeholders.
- Finalising the search for a non-executive director with the appropriate skill-set.
- Focusing on those initiatives that enable our people to thrive, developing our pipeline for executive succession, and maintaining our high-performance culture.
- Consideration of actions to be taken following updates to the UK Corporate Governance Code.

How the Board spent its time



Business performance and operations	31%
Financial matters	7%
Governance	8%
Risk management	3%
Stakeholder engagement	12%
Strategy	39%

Engagement activities: Employees

54%

of employees participating in share plans/holding shares

31%

of eligible employees took up an invitation to join ShareSave (or the local equivalent) in 2023

Laurence Hollingworth
Chair

On behalf of the Board, I am pleased to present the Corporate Governance Report for 2023.

Our corporate governance framework continues to support the delivery of our successful strategy. The macro-economic environment, together with the regulatory and governance environments, continue to develop and grow in scope. We must keep meeting the challenges they give rise to in order that Clarksons continues to deliver sustainable business performance to generate value for its stakeholders.

The feedback from our engagement with our stakeholders provides valuable insight as there are often a range of views to take account of in our decision-making. The Board's engagement with our clients and communities is primarily through our Executive Directors and their teams, where the Board receives reports on such activities. The Board's engagement with our people and our shareholders is much more direct. As a Board we visited our Oslo office in June 2023 and, later in the year, I visited our Offshore and Renewables Broking, Clarkson Port Services and Gibb Group's operations in Aberdeen. It was satisfying to experience firsthand the professionalism and culture of Clarksons in these offices and facilities. Our CEO spends a great deal of his time travelling across the regions in which the Group operates. There is more detail on page 112 regarding Heike Truol's global activities as the Employee Engagement Director.

The Board engages with our shareholders throughout the year. There is particular focus following the announcement of our full and half year results and with the programme undertaken by Dr Tim Miller as Chair of the Remuneration Committee and myself prior to the AGM to ensure our message on the strategic link between our performance and remuneration is understood.

Sustainability is on everyone's agenda and Clarksons is no exception. The Board has continued its focus on the development of our approach to sustainability and, during 2023, a materiality assessment was undertaken. The results showed an alignment of ESG and business priorities with industry emissions rated as the top priority. Given that our purpose is to enable 'smarter, cleaner global trade', this outcome was no surprise and validated the Group's focus on the green transition where real change can be facilitated. Developing the ESG framework, pillars and goals will remain a focus for the Board.

As shown throughout this Annual Report, we have a high-performance culture, and this is reflected in the way we conduct ourselves as a Board. We reported last year on our externally facilitated Board evaluation, which supported our view that the Board operates effectively, and that open and constructive challenge is encouraged and well received. Our evaluation for 2023 was conducted internally by way of a questionnaire. The output was positive with good progress noted on the actions from the prior year's review. This included the time spent both formally and informally in discussing the Group's strategic direction and opportunities. Under their Terms of Reference, the Board Committees are responsible for a number of the duties and obligations of the Board and their effectiveness was also evaluated as part of the 2023 internal review. The outcomes are set out on page 118, and I thank the Chair and members of each Committee for their effective and focused contributions.

We note the updated Code published recently by the FRC, and in 2024 we will be considering the actions to be taken to ensure our readiness for this becoming effective.

On behalf of the Board, I look forward to welcoming you to our AGM which will be held, as in previous years, electronically by video webcast. We believe that this provides a very effective way of hearing your views and answering any questions you may have about the business of the meeting. Our AGM will be held on 9 May 2024 at 12 noon.

Thank you to all our stakeholders for your continued support this year.

Laurence Hollingworth
Chair
1 March 2024

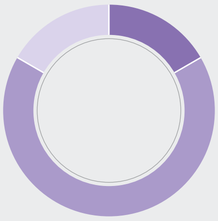
Board of Directors

Board diversity and independence

We recognise that diversity, in its broadest sense, is a key driver of an effective board, leading to effective debate, challenge and decision-making.

Non-Executive Director tenure

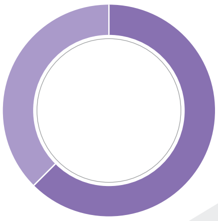
As at 1 March 2024



■ 0-3 years	1
■ 3-6 years	4
■ 6-9 years	0
■ Over 9 years	1

Gender

As at 1 March 2024[1]



■ Male	5
■ Female	3

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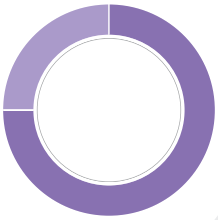
[1] As at 31 December 2023 – male: 5, female 3.

Female representation in Senior Board roles[1]

As at 1 March 2024



■ Male	3
■ Female	1

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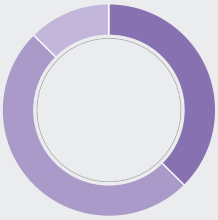
[1] As defined by Listing Rule 9.8.6(9) and the FTSE Women Leaders Review as being the Chair, Senior Independent Director, CEO or CFO.

Age

As at 1 March 2024



■ 50-59	3
■ 60-69	4
■ 70-79	1

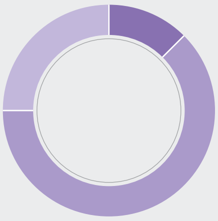
Ethnicity

As at 1 March 2024

■ White	7
■ Mixed/multiple ethnic group	1

Independence

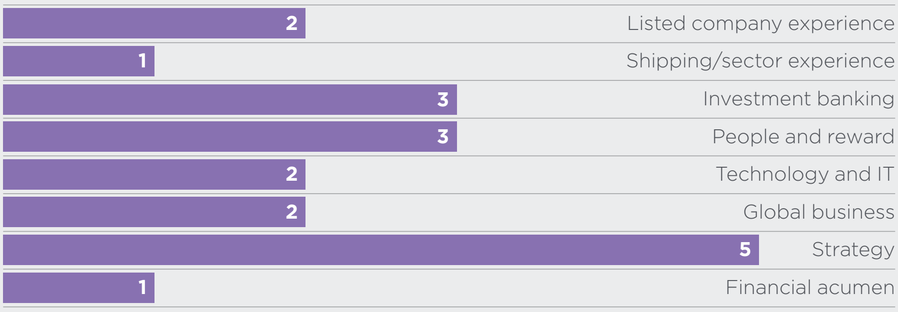
As at 1 March 2024



■ Non-Executive Chair	1
■ Independent	5
■ Executive	2

Number of Non-Executive Directors (including the Chair) who are highly experienced in that area

As at 1 March 2024



Laurence Hollingworth N R

Chair

Appointed: July 2020
(and as Chair in March 2022)

Key areas of expertise:
Capital markets, investor relations, strategy

Skills and expertise

Previously a senior leader in investment banking, Laurence brings significant capital markets experience to Clarksons which positions him well to guide the development of the Financial business and wider strategy. Laurence has a strong understanding of broking and the relationship-led environment in which Clarksons operates, having been responsible for client relationship management with some of JP Morgan's most high-profile clients. This experience gave him broad exposure to different leadership styles and board dynamics, developing the ideal skillset to provide oversight and constructive challenge in the boardroom.

Career experience

Laurence's 37-year career in stockbroking with Cazenove and latterly JP Morgan saw him hold several senior leadership roles including Head of UK Investment Banking, Head of EMEA Industry Coverage and finally as Vice Chairman for Equity Capital Markets EMEA.

Principal external appointments

- Chairman of ABM Communications Limited
- Non-Executive Director of Atom Bank plc
- Chairman of Molten Ventures plc

Committee membership

Audit and Risk Committee	A
Nomination Committee	N
Remuneration Committee	R
Chair	●

Andi Case
Chief Executive Officer

Appointed: June 2008

Key areas of expertise:
Global business, shipping/sector experience, strategy

Skills and expertise

Having worked in shipbroking his entire career, Andi brings to the Board extensive knowledge and experience of global integrated shipping services. He is recognised in the market as an industry leader. His detailed knowledge of Clarksons' operations, combined with his commitment to drive the strategy, make him ideally placed to inspire and lead the Group.

Career experience

Andi joined Clarksons in 2006 as Managing Director of the Group's shipbroking services. His shipbroking career began with C W Kellock & Co and later the Eggar Forrester Group. Prior to Clarksons, he was with Braemar Seascope for 17 years.

Principal external appointments

None

Jeff Woyda
Chief Financial Officer
& Chief Operating Officer

Appointed: November 2006

Key areas of expertise:
Finance, strategy, technology

Skills and expertise

Jeff's broad-based experience across a number of disciplines makes him ideally placed to perform the role of Chief Financial Officer & Chief Operating Officer. In addition to his strong background in finance, Jeff has an impressive track record in managing and delivering across broking, corporate finance, IT implementation and software development, HR and regulatory compliance. His career has spanned both publicly listed and private companies, as well as regulated industries. He is also the Board member responsible for ESG matters and the Chairman of Maritech, the SaaS provider of the Sea platform.

Career experience

Before joining Clarksons, Jeff spent 13 years at the Gerrard Group PLC, where he was a member of the executive committee and Chief Operating Officer of GNI. Jeff began his career with KPMG LLP and is a Fellow of the Institute of Chartered Accountants.

Principal external appointments

- Chair of The Clarkson Foundation
- Non-Executive Chair and Director of the International Transport Intermediaries Club Limited
- Senior Independent Director and Chair of both the Remuneration and Audit Committees of Lok'n Store Group plc

Martine Bond A R
Independent
Non-Executive Director

Appointed: March 2021

Key areas of expertise:
Global business, strategy, technology

Skills and expertise

Martine brings a wealth of knowledge in electronic trading, risk management and technology solutions. This experience, together with her track record of innovation, business growth and client acquisition, make her ideally placed to contribute to Clarksons' strategy to grow its technology business.

Career experience

Martine has over 25 years' experience in the financial services industry at State Street, Morgan Stanley, JP Morgan and Goldman Sachs. She is currently the Executive Vice President, Head of Global Markets for Europe, Middle East and Africa (EMEA) as well as running the electronic trading solutions within State Street. Martine has significant board experience across legal entities in Europe, North America and Asia. She studied business management at Queensland University of Technology in Brisbane, Australia.

Principal external appointments

- Executive Vice President, Head of State Street Global Markets in EMEA and Head of GlobalLink

Board of Directors continued

Sue Harris A N
Senior Independent Director

Appointed: October 2020 (and as Senior Independent Director in September 2022)

Key areas of expertise:
Finance, listed company experience, risk management

Skills and expertise

Sue brings significant financial, risk management and corporate development experience to her role at Clarksons, gained through senior roles across listed companies in financial services and retail. She has extensive leadership and boardroom experience, having held a number of senior executive and non-executive roles across a broad range of sectors. Sue is a seasoned audit committee chair, and a qualified chartered management accountant.

Career experience

In addition to Sue's current non-executive roles, she was formerly a Non-Executive Director of Abcam plc. Sue previously chaired the Audit and Assurance Council at the Financial Reporting Council and was a member of the Codes and Standards Committee. She has held a number of senior executive positions at FTSE 100 businesses, including as Divisional Finance Director and Group Audit Director for Lloyds Banking Group. Prior to this, Sue held roles including Managing Director for Finance at Standard Life and Group Treasurer and Head of Corporate Development for Marks & Spencer.

Principal external appointments

- Non-Executive Director and Chair of the Values and Ethics Committee of The Co-operative Bank p.l.c.
- Non-Executive Director of The Co-operative Bank Finance p.l.c.
- Non-Executive Director of The Co-operative Bank Holdings Limited
- Non-Executive Director and Chair of the Audit Committee of FNZ (UK) Limited
- Non-Executive Director of Schroder & Co. Limited and Chair of the Audit and Risk Committee of the Wealth Management Division
- Independent Director of Barclays Pension Funds Trustees Limited

Dr Tim Miller A R
Independent
Non-Executive Director

Appointed: May 2018

Key areas of expertise:
Global business, people and reward, listed company experience

Skills and expertise

Dr Tim Miller has over 30 years' experience working in large-scale people businesses with significant international operations. Whilst Tim has extensive experience of HR and remuneration matters gained in his executive and non-executive career, his executive roles also gave him exposure across a broad remit including compliance, audit, assurance, financial crime, property and legal. Tim has a proven track record serving as a non-executive director and remuneration committee chair in listed companies. Together with his HR background, this experience is extremely relevant to his role at Clarksons, which includes the role of Chair of the Trustees of the staff pension schemes.

Career experience

The majority of Tim's executive career was within regulated industries, including roles at Glaxo Wellcome and latterly Standard Chartered, with global responsibility for a wide variety of business services. He was previously a Non-Executive Director and Chair of the Remuneration Committee at Michael Page Group plc, Non-Executive Director and Chair of the Remuneration Committee of Scapa Group plc, Non-Executive Director and Chair of the Remuneration Committee at Equiniti Group plc, Non-Executive Director at Equiniti Financial Services Limited, and Non-Executive Director at Otis Gold Corp.

Principal external appointments

None

Birger Nergaard N R
Independent
Non-Executive Director

Appointed: February 2015

Key areas of expertise:
Capital markets, strategy

Skills and expertise

Birger's deep knowledge of capital markets and investment banking brings valuable expertise to Clarksons, particularly in developing and overseeing our banking strategy. He has extensive knowledge of investing in Nordic technology companies, and is experienced in taking an active role on the boards of these companies to help position them for long-term growth. Birger is therefore well positioned to provide unique insight into initiatives to innovate and develop new services for clients.

Career experience

After establishing Four Seasons Venture (today Verdane Capital) in 1985, Birger was the CEO until 2008. Birger joined the board of RS Platou ASA (now Clarksons Norway AS) as Deputy Chairman in 2008. He joined the board of Clarksons Securities AS in 2010. Birger has remained as a Director of these companies since their acquisition by Clarksons.

In 2006, Birger was awarded King Harald's gold medal for pioneering the Norwegian venture capital industry.

Principal external appointments

- Director of Verdane Capital GP ApS
- Director of Nergaard Investment Partners AS
- Non-Executive Director of Union Eiendomskapital Core AS

Heike Truol A N
Independent
Non-Executive Director

Appointed: January 2020

Key areas of expertise:
Global business, shipping/sector experience, strategy

Skills and expertise

Heike has an in-depth knowledge of the dry bulk market and as a result she is well positioned to bring valuable client perspectives to her role. With a 20-year track record of both advising large global organisations from the outside as a management consultant as well as driving performance from within, Heike brings significant experience of strategy development and delivery to the Board. Heike serves as Clarksons' Employee Engagement Director.

Career experience

Heike was appointed as the Chief Strategy Officer for ALS Global, a global leader in providing testing solutions to clients in a wide range of industries, in November 2023. She was previously the Chief Commercial Officer for MineHub Technologies. Prior to that, she gained 11 years' experience at Anglo American where she was Executive Head, Commercial Services until April 2020. On joining in 2009 as Group Head of Strategy she helped evolve the strategy function working closely with the CEO and executive committee. Heike later helped establish the Marketing business and had P&L responsibility for Anglo American's global shipping activity. Prior to Anglo American, Heike was a management consultant and held roles at Marakon Associates and Deloitte.

Principal external appointments

- Chief Strategy Officer for ALS Global

Committee membership

Audit and Risk Committee	A
Nomination Committee	N
Remuneration Committee	R
Chair	●

Code compliance

Statement of compliance with the UK Corporate Governance Code (the 'Code')

The Company complied with the principles and provisions of the Code during the year ended 31 December 2023 with the exception of the provision noted to the right where we have provided an explanation.

The Code is available at www.frc.org.uk

Provision 38 (alignment of pension contribution rates for executive directors with those available to the workforce)

The Executive Directors receive a cash supplement in lieu of pension. Whilst not aligned with the contribution rates for the wider workforce for contractual reasons, the Company has undertaken to align this with that available to the majority of the wider workforce in the UK (or any other country in which the executive is based) when any new Executive Director is recruited.

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Our governance framework is the key to ensuring that our business is run in the right way for the benefit of all of our stakeholders.

Board

Key matters reserved for the Board:

- Purpose
- Strategy
- Setting the Group's culture, standards and values
- Internal controls and risk management
- Financial reporting and viability
- Capital and liquidity
- Board and Committee appointments
- Corporate governance matters
- ESG and stakeholder matters
- Material contracts

Group Company Secretary

- Acts as point of contact for the Chair and Non-Executive Directors, and facilitates the induction of new Non-Executive Directors
- Facilitates information flows between the Board and its Committees, and between management and the Board
- Advises the Board on all corporate governance matters and ensures good corporate governance practices throughout the Group

Individual roles and activities:

Chair

- Leads the Board, facilitating the contribution of all Directors and promoting an open and constructive relationship between the Executive and Non-Executive Directors
- Ensures the effectiveness of the Board
- Oversees the development of the Group's purpose, values and culture
- Promotes high standards of corporate governance
- Available to shareholders and fosters dialogue with other key stakeholders

Chief Executive Officer

- Responsible for the day-to-day management of the Group
- Develops the strategy and commercial objectives for approval by the Board, and leads the management in delivering them within the risk appetite approved by the Board
- Promotes the embedding of the Group's culture throughout the organisation
- Leads the relationship with institutional investors and other stakeholders

Chief Financial Officer & Chief Operating Officer

- Manages the Group's financial and operational affairs and supports the CEO in the management of the Group
- Alongside the CEO, represents the Group in meetings with institutional shareholders and other stakeholders
- In conjunction with the CEO, takes responsibility for overseeing all ESG matters

Senior Independent Director ('SID')

- Acts as a sounding board for the Chair and leads the evaluation of his performance
- Serves as a trusted intermediary for other Non-Executive Directors
- Available to shareholders, particularly when their concerns have not been resolved through other channels

Independent Non-Executive Directors

- Contribute to the development of the strategy and scrutinise its execution by management
- Provide both objective and constructive challenge and support to the development of Board proposals and the performance of management
- Monitor management's progress against agreed performance objectives

Employee Engagement Director

- Facilitates two-way communication between the Board and the workforce through a programme of engagement initiatives
- Enhances the voice of the workforce by feeding their views into the Board's decision-making process

We discharge some of our responsibilities through delegation to Board Committees. The Board Committees bring an increased focus on key areas and explore them more deeply, thereby gaining a greater understanding of the detail. The Chair of each Board Committee reports to the Board on their activities following meetings.

Any delegation of authorities to Board Committees is formally documented in writing through Terms of Reference, while the Board maintains a schedule of key matters which are reserved for the Board's decision. Furthermore, there is a clear division of responsibilities between the Chair and the CEO. The execution of the strategy and the day-to-day management of the Group and operational matters are delegated to the CEO.

The Group's executive governance structure maximises the opportunity for all parts of the business to have clarity on their goals and successfully execute on divisional and Group strategic plans.

Nomination Committee

- Reviews the effectiveness of the Board, and its structure, size, composition and diversity
- Leads succession planning for the Board and oversees succession plans for senior management

Read more:
On pages 114 to 119.

Audit and Risk Committee

- Monitors the integrity of the financial reporting for the Group and manages the relationship with the External Auditor
- Oversees the effectiveness of the risk management and internal control systems

Read more:
On pages 120 to 127.

Remuneration Committee

- Sets the remuneration policy and packages for the Executive Directors and other members of the senior management team, whilst having regard to pay across the Group
- Approves the remuneration of the Chair

Read more:
On pages 128 to 144.

Executive Team

- Assists the CEO and CFO & COO in running the business and delivering the strategy
- Develops and implements strategy and goals, operational plans, procedures and budgets, and monitors business performance (including competitive pressures)
- Oversees the assessment and control of risk

Click to read more:
The schedule of Matters Reserved for the Board; the Terms of Reference of the Board Committees; and the roles of the Chair, CEO, SID and Employee Engagement Director are available at www.clarksons.com/home/investors/corporate-governance

Read more:
How we assess the independence of our Non-Executive Directors on page 117.

An effective Board to promote the long-term success of the Group

The Board is accountable to shareholders for the creation of sustainable value, and to other stakeholders for the wider impact that we have. We have overall responsibility for leading the Group and are the decision-making body for matters which are significant to the Group as a whole, in particular strategic and financial matters, and those which could have a material reputational impact.

Our ability to meet our responsibilities is underpinned by having in place a balanced and effective Board, and our governance framework which enables effective decision-making within a structure of clear accountabilities. You can read more about our governance framework and individual roles and responsibilities on pages 108 and 109.

The Chair promotes an open and honest boardroom culture which ensures that the range of diverse skills, experience and perspectives brought collectively by the Non-Executive Directors can be utilised effectively. The boardroom is both supportive and challenging, and enables the Non-Executive Directors to bring independent oversight to strategic debates and contribute to the continued development of a sustainable strategy.

A Board strategy session is held annually at which the Executive Directors and members of the senior management team present their views of the market and forward view of the opportunities and challenges for each division. In developing the strategy, the Board takes account of, not only our obligations to shareholders, but also the considerable impact that the Group has on other stakeholders including our people, clients, the wider shipping community and the communities in which we operate.

The Board monitors the implementation of the strategy through regular updates at Board meetings on key initiatives as they progress. This also enables us to regularly review whether the strategy remains appropriate. The need to deliver the strategy within the Group's risk appetite, and ensuring that the Group has the appropriate resources, skills and competencies to achieve the strategy responsibly, are also key areas of focus.

The effectiveness of the Board is reviewed at least annually. You can read more about this year's Board and Committee effectiveness review on page 118.

Purpose, values, behaviours and culture

Our purpose communicates our strategic direction to our people, clients and wider stakeholders, and underpins everything that we do. Our values articulate the qualities that we embody and, to ensure the continued growth of a sustainable business, our values must remain at the core of the way we behave. Our behaviours set out clearly what is expected of all of our people to thrive and perform in our culture and act in line with our values. This is the foundation of our culture.

Our values represent our current and future aspirations for the business: to ensure we remain dedicated to excellence and retain our place as the world-leading strategic advisor to our clients. We believe our behaviours accurately reflect our expectations of our people, and provide clarity regarding the commercial and leadership requirements to deliver our purpose.

Our people are the driving force of our company, and we are committed to a diverse and inclusive workplace where we prioritise their health, wellbeing and development. Our greatest strength is the spirit of progressive and energetic teamwork and collaboration that underpins our success. Our people processes are designed to retain and empower our employees to drive the business forward, keep our clients at the core of our activities and align our interests with those of our stakeholders.

The Board has responsibility for setting and overseeing our culture. It sets the tone from the top and reinforces this through all of its actions, including its decisions and own conduct.

Read more:
How our purpose, values and behaviours are aligned with how we create value for stakeholders on pages 22 and 23.

The key elements of our culture

Our open and honest boardroom culture sets the tone from the top and is cascaded down throughout the whole Group.

Element	Overview	Board and Committee oversight
Leading by example	The Board sets the tone from the top.	The Directors, Executive Team and senior management lead by example through all actions, reinforced through leadership forums such as our Global MDs Week and Executive Team meetings.
Performance metrics	The Board reviews a broad range of performance metrics that support our culture, including global turnover by business sector and location, annual promotions to early-, middle- and senior-level management positions, employee engagement outcomes, key remuneration frameworks and employee equity participation.	The performance metrics support the Board in its role in monitoring and assessing our culture.
Employee voice	We promote an open and honest environment in which our people are encouraged to share their views on a variety of priorities and topics. Employees are invited to a number of communication forums throughout the year, including the Employee Voice Forum, chaired by our Employee Engagement Director. Employees may also be invited to present to the Board on relevant matters. There are independent whistleblowing processes in place which allow reporting of wrongdoing on an anonymous basis.	Themes and discussion points from communication forums are reported to the Executive Team and Board, providing key insights. The Board also recognises the benefit of having direct access to our people through a number of direct lines of engagement and broad employee social events. Whistleblowing reports are investigated appropriately and reported to the Board.
Policies, pay, diversity and inclusion	We pay for performance and seek to ensure that the financial and non-financial rewards we give our employees are competitive and support attraction to the Company, engagement and retention. Our people are the driving force of our company, and we are committed to a diverse and inclusive workplace where we prioritise their health, wellbeing and development.	The Remuneration Committee oversees remuneration policy across the Group and reviews annually the remuneration trends across the Group. The Nomination Committee regularly reviews our Group Diversity and Inclusion Policy and receives updates on relevant initiatives to promote a diverse and inclusive workplace. The Remuneration Committee also reviews annually our Gender Pay Gap Report.
Risk management	Our internal controls and risk management systems are integral to the delivery of our strategy in a safe and sustainable way. They translate into our day-to-day risk culture.	The Audit and Risk Committee reviews internal controls and risk management systems, including risk appetite, as well as internal audit reports that include an evaluation of management approach.
The way we do business	Our Compliance Code is reissued to employees annually – it sets out the policies and standards we expect them to uphold to meet our objective of conducting our business in an ethical, honest and professional manner wherever we operate. Employees are also required to complete annual online training modules on a range of areas covered by the Compliance Code.	Key policies are reserved for the Board's approval. The Audit and Risk Committee receives updates on compliance with policies and completion of online training.
Health and safety	Our priority is to provide a safe and secure workplace for all, and we have policies and procedures in place to support this.	Whilst we view the majority of our activities as low risk, the Board monitors the health and safety culture through regular reporting.

Governance arrangements and Board resources

An annual programme of agenda items is drafted for the Board prior to the start of the financial year. Agendas are driven by key strategic priorities, the schedule of Matters Reserved for the Board and the financial calendar. The programme is flexed as necessary to take account of changes in priorities and external developments. The process for agreeing the agendas is managed by the Group Company Secretary in consultation with the Chair. A similar process is followed for each Board Committee.

The Chair and the Group Company Secretary ensure that the Directors receive clear and timely information, with Board and Committee papers being circulated in advance of meetings via a secure electronic portal. Should any urgent matters arise between scheduled meetings, Directors are briefed either individually or through a Board call. Directors can seek additional information from management at any time, whether in relation to papers submitted for discussion at a formal meeting or any other matters. This allows them to explore significant items in more depth and signal areas where more detail will be required when the matters are discussed formally. These sessions also provide the Non-Executive Directors with an opportunity to engage with management in a more informal way.

Attendance at Board meetings is set out on page 102. If a Director is unable to join a meeting, they are encouraged to provide comments to the Chair in advance on the business of the meeting so that their views can be taken into account as part of the debate at the meeting.

The Chair regularly meets with the Non-Executive Directors without the Executive Directors present, both collectively and individually. The SID also meets with the Non-Executive Directors at least once per year to discuss the Chair's performance.

All Directors have access to the advice of the Group Company Secretary and, in appropriate circumstances, may obtain independent advice at the Company's expense.

Conflicts of interest

Directors are required to disclose any interests that could give rise to a conflict of interest either prior to appointment or as and when they arise. Potential conflicts may be approved by the Board if it is satisfied that it is appropriate to do so, but the Director who has the potential conflict cannot be counted in the quorum when the conflict is discussed. The Board may impose conditions on the authorisation of a conflict, for example that the Director should leave the boardroom when certain matters are discussed. Once authorised, a conflict is recorded in the Register of Directors' Conflicts. The Nomination Committee is responsible for providing the Board with guidance on the treatment of Directors' conflicts and for conducting an annual review of the Register of Directors' Conflicts.

During the year, the Board considered proposals that Heike Truol be appointed as Chief Strategy Officer of ALS Global, and that Laurence Hollingworth be appointed as a non-executive director of Molten Ventures plc and chair of the board of directors. The Board was satisfied that neither of these appointments would give rise to a conflict of interest and approved them.

Stakeholder engagement

We are committed to effective engagement with our stakeholders and gather feedback and input from them through a variety of approaches. The Board engages directly with our people and our shareholders. In the case of engagement with clients and communities (who we have also identified as key stakeholders), management engagement is used to form proposals at a business level, with the Board being kept updated in various ways.

Where relevant, stakeholder considerations are also set out in Board papers. You can read more about our stakeholders on pages 58 and 59, and how we have taken them into account in meeting our responsibilities under section 172 of the Companies Act 2006 on pages 60 to 63.

Information flow to Board

The Chair takes responsibility for ensuring that the views of shareholders are communicated to the Board as a whole.

The CEO and CFO & COO regularly update the Board on shareholders' views, which reflects both their own direct engagement with investors and feedback from the Company's joint corporate brokers and financial public relations advisor. The Chair and Non-Executive Directors also share the views and feedback from shareholders following any meetings they have attended.

An analysis of movements in the shareholder register and trading volumes, along with any broker feedback, is provided to each Board meeting, supplemented where necessary by attendance of the joint corporate brokers at Board meetings. Analyst reports on the Company are made available to all Directors through the Board portal in order to enhance their understanding of how the Company is perceived in the market.

Our people

Our Employee Voice Forum encourages two-way communication between employees from various divisions across the business and our Non-Executive Directors. It is chaired by Heike Truol, our Employee Engagement Director. Heike assumed this role from September 2022, but had already attended Employee Voice Forum meetings for over a year prior to this. Participating employees are given the opportunity to raise any issues, including regarding remuneration, that they deem relevant or appropriate. In 2023, topics discussed included ESG, technology and compliance in shipping markets, being part of the global group, and communication methods and channels. During the year, the Employee Voice Forum aimed to ensure a global input into Board engagement and Heike held meetings in Singapore, Oslo and Houston.

We also provide as many opportunities as possible for our Non-Executive Directors to meet a broad cross-section of our people at social and networking events throughout the year which provides a further opportunity for engagement on key topics. This includes attendance at our annual Global MDs Week, at which the Non-Executive Directors are invited to join various sessions and events. This gives them the opportunity to hear firsthand the views of our senior employees and gain an insight into our day-to-day culture.

We have a section of our internal communications channel ('Voyage') dedicated to inviting engagement with our global workforce via email. This allows our people to correspond directly with our Non-Executive Directors or arrange to speak to them on any topic.

The Non-Executive Directors also receive regular updates from the Executive Directors and other executives on their own engagement with employees, for example through site visits, talent activities and town hall meetings.

Our shareholders

The Board is cognisant of its responsibility to manage the Company on behalf of our shareholders, and we understand that maintaining strong relationships and an open dialogue with investors underpins the long-term success of the Company. The Chair is responsible for ensuring effective communication with shareholders and the Chair, SID and all Non-Executive Directors are available to attend meetings if requested by shareholders.

Institutional investors	Retail shareholders	Employee shareholders
Who they are Large institutional investors such as investment managers and pension funds	**Who they are** Private investors holding around 6% of the issued share capital (excluding employee shareholders)	**Who they are** Employees holding around 10% of the Company's issued share capital, either through direct interests or through restricted shares granted under employee share plans
Who engages with them – The CEO and CFO & COO are the primary contacts for institutional investors – They engage actively with both current and potential investors	**Who engages with them** – The Board through attendance at the AGM – Our Company Secretariat team and our registrar (Computershare) are available to help retail shareholders with any queries	**Who engages with them** – Employee shareholders (and the workforce as a whole) are kept informed by the Executive Directors and the Group Company Secretary of publicly available financial updates and governance changes such as new Director appointments
Engagement in 2023 – The Chair met with 13 shareholders ahead of the 2023 AGM in order to understand their views on the Company and its strategy, and to engage with them regarding remuneration outcomes and other governance matters such as environmental matters, succession planning and diversity – A further four meetings were held with shareholders following the AGM – The Remuneration Committee Chair also joined some of the meetings – The CEO and CFO & COO held over 90 meetings with both potential and current investors (holding over 35% of the issued share capital) to gain an understanding of their views and concerns	**Engagement in 2023** – Achieved principally through our website and the AGM – Full year and half year results announcements, the Annual Report and results presentations are all available on our website, as well as information regarding share price performance and governance matters	**Engagement in 2023** – The Company issues an annual invitation to employees in the UK and our largest overseas locations to join a ShareSave plan (or similar local equivalent), which gives employees the opportunity to purchase shares in the Company at a discounted price – The Board is extremely supportive of widening global participation in ShareSave or the local equivalent, which has been offered in six overseas countries to date – Over 70% of our global employees have been invited to join ShareSave or the local equivalent, and over 30% of eligible employees took up an invitation to participate during the year

Annual General Meeting

We view the AGM as an opportunity to engage directly with our shareholders on the key issues facing the Group and to respond to any questions shareholders may have on the business of the meeting. The Notice of Meeting is circulated to shareholders at least 20 working days prior to the meeting. All resolutions proposed to the meeting are voted on by way of a poll. The number of proxies received is disclosed to shareholders in attendance at the meeting, and the voting results are announced to the London Stock Exchange and made available on the Company's website as soon as practicable after the meeting.

The 2023 AGM was held on 11 May 2023. The meeting was held electronically by video webcast, as was permitted under the Company's Articles of Association. Votes were cast in relation to circa 75% of the issued share capital and, although all resolutions were passed by the required majority, the Board noted a significant vote against resolution 2 to approve the Directors' Remuneration Report, resolution 3 to approve the Directors' Remuneration Policy and resolution 10 to re-elect Dr Tim Miller (Chair of the Remuneration Committee) as a Director. Further detail regarding the actions taken by the Board in response to this outcome can be found in the Directors' Remuneration Report on pages 129 to 131.

We are pleased to confirm our intention to hold this year's AGM electronically by video webcast at 12 noon on Thursday 9 May 2024. Full details of the resolutions to be proposed at the meeting are set out in the Notice of Meeting. The Chair, as well as the Chairs of the Board Committees, will be in attendance at the meeting to answer questions on the business of the meeting.

Nomination Committee Report
At a glance

Committee highlights in 2023

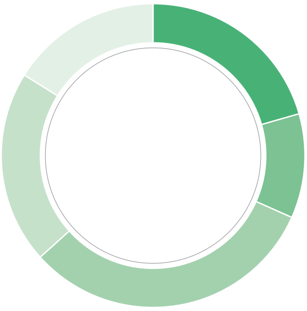
	Significance	Progress
Diversity, Equity and Inclusion ('DEI') **Read more:** On page 119.	Our people are the driving force of our company, and we are committed to a diverse and inclusive workplace where we prioritise their health, wellbeing and development.	The Nomination Committee devoted a significant amount of time to reviewing DEI initiatives around recruitment, affording all employees the same career opportunities, ensuring our people feel part of the Clarksons global community, and improving our understanding of our workforce through data capture and analytics.
NED succession planning **Read more:** On page 116.	Ensuring that the Board has the right balance of skills and experience is key to our ability to continue to deliver our strategy. Through our annual review of the balance of skills, knowledge, experience and diversity on the Board, further skills and experience that would be beneficial were identified.	The Nomination Committee recommended to the Board that a new independent non-executive director with these skills be sought. A search process was initiated.

Meeting attendance

	Meetings
Laurence Hollingworth (Chair)	2/2
Sue Harris	2/2
Birger Nergaard[1]	1/2
Heike Truol	2/2

[1] Unable to attend one meeting due to illness. The Chair ensured that there was an opportunity for Birger to provide comments on the business of the meeting in advance.

How the Nomination Committee spent its time



🟩	Annual effectiveness review	21%
🟩	Appointment/reappointment of Directors	11%
🟩	Diversity, Equity and Inclusion	31%
🟩	Governance	21%
🟩	Succession planning	16%

1. Annual effectiveness review
Review of actions arising from the 2022 review and agreeing the approach to the 2023 review.

2. Appointment/reappointment of Directors
Matters relating to the annual re-election of Directors.

3. Diversity, Equity and Inclusion
Updates on ongoing initiatives to promote DEI in the Group.

4. Governance
Various matters including the annual review of the Nomination Committee's effectiveness and of its Terms of Reference.

5. Succession planning
Review of plans and activities regarding non-executive, executive and senior management succession planning.

Laurence Hollingworth
Nomination Committee Chair

A diverse Board to ensure long-term success

I am pleased to present this report on the work of the Nomination Committee over 2023.

The key objectives of this Committee are to ensure the Board comprises the right combination of skills, knowledge, experience and diversity to maintain a high degree of effectiveness in discharging its responsibilities and to review the development of future leaders to ensure there is a talent pipeline to meet the long-term strategic objectives.

These objectives are achieved in a number of ways. In line with the Code requirements, we have undertaken an internal evaluation of the Board, its three Committees and each Director. This provides a formal means of evaluating areas of the Board and Committees' effectiveness and supports the ongoing, informal conversations and relevant training sessions held during the year to ensure all Board members are kept up to date and well informed about both internal and relevant external matters.

The Committee regularly reviews our Board skills matrix as part of discussions regarding non-executive director succession plans. Further skills were identified during the year that would be beneficial to the Board and a search for a new non-executive director was initiated.

Birger Nergaard reached his nine-year tenure in February 2024. He agreed to remain on the Board for a short period until the AGM, where he will not be standing for re-election. After discussion, the Committee agreed that Birger remained independent notwithstanding the length of his tenure.

As referred to earlier, executive succession planning and the identification of the future talent pipeline has remained a key priority for the Committee. The loss of key personnel remains a real and continuing focus for the Executive Directors and senior management. The CEO provides regular updates to the Board on both the risk and the actions being taken to develop talent internally and retain key personnel, and how this might impact on our executive succession plans. The Our impact section includes more details of the initiatives and actions being taken regarding talent management, promotion, recognition and reward (see pages 84 and 85).

As a Board we remain mindful of the benefits of being a diverse and inclusive employer and are committed to fostering a workplace where all of our employees can thrive and feel valued and included. Whilst shipping has traditionally been a male-dominated industry, we are undertaking a number of initiatives to facilitate change over the whole employee experience and the Board was proud to support the launch of the Global Trainee Broker Programme in September 2023 which resulted in a female uptake of 39% – a small but very tangible and important step on the journey to attract, over time, a more diverse workforce and ultimately deliver change.

The FCA's policy statement on 'diversity and inclusion on company boards and executive management' applied to Clarksons for the first time for the year ended 31 December 2023, and is aligned with the recommendations in the FTSE Women Leaders Review. We have met the target for at least one of the senior Board positions to be a woman and for at least one member of the Board to be from an ethnic minority background. Three of our eight Directors are women (comprising 37% of the Board). We remain committed to a diverse Board and will continue to regularly review our Board composition to ensure we retain a balance of skills, knowledge and experience. Whilst acknowledging the 40% target for women on boards in the FTSE Women Leaders Review and the Listing Rules, and noting the need for a diverse list of candidates in the search for any new director, our policy will continue to be one of selecting candidates with an appropriate mix of skills, knowledge and experience to ensure the continued success of the business.

Laurence Hollingworth
Nomination Committee Chair
1 March 2024

Succession planning

Non-Executive Directors

The Nomination Committee reviews succession planning for the Non-Executive Directors. Whilst the tenure of the Directors is an important factor, the Nomination Committee is cognisant that this cannot be reviewed in isolation. Non-Executive Director succession planning is therefore considered within a wider context which includes the size, structure and composition of the Board; the current balance of skills, knowledge, experience and diversity on the Board and whether it is appropriate to continue to challenge management and support the delivery of the Group's strategy; provisions under the Code regarding Board Committee composition; and the benefits of refreshing the membership of the Board Committees.

Having reviewed the factors listed above, and taking account of feedback from the effectiveness evaluation of the Board undertaken in 2023, the Nomination Committee drew the following conclusions during the year:

- The tenure of the Directors (which is set out on page 104) does not give rise to any immediate concerns as four of the six Non-Executive Directors in office as at the date of this report are in their second three-year term. Furthermore, as Birger Nergaard would not be seeking re-election at the 2024 AGM (having served nine years on the Board), the search for a new Non-Executive Director had been initiated.
- The size of the Board is conducive to an effective debate, being large enough to bring a broad and diverse range of backgrounds, perspectives and experiences, but not so large as to be unwieldy. The structure of the Board remains appropriate.
- Whilst the collective skills and experience of the Non-Executive Directors and the Board as a whole remained aligned with the Group's operations and strategy, further skills were identified during the year that would be beneficial to the Board. A search for a new non-executive director had therefore been commenced.
- The Hampton-Alexander Review target of at least 33% female representation on the Board had been met, as had the target for ethnic diversity set out in the Parker Review. In addition, the recommendation under the FTSE Women Leaders Review to have at least one woman in a senior Board role was met through the appointment of Sue Harris as SID. The Nomination Committee remains cognisant of the target for 40% female representation by the end of 2025, and the need for a diverse list of candidates in the search for a new non-executive director had been noted.
- The Company complies with all provisions under the Code in relation to Board Committee memberships. Sue Harris is a chartered management accountant and has a broad range of experience in senior finance roles. The Board therefore considers her to meet the requirement under the Code that at least one member of the Audit and Risk Committee has recent and relevant financial experience. The Audit and Risk Committee as a whole has competence relevant to the sector in which the Company operates. Furthermore, Dr Tim Miller has extensive HR and remuneration knowledge from his executive career. He has recently served on (and chaired) the remuneration committee of other organisations and therefore has recent and relevant experience of remuneration matters.

In addition to this longer-term view, the Nomination Committee has also considered succession planning across a short-term horizon. It was satisfied that, in the event that one of the Board Committee Chairs was unexpectedly unable to fulfil their duties, the current Board composition would allow contingency cover to be identified and the Board Committee to continue to operate effectively whilst still meeting any specific Code requirements.

Chair

To ensure that an effective Chair is in place at all times to lead the Board, and that the Board would be able to act quickly when a search for a new Chair needed to be undertaken in the future, the Nomination Committee has established a framework for Chair succession. This outlines the process to be followed, as well as confirming any arrangements to be implemented at short notice in the event of the Chair being temporarily absent.

Executive positions and senior management

Through the Nomination Committee, the Board has remained close to discussions on executive and senior management succession planning. During the year, updates were received on completed and planned succession management actions, as well as ongoing initiatives and plans. This included the annual promotions process in action, which utilises a framework to assess, promote and develop our future leaders on a consistent basis and secure the pipeline of key talent for succession to more senior roles. The opportunity to develop as senior leaders is enhanced by the participation of our people in divisional management forums, management offsites, and attendance at our global strategy-setting meetings at the start of each year. Our key objective and focus is to ensure that our people become our future leaders. We create an environment in which our people have broad experience, collaborate across our business and participate in the running of their respective businesses to gain exposure to leadership responsibilities. We augment internal succession with key external strategic hires where appropriate and always monitor the external market for the best talent. Emergency succession plans are in place for the Executive Team and other key senior management positions.

The Nomination Committee remains satisfied that this approach is appropriate to continue to develop the right skills and capabilities in the levels below the Board, retain and develop key talent, and to mitigate risk.

Board appointments

The Nomination Committee is responsible for making recommendations to the Board regarding appointments of new Directors and membership of Board Committees, as well as reviewing the reappointment of Directors at the end of their three-year terms.

During the year, the Nomination Committee made recommendations to the Board to reappoint Sue Harris and Heike Truol for a further three-year term. In addition, the Board agreed to extend Birger Nergaard's appointment for a short period beyond his nine-year tenure. Birger will not seek re-election at the 2024 AGM. The Board is satisfied that Birger remains independent notwithstanding the length of his tenure.

Election and re-election of Directors

The Code sets out that all Directors should offer themselves for election by shareholders at the first AGM following their appointment, and for re-election on an annual basis thereafter. The Nomination Committee leads the process for evaluating whether the Board should recommend the election/re-election of Directors to shareholders. In forming a recommendation to the Board, it takes account of the contribution to the Group's strategy, performance, time commitment and independence of each Non-Executive Director. The appraisals of the Executive Directors are also considered by the Board prior to their re-election being recommended.

Contribution to strategy

The contribution that each Director makes to the Group's strategy is set out in their biographies on pages 104 to 107.

Director performance evaluations

The process by which the performance of the Directors is evaluated is set out on page 118. The evaluations concluded that each of the Directors continues to perform effectively and to demonstrate commitment to their role.

Time commitment

Although the letter of appointment of each Non-Executive Director includes an anticipated time commitment, the letter also states that Directors are expected to commit sufficient time to their directorship to discharge their obligations to the Company. The Nomination Committee reviewed the time that each Non-Executive Director commits to the Company and was satisfied that this was sufficient to discharge their duties fully and effectively in each case.

The Nomination Committee also considered the external directorships and other commitments of each Director. The following points were noted:

- Laurence Hollingworth's time commitments had been revisited by the Nomination Committee ahead of recommending his appointment as Chair to the Board, and it was confirmed that there were no concerns that he would not be able to devote sufficient time to the role. During the year, Laurence advised the Board that he would be appointed as a non-executive director of Molten Ventures plc and chair of the board of directors. The Board was satisfied that Laurence would still be able to devote sufficient time to his role at the Company.
- The time commitment required of Sue Harris in respect of her other directorships had been evaluated closely at the time of her appointment, and the Nomination Committee had satisfied itself that Sue would be able to devote sufficient time to her directorship at the Company. The Nomination Committee revisited this assessment prior to recommending her appointment as SID to the Board, noting that there had not been any changes in Sue's time commitments since her appointment. Moreover, since her appointment to the Board, Sue had demonstrated an appropriate time commitment to her duties to the Company.
- Heike Truol had been appointed as Chief Strategy Officer for ALS Global during the year. The Board was satisfied that this would not impinge on Heike's ability to devote sufficient time to her directorship at the Company.

Following this review, the Nomination Committee confirmed that the external directorships and time commitments of the Directors did not give rise to any concerns that each Director was not able to commit sufficient time to their directorship at the Company.

Independence

The Nomination Committee assesses the independence of the Non-Executive Directors against the criteria set out in the Code. This highlights that to be classed as independent, non-executive directors should be independent in character and judgement and free from any relationships or circumstances which may affect that judgement. The Nomination Committee assesses independence annually prior to recommending the election/re-election of the Directors. However, the Nomination Committee also revisits its assessment as and when there are any changes in circumstances and prior to recommending any reappointments for a further term to the Board.

During its annual assessment, the Nomination Committee satisfied itself that there had not been any changes in circumstances which would impact on the previous assessment that all Non-Executive Directors were independent.

Conclusion

The Board approved the Nomination Committee's recommendation that each Director (other than Birger Nergaard) should be proposed for re-election at the 2024 AGM. Further information about the Directors, which highlights their skills and areas of expertise, is set out on pages 104 to 107.

Board and Committee effectiveness

The Board is cognisant that changes in strategy, personnel and the external environment may need to drive changes in the way that we operate in order to maximise our effectiveness. We therefore recognise the benefits of regularly evaluating our own effectiveness and that of our Committees (at least annually) so that we can take any actions necessary to ensure that we continue to perform effectively.

As no substantive concerns had been raised at the externally facilitated review in 2022, the 2023 review was internally facilitated. The Nomination Committee led the review. An overview of the process and timetable is provided below.

Stages of the Board and Committee effectiveness review

October 2023
Approach and areas of focus agreed by the Nomination Committee

November–December 2023
Questionnaires completed

One-to-one meetings between the SID and other Directors to consider the performance of the Chair

January 2024
Output reviewed and discussed with the Chair, SID and Committee Chairs

Areas of focus for 2024 agreed

February 2024
Feedback discussed and action plans approved by the Board and its Committees

Outcome

The Board review highlighted the constructive and productive dynamics in the boardroom, whilst also indicating the need to enhance some of the skills present (as is already an area of focus within the search for a new non-executive director). The review also highlighted the benefit obtained from recent opportunities for more informal Board interaction, and it was agreed that these should be continued. Business presentations through the year were also viewed as extremely useful and should therefore remain a feature of the 2024 Board calendar. The strategic planning and review process should also continue to be refined.

The Board Committees were confirmed to be operating effectively, and fulfilling their Terms of Reference. Nomination Committee members highlighted the importance of maintaining the focus on succession planning and scheduling in an appropriate amount of time for this in 2024. The Nomination Committee was also cognisant of ensuring the right skill-set in the non-executive director to be appointed within the current search process. The Audit and Risk Committee noted the need to remain up to date with developments around ESG matters and risks in relation to cyber security, and agreed that further training on these areas should be arranged for 2024. Members of the Remuneration Committee signalled the need to stay abreast of market developments regarding remuneration and financial crime legislation through further training.

2022 review

The principal action arising from the 2022 review was to ensure more opportunities for the Directors to spend informal time together. This was achieved through scheduling in more offsite meetings during the year. The annual Board strategy session was held offsite, enabling the Board to spend more informal time together. The mid-year Board and Committee meetings were held at our Oslo office, again providing more opportunities for the Board to interact informally both with each other and with senior employees.

Director performance evaluations

The performance of the Non-Executive Directors is reviewed annually in tandem with the Board and Committee effectiveness reviews, and the Nomination Committee agrees the approach to be taken.

The performance of the Chair and the Non-Executive Directors was evaluated focusing on the contribution made by each Director over the year, how that contribution was made and their commitment to the role. The SID met separately with the Non-Executive Directors to seek feedback on the Chair’s performance, and discussed the output with the Chair.

The performances of the CEO and the CFO & COO were also appraised separately, and feedback was presented to the Remuneration Committee as part of the annual remuneration review.

It was concluded that each Director continued to perform effectively and to demonstrate commitment to their role.

Diversity

The Board recognises that diversity, in its broadest sense, is a key driver of an effective board. Board diversity improves the quality and objectivity of the decision-making process by creating an environment where a range of voices can engage in a debate. Our Board aims to be comprised of individuals with a broad range of backgrounds, skills, experience, expertise and perspectives, and which utilises these qualities in order to generate effective debate, challenge, problem solving and decision-making.

We have adopted a Group Diversity and Inclusion Policy, which also incorporates our approach to Board diversity. This confirms that the Board strongly supports the principle of boardroom diversity, which includes a number of aspects including gender, ethnicity, disability, religion and political views. It does not include measurable targets for any aspect of diversity and explains that all appointments are subject to formal, rigorous and transparent procedures and should be made on merit against a defined job specification and criteria.

The Board is committed to supporting the work of the Group to look for new and innovative ways to ensure a diverse and inclusive workforce at every level of the organisation.

Our people are the driving force of our Company, and we are committed to a diverse and inclusive workplace where we prioritise their health, wellbeing and development. Our senior leaders and the wider business understand the value of an inclusive culture, where everyone has an equal chance to do well, and where all people can thrive and develop, helping the business to grow. We can see this represented in our nationality statistics – our workforce is made up of individuals from 57 different countries across the globe, which creates a vibrant and energetic environment that truly celebrates the varied cultures of those who work for us.

Our DEI focus prioritises practical steps that deliver tangible results including recruiting a workforce which represents people across all identities and backgrounds by diversifying our pool of candidates and recruitment channels; affording all our employees the same career opportunities through clarity of expectation and consistent assessment and promotion criteria; ensuring our staff feel part of the wider Clarksons global community through engagement, communication and support; and improving our understanding of our workforce through data capture and analytics. An example of this in action is the launch of the Global Trainee Broker Programme during 2023 as part of our early careers initiative. The cohort of 18 trainees, across seven offices, was made up of multiple nationalities and was 39% female.

Induction

All newly appointed Directors receive a comprehensive induction programme which is tailored to their needs. The Chair and the Group Company Secretary are responsible for designing an effective induction programme, with the objectives of:

- Facilitating the Director's understanding of the Group from both an internal and an external perspective: its culture, stakeholders, key businesses and markets, and operations on the ground;
- Providing them with any key insights into Committee-specific matters, as relevant; and
- Enabling their effective contribution to the Board as early as possible.

Development

As part of our ongoing development, the Board receives briefings on legal, regulatory and governance matters as they arise. To ensure our ongoing awareness of Group policies and procedures, we also complete the online training modules that are mandatory for employees. During 2023, the Group's External Auditor led a training session on sustainability and climate change. The Remuneration Committee has also continued to receive regular market updates from its remuneration consultant.

Senior managers make presentations to the Board on strategic matters and key industry and business developments, which provides us with an opportunity to engage with employees who may be considered as part of succession planning. During the year, presentations were made to the Board on the market outlook, and deep-dives into key business lines were presented during the annual Board strategy session.

Audit and Risk Committee Report
At a glance

Committee highlights in 2023

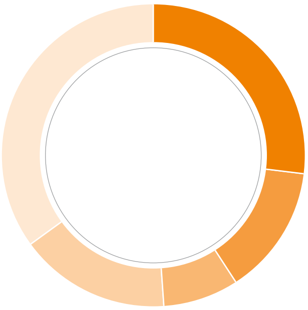
	Significance	Progress
Implementation of our new global financial system **Read more:** On page 121.	The system will enable the Group to standardise and automate existing processes, which will provide significant improvements, efficiency and transparency in our financial control and reporting processes.	Phase 2 of the roll-out was successfully launched mid-year, and the focus over the rest of the year remained on enhancing and embedding functionality. The Audit and Risk Committee approved the plan for the wider global roll-out over 2024.
Compliance oversight **Read more:** On page 127.	As the geo-political landscape continued to evolve at pace through 2023, compliance oversight (encompassing KYC and sanctions) remained an area of significant focus.	Our commitment to building a global KYC/due diligence team and investing in our sanctions capabilities over recent years has been maintained. In light of stricter and more complex sanctions regimes, the Audit and Risk Committee has received regular updates on this area and has satisfied itself that a robust approach continues to be taken.
Integrity of financial reporting **Read more:** On pages 122 to 125.	As one of the Audit and Risk Committee's key roles, the Committee has continued to prioritise this area.	Throughout the year, the Audit and Risk Committee has challenged management on the estimates and judgements they have made that underpin our financial reporting, whilst satisfying itself that the right processes are in place for the External Auditor to maintain its independence.

Meeting attendance

	Meetings
Sue Harris (Chair)	4/4
Martine Bond[1]	1/4
Dr Tim Miller	4/4
Heike Truol	4/4

[1] Unable to attend meetings due to illness.The Chair ensured that there was an opportunity for Martine to provide comments on the business of the meeting in advance.

How the Audit and Risk Committee spent its time



🟧	External audit	27%
🟧	Financial reporting	14%
🟧	Governance	8%
🟧	Internal audit	16%
🟧	Risk management and internal controls	35%

1. External audit
Regular updates from the External Auditor on audit plans, progress and findings; private sessions with the External Auditor (without management present); and the recommendation to the Board to reappoint the External Auditor.

2. Financial reporting
All matters relating to the release of preliminary and interim results and trading statements, including key judgements and estimates, viability and going concern assessments and the Annual Report.

3. Governance
Various matters including the annual review of the Audit and Risk Committee's effectiveness, its Terms of Reference and updates on sustainability reporting.

4. Internal audit
Regular review of plans and reports from internal audit outsourced partners, and the annual review of their effectiveness.

5. Risk management and internal controls
Strengthening the internal control framework and implementation of the next phase of our new global financial system, as well as regular updates on risk management, cyber security, compliance (including sanctions) and litigation.

Sue Harris
Audit and Risk Committee Chair

Enhancing our internal controls in a fast-changing world

I am pleased to present our Audit and Risk Committee Report for the year ended 31 December 2023, which provides an overview of the areas of focus for the Committee during the year, its key activities and the framework within which it operates.

In line with the Code, the Board is satisfied that the Committee as a whole has experience and technical competence relevant to the sector in which we operate. It is the collective experience of the Committee members which allows us to provide appropriate oversight and challenge.

The Committee's role in supporting the Board in meeting our objectives has remained unchanged, and during the year we have continued to focus on our primary responsibilities of overseeing the Group's external financial reporting, including the relationship with the External Auditor, and the effectiveness of the risk management and internal control systems.

The Group's financial statements are of critical importance to investors and the Committee monitors the quality and integrity of the Group's reporting processes, accounting policies and practices, before recommending the statements to the Board for approval. The Committee reviewed, and where necessary challenged, the significant financial judgements and estimates made by management in respect of the 2023 half year and full year results, supported by input from the External Auditor (PwC), and was satisfied that it could recommend them to the Board for approval.

The Committee devoted a considerable amount of time in 2023 to reviewing enhancements to our internal control and risk management systems. As reported in 2022, management is in the process of implementing a new global financial system which will provide significant improvements, efficiency and transparency in our financial control and reporting processes. The second phase of the implementation, focused on our largest location in London, was completed during the year, with no significant issues being encountered. The Committee received regular updates through the year and, having challenged management on the approach being taken and considered the work of the External Auditor around data migration and controls, was satisfied that this did not expose our financial reporting to any significant risks. We will reap most benefit from the system when it is fully rolled out to our remaining global locations. We have reviewed the final phase of the roll-out plan, including the associated risk assessment, and are comfortable with both the approach being taken and that the right levels of expertise and resources remain available in the finance team to complete the implementation.

We also reported last year that management had implemented a new risk management system, which has continued to provide benefits through the rationalisation of the risks and controls being monitored and ensuring that key controls are easily identifiable and robustly managed. Internal audit remains a key element of our system of internal control and our outsourced partner (Grant Thornton) undertook a number of audits through the year. No significant issues were identified, and management has worked to complete the actions required in response to findings.

The backdrop to our work in 2023 has been one of continued geo-political instability, although the macro-economic position was more settled than in 2022. Against this wider context, the Committee reviewed the Group's principal risks and the associated risk factors at each meeting. It proposed to the Board that no changes were necessary to either the principal risks or their risk factors (following increases to the risk factors of some risks in the prior year).

We remain of the view that climate change is not a principal risk for the Group at this time, but we consider it to be a thematic risk which potentially impacts a number of our principal risks. The impact of climate change on the Group and its wider sustainability have been the focus of a significant piece of work this year to undertake the Group's first materiality assessment (see page 79 for further detail). This has reinforced our view that the most significant impact that the Group can have on reducing carbon emissions is through our work on the green transition to enable our clients to reduce their carbon footprint through sector intelligence, technology and vessel replacement strategies. However, we are also aware of the need to focus on our own carbon footprint and work has continued to review our reporting against the Task Force on Climate-Related Disclosures ('TCFD') including the measurement of our Scope 3 emissions. Further information is available on page 126.

The Company welcomes proportionate developments to improve governance and trust in financial reporting. We note the recent publication of an updated Code by the FRC, which we intend to adopt in line with the required implementation dates.

The Committee's performance and effectiveness were reviewed as part of the internal Board evaluation undertaken during the year, more details of which can be found on page 118. I am pleased to confirm that the evaluation confirmed that the Committee is operating effectively and fulfilling the duties delegated to it by the Board.

I continue to appreciate the valuable input to our work from the other members of the Committee, and would like to thank them for their support during the year.

I will be attending our AGM on 9 May 2024 and I look forward to answering any questions about the work of the Audit and Risk Committee.

Sue Harris
Audit and Risk Committee Chair
1 March 2024

Significant issues considered in relation to the financial statements

Issue

Risk of impairment of trade receivables

Area of focus

A number of judgements are made in the calculation of the provision, primarily the age of the balance, location and known financial condition of certain clients, existence of any disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.

Audit and Risk Committee review and conclusion

The Audit and Risk Committee discussed with management the results of its review, the internal controls and the composition of the related financial information.

The Audit and Risk Committee also discussed with the External Auditor its audit procedures in relation to the provision and its findings.

The Audit and Risk Committee is satisfied with management's judgements and that the level of provisioning of £21.9m is consistent with the evidence.

Issue

Carrying value of goodwill

Area of focus

Determining whether an impairment charge is required for goodwill involves significant judgements about forecast future performance and cash flows of cash-generating units ('CGUs'), including growth in revenues and operating profit margins. It also involves determining an appropriate discount rate and long-term growth rate.

Audit and Risk Committee review and conclusion

The Audit and Risk Committee discussed with management the results of its testing and evaluated the appropriateness of the assumptions used within its impairment test model.

The results of the Audit and Risk Committee's review of management's testing were subsequently discussed with the External Auditor.

The Audit and Risk Committee is satisfied with management's assumptions and judgement, and with the conclusions not to record an impairment in any of the CGUs and that appropriate sensitivity disclosures have been included in the financial statements.

Issue

Carrying value of investments (Parent Company)

Area of focus

Determining whether a corresponding impairment charge is required in the balance sheet of the Parent Company in relation to its investments involves significant judgements about forecast future performance and cash flows of the investment, including growth in revenues and operating profit margins. It also involves determining an appropriate discount rate and long-term growth rate.

Audit and Risk Committee review and conclusion

The Audit and Risk Committee discussed with management the results of its testing and evaluated the appropriateness of the assumptions used within its impairment test model.

The results of the Audit and Risk Committee's review of management's testing were subsequently discussed with the External Auditor.

The Audit and Risk Committee is satisfied with management's assumptions and judgement, and with the conclusion not to take an impairment charge on the investments.

Financial reporting

In reviewing the Company's half year and annual financial statements, the Audit and Risk Committee considers the overall requirement that the financial statements present a 'true and fair view' and takes account of the following:

- The significant issues set out in the table on the previous page. These areas were agreed as part of the audit planning process and the Audit and Risk Committee discussed them in detail with management and the External Auditor throughout the year.
- The accounting policies and procedures applied (see note 2 of the consolidated financial statements on pages 161 to 169).
- The effectiveness and application of internal financial controls.
- Material accounting assumptions and estimates made by management (see page 122).
- The External Auditor's view of management's judgements (as set out on pages 151 to 153).
- Compliance with relevant accounting standards and other regulatory financial reporting requirements including the UK Corporate Governance Code and the European Single Electronic Format ('ESEF') regulation.

The Company has complied with ESEF, which requires the Annual Report to be filed in a 'tagged' format. The Finance team (which undertakes the tagging) has provided the Audit and Risk Committee with assurance as to the process by which this has been completed. The External Auditor is not required to audit the tagging.

Fair, balanced and understandable

Whilst the Board is collectively responsible for determining whether the Annual Report, taken as a whole, is fair, balanced and understandable, the Audit and Risk Committee advises the Board in this regard.

In making its assessment in respect of the 2023 Annual Report, the Audit and Risk Committee took into account the process which management had put in place to provide assurance, as detailed below:

- The CFO & COO and Group Company Secretary oversaw the production of the Annual Report, with overall governance, input and review provided by a cross-functional team of senior management.
- The messaging and tone were agreed at an early stage, and communicated to all contributors to ensure consistency between the narrative and financial reporting.
- The framework for the document was reviewed to ensure that it would drive a clear, balanced and understandable report from a shareholder and stakeholder perspective.
- An extensive verification process was undertaken to ensure factual accuracy.
- The External Auditor undertook comprehensive reviews of drafts of the Annual Report and presented the results of its audit work to the Audit and Risk Committee.
- Board members received drafts of the Annual Report for their review, challenge and input which provided an opportunity to ensure that the key messages in the report were aligned with the Company's position, performance and strategy; to discuss management's views on each of the key judgements and estimates; and to satisfy themselves that these were consistently reported in both the Audit and Risk Committee Report and the financial statements.

The Audit and Risk Committee reviewed the final draft of the Annual Report, and paid particular attention to information and disclosures in the report in relation to key risks, the financial review, strategy, TCFD and section 172 reporting. The Audit and Risk Committee also considered the Annual Report holistically and satisfied itself on the following points:

Is the Annual Report fair?
- Are we reporting on both our successes and opportunities as well as our difficulties and challenges?
- Are the key messages in the narrative highlighted appropriately and reflected in and consistent with the financial reporting?

Is the Annual Report balanced?
- Is there a good level of consistency between the narrative reporting in the front and the financial reporting in the back of the report?
- Are the statutory and adjusted measures explained clearly with appropriate relative prominence?

Is the Annual Report understandable?
- Is there a clear and understandable framework to the report?
- Do we explain our business model, strategy and accounting policies simply, using precise and clear language?
- Is the layout clear with good linkage throughout in a manner that reflects the whole story?

On the basis of the process put in place by management and its own review and challenge of whether the information necessary for shareholders and stakeholders to assess the Group's position and performance, business model and strategy was appropriately disclosed, the Audit and Risk Committee concluded that the 2023 Annual Report is fair, balanced and understandable and advised the Board accordingly. The Board concurred with this view and the statement confirming it can be found on page 149.

External audit

The Audit and Risk Committee manages the relationship with the External Auditor on behalf of the Board. This includes recommending the appointment of the External Auditor to the Board and approving their remuneration and terms of engagement.

PwC has been the External Auditor to the Group since 2009 and was reappointed as External Auditor in 2018 (in respect of the 2019 audit cycle) following a competitive tender process. PwC will be subject to mandatory rotation in 2029. Christopher Burns assumed the role of Lead Audit Partner from the 2019 audit cycle and, in accordance with PwC's rotation rules and UK Ethical Standards, he will rotate off as Lead Audit Partner after the 2023 audit. The Committee Chair and CFO & COO liaised with PwC to identify a successor, Timothy McAllister, who, to ensure a smooth transition, shadowed the current Lead Audit Partner for the 2023 audit and will assume the role for the 2024 audit cycle.

The Audit and Risk Committee has an open relationship with the External Auditor, and effective and timely communication is key to this. The Audit and Risk Committee Chair meets the External Auditor on a regular basis during the year, whilst the Audit and Risk Committee meets privately with the External Auditor without management present at least twice every year in order to allow both Committee members and the Auditor to raise any issues directly and to discuss the Auditor's remit. The Lead Audit Partner and the Group Audit Director are invited to attend all meetings of the Audit and Risk Committee. At appropriate points in the audit cycle, PwC presents reports to the Committee on the plan and approach for the full year audit and half year review (including how audit quality will be addressed), and the outcome of their audit work.

Prior to these meetings, PwC engages extensively with management to ensure that planning is aligned appropriately with the key judgement areas and to challenge management's assumptions, judgements and estimates. The detailed reports that PwC presents to the Audit and Risk Committee at the full year and the half year allow the Audit and Risk Committee to assess the consistency of the work undertaken with the audit plan; and the quality of the audit, taking note of the level of professional scepticism employed and the degree of challenge of management.

The significant issues considered in relation to the 2023 financial statements are set out on page 122. These areas were agreed as part of the audit planning process. The Audit and Risk Committee has not requested that the External Auditor review any further areas falling outside of the scope agreed at the start of the audit.

Independence

Processes have been implemented by both the Group and the External Auditor to safeguard the latter's independence from the Company. This is a key element in creating an environment in which the External Auditor can carry out their responsibilities to shareholders and other stakeholders free of influences which might affect their professional judgement.

The Audit and Risk Committee has developed a Non-Audit Services Policy in order to ensure that appropriate controls are in place around the use of the External Auditor for non-audit services. Details of the Non-Audit Services Policy are set out to the right. In addition, the Audit and Risk Committee has approved a Policy on Employment of Former Employees of the Statutory Auditor, which requires the Statutory Auditor's internal independence team to be consulted if a Group company wishes to consider employing a person who has been a member of the audit team within the past 24 months. The Group has not employed any member of the audit team or audit partners during the year.

In assessing the External Auditor's independence, the Audit and Risk Committee also reviews PwC's annual independence letter which provides the Audit and Risk Committee with assurances over the internal control procedures PwC has in place to safeguard its independence and objectivity. These include:

- Confirmation that there are no relationships between PwC and the Group or investments in the Company held by individuals that could impact on PwC's integrity, independence and objectivity;
- Compliance with the Group's Non-Audit Services Policy, the nature and value of any non-audit services provided and the safeguards in place to mitigate any threats to independence; and
- Confirmation of PwC's rotation rules and that these have been adhered to. In accordance with PwC's rotation rules and UK Ethical Standards, the lead audit partner must change every five years and other senior members of the audit team rotate at regular intervals.

No areas of concern were raised in 2023, and the Audit and Risk Committee remains satisfied that the independence and objectivity of PwC have been maintained.

Non-Audit Services Policy

To ensure that the External Auditor maintains its independence and objectivity, the Audit and Risk Committee has agreed that the External Auditor and their associated audit network firms will not be used for any non-audit services, other than certain prescribed exceptions. The exceptions relate to where services are required by statute or regulation; or the local statute law permits the provision of such services, and the External Auditor is best placed to preserve the quality of the non-audit service and there are limited feasible alternatives.

Note 3 on page 171 provides further information on the fees paid to the External Auditor for audit services during the year. The External Auditor did not carry out any non-audit services during the year, other than the half year review.

Auditor effectiveness

Alongside ongoing review throughout the year, the Audit and Risk Committee conducts an annual assessment of the effectiveness of the External Auditor and the external audit process. The views of members of the Audit and Risk Committee and management are sought and the areas covered include:

- Reviewing the audit approach, plan and scope;
- Evaluating delivery and performance against the audit plan, including feedback from the CFO & COO and senior management in the Finance team;
- Assessing the qualifications, experience and expertise of the audit team assigned to conduct the audit; the availability of the necessary resources to conduct a comprehensive, timely and effective audit; and the audit team's knowledge of the Company and the environment in which the Group operates;
- Considering whether PwC is appropriately focused on the most significant risk areas, and the effectiveness of review processes and partner oversight;
- Seeking feedback on the communication and engagement between management and PwC, and management's responsiveness to requests from PwC for information;
- Assessing the extent to which PwC demonstrates professional scepticism and challenges management;
- Reviewing the content and quality of PwC's written reports and contributions to the Audit and Risk Committee's discussions;
- Considering the confidence of the Audit and Risk Committee in PwC's judgements and its transparency with the Committee;
- Reviewing compliance with the Non-Audit Services Policy and other procedures designed to safeguard PwC's independence and objectivity;
- Considering PwC's quality control procedures and how these support the delivery of a high-quality audit; and
- Discussing the latest FRC Audit Quality Inspection report on PwC and actions being taken by PwC to address the findings raised.

In addition, during the year the FRC's Audit Quality Review team completed a review of PwC's audit of the Company's financial statements for the year ended 31 December 2022. No key findings were identified, and an area of good practice was noted. PwC discussed the review with the Audit and Committee, which was comfortable with PwC's responses to the areas of focus.

The Audit and Risk Committee made the following observations during its review of the External Auditor's effectiveness:

- The audit partners and team were confirmed to be of a high quality, with no material issues raised in the feedback received;
- The audit had been well planned and delivered, with work completed on schedule and management comfortable that any key findings had been raised appropriately, as well as active engagement on misstatements and appropriate judgements on materiality;
- PwC demonstrated a strong understanding of our business, the wider industry in which we operate and the risks and challenges we face, and had focused on the areas of greatest financial reporting risk;
- PwC's reporting to the Audit and Risk Committee was clear, open and thorough; and
- There had been an appropriate level of challenge during the course of the audit, with PwC and the Audit and Risk Committee challenging management's judgements and assertions on key accounting judgements.

Following its annual review of effectiveness of the External Auditor, the Audit and Risk Committee reported its findings to the Board, concluding that PwC remained effective and had delivered a quality audit.

Auditor reappointment

Taking into account the review of independence and effectiveness of the External Auditor, the Audit and Risk Committee recommended to the Board the reappointment of PwC. Resolutions reappointing PwC as External Auditor and authorising the Directors to set the Auditor's remuneration will be proposed at the 2024 AGM.

Statutory Audit Services Order

The Audit and Risk Committee confirms its compliance for the year ended 31 December 2023 with the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Internal controls and risk management

Together with the Board, the Audit and Risk Committee is responsible for reviewing the adequacy and effectiveness of the Group's system of internal control and the risk management framework. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Key features of our system of internal control are set out below.

Overview of internal controls

Governance framework	A defined schedule of matters reserved for the Board, which is reviewed by the Board annually, supported by a governance framework with defined responsibilities and authorities.
Delegated authorities	An organisational structure with clearly defined levels of authority, which are documented through a matrix of delegated authorities.
Risk identification and monitoring	An embedded risk management process, underpinned by associated controls, which includes monitoring and assessing current and emerging risks and regular review of the risk register. Details of the risk management structures in place are provided within the Risk management section on pages 64 to 73.
Staff awareness	Documented policies and procedures, which have been communicated across the Group. Promotion of awareness of key policies amongst the workforce through both internal online training and an annual requirement for employees to confirm that they have read and will comply with the Compliance Code, in which internal policies are documented.
Financial reporting and procedures	A comprehensive system of financial reporting and business planning. A Minimum Controls Framework which sets out the minimum level of financial controls that should be operated throughout the Group.
Internal audit	An internal audit plan focused on key risk areas and Audit and Risk Committee oversight of the outcomes, including any actions which have been satisfactorily completed and those which are outstanding.
External audit	Reports from the External Auditor on internal controls (including financial and IT controls) as part of the full year audit and the half year review.

During the year, the Audit and Risk Committee reviewed an update on the Company's internal controls over financial reporting, which were enhanced during the year by:

- The completion of phase 2 of the implementation of our new global financial system which is providing significant improvements, efficiency and transparency in our financial control and reporting processes.
- The further embedding of the risk management system implemented in 2022, resulting in the rationalisation of a number of risks and controls to avoid duplication and allow closer monitoring of key risks.

Principal risks

The Audit and Risk Committee regularly reviews the principal risks and actions to mitigate them. No changes were made to our principal risks or their risk factors during the year. This followed the risk factor of the following principal risks being increased in 2022: economic factors, cyber risk and data security, loss of key personnel – normal course of business, and adverse movement in foreign exchange.

Risks from climate change continue to be at the forefront of our thinking and our strategy explicitly seeks to work with our clients to reduce the impact on the environment of shipping globally. Risks associated with climate change also remain an area of focus for the Group's stakeholders, and form part of our risk management processes. The Audit and Risk Committee has maintained its focus on our reporting against the TCFD recommendations in 2023. The principal areas of focus have been evolving our sustainability framework (which will in turn impact on our TCFD disclosures) and on the approach to extending the limited Scope 3 emissions that we already report on. Following work undertaken in 2022 to start collating wider Scope 3 data, a revised approach is now being taken. This is focused on assessing all Scope 3 categories in relation to our largest broking subsidiary, rather than our previous approach of focusing on the Scope 3 categories that we had selected and measuring them in our largest locations. This revised approach ensures that assumptions will not be made regarding which Scope 3 categories are most relevant to the Group. Work is continuing in this area to satisfy the Committee of the robustness of the Scope 3 data before it is disclosed. Aligned with disclosures in previous years, both management and the Audit and Risk Committee remain of the view that climate change, whilst not a principal risk for the Group, does give rise to a number of risks and opportunities, and is a thematic risk which potentially impacts across a number of our principal risks. Our disclosures against the TCFD recommendations can be found on pages 74 to 77.

Further information on all of our principal risks, the controls in place and actions taken during the year to mitigate them can be found in the Risk management section on pages 68 to 71.

The annual review of risk, controls and risk management processes was overseen by the Audit and Risk Committee. On the recommendation of the Audit and Risk Committee, the Board concluded that:

- The Group's systems of internal control and risk management were appropriately designed and operated effectively during the year;
- No significant control deficiencies had been identified during the year;
- The residual risks fall within the risk appetite for the Group; and
- Given the comprehensive nature of the annual formal assessment of risks and the regular monitoring throughout the year, it was satisfied that there were no significant known emerging risks which could materially impact on the achievement of the Group's strategic objectives in the near term.

Going concern

The Audit and Risk Committee assesses whether it can recommend to the Board that the going concern basis can continue to be adopted in preparing the financial statements. Management presented an assessment of the Group's prospects and risks, assumptions and sensitivities to support the Audit and Risk Committee in making its recommendation. Sensitivity testing was prepared, which modelled different assumptions with respect to the Group's cash resources. Areas considered included varying levels of downturn in profit and cash generation to reflect a significant impact on world seaborne trade, drawing on that experienced in the global financial crisis in 2008, following the onset of COVID-19 in 2020 and the Russia-Ukraine conflict in 2022. A reverse stress test was also performed to determine what it might take for the Group to encounter financial difficulties. On the basis of the information reviewed, the Audit and Risk Committee concluded that it was satisfied that it could recommend to the Board that the preparation of the financial statements on a going concern basis remained appropriate. Further information about the going concern assessment is set out on page 73.

Viability statement

The Audit and Risk Committee recommended to the Board the approval of the viability statement (which is set out on pages 72 and 73). Cognisant that changes in both the internal and external operating environment could impact on the Group's viability, the Audit and Risk Committee receives an update from management as to the prospects of the Group which includes key financial indicators (including profitability, liquidity and the forward order book), business factors and the principal risks. Ahead of recommending the approval of the statement to the Board, a detailed report was presented by management which considered the impact on viability of scenarios which are linked to the Group's principal risks, as well as the compounding impact of certain scenarios. This report applied the sensitivity analysis used to support the going concern assessment, which was extended to enable assessment over a longer timeframe. The Audit and Risk Committee also revisited the period over which previous assessments of the Group's viability have been made and confirmed that a three-year timeframe remained appropriate.

Compliance

The Audit and Risk Committee receives an annual compliance update which assesses compliance with current and evolving regulatory requirements, best practice and areas of focus by the compliance team. In addition, interim updates on key areas of focus are presented to each meeting. These reports provide assurance to the Audit and Risk Committee in respect of the appropriateness of controls relating to compliance with laws and regulations in all jurisdictions in which the Group operates. Sanctions regimes have remained complex and continued to evolve over the year, requiring increased compliance oversight.

In order to support employees' understanding of the standards of conduct and ethics expected of them, the Board has approved a Compliance Code. This includes a suite of policies that mitigate ethics and compliance risks, which all employees and contractors must comply with. Annual training is provided which all employees must complete. In addition, the Group's regulated businesses are subject to further compliance requirements which are set out in local compliance manuals. Embedding of policies and processes is supported by a global compliance team, which was further strengthened during the year. The Audit and Risk Committee is satisfied that the team has the necessary skills and experience to fulfil its duties.

Further details regarding our policies and procedures in relation to anti-bribery and corruption, anti-money laundering and sanctions can be found on pages 99 and 100.

Internal audit

Internal audit is one of the principal elements of the Group's internal control system and provides the Audit and Risk Committee with independent assurance over, and insight into, the effectiveness of risk management systems, governance processes and business controls. Recommendations are made to address any key findings and improve processes.

Group activities

Grant Thornton was appointed by the Audit and Risk Committee as an outsourced partner to provide internal audit activities in the wider Group in late 2018 following a competitive tender process. Grant Thornton is considered by the Audit and Risk Committee to be independent. A rolling three-year, risk-based plan is in place to ensure appropriate coverage of key internal controls. The plan is approved annually, and progress against the plan is monitored by the Audit and Risk Committee through regular updates on activities and on the status of actions arising from previous audits. The Audit and Risk Committee maintains a view of upcoming audit activity and the plan may be flexed to prioritise new areas of focus arising from changes in the risk profile, strategic priorities, and business and regulatory change.

In 2023, audits were carried out on Bribery & Corruption, Treasury, Payroll (non-UK), Minimum Control Framework Testing, Talent and Performance Management and Maritech Product Development. No high-risk issues were identified through the course of the audits and implementation of audit actions is being tracked through regular updates to the Audit and Risk Committee.

In its final meeting of 2023, the Audit and Risk Committee revisited the rolling three-year plan. Changes to the sequencing of some audits were agreed in order to ensure adequate focus on key risk areas for the coming year.

The Committee Chair meets separately with Grant Thornton to receive updates on planned and completed internal audit activities. The Audit and Risk Committee meets privately with Grant Thornton without management present at least once every year in order that Grant Thornton can raise any issues directly.

The Audit and Risk Committee reviewed the effectiveness of the internal audit services provided by Grant Thornton during the year. This assessment focused on the purpose, processes, performance and relationships with Grant Thornton. The Committee concluded that Grant Thornton remained effective. At the time of Grant Thornton's engagement, the appointment of an outsourced partner had been agreed to be the most effective approach to supporting internal audit activities, and the Committee confirmed that it was satisfied that the current arrangements continued to provide effective assurance over the risk and control environment.

Clarksons Securities AS ('Securities')

Due to its regulated status, a separate internal audit arrangement is in place for our banking and finance operations headquartered in Norway. During 2023, KPMG performed this function on an outsourced basis. The Securities board approves the annual plan and reviews the results of audits. An update on activities was provided regularly to the Audit and Risk Committee. There were no significant issues identified during the year.

Directors’ Remuneration Report
At a glance

Committee highlights in 2023

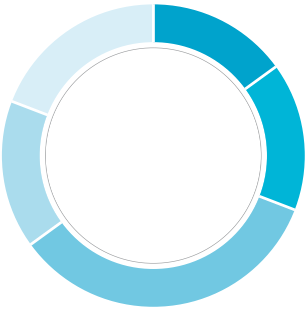
	Significance	Progress
Engagement with shareholders regarding remuneration outcomes ahead of the vote at the 2023 AGM **Read more:** On page 130.	Engagement is crucial in our shareholders understanding of the market in which we operate and the success of our Directors’ Remuneration Policy, both in our specific context and against the delivery of the strategy. It also allows us to understand the views of our shareholders.	Meetings were offered to our key shareholders, a number of whom met with us, allowing an open and frank exchange of views.
Renewal of the Directors’ Remuneration Policy at the 2023 AGM **Read more:** On pages 130.	The Directors’ Remuneration Policy reflects our current pay model, which has served the Company and its shareholders well for many years, and is necessary to retain our highly performing executives.	The Policy was approved by shareholders at the 2023 AGM.
Consideration of workforce remuneration in the wider Group **Read more:** On page 131.	As a people business in a competitive market, ensuring that the financial (and non-financial) rewards we give our employees are competitive and support attraction, engagement and retention is key.	We have maintained our focus on ensuring that the total reward package remains competitive. We have continued to enhance the remuneration metrics reviewed by the Remuneration Committee to ensure that they provide relevant context for the Committee to assess workforce remuneration.

Meeting attendance

	Meetings
Dr Tim Miller (Chair)	3/3
Martine Bond[1]	1/3
Laurence Hollingworth	3/3
Birger Nergaard[1]	1/3

[1] Unable to attend meetings due to illness.The Chair ensured that there was an opportunity for Martine and Birger to provide comments on the business of the meeting in advance.

How the Remuneration Committee spent its time



■	Individual remuneration arrangements	15%
■	Performance-related incentive schemes	16%
■	Remuneration in wider Group	34%
■	Strategy (including shareholder engagement)	16%
■	Governance	19%

1. Individual remuneration arrangements
Confirmation of remuneration outcomes in respect of 2022 for the Executive Directors, including the non-discretionary bonus outturn and the assessment of non-financial objectives for the CFO & COO.

2. Performance-related incentive schemes
Including 2022 bonus outturn, performance measures and targets for the 2023 performance year, and parameters and quantum of awards to be made under the LTIP in 2023.

3. Remuneration in wider Group
Annual review of workforce remuneration and gender pay gap reporting.

4. Strategy (including shareholder engagement)
Review of the Company’s remuneration arrangements in the context of the wider market, shareholder engagement strategy ahead of and following the 2023 AGM.

5. Governance
Various matters including the annual review of the Remuneration Committee’s effectiveness, its Terms of Reference and the annual review of the effectiveness of the Remuneration Committee’s advisor.

Dr Tim Miller
Remuneration Committee Chair

Aligning executive pay with performance

On behalf of the Board, I am very pleased to introduce the Directors' Remuneration Report for the year ended 31 December 2023.

Wider context

2023 was another highly successful year for the Company with underlying profit before taxation[1] of £109.2m (2022: £100.9m), reported earnings per share[1] of 275.2p (2022: 247.9p) and increased free cash resources[1] of £175.4m (2022: £130.9m).

This improved financial position, strong free cash flow and forward visibility provided by an increased forward order book of US$217m, gives the Board continued confidence in our progressive dividend policy, increasing the annual dividend for the 21st consecutive year to 102p. Company outperformance is also evidenced through the continued delivery of superior total shareholder returns ('TSR') with a 10-year TSR of 109% (compared with 61% for the FTSE 250) and approximately 28% over the last three years (compared with 4% for the FTSE 250).

The performance of the business is the direct result of a clear, innovative, and well executed strategy driven by our Executive Directors and the Board. Our Executive Directors have achieved these results by focusing on all aspects of the business, being thought leaders in the evolution of our industry and ensuring the Company is positioned to benefit from market opportunities whilst at all times maintaining the highest levels of client service. These results reflect decisions taken over many years to invest in people, technology, data and corporate acquisitions to broaden our product, sector and global offer.

Whilst we recognise that our executive pay arrangements do not accord with the norm for FTSE 250 companies, they are proven to work in the context of our business and competitive environment, delivering outstanding shareholder value, and incentivising and retaining our highly effective and long-serving Executive Directors. The shareholders who have held our shares for an extended period understand the market in which we operate and the success of the Directors' Remuneration Policy (the 'Policy') both in our specific context and against the delivery of the strategy. We hope that our performance and the success of the business again justifies our shareholders' support.

Performance and reward for 2023

Our full year performance bonuses were, as in previous years, based on a bonus pool linked to Group underlying profit before taxation[1] targets which essentially operates as a profit-sharing arrangement. At the beginning of 2023, and in keeping with previously successful years where bonus thresholds were increased, the Remuneration Committee assessed the threshold levels for 2023 and increased them by 6%.

After waiving £5.5m in favour of bonus pools for other colleagues over the past nine years, the Executive Directors have this year determined that there is no need to waive any remuneration as the record profits across all segments of the business are sufficient to properly reward all employees under the pre-existing bonus pools.

The awards granted to Executive Directors under the Long Term Incentive Plan ('LTIP') on 13 April 2021 were subject to challenging absolute EPS and relative TSR performance targets. In 2023, the performance of the Group was such that both EPS and TSR exceeded the upper vesting targets and thus achieved a 100% vesting.

Our Executive Directors have both served the Company since 2006, and this is therefore the 15th year whereby long-term incentives were capable of vesting. During this tenure, shares dependent on EPS targets have fully vested in only three years, partially vested in three years and lapsed completely in nine years and shares dependent on TSR targets have fully vested in five years, partially vested in nine years and lapsed completely in one year. Consequently, on only two occasions during the tenure of our current Executive Directors, has the LTIP vested in full, confirming that the targets set for the LTIP are stretching and challenging.

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[1] Classed as an APM. See pages 219 and 220 for further information.

The Remuneration Committee applied the rules of the LTIP without any exercise of discretion, leaving the challenging targets unchanged at the levels set at grant. The Committee also noted that various institutional shareholder guidelines refer to committees considering whether awards have led to inadvertent windfall gains. In this regard, the Committee noted:

- The share price used to determine the number of shares over which the 2021 grant was made was £28.87, being higher than the £24.02 used for the 2020 grant, so the grant was over a smaller number of shares demonstrating that the grant was not made over an artificially increased number of shares;
- The performance conditions have always related to financial years and assessed performance consistently relative to the FTSE 250 (excluding investment trusts) as a whole, since entry into this index in 2015. Vesting therefore reflects the Company's superior performance compared with the constituents of this index over many years as demonstrated through longer-term as well as three-year out-performance;
- The EPS conditions were aligned with the three-year business plans and the achievement of a 144% increase in profits over the period; and
- While the grant was subsequent to the main impacts of COVID-19, for completeness, the Company was not directly adversely impacted by COVID-19 and consequently did not take any government loans nor accept any furlough support. Furthermore, over this period the Company paid all suppliers in good time and paid dividends throughout continuing our 21-year unbroken progressive dividend policy.

On assessing the outturn, the Remuneration Committee was satisfied that this was appropriate.

Policy renewal

The Policy was renewed at the 2023 AGM with just over 56% shareholder support. While this level of support is less than we would ideally like, the majority of our shareholders continue to support us securing the retention and incentivisation of executives who have consistently delivered exceptional returns for shareholders since 2006. So the Policy, as renewed in 2023, maintains the current pay model for incumbent Executive Directors but, importantly, commits to change it for new appointments.

The current model has served the Company and its shareholders well for many years and is necessary to retain our current highly performing executives who fulfil dual roles as both conventional Executive Directors but also key operational executives in the business. We do recognise that our arrangements appear increasingly unusual against UK-listed company practice and that any new arrangements should be more consistent with market norms. The fact that it has operated successfully is evidenced by the Company's TSR relative to the FTSE 250 (the main broad index of which the Company is a member) over the life of the Policy as shown on the chart below.

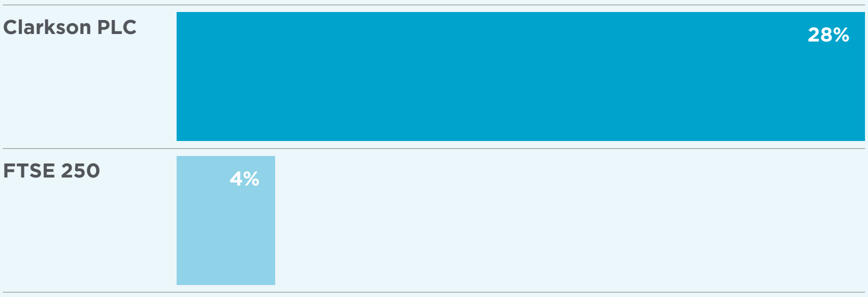
While we hope that our current Executive Directors will continue to add value to the Company for a number of years, changes to remuneration for successors to their roles thereafter will be implemented and the current arrangements are, therefore, legacy. Those changes (including the adoption of an annual bonus cap), together with further detail on the rationale for the current approach for incumbents, are set out in last year's report.

It is worth reiterating that both Andi Case and Jeff Woyda have proven to be exceptional leaders for our Company, and can be credited with developing and executing the strategy which has seen Clarksons develop into the industry leader that it is today, operating from over 60 offices across 24 countries, creating a team which has grown from 600 to over 2,000 people and securing a leading position in all market sectors.

The way in which remuneration and contractual commitments have been handled has been central to the Company's success and has served shareholders well since Andi became CEO in 2008 and Jeff became CFO in late 2006 (and also became COO in 2015). During their tenure at the helm:

- Clarksons' share price has increased from a low point in December 2008, following the credit crunch and collapse of freight rates, of £3.20 to £31.65 (as at the end of the financial year), a 889% increase in absolute terms, and an outperformance of the FTSE 250 by 670% over the same time.
- Ordinary dividends have increased by 121%, in line with our commitment to a progressive dividend policy which has been unbroken for 21 years.
- £276.6m has been paid in dividends to shareholders.

TSR performance



Implementation of the Directors' Remuneration Policy in 2024

The Policy will be implemented in 2024 as follows:

- **Salary:** There will be no change to Executive Directors' salaries. This means that the CEO's salary is unchanged since his appointment as CEO in 2008, and the CFO & COO's remains unchanged since 2015.
- **Annual bonus:** Performance bonuses continue to be linked to the Group's underlying adjusted pre-tax profits for the year. No bonuses are payable to Executive Directors below a threshold level of profit. The CFO & COO's share of the pool varies depending upon the Remuneration Committee's assessment of the delivery of his personal objectives as explained in more detail in the main report. These objectives reflect both his contribution to business success and to meeting the Board strategic priorities, including those that are ESG-focused.
- **LTIP:** The Executive Directors will receive LTIP awards equivalent to 150% of base salary in 2024. The performance targets will be, as in prior years, 50% based on EPS in the year of vesting and 50% based on relative TSR measured independently over a three-year period. The EPS performance target has been set at a threshold of 301p to a stretch target of 340p in 2026. The TSR targets will continue to be measured relative to the performance of the constituents of the FTSE 250 Index (excluding investment trusts). Any vested shares from the 2024 performance-related LTIP grant will be subject to a two-year post-vesting holding period.
- **Share ownership guidelines:** A guideline of two times salary will continue to apply for Executive Directors.

Applying a consistent approach to our pay arrangements over many years has both provided a clear incentive for the executives to deliver for our shareholders over time and has led to the build-up of significant shareholdings (approximately 32 times and nine times salary for the CEO and CFO & COO respectively) which is significantly higher than typical FTSE 250 levels and which, in turn, reaffirms alignment with shareholders. This alignment is further reinforced by the existence of clawback provisions, four-year bullet vesting of deferred shares and a two-year post-vesting holding period on LTIP awards.

All-employee remuneration matters

The Board remains committed to giving as many employees as possible the opportunity to share in the Group's success through all-employee share plans, and I am delighted that, over the last few years, we have been able to extend invitations to participate in our ShareSave plans (or plans which operate in a similar way) to around 70% of our global employees. We continue to strive to give as many colleagues as possible the opportunity to become shareholders in the Company.

While the Executive Directors themselves have not received salary increases since appointment to their current roles, the Company continues to recognise the need to pay other colleagues appropriately and 83% of the workforce received bonuses for 2023 with 67% receiving salary increases.

Conclusion

The remuneration outcomes detailed in this report rightly reflect the outstanding and record year of performance for the business, led by our Executive Directors. The results are proof of the successful execution of the strategy which benefits all stakeholders and is the driver of the Policy. We trust that you will vote in favour of the Directors' Remuneration Report at the 2024 AGM and we look forward to your support.

I, together with the Chair of Clarksons, will be engaging with major shareholders in the coming weeks. Should you wish for a meeting, or have any questions or comments, please contact me through the Group Company Secretary at company.secretary@clarksons.com.

Dr Tim Miller
Remuneration Committee Chair
1 March 2024

Implementation of the Directors' Remuneration Policy for 2024

Base salary

No changes have been made to the base salaries of the Executive Directors for 2024, and salaries therefore remain as set out below:

	1 January 2024 £000	1 January 2023 £000	% change
Andi Case	**550**	550	0%
Jeff Woyda	**350**	350	0%

Taxable benefits

The taxable benefits received by the Executive Directors in 2023 included a car allowance, private medical insurance and club memberships. No material changes to taxable benefits are proposed for 2024.

Annual bonus for 2024

The annual bonus opportunity for 2024 will be calculated on the same basis as in previous years and will continue to be based on a bonus pool derived from Group profit before tax as follows:

- Below a 'profit floor' set by the Remuneration Committee: no bonus is triggered; and
- Above the profit floor: an escalating percentage of profits is payable into a bonus pool for progressively higher profit before tax performance.

As in 2023, the share of the executive bonus pool allocated to the CFO & COO will, in part, be determined by performance against a series of non-financial, strategic and operational objectives.

The profit floor and thresholds for 2024 have not been disclosed on a prospective basis as these are considered to be commercially sensitive, although disclosure will be provided retrospectively.

Consistent with the policy applied to the majority of senior employees, 90% of the bonus payable will be paid in cash with 10% deferred into restricted shares, which vest four years after grant in accordance with the rules of the Long-Term Incentive Plan. The Executive Directors have agreed to this deferral, although they have no contractual obligation to defer bonuses. Clawback provisions will continue to apply in circumstances of misstatement or error.

Long-term incentive awards to be granted in 2024

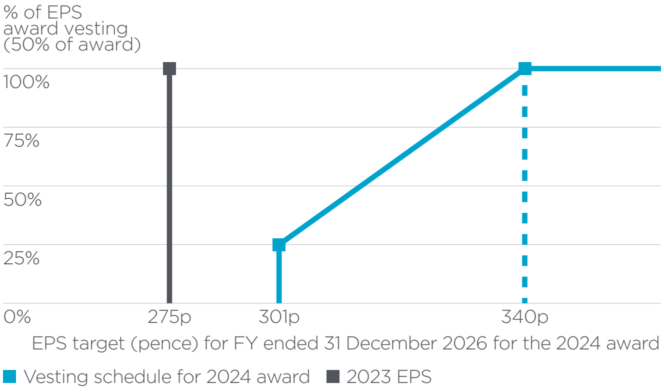
Consistent with past practice, it is envisaged that:

- Executive Directors will receive LTIP awards over shares worth up to 150% of salary in 2024;
- The vesting of 50% of the awards will be determined by the Company's Earnings Per Share ('EPS') for 31 December 2026, as shown in chart (i) below. The EPS for 2023 is shown (grey line) for reference; and
- The vesting of the remaining 50% will be determined by the Company's Total Shareholder Return ('TSR') performance from 1 January 2024 to 31 December 2026 against the constituents of the FTSE 250 Index (excluding investment trusts), as shown in chart (ii) below. The level of TSR achieved against the FTSE 250 Index over the last three-year cycle is shown (grey line) for reference.

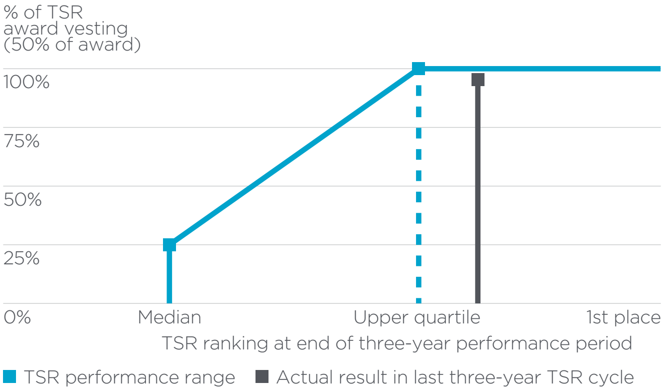
EPS and relative TSR are considered to be the most appropriate measures of long-term performance for the Group, in that they ensure executives are incentivised and rewarded for the earnings performance of the Group as well as returning value to shareholders.

The awards will be subject to clawback provisions and a two-year post-vesting holding period.

(i) EPS target range for 2024 award (50% of award)



(ii) TSR target range for 2024 award (50% of award)



The Remuneration Committee has carefully considered the EPS range for the 2024 award and believes the 301p to 340p range is stretching against market consensus and the actual 2023 EPS delivered.

Fees for the Non-Executive Directors

Fees for the Non-Executive Directors (including the Chair) for 2024 are as set out below. Supplementary fees are paid in respect of certain additional duties. The fees for the Chair and the Non-Executive Directors were reviewed in 2023 and applied with effect from the dates noted below.

	2024 £000	2023 £000	% change
Chair[1]	**210**	210	0%
Non-Executive Director[2]	**62**	58	7%
Chair of Committee[3]	**19**	19	0%
Senior Independent Director[3]	**19**	19	0%
Employee Engagement Director[3]	**15**	15	0%
Chair of the Trustees of staff pension schemes[3]	**15**	15	0%

1 Annual fee increased from £185,000 to £210,000 in August 2023 with effect from 1 January 2023.
2 Annual fee increased from £57,680 to £61,500 in November 2023 with effect from 1 June 2023.
3 Supplementary fee payable to the Chairs of the Audit and Risk Committee and the Remuneration Committee, the Senior Independent Director, the Employee Engagement Director and the Chair of the Trustees of staff pension schemes.

Single total figure tables (audited)

The following tables set out the total remuneration paid to the Directors for the years ended 31 December 2023 and 31 December 2022. We consider Clarkson PLC Directors to be the only key management personnel.

Executive Directors

2023	**Base salary £000**	**Taxable benefits[1] £000**	**Pension[2] £000**	**Total fixed remuneration £000**	**Performance-related bonus[3] £000**	**Long-term incentives[4] £000**	**Total variable remuneration £000**	**Total remuneration[5] £000**
Andi Case	**550**	**17**	**72**	**639**	**10,412**	**884**	**11,296**	**11,936**
Jeff Woyda	**350**	**12**	**46**	**408**	**2,693**	**563**	**3,256**	**3,664**
Total	**900**	**29**	**118**	**1,047**	**13,105**	**1,447**	**14,552**	**15,600**

2022	Base salary £000	Taxable benefits[1] £000	Pension[2] £000	Total fixed remuneration £000	Performance-related bonus[6] £000	Long-term incentives[7] £000	Total variable remuneration £000	Total remuneration £000
Andi Case	550	16	72	638	8,396	1,120	9,516	10,154
Jeff Woyda	350	12	46	408	2,172	712	2,884	3,292
Total	900	28	118	1,046	10,568	1,832	12,400	13,446

1 Taxable benefits comprises the gross value of any benefits paid to the Director, whether in cash or in kind, prior to UK income tax being charged. Further details are provided on page 132.
2 Pension paid as a cash supplement. Further details are included on page 138.
3 Performance-related bonus represents the value of the total bonus, prior to any sums being deferred into shares. See pages 134 and 135 for further detail on the 2023 bonus outcome. The bonus reflects the 8.2% increase in underlying profit before taxation. Underlying profit before taxation is classed as an APM (see pages 219 and 220 for further information).
4 Further detail regarding the vesting outcome is included on page 135.
5 In the year ended 31 December 2023, the aggregate remuneration paid to all Directors who served during the year in respect of qualifying services (comprising salary/fees, taxable benefits, cash contributions to pension arrangements and performance-related bonus) was £14.7m.
6 The bonus is after a waiver in respect of 2022 of 8.5% of their entitlement.
7 The vesting outcome has been restated based on the actual share price on the date of vesting (9 May 2023, £30.30), having been estimated in the 2022 Annual Report based on the average share price over the period 1 October 2022 to 31 December 2022.

Non-Executive Directors

	Appointment date (if later than 1 January 2022)	Resignation date (if earlier than 31 December 2023)	Fees[1][2][3] £000 2023	Fees[1][2][3] £000 2022
Current Directors				
Martine Bond			**60**	58
Sue Harris			**97**	82
Laurence Hollingworth			**210**	164
Dr Tim Miller			**94**	91
Birger Nergaard			**60**	58
Heike Truol			**75**	62
Former Directors				
Peter Backhouse		31 Dec 22	**–**	70
Sir Bill Thomas		2 Mar 22	**–**	32
Total			**596**	617

1 Annual fee for the Chair increased from £185,000 to £210,000 in August 2023 with effect from 1 January 2023.
2 Annual fee for the Non-Executive Directors increased from £57,680 to £61,500 in November 2023 with effect from 1 June 2023.
3 The fees paid to the Non-Executive Directors relate to the period for which they held office.

Annual bonus targets (audited)

Consistent with the way in which it operated in prior years, the annual bonus for 2023 was based on the allocation of the following pool:

Executive Directors: bonus pool

Underlying profit before taxation and bonus (£127.1m)	% of pre-bonus profit
If profit < £33.63m	0%
If profit > £33.63m then £0m – £67.25m	8%
If profit > £67.25m then £67.25m – £78.41m	12%
If profit > £78.41m then on profits > £78.41m	13%

This formula generated a pool of £13.1m, with the CEO entitled to 79.5% of the pool and the CFO & COO entitled to 17.1% to 20.5% of the pool (dependent on delivery of his personal objectives). The pool operated in exactly the same way as in prior years. The above percentages reflect the proportion of the pool payable to the Executive Directors only. For ease, the percentages in the above table have been rounded to the nearest whole number.

The discretionary element of the CFO & COO's bonus for 2023 was dependent on personal performance against non-financial objectives set by the CEO and approved by the Remuneration Committee. The objectives set and a summary of achievements against those objectives are set out below.

Objective	Key achievements

ESG	– Carbon Disclosure Project rating maintained at Grade C.
	– Appointed an ESG advisory firm to support with identifying our ESG priorities and actions:
	  – Researched and reviewed Clarksons' existing ESG-related policies, data and performance to establish a baseline.
	  – Conducted a materiality assessment to determine Clarksons' ESG priorities and form the foundation of an action plan.
	– Launched the Clarksons Academy as the consistent global access point for all learning and development opportunities in June 2023.
	– Oversaw £1.69m in grants and pledges via The Clarkson Foundation, supporting charitable projects.

Technology	– Integration of two Sea acquisitions. – Completed implementation of Workday Financials as the primary accounting ledger of the Group.
Group development	– Review of Futures and Options business, including evolution in the complex regulatory environment. – Further development of commercialisation of data capabilities and opportunities.
Management evolution and capability	– Group Finance Director hired July 2023 and inducted through the balance of the year.
Risk, compliance and cyber security	– Oversaw the complex evolution of trading sanctions and impact on KYC and their implications for the Group. – Implementation of appropriate system control enhancements to meet regulatory requirements within Futures.

Following consideration of the recommendation from the CEO with regard to the CFO & COO's performance against his personal objectives, the Remuneration Committee decided to award the CFO & COO the maximum 20.5% of the bonus pool.

The bonus is paid 90% in cash and, although they have no contractual obligation, the Directors have agreed that 10% of the bonus will be deferred into shares, which vest after four years in accordance with the rules of the Long-Term Incentive Plan. Both the cash and share element of the bonus are subject to clawback where overpayments may be reclaimed in the event of misstatement or error.

Long-term incentive awards (audited)

Long-term incentives relate to awards granted on 13 April 2021 which vest in April 2024 based on performance over the three-year period to 31 December 2023. The performance conditions attached to these awards and actual performance against these conditions are as follows:

Long-term incentive awards: performance outturn

Performance measure	Performance condition	Threshold target	Stretch target	Actual	% vesting
EPS (out of 50%)	25% of award vesting at threshold up to 100% of award vesting at stretch on straight-line basis	122p	150p	275p	50
TSR relative to the constituents of the FTSE 250 Index (excluding investment trusts) (out of 50%)	25% of award vesting at threshold up to 100% of award vesting at stretch on straight-line basis	Median	Upper quartile	Above upper quartile	50
Total vesting (out of 100%)					100

The award details for the Executive Directors are as follows:

Long-term incentive awards: vesting outcome

Executive Directors	Number of options granted	Number of options to vest	Number of options to lapse	Estimated value of vested shares[1,2] £000
Andi Case	28,576	28,576	–	884
Jeff Woyda	18,184	18,184	–	563

1 The estimated value of the vested shares is based on the average share price over the three-month period from 1 October 2023 to 31 December 2023 (£28.34). Cash accrued in respect of dividend equivalents payable on vested shares is also included in the estimated value. The awards will vest on 13 April 2024. The value of the vested shares will be restated based on the actual share price on the date of vesting and disclosed in the single figure table in the 2024 Annual Report.

2 The awards were granted on 13 April 2021 based on the average share price over the period 8-12 April 2021 (£28.87). The average share price over the final three months of the financial year was £28.34, and therefore none of the value in vesting awards is attributable to share price growth. The value of the dividends as a proportion of the total value of award vesting is 8.4% (£74,583 and £47,460 for Andi Case and Jeff Woyda respectively).

Scheme interests (audited)

The table below sets out the scheme interests held by the Executive Directors.

Further details of share-based payments during the year are included in note 22 to the consolidated financial statements.

Executive share plan participation

Type of award[1]	Date of grant	No. of shares under award (01/01/23)	Granted during 2023	Vested during 2023[2]	Lapsed during 2023	Exercised during 2023[2]	No. of shares under award (31/12/23)	Face value[3]	% vesting at threshold[4]	Performance period ends	Vesting date	Holding period ends
Andi Case												
Deferred Award	18 Apr 19	8,951	–	8,951	–	–	–	£211,870	N/A	N/A	18 Apr 23	N/A
Performance Award	7 May 20	34,351	–	34,190	161	–	34,190[5]	£821,244	25%	31 Dec 22	7 May 23	7 May 25
Deferred Award	7 May 20	9,952	–	–	–	–	9,952	£239,047	N/A	N/A	7 May 24	N/A
Performance Award	13 Apr 21	28,576	–	–	–	–	28,576	£824,989	25%	31 Dec 23	13 Apr 24	13 Apr 26
Deferred Award	13 Apr 21	8,253	–	–	–	–	8,253	£238,264	N/A	N/A	13 Apr 25	N/A
Performance Award	19 Apr 22	23,557	–	–	–	–	23,557	£824,966	25%	31 Dec 24	19 Apr 25	19 Apr 27
Deferred Award	19 Apr 22	13,495	–	–	–	–	13,495	£472,595	N/A	N/A	19 Apr 26	N/A
Performance Award	20 Apr 23	–	26,829	–	–	–	26,829	£824,992	25%	31 Dec 25	20 Apr 26	20 Apr 28
Deferred Award	20 Apr 23	–	27,305	–	–	–	27,305	£839,629	N/A	N/A	20 Apr 27	N/A
Jeff Woyda												
Deferred Award	18 Apr 19	2,314	–	2,314	–	–	–	£54,772	N/A	N/A	18 Apr 23	N/A
Performance Award	7 May 20	21,859	–	21,757	102	–	21,757[5]	£522,603	25%	31 Dec 22	7 May 23	7 May 25
Deferred Award	7 May 20	2,573	–	–	–	–	2,573	£61,803	N/A	N/A	7 May 24	N/A
Performance Award	13 Apr 21	18,184	–	–	–	–	18,184	£524,972	25%	31 Dec 23	13 Apr 24	13 Apr 26
Deferred Award	13 Apr 21	2,134	–	–	–	–	2,134	£61,609	N/A	N/A	13 Apr 25	N/A
Performance Award	19 Apr 22	14,991	–	–	–	–	14,991	£524,985	25%	31 Dec 24	19 Apr 25	19 Apr 27
Deferred Award	19 Apr 22	3,490	–	–	–	–	3,490	£122,220	N/A	N/A	19 Apr 26	N/A
Performance Award	20 Apr 23	–	17,073	–	–	–	17,073	£524,995	25%	31 Dec 25	20 Apr 26	20 Apr 28
Deferred Award	20 Apr 23	–	7,061	–	–	–	7,061	£217,126	N/A	N/A	20 Apr 27	N/A

[1] Performance Awards are granted as nil-cost options, which lapse 10 years after the date of grant to the extent not previously exercised.
All Performance Awards are subject to performance measures (50% based on relative TSR measured over a three-year performance period and 50% based on EPS at the end of the performance period).
All Performance Awards have been granted equivalent to 150% of base salary.
Deferred Awards represent a deferral of 10% of bonus and are granted as restricted share awards. Further restricted share awards will be made to Andi Case and Jeff Woyda in 2024 in respect of the deferral of 10% of their 2023 bonus.

[2] Deferred Awards which vested during the year were valued at £347,525 (based on the closing share price on the date of vesting). The Directors did not exercise any share options during the year.

[3] Face value is calculated using the share price used to determine the number of shares under the award as set out below. This share price was calculated using the average middle market quotation over the three-day period on the dates specified:
- Awards made on 18 April 2019: £23.67 (15-17 April 2019)
- Awards made on 7 May 2020: £24.02 (4-6 May 2020)
- Awards made on 13 April 2021: £28.87 (8-12 April 2021)
- Awards made on 19 April 2022: £35.02 (12-14 April 2022)
- Awards made on 20 April 2023: £30.75 (17-19 April 2023)

[4] Assumes that threshold is met in respect of both the TSR and EPS performance measures.

[5] These awards were shown as vested in the 2022 Annual Report as, although they formally vested on 7 May 2023, the performance period for the awards ended on 31 December 2022 and had already been assessed on publication of the 2022 Annual Report. Going forward, disclosure will reflect the actual date of vesting and the awards therefore also show as vested in this Annual Report.

Executive Directors' interests in share options over ordinary shares under the Company's all-employee share plans are as follows:

ShareSave participation

Type of award	Date of grant	Options held at 1 January 2023	Options granted during the year	Options exercised during the year	Options lapsed during the year	Options held at 31 December 2023	Option price	Normal exercise period	Face value[1]
Jeff Woyda									
ShareSave (option)	1 Oct 21	572	–	–	–	572	£31.44	1 Nov 24–30 Apr 25	£17,984

[1] Face value calculated using the share price used to determine the number of shares under the award (ie the option price). The option price shown above was calculated using the average middle market quotation over 2-6 September 2021, after the application of a 20% discount.

Directors' interests in shares (audited)

In order to further align the interests of the Executive Directors with those of shareholders, the Company has implemented share ownership guidelines which require Executive Directors to build a shareholding equivalent to 200% of salary. Until this is met they are required to retain 50% of any share award that vests (on a net of tax basis). The Executive Directors have both met the guideline levels.

The beneficial interests of the Executive Directors (and their connected persons) in the Company's shares are set out below:

Executive Directors' shareholdings

	No. of ordinary shares	**% of salary required to be held in shares**	**Unvested LTIPs (subject to performance conditions)**	**Unvested LTIPs (performance conditions already assessed)[2]**	**Vested and unexercised LTIPs (no longer subject to performance conditions)**	**Deferred bonus awards[1] (subject to service conditions)**	**ShareSave options (not subject to performance conditions)**
2023	**31 Dec 23**	**31 Dec 23**	**31 Dec 23**	**31 Dec 23**	**31 Dec 23**	**31 Dec 23**	**31 Dec 23**
Andi Case	**561,217**	**200**	**50,386**	**28,576**	**34,190**	**59,005**	**–**
Jeff Woyda	**103,959**	**200**	**32,064**	**18,184**	**21,757**	**15,258**	**572**

	No. of ordinary shares	% of salary required to be held in shares	Unvested LTIPs (subject to performance conditions)	Unvested LTIPs (performance conditions already assessed)[3]	Vested and unexercised LTIPs (no longer subject to performance conditions)	Deferred bonus awards[1] (subject to service conditions)	ShareSave options (not subject to performance conditions)
2022	31 Dec 22	31 Dec 22	31 Dec 22	31 Dec 22	31 Dec 22	31 Dec 22	31 Dec 22
Andi Case	556,473	200	52,133	34,351	–	40,651	–
Jeff Woyda	102,733	200	33,175	21,859	–	10,511	572

[1] Deferred bonus awards are granted as restricted share awards.
[2] Further details regarding the vesting outcome are included on page 135.
[3] These awards were shown as vested and unexercised in the 2022 Annual Report as, although they formally vested on 7 May 2023, the performance period for the awards ended on 31 December 2022 and had already been assessed on publication of the 2022 Annual Report. Going forward, disclosure will reflect the actual date of vesting and the position as at 31 December 2022 has therefore been restated. The actual vesting outcome was set out on page 125 of the 2022 Annual Report.

The beneficial interests of the Non-Executive Directors (and their connected persons) in the Company's shares are set out below:

Non-Executive Directors' shareholdings

	31 December 2023	31 December 2022
Martine Bond	**–**	–
Sue Harris	**1,724**	1,724
Laurence Hollingworth	**9,000**	9,000
Dr Tim Miller	**2,640**	2,640
Birger Nergaard[1]	**30,869**	30,869
Heike Truol	**1,607**	1,607

[1] Ordinary shares held by Acane AS on behalf of Birger Nergaard and his connected persons.

There have not been any further changes in the beneficial interests of the Directors in the share capital of the Company between 31 December 2023 and the date of this report.

Pensions (audited)

Andi Case and Jeff Woyda receive a cash supplement (up to 15% of base salary) in lieu of pension (net of employer's national insurance contributions), which is included in the single figure table on page 133 as pension. No contributions were paid into Group pension schemes on their behalf.

Payments to past Directors (audited)

No payments were made during the year ended 31 December 2023 to any person who was not a Director of the Company at the time payment was made, but who had previously been a Director.

Payments for loss of office (audited)

No payments were made in respect of loss of office during the year ended 31 December 2023.

Details of service contracts and letters of appointment

Details of the current Executive Directors' service contracts are as follows:

	Date of contract	Unexpired term	Notice period
Andi Case	23 June 2008[1]	12 months	12 months
Jeff Woyda	3 October 2006	12 months	12 months

[1] The effective date of the contract is 17 June 2008.

The service contracts are available for inspection at the Company's registered office.

Details of the Non-Executive Directors appointment terms are as follows:

	Date of initial appointment	Date current term commenced	Unexpired term at 31 December 2023	Notice period
Martine Bond	26 March 2021	26 March 2021	3 months	3 months
Sue Harris	7 October 2020	7 October 2023	33 months	3 months
Laurence Hollingworth[1]	23 July 2020	2 March 2022	14 months	3 months
Dr Tim Miller	22 May 2018	22 May 2021	5 months	3 months
Birger Nergaard[2]	2 February 2015	2 February 2021	1 month	N/A
Heike Truol	31 January 2020	31 January 2023	25 months	3 months

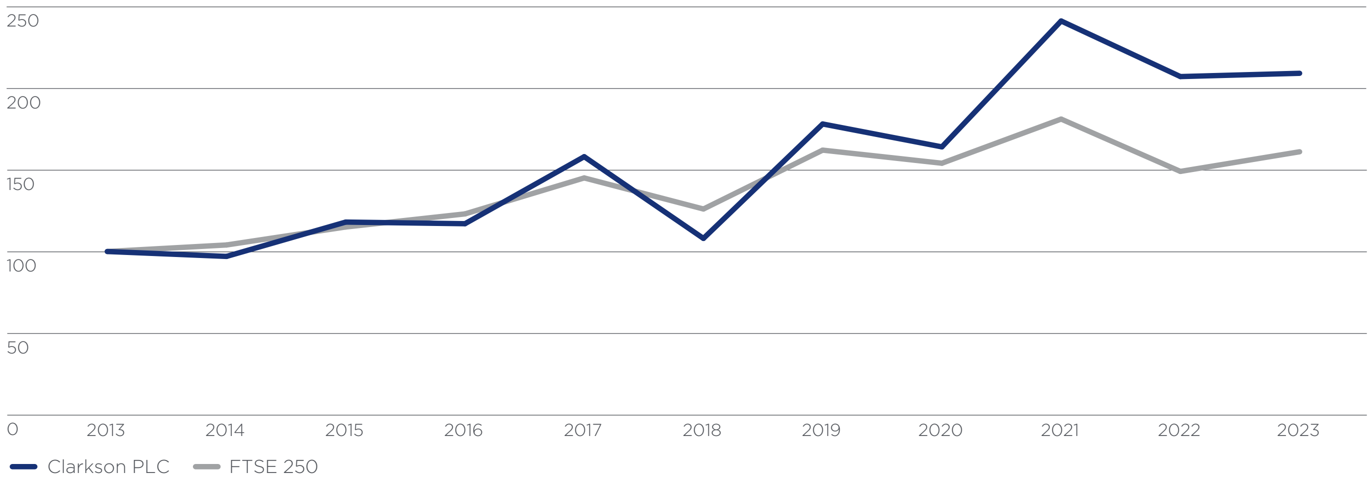
[1] Laurence Hollingworth was initially appointed as a Non-Executive Director on 23 July 2020. He entered into a new letter of appointment on his appointment as Chair with effect from 2 March 2022.

[2] Birger Nergaard's third term was extended to end on 9 May 2024.

Non-Executive Directors are appointed by letter of appointment for a fixed term not exceeding three years, renewable on the agreement of both the Company and the Director, and are subject to re-election at each AGM. Each appointment can be terminated before the end of the three-year period with three months' notice due. Fees payable for a new Non-Executive Director appointment will take into account the experience of the individual and the current fee structure.

Performance graph

This graph compares the total shareholder return (that is, share price growth assuming reinvestment of any dividends) of £100 invested in the Company's shares and £100 invested in the FTSE 250 Index, which the Remuneration Committee considers appropriate for comparison purposes given the Company has been a member of this index over the period.



Total remuneration table

The table below shows the total remuneration figure for the CEO for each of the last 10 financial years:

CEO remuneration

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Single total figure of remuneration (£000)	**11,936**	10,154	6,648	3,170	3,265	2,758	4,043	3,706	4,958	4,970
Vested LTIP (as a % of maximum)	**100%**	99.53%	100%	18%	30%	0%	30%	15%	70%	69%

Annual change in remuneration of Directors and employees

The table below shows the percentage change in the remuneration of each Director (salary/fees, taxable benefits and annual bonus) between the 2020, 2021, 2022 and 2023 financial years, compared to the average of those components of pay for all employees. The Company has chosen to voluntarily disclose this information as Clarkson PLC is not an employing company.

Relative pay

	Salary/fee and taxable benefits increase/decrease % change				Annual bonus increase/decrease % change			
	2022/23[1]	2021/22	2020/21	2019/20	**2022/23**	2021/22	2020/21	2019/20
Executive Directors								
Andi Case	**+0.26%**	-0.35%	-0.15%	+0.61%	**+24.0%**	+77.66%	+98.34%	-0.31%
Jeff Woyda	**-0.02%**	-0.002%	+0.04%	-0.06%	**+24.0%**	+77.66%	+98.34%	-0.31%
Non-Executive Directors[2]								
Martine Bond[3]	**+3.86%**	0%	N/A	N/A	**N/A**	N/A	N/A	N/A
Sue Harris[4]	**+18.82%**	+8%	0%	N/A	**N/A**	N/A	N/A	N/A
Laurence Hollingworth[5]	**+28.26%**	+184%	0%	N/A	**N/A**	N/A	N/A	N/A
Dr Tim Miller	**+2.44%**	0%	0%	0%	**N/A**	N/A	N/A	N/A
Birger Nergaard	**+3.86%**	0%	0%	0%	**N/A**	N/A	N/A	N/A
Heike Truol[6]	**+20.33%**	+8%	0%	N/A	**N/A**	N/A	N/A	N/A
Employees								
Average employee	**+2.3%**	+2.4%	+4.17%	+3.83%	**-1.8%**	+22.4%	+14.10%	+1.97%

1 The fees for the Chair and the Non-Executive Directors increased with effect from 1 January 2023 and 1 June 2023 respectively.
2 Where a Non-Executive Director has been appointed part-way through a financial year, for the purpose of this calculation their annual fee has been annualised to enable a meaningful year-on-year comparison.
3 Appointed as a Director with effect from 26 March 2021.
4 Appointed as a Director with effect from 7 October 2020. Sue was appointed as SID with effect from 11 September 2022 and the increases in her fee in 2022 and 2023 reflect in part the supplemental fee paid in respect of this role.
5 Appointed as a Director with effect from 23 July 2020. Laurence was appointed as Chair with effect from 2 March 2022 and the increases in his fee in 2022 and 2023 reflect the fee paid in respect of this role.
6 Appointed as a Director with effect from 31 January 2020. Heike was appointed as Employee Engagement Director with effect from 11 September 2022 and the increases in her fee in 2022 and 2023 reflect in part the supplemental fee paid in respect of this role.

CEO pay ratio

The table below shows the pay ratio information in relation to the total remuneration of the CEO compared to the pay of the Company's UK employees for 2022. Over time, disclosure over a rolling 10-year period will be built up.

Financial year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	**Option A**	**274:1**	**146:1**	**84:1**
2022	Option A	210:1	121:1	70:1
2021	Option A	131:1	76:1	46:1
2020	Option A	72:1	42:1	25:1
2019	Option A	84:1	49:1	27:1

The Remuneration Committee has selected Option A as the method for calculating the CEO pay ratio. Option A calculates a single figure for every employee in the year to 31 December 2023 and identifies the employees that fall at the 25th, 50th and 75th percentiles. This method was chosen as it is considered the most accurate way of identifying the relevant employees and aligns to how the single figure table is calculated.

The Company has included the following elements of pay in its calculation: annual basic salary, allowances, bonuses (cash and shares), commission payments, employer's pension contributions and P11D benefits. These pay elements were separated into recurring, bonus and benefit components. The recurring components were scaled relative to the proportion of 2023 worked by each individual employee. This year, bonus pay elements have been scaled relative to the full-time equivalent of part-time employees. The scaled recurring pay elements and bonuses were then added to the benefits value.

This resulted in a single figure for each employee, from which the individuals at the 25th, 50th and 75th percentiles could be identified. The Remuneration Committee believes the median pay ratio for 2023 to be consistent with the reward policies for the Company's UK employees taken as a whole. UK-based employees have been selected as the most appropriate comparator as the CEO is a full-time UK-based employee.

The table below sets out the total pay and benefits for individuals at the 25th, 50th and 75th percentiles, and the salary element within this.

Financial year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	Total pay and benefits	£40,000	£76,000	£132,000
	Salary element of total pay and benefits	£40,000	£49,000	£100,000

Relative importance of spend on pay

The following table compares the total remuneration paid in respect of all employees of the Group in 2022 and 2023 and distributions made to shareholders in the same years:

	2023 £m	2022 £m	% change
Dividends	**28.3**	25.9	9%
Employee remuneration costs, of which:	**416.3**	390.0	7%
– Executive Directors' total pay excluding LTIP	**14.1**	11.6	22%
– Executive Directors' annual bonus	**13.1**	10.6	24%

Read more:
Engagement with employees on remuneration on pages 84 and 112.

Conflicts of interest

In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration. In particular, the remuneration of all Executive Directors is set and approved by the Committee; and none of the Executive Directors are involved in the determination of their own remuneration arrangements. The Committee also receives support from external advisors and evaluates the support provided by those advisors annually to ensure that advice is independent, appropriate and cost effective. The Committee exercises its own judgement in considering such advice.

External advisor

Following an external selection process, the Remuneration Committee appointed FIT Remuneration Consultants LLP ('FIT') as its advisor in October 2018. FIT provides no other services to the Group, has no further connection with the Company or individual Directors and is a signatory to the Remuneration Consultants Group's Code of Conduct. The Remuneration Committee reviews the effectiveness of its advisor on an annual basis. It is satisfied that the quality of advice received during the year was sufficient and that the advice provided by FIT is objective and independent.

The fees paid by the Company to FIT during the financial year for advice to the Remuneration Committee and in relation to share plans were £54,987 (2022: £31,472). Fees were charged on a time spent basis.

Statement of shareholder voting at AGM

The following votes were received from shareholders at the last AGM at which the relevant resolutions were proposed:

	Date of meeting	In favour	% cast	Against	% cast	Withheld
Remuneration Policy	11 May 2023	12,092,273	56.27	9,395,816	43.73	1,497,061
Remuneration Report	11 May 2023	12,103,220	56.31	9,392,293	43.69	1,489,637

Details of the actions taken by the Board in response to the votes against the resolution in respect of the Remuneration Report registered at the 2023 AGM are included in the Remuneration Committee Chair's statement on pages 129 to 131.

This report was approved by the Board and signed on its behalf by:

Dr Tim Miller
Remuneration Committee Chair
1 March 2024

Appendix: Directors' Remuneration Policy

We include the main tables from the shareholder-approved Directors' Remuneration Policy (the 'Policy'). A full version of the Policy (which was approved by shareholders on 11 May 2023) can be found in the 2022 Annual Report (available on our website at www.clarksons.com).

As indicated in previous reports, the Remuneration Committee (the 'Committee') recognises that listed company practice as regards their Executive Directors has changed over the years and that, for any new appointments to the Board, the Policy will be broadly consistent with current market practice. While there are no current plans to appoint a new Executive Director, the Committee confirms that any new appointments under the proposed Policy will also be subject to the following:
- Capping the annual bonus opportunity;
- Deferring a greater proportion of the annual bonus;
- Compensation for fixed pay only on severance;
- No enhancement on a change of control;
- The rate of any employer pension contributions will be aligned with that available to the majority of the wider workforce in the UK (or any other country in which the executive is based).

For any new Executive Director appointments, the Policy should be read as incorporating such additional requirements. In addition, the Committee will consider at the time other developments in market practice when constructing such an offer.

	Purpose and link to strategy	Operation	Maximum opportunity	Performance framework

Base salary	– To attract and retain high performing Executive Directors who are critical for the business
	– Set at a level to provide a core reward for the role and cover essential living costs
		– Normally reviewed annually
		– Paid monthly
		– Salaries are determined taking into account:
		  – the experience, responsibility, effectiveness and market value of the executive
		  – the pay and conditions in the workforce
			– There is no prescribed maximum annual increase. The Committee is guided by the general increase for the broader workforce but on occasion may recognise an increase in certain circumstances, such as assumed additional responsibility or an increase in the scale or scope of the role or, in the case of a new executive, a move towards the desired rate over a period of time where salary was initially set below the intended positioning	n/a

Benefits	– To provide a market standard suite of basic benefits in kind to ensure the Executive Directors' well-being	– Taxable benefits may include:
		  – car allowance
		  – healthcare insurance
		  – club membership
		– Participation in HMRC-approved (or equivalent) schemes
		– Other benefits may be payable where appropriate
		– Any reasonable business-related expenses (including tax thereon) may be reimbursed if determined to be a taxable benefit
			– A car allowance in line with market norm. The value of other benefits is based on the cost to the Company and is not predetermined
			– HMRC (or equivalent) scheme participation up to prevailing scheme limits
				n/a

	Purpose and link to strategy	Operation	Maximum opportunity	Performance framework

Annual bonus (including deferred shares)	– To reward significant annual profit performance
	– To ensure that the bonus plan is competitive with our peers. As a result, bonus forms a significant proportion of the remuneration package
	– To ensure that if there is a reduction in profitability, the level of bonus payable falls away sharply
		– 90% of the bonus is paid in cash and, although they have no contractual obligation, the Executive Directors have agreed that 10% of annual bonus payable is deferred in shares, vesting after four years
		– Executive Directors have voting rights and receive dividends on deferred shares
		– Performance criteria are reviewed and recalibrated carefully each year to ensure they are linked to strategic business goals, take full account of economic conditions, and are sufficiently demanding to control the total bonus pool and individual allocations
		– Clawback provision operates for overpayments due to misstatement or error
			– In line with Clarksons' peers, the annual bonus is not subject to a formal individual cap. This policy, which is contractual for the current Chief Executive Officer and Chief Financial Officer & Chief Operating Officer, encourages the maximisation of profit, and ensures that Executive Directors are aligned with all stakeholders in the business	– Bonus is determined by Group performance measured over one year on the following basis:
				  – below a 'profit floor' set by the Committee each year, no bonus is triggered
				  – above the floor, an escalating percentage of profits is payable into a bonus pool for progressively higher profit before tax performance
				  – profit for bonus calculations may be adjusted by the Committee where appropriate and does not include business that has not been invoiced
				  – for Executive Directors with revenue-generating broking responsibilities, a further key determinant of the annual bonus is the significance of personally-generated broking revenues
				  – a proportion of an individual's share of the bonus pool may be based on the achievement of personal objectives set by the Committee at the start of the year

Long-term incentives	– To incentivise and reward significant long-term financial performance and share price performance relative to the stock market – To encourage share ownership and provide further alignment with shareholders	– Awards are performance-related and are normally structured as nil cost options – Awards are granted each year following the publication of annual results – Clawback provision operates for overpayments due to misstatement or error	– Annual maximum limit of 150% of base salary for awards subject to long-term performance targets (200% of base salary in exceptional circumstances) – Dividend equivalents (in cash or shares) may accrue between grant and vesting/expiry of any holding period, to the extent that shares under award ultimately vest	– Currently, the awards are subject to performance conditions measured on a combination of three-year EPS growth and relative TSR – The Committee may introduce new measures or reweight the current EPS and TSR performance measures so that they are directly aligned with the Company's strategic objectives for each performance period – Normally measured over a three-year performance period – 25% of an award will vest for achieving threshold performance, increasing pro-rata to full vesting for the achievement of stretch performance targets

	Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
Pension	– To provide a market-competitive pension arrangement	– Executive Directors participate in a Company defined contribution pension scheme and/or receive a cash allowance in lieu of pension contributions	– Employer contributions are up to 15% of basic salary or an equivalent cash allowance net of employer's national insurance contributions	n/a

Non-Executive Directors' fees	– To attract and retain high calibre Non-Executive Directors through the provision of market competitive fees	– Reviewed annually
		– Paid monthly
		– Fees are determined taking into account:
		  – the experience, responsibility, effectiveness and time commitments of the Non-Executive Directors
		  – the pay and conditions in the workforce
		– Additional fees may be payable in relation to extra responsibilities undertaken such as chairing a Board Committee and/or a Senior Independent Director role or being a member of a Committee
		– Any reasonable business-related expenses (including tax thereon) can be reimbursed if determined to be a taxable benefit
			– As for the Executive Directors, there is no prescribed maximum annual increase
			– Fee increases are guided by the general increase for the broader workforce but on occasion may recognise an increase in certain circumstances, such as assumed additional responsibility or an increase in the scale or scope of the role
				n/a

Share ownership guidelines	– To provide alignment between the longer-term interests of Directors and shareholders	– Executive Directors are expected to build up and maintain shareholdings in the Company – Executives are required to retain at least half of the net of tax vested number of shares awarded and received until the guideline has been achieved	– Chief Executive Officer: 200% of salary – Other Executive Directors: 200% of salary	n/a

Directors' Report

The Directors present their Report and the audited consolidated financial statements for the year ended 31 December 2023. The Directors' Report and the Strategic Report (pages 10 to 101) together constitute the Management Report for the purpose of Rule 4.1.8R of the Disclosure Guidance and Transparency Rules. Other information relevant to the report, including information required pursuant to the Companies Act 2006 and UK Listing Rule 9.8.4R, is incorporated below by reference.

	Detail	Section	Location
Information incorporated by reference			
As permitted by the Companies Act 2006, the disclosures to the right, which are included in the Strategic Report, are incorporated into the Directors' Report by reference:	An indication of likely future developments in the business of the Company and its subsidiary undertakings.	Strategic Report	Pages 12 to 15 and 32 to 57
	An indication of the activities of the Company and its subsidiary undertakings in the field of research and development.	Strategic Report	Pages 12 to 15 and 24 to 57
	Employment of disabled persons.	Strategic Report	Page 85
	Employee engagement (including participation in share plans).	Strategic Report	Pages 84 and 85, 112 and 113, and 131
	Engagement with suppliers, customers and others.	Strategic Report	Pages 58 to 61
The Company is required to disclose certain information under Listing Rule 9.8.4R in the Directors' Report or advise where such information is set out. The information can be found in the sections of the 2023 Annual Report set out to the right:	Details of long-term incentive schemes.	Directors' Remuneration Report	Pages 132 to 144
	Any waiver of emoluments by a Director of the Company or any subsidiary undertaking.	Directors' Remuneration Report	Page 129
Directors	The names and biographical details of the Directors who served on the Board and Board Committees during the year, including changes that have occurred during the year and up to the date of this report, are shown in the Corporate Governance Report and incorporated into the Directors' Report by reference.	Corporate Governance Report	Pages 104 to 107
Appointment and retirement of Directors	The Company's Articles of Association, the Code, the Companies Act 2006 and related legislation govern the appointment and retirement of Directors.		
	In accordance with the Code and the Company's Articles of Association, all Directors are subject to election by shareholders at the first AGM following their appointment, and subject to annual re-election thereafter. The 2024 Notice of AGM sets out the reasons why the Board believes each Director should be re-elected.	Corporate Governance Report	Page 117
Directors' powers	Subject to relevant company law and the Company's Articles of Association, the Directors may exercise all powers of the Company. Further details regarding authorities in relation to the allotment of shares and the repurchase of shares are set out on the next page.		
Directors' insurance and indemnities	Directors' and officers' liability insurance was maintained by the Company throughout 2023 and to the date of this report. Qualifying indemnity provisions are in place for the benefit of the Non-Executive Directors.		
Directors' interests	The interests of the Directors and their connected persons in the Company's shares are set out in the Directors' Remuneration Report.	Directors' Remuneration Report	Pages 137 and 138

	Detail	Section	Location
Share capital	At 31 December 2023, the Company's issued share capital consisted of 30,725,498 ordinary shares of £0.25 each. Further details on the issued share capital, including any changes during the year, can be found in the notes to the financial statements.	Note 24 to the consolidated financial statements	Page 191
Rights attaching to shares	All ordinary shares have equal voting rights, including the right to one vote at a general meeting, to receive an equal proportion of any dividends declared and paid, and to an equal amount of any surplus assets distributed in the event of a winding-up. There are no restrictions on the transfer of the Company's ordinary shares or on the exercise of voting rights attached to them, other than: – where the Company has exercised its right to suspend their voting rights or prohibit their transfer following the omission by their holders or any person interested in them to provide the Company with information requested by it in accordance with Part 22 of the Companies Act 2006; – where the holder is precluded from exercising voting rights by the Financial Conduct Authority's Listing Rules or the City Code on Takeovers and Mergers; and – pursuant to the Company's share dealing rules where the Directors and designated employees require approval to deal in the Company's shares. The Company is not aware of any further agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.		
Authority to allot shares	The Company requests authority from shareholders for the Directors to allot shares on an annual basis, and a similar resolution will be proposed at the 2024 AGM. At the 2023 AGM, the Directors were authorised to allot shares up to an aggregate nominal amount of £2,552,789 or up to £5,105,578 in connection with a rights issue, and were empowered to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £765,836. In line with the Pre-Emption Group's updated Statement of Principles, published in November 2022, the Company will request authority from shareholders at the 2024 AGM to allot equity securities for cash on a non-pre-emptive basis up to 10% of the issued ordinary share capital (to be determined at the latest practicable date before publication of the Notice of Meeting).		
Purchase of own shares	At the 2023 AGM, the Company obtained shareholder approval to purchase up to 3,063,347 of its own ordinary shares of £0.25 each (representing 10% of its issued share capital). No shares were purchased under this authority during the year. At the 2024 AGM, the Directors will again seek authority to purchase the Company's own shares.		
Employee share scheme rights	The Company has established an Employee Benefit Trust ('EBT') for the purpose of facilitating the operation of the Company's share plans. The EBT waives any voting rights and dividends that may be declared in respect of such shares which have not been allocated for the settlement of awards made under the Company's share plans. Employees may direct the EBT as to how to exercise voting rights over shares in which they have a beneficial interest.		

<table>
<tr><th></th><th>Detail</th><th>Section</th><th>Location</th></tr>
<tr><td>Substantial shareholders</td><td>As of 31 December 2023, the Company had been notified under the Disclosure Guidance and Transparency Rules of the following holdings of voting rights in its issued share capital:
<table>
<tr><th>Shareholder</th><th>% of total voting rights disclosed</th></tr>
<tr><td>Royal London Asset Management Ltd</td><td>6.17</td></tr>
<tr><td>FMR LLC</td><td>4.86</td></tr>
<tr><td>RS Platou Holding AS</td><td>4.85</td></tr>
<tr><td>Montanaro Asset Management Limited</td><td>3.19</td></tr>
<tr><td>Invesco Ltd.</td><td>3.18</td></tr>
</table>
The Company has not received any further notifications between 31 December 2023 and the date of this report.</td><td></td><td></td></tr>
<tr><td>Significant agreements</td><td>The service contracts of the CEO and CFO & COO include provisions regarding a change of control of the Company. Further details are included in the Directors' Remuneration Policy (which is available on the Company's website in the 2022 Annual Report). There are no further agreements between any Group company and any of its employees or any Director of any Group company which provide for compensation to be paid to an employee or a Director for termination of employment or for loss of office as a consequence of a takeover of the Company.

There are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid for the Company.</td><td>2022 Annual Report</td><td>Page 137</td></tr>
<tr><td>Dividend</td><td>The Directors recommend a final dividend of 72p per ordinary share for the year ended 31 December 2023. Subject to shareholder approval at the AGM, the final dividend will be paid on 24 May 2024 to shareholders on the register at the close of business on 10 May 2024.

The interim dividend paid during the year was 30p which, together with the final dividend, will provide a total dividend of 102p per ordinary share for the year (2022: 93p).</td><td></td><td></td></tr>
<tr><td>External Auditor</td><td>The Board recommends that PricewaterhouseCoopers LLP ('PwC') be reappointed as the Company's External Auditor with effect from the 2024 AGM, at which resolutions regarding PwC's reappointment and to authorise the Board to set their remuneration will be proposed.</td><td>Audit and Risk Committee Report</td><td>Pages 123 to 125</td></tr>
<tr><td>Articles of Association</td><td>The Company's Articles of Association were adopted at the 2019 AGM. Any amendments to the Articles of Association can only be made by a special resolution at a general meeting of shareholders.</td><td></td><td></td></tr>
<tr><td>Political donations</td><td>The Group did not make any political donations or incur any political expenditure in the UK or the EU during 2023.</td><td></td><td></td></tr>
<tr><td>Financial instruments</td><td>Our risk management objectives and policies in relation to the use of financial instruments can be found in the notes to the consolidated financial statements.</td><td>Note 28 to the consolidated financial statements</td><td>Pages 194 to 196</td></tr>
<tr><td>Emissions reporting</td><td>Details relating to required emissions reporting are set out within the Our impact section.</td><td>Our impact</td><td>Pages 82 and 83</td></tr>
<tr><td>Corporate Governance statement</td><td>The Corporate Governance Report is incorporated by reference into this Directors' Report and includes details of our compliance with the Code and how the Company has applied the main Principles. The Corporate Governance Report also includes a description of the Group Diversity and Inclusion Policy, which incorporates Board diversity.</td><td>Corporate Governance Report</td><td>Pages 102 to 144</td></tr>
</table>

	Detail	Section	Location
Internal control and risk management systems	A description of the main features of the Group's internal control and risk management systems in relation to the financial reporting process can be found in the Strategic Report.	Strategic Report	Pages 64 to 73
Annual General Meeting	The 2024 AGM will be held electronically by video webcast on 9 May 2024. Details of the resolutions to be proposed are set out in a separate Notice of Meeting, which will be posted to those shareholders who receive hard copy documents and which will be available on the Group's website for those who have elected to receive documents electronically.	Corporate Governance Report	Page 113
Events since the balance sheet date	In February 2024, the Company's wholly owned subsidiary, Gibb Group Ltd, acquired the entire share capital of Trauma & Resuscitation Services Limited. There are no other material items to report.	Note 27 to the consolidated financial statements	Page 193
Disclosure of information to the Auditor	Each of the Directors who held office at the date of approval of this Directors' 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 ought to have been taken to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.		
Statutory details for Clarkson PLC	The Company is a public company limited by shares, incorporated in the United Kingdom and registered in England and Wales with registered number 01190238. Its registered office is at Commodity Quay, St Katharine Docks, London E1W 1BF. The Company's shares are listed on the London Stock Exchange under the ticker CKN, and the Company is a constituent of the FTSE 250. It has no ultimate parent company, and details of the Company's substantial shareholders (as notified to the Company under the Disclosure Guidance and Transparency Rules) are set out on page 147.	Directors' Report	Page 147
Branches	A number of the Company's subsidiary undertakings maintain branches outside of the UK.	Note W to the Parent Company financial statements	Pages 213 to 218

By order of the Board:

Deborah Abrehart
Group Company Secretary
1 March 2024

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Parent Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

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

Directors' confirmations

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Parent Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Corporate Governance Report in this Annual Report confirm that, to the best of their knowledge:

- the Group and Parent Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company, and of the profit of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Parent Company's Auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Parent Company's Auditor is aware of that information.

Laurence Hollingworth
Chair
1 March 2024

Independent auditors’ report to the members of Clarkson PLC

Report on the audit of the financial statements

Opinion

In our opinion, Clarkson PLC’s Group financial statements and Parent Company financial statements (the “financial statements”):

- give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 December 2023 and of the Group’s profit and the Group’s and Parent Company’s cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the 2023 Annual Report (the “Annual Report”), which comprise: the Consolidated and Parent Company balance sheets as at 31 December 2023; the Consolidated income statement and the Consolidated statement of comprehensive income, the Consolidated and Parent Company cash flow statements and the Consolidated and Parent Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

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

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC’s Ethical Standard were not provided.

Other than those disclosed in note 3, we have provided no non-audit services to the Parent Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- Our audit included full scope audits of seventeen components (two of which are individually financially significant). This gave us coverage of 87% (2022: 87%) of the Group’s underlying absolute profit before taxation and 70% (2022: 72%) of the Group’s revenue. There were no significant changes to the Group’s operations during the year.

Key audit matters

- Risk of impairment of trade receivables (Group)
- Carrying value of goodwill (Group)
- Carrying value of investments in subsidiaries (Parent Company)

Materiality

- Overall Group materiality: £5,400,000 (2022: £5,000,000) based on 5% of profit before taxation, adjusted for exceptional items and acquisition related costs (‘underlying profit before taxation’).
- Overall Parent Company materiality: £3,312,000 (2022: £3,161,000) based on 1% of total assets.
- Performance materiality: £4,050,000 (2022: £3,065,250) (Group) and £2,484,000 (2022: £2,370,750) (Parent Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors’ professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Risk of impairment of trade receivables (Group) Refer to note 15 of the financial statements and note 2 for the Directors' disclosures of the related accounting policies, critical accounting judgements and estimates for further information.	Our audit procedures included:
The Group had trade receivables of £143.6m (2022: £146.8m) before a loss allowance for expected credit losses of £21.9m (2022: £19.6m). The macroeconomic environment means the Group has experienced uncertainty over the collectability of trade receivables from specific customers.	– For specific allowances for expected credit losses, we selected a sample of items and understood management's rationale for why an impairment was required. The impairments relate to customers in default, administration or legal disputes or those where no net revenue is recognised from the outset due to doubt regarding collectability of consideration at the time of invoicing;
Management applies the requirements of IFRS 9 'Financial Instruments' to determine the loss allowance for expected credit losses. The determination as to whether a trade receivable is recoverable and the measurement of any expected credit loss involves judgement. Specific factors which management considers include the age of the balance, location and known financial condition of certain customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of the counterparty.	– Verifying whether payments had been received since the year end, reviewing historical payment patterns and inspecting any correspondence with customers on expected settlement dates;
Management uses this information to determine whether a loss allowance for impairment is required, either for expected credit losses on a specific transaction or for a customer's balance overall.	– The remaining trade receivables which were not specifically impaired were subject to management's calculation of an expected credit loss. We examined and tested source data and the mathematical accuracy of management's supporting calculations; this included consideration of the amount of prior years' loss allowance that had been utilised for bad debt write-offs during the year and also the history of current receivables reaching default or extended overdue positions; and
For certain customers there is no net recognition of revenue where doubt exists as to the ability to collect any consideration at the time of invoicing.	– We tested adjustments made by management to reflect certain market conditions, in terms of both the Group's markets and the territories where the receivables are due.
We focused on the risk of impairment in trade receivables because it requires a high level of management judgement and the materiality of the amounts involved.	From the work we performed, we consider the expected credit losses to be consistent with the evidence obtained.

Independent auditors' report to the members of Clarkson PLC continued

Key audit matter	How our audit addressed the key audit matter
Carrying value of goodwill (Group) Refer to note 13 of the financial statements and note 2 for the Directors' disclosures of the related accounting policies, critical accounting judgements and estimates for further information.	Our audit procedures included:
The goodwill balance is allocated across several cash generating units (CGUs) and is subject to an annual impairment test. Management prepared a value-in-use model ('discounted cash flow') to estimate the present value of forecast future cash flows for each CGU. This was then compared with the carrying value of the net assets of each CGU (including goodwill) to determine if there was an impairment.	– For the Offshore broking and Securities CGUs, we obtained management's annual impairment assessment and verified the mathematical accuracy of the calculations and that the methodology used was in line with the requirements of IAS 36 'Impairment of Assets';
Determining if an impairment charge is required for goodwill involves significant judgements about forecast future performance and cash flows of the CGUs. It also involves determining an appropriate discount rate and long-term growth rate. The risk that we focused on during the audit was whether the goodwill in the Offshore broking and Securities CGUs is recoverable and that an impairment charge may be required.	– We compared the forecasts used in the impairment model to the latest Board approved budget and management forecasts and obtained and evaluated corroborative evidence supporting the future cash flow forecasts of the Offshore broking and Securities CGUs. We compared the prior year budget to actual results in order to assess the historical forecasting accuracy of the business. We also considered available market data to challenge the significant assumptions used by management to determine the future cashflow forecasts;
The Offshore broking and Securities CGUs have carrying values of £50.6m and £15.7m respectively, including goodwill. Management's impairment test determined that the recoverable amount of the CGUs was higher than the carrying value. As a result, no charge for impairment of goodwill has been recognised in the current financial year.	– We challenged the reasonableness of the discount rates by comparing the cost of capital for the Offshore broking and Securities CGUs with comparable organisations and consulting with our own valuation experts; We considered the long-term cyclical performance of the Offshore broking and Securities CGUs and verified that this had been appropriately factored into the long-term forecasts; and We challenged the extent to which climate change considerations had been reflected, as appropriate, in management's impairment modelling process.
We focused on this matter due to the size of the balance and the significant judgements and estimation involved to determine whether the carrying value of goodwill is supportable.	We found the Directors' assumptions to be supportable. We also performed sensitivity analysis on the key drivers of the cash flow projections including assumed profits and long-term growth rates. We assessed the disclosures made in note 14 regarding the related assumptions and sensitivities and concluded these appropriately draw attention to the significant areas of estimation uncertainty.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments in subsidiaries (Parent) Refer to notes A and F of the Parent Company financial statements for the Directors' disclosure of the related accounting policies, critical accounting judgements and estimates for further information.	We obtained management's impairment of investment in subsidiaries assessment with supporting computations and:
In assessing for impairment triggers, management considers if the underlying net assets of an investment support the carrying amount. Where the carrying amount exceeds the net asset value of the subsidiary, an estimation of the value-in-use of the subsidiary is required. The value-in-use calculation requires estimation of future cash flows expected to arise for the subsidiary, the selection of suitable discount rates and the estimation of future growth rates. As determining such assumptions is inherently judgemental and subject to future factors, there is the potential these may differ in subsequent periods and materially change the conclusions reached.	– We verified that the assessment model and its inputs were mathematically accurate and, where appropriate, consistent with the goodwill impairment test set out in the key audit matter above;
Based on management's assessment, no impairment in respect of the carrying value of investments in subsidiaries was identified as at 31 December 2023.	– We compared the investment values against the net assets of the investments to identify whether the carrying amounts were supported by the net asset positions of the subsidiaries. Where the carrying amounts exceeded the net asset values of the subsidiaries, our procedures were focused on management's value in use calculations including evaluation of key assumptions used.
We focused on this matter due to the size of the balance and the significant judgement and estimation involved to determine whether the carrying value of investments in subsidiaries is appropriate in the Parent Company balance sheet.	As a result of our work, we are satisfied that management's assessment is appropriate and that there are no indicators of impairment in respect of the carrying value of the Parent Company's investments in subsidiaries as at 31 December 2023. We evaluated the disclosures made in note F and found that sensitivity disclosures appropriately draw attention to the significant areas of estimation uncertainty.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The financial statements are a consolidation of components, comprising the Group's operating businesses and centralised functions. In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the components by us, as the Group engagement team, or by component auditors of other PwC network firms and other firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole. Our audit included full scope audits of seventeen components (two of which are individually financially significant). This gave us coverage of 87% (2022: 87%) of the Group's underlying absolute profit before taxation and 70% (2022: 72%) of the Group's revenue. The individually financially significant components were based in the UK and Norway. Our work included directly auditing the largest UK component and receiving reporting from our component audit teams. This, together with the additional procedures performed centrally at the Group level, including testing the consolidation process, gave us the evidence we needed for our opinion on the financial statements as a whole.

The impact of climate risk on our audit

As part of the audit, we have considered the Group's risk assessment process in identifying climate-related risks and their impact on the Group's business, which was supported by an external sustainability consultant engaged by management. The procedures we undertook included obtaining an understanding of how management has considered the impact of their identified climate-related risks in the underlying assumptions and estimates used within the Group's and Parent Company's financial statements. We challenged the completeness of management's climate risk assessment and specifically considered how climate-related risks might impact the significant assumptions made by management in determining the future cashflow forecasts used in their assessment of the carrying value of goodwill. We assessed the estimates and assumptions made by management in preparing the financial statements and did not identify any material impact as a result of climate risk on the Group's and Parent Company's financial statements. We also considered the consistency of the disclosures in relation to climate risk in the other information within the Annual Report (including the disclosures in the Task Force on Climate-Related Financial Disclosures ('TCFD') section) with the financial statements and our knowledge obtained from the audit. Our responsibility over other information is further described in the Reporting on other information section of our report.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Parent Company
Overall materiality	£5,400,000 (2022: £5,000,000).	£3,312,000 (2022: £3,161,000).
How we determined it	5% of profit before taxation, adjusted for exceptional items and acquisition related costs ('underlying profit before taxation')	1% of total assets
Rationale for benchmark applied	In our view, underlying profit before taxation represents the primary measure used by the shareholders in assessing the performance of the Group.	The Parent Company does not have trading activities. Therefore, total assets has been used as it represents a generally accepted auditing benchmark used to determine materiality in a holding company.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £25,000 and £3,312,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £4,050,000 (2022: £3,065,250) for the Group financial statements and £2,484,000 (2022: £2,370,750) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £270,000 (Group audit) (2022: £250,000) and £165,600 (Parent Company audit) (2022: £158,050) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating management's base case and downside scenarios, challenging and corroborating key assumptions;
- testing the accuracy of cash flow models used to assess available liquidity during the going concern period;
- ensuring consistency with the key assumptions used in other areas of our audit such as the assessment of goodwill impairment; and
- reading management's disclosures in the financial statements and relevant "other information" in the Annual Report and checking consistency with the financial statements and our knowledge based on our audit.

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 Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Parent Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Parent Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Parent Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Parent Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to international trade regulations and regulatory licence requirements for the Group's Securities business, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the artificial inflation of reported results through the posting of inappropriate journal entries and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Inspecting correspondence with regulators and tax authorities.
- Reviewing minutes of meetings of those charged with governance including the Board, Audit and Risk Committee and Remuneration Committee.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.
- Challenging assumptions and judgements made by management in their critical accounting estimates including the key audit matters described above.

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 9 July 2009 to audit the financial statements for the year ended 31 December 2009 and subsequent financial periods. The period of total uninterrupted engagement is 15 years, covering the years ended 31 December 2009 to 31 December 2023.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Christopher Burns
(Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 March 2024

Consolidated income statement
for the year ended 31 December

		2023				2022		
	Note(s)	**Before exceptional items and acquisition-related costs £m**	**Exceptional items (note 5) £m**	**Acquisition-related costs (note 6) £m**	**After exceptional items and acquisition-related costs £m**	Before acquisition-related costs £m	Acquisition-related costs (note 6) £m	After acquisition-related costs £m
Revenue	3, 4	**639.4**	**–**	**–**	**639.4**	603.8	–	603.8
Cost of sales	3	**(30.4)**	**–**	**–**	**(30.4)**	(21.8)	–	(21.8)
Trading profit		**609.0**	**–**	**–**	**609.0**	582.0	–	582.0
Administrative expenses		**(508.8)**	**2.2**	**(2.6)**	**(509.2)**	(481.2)	(0.8)	(482.0)
Operating profit/(loss)	3, 4	**100.2**	**2.2**	**(2.6)**	**99.8**	100.8	(0.8)	100.0
Finance income	3	**10.5**	**–**	**–**	**10.5**	1.9	–	1.9
Finance costs	3	**(2.2)**	**–**	**–**	**(2.2)**	(2.2)	–	(2.2)
Other finance income – pensions	3	**0.7**	**–**	**–**	**0.7**	0.4	–	0.4
Profit/(loss) before taxation		**109.2**	**2.2**	**(2.6)**	**108.8**	100.9	(0.8)	100.1
Taxation	7	**(23.4)**	**0.3**	**0.1**	**(23.0)**	(20.6)	0.1	(20.5)
Profit/(loss) for the year		**85.8**	**2.5**	**(2.5)**	**85.8**	80.3	(0.7)	79.6
Attributable to:								
Equity holders of the Parent Company		**83.8**	**2.5**	**(2.5)**	**83.8**	76.3	(0.7)	75.6
Non-controlling interests		**2.0**	**–**	**–**	**2.0**	4.0	–	4.0
Profit/(loss) for the year		**85.8**	**2.5**	**(2.5)**	**85.8**	80.3	(0.7)	79.6
Earnings per share								
Basic	8	**275.0p**			**275.2p**	250.3p		247.9p
Diluted	8	**273.5p**			**273.6p**	248.5p		246.1p

Included in the consolidated income statement are net impairment losses on financial assets amounting to £3.9m (2022: £5.8m).

Consolidated statement of comprehensive income
for the year ended 31 December

	Note(s)	**2023 £m**	2022 £m
Profit for the year		**85.8**	79.6
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on employee benefit schemes – net of tax	23	**(1.6)**	(5.5)
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on retranslation of foreign operations		**(17.5)**	13.5
Foreign currency hedges recycled to profit or loss – net of tax	25	**2.1**	3.3
Foreign currency hedge revaluations – net of tax	25	**5.7**	(8.9)
Other comprehensive (loss)/income		**(11.3)**	2.4
Total comprehensive income for the year		**74.5**	82.0
Attributable to:			
Equity holders of the Parent Company		**72.8**	78.0
Non-controlling interests		**1.7**	4.0
Total comprehensive income for the year		**74.5**	82.0

Consolidated balance sheet
as at 31 December

	Note(s)	2023 £m	2022 £m
Non-current assets			
Property, plant and equipment	10	**28.5**	25.5
Investment properties	11	**1.0**	1.0
Right-of-use assets	12	**35.9**	39.3
Intangible assets	13	**182.9**	188.9
Trade and other receivables	15	**4.4**	2.6
Investments	16	**1.3**	1.2
Employee benefits	23	**13.8**	15.8
Deferred tax assets	7	**16.8**	14.6
		284.6	288.9
Current assets			
Inventories	17	**3.3**	2.4
Trade and other receivables	15	**147.5**	150.1
Income tax receivable		**1.2**	3.0
Investments	16	**40.1**	3.5
Cash and cash equivalents	18	**398.9**	384.4
		591.0	543.4
Current liabilities			
Trade and other payables	19	**(339.4)**	(335.9)
Lease liabilities	20	**(10.4)**	(9.9)
Income tax payable		**(20.9)**	(19.8)
Provisions	21	**(0.6)**	(0.6)
		(371.3)	(366.2)
Net current assets		**219.7**	177.2
Non-current liabilities			
Trade and other payables	19	**(3.2)**	(5.8)
Lease liabilities	20	**(32.8)**	(37.7)
Provisions	21	**(1.9)**	(1.9)
Employee benefits	23	**(0.4)**	(0.4)
Deferred tax liabilities	7	**(9.4)**	(7.1)
		(47.7)	(52.9)
Net assets		**456.6**	413.2
Capital and reserves			
Share capital	24	**7.7**	7.7
Other reserves	25	**104.9**	114.8
Retained earnings		**340.0**	287.2
Equity attributable to shareholders of the Parent Company		**452.6**	409.7
Non-controlling interests		**4.0**	3.5
Total equity		**456.6**	413.2

The financial statements on pages 157 to 198 were approved by the Board on 1 March 2024, and signed on its behalf by:

Laurence Hollingworth
Chair

Jeff Woyda
Chief Financial Officer & Chief Operating Officer

Registered number: 1190238

Consolidated statement of changes in equity
for the year ended 31 December

		Attributable to equity holders of the Parent Company					
	Note(s)	Share capital £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2023		**7.7**	**114.8**	**287.2**	**409.7**	**3.5**	**413.2**
Profit for the year		**–**	**–**	**83.8**	**83.8**	**2.0**	**85.8**
Other comprehensive loss		**–**	**(9.4)**	**(1.6)**	**(11.0)**	**(0.3)**	**(11.3)**
Total comprehensive (loss)/income for the year		**–**	**(9.4)**	**82.2**	**72.8**	**1.7**	**74.5**
Transactions with owners:							
Share issues	24,25	**–**	**1.9**	**–**	**1.9**	**–**	**1.9**
Employee share schemes	25	**–**	**(2.4)**	**(1.1)**	**(3.5)**	**–**	**(3.5)**
Tax on other employee benefits	7	**–**	**–**	**(0.2)**	**(0.2)**	**–**	**(0.2)**
Tax on other items in equity	7	**–**	**–**	**0.1**	**0.1**	**–**	**0.1**
Dividend paid	9	**–**	**–**	**(28.3)**	**(28.3)**	**(1.1)**	**(29.4)**
Other movements		**–**	**–**	**0.1**	**0.1**	**(0.1)**	**–**
Total transactions with owners		**–**	**(0.5)**	**(29.4)**	**(29.9)**	**(1.2)**	**(31.1)**
Balance at 31 December 2023		**7.7**	**104.9**	**340.0**	**452.6**	**4.0**	**456.6**

		Attributable to equity holders of the Parent Company					
	Note(s)	Share capital £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2022		7.6	104.0	245.3	356.9	4.7	361.6
Profit for the year		–	–	75.6	75.6	4.0	79.6
Other comprehensive income/(loss)		–	7.9	(5.5)	2.4	–	2.4
Total comprehensive income for the year		–	7.9	70.1	78.0	4.0	82.0
Transactions with owners:							
Share issues	24,25	0.1	2.6	–	2.7	–	2.7
Employee share schemes	25	–	0.3	(1.3)	(1.0)	–	(1.0)
Tax on other employee benefits	7	–	–	(0.2)	(0.2)	–	(0.2)
Tax on other items in equity	7	–	–	(0.4)	(0.4)	–	(0.4)
Dividend paid	9	–	–	(25.9)	(25.9)	(4.3)	(30.2)
Other movements		–	–	(0.4)	(0.4)	(0.9)	(1.3)
Total transactions with owners		0.1	2.9	(28.2)	(25.2)	(5.2)	(30.4)
Balance at 31 December 2022		7.7	114.8	287.2	409.7	3.5	413.2

Consolidated cash flow statement
for the year ended 31 December

	Note(s)	**2023 £m**	2022 £m
Cash flows from operating activities			
Profit before taxation		**108.8**	100.1
Adjustments for:			
Foreign exchange differences	3	**6.8**	(0.5)
Depreciation	3, 10, 11, 12	**14.7**	13.7
Share-based payment expense	22	**1.9**	1.8
(Gain)/loss on sale of property, plant and equipment		**(3.6)**	1.5
Amortisation of intangibles	3, 13	**4.8**	4.1
Difference between pension contributions paid and amount recognised in the income statement		**0.6**	0.4
Finance income	3	**(10.5)**	(1.9)
Finance costs	3	**2.2**	2.2
Other finance income – pensions	3	**(0.7)**	(0.4)
Increase in inventories	17	**(0.9)**	(0.9)
Decrease/(increase) in trade and other receivables		**2.0**	(26.1)
Increase in bonus accrual		**58.7**	88.8
(Decrease)/increase in trade and other payables		**(7.2)**	16.2
Increase in provisions		**0.1**	0.5
Cash generated from operations		**177.7**	199.5
Income tax paid		**(22.4)**	(20.6)
Net cash flow from operating activities		**155.3**	178.9
Cash flows from investing activities			
Interest received		**10.3**	1.3
Purchase of property, plant and equipment	10	**(8.0)**	(7.6)
Purchase of intangible assets	13	**(2.8)**	(2.0)
Purchase of investments		**(0.3)**	(0.6)
Proceeds from sale of investments		**0.3**	1.0
Proceeds from sale of property, plant and equipment		**3.9**	0.7
Transfer from current investments (cash on deposit and government bonds)	16	**–**	6.8
Transfer to current investments (cash on deposit and government bonds)	16	**(36.8)**	(0.3)
Acquisition of subsidiaries, net of cash acquired	13	**(5.3)**	(4.9)
Dividends received from investments	3	**0.1**	0.2
Net cash flow from investing activities		**(38.6)**	(5.4)
Cash flows from financing activities			
Interest paid and other charges		**(2.0)**	(2.2)
Dividend paid	9	**(28.3)**	(25.9)
Dividend paid to non-controlling interests		**(1.1)**	(4.3)
Repayment of borrowings		**(0.5)**	(0.6)
Principal elements of lease payments		**(10.5)**	(11.2)
Proceeds from shares issued		**1.9**	2.7
Contributions to non-controlling interests		**–**	(1.3)
ESOP shares acquired		**(49.5)**	(20.4)
Net cash flow from financing activities		**(90.0)**	(63.2)
Net increase in cash and cash equivalents		**26.7**	110.3
Cash and cash equivalents at 1 January		**384.4**	261.6
Net foreign exchange differences		**(12.2)**	12.5
Cash and cash equivalents at 31 December	18	**398.9**	384.4

Notes to the consolidated financial statements

1 Corporate information

The Group and Parent Company financial statements of Clarkson PLC for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 1 March 2024. Clarkson PLC is a Public Limited Company, listed on the London Stock Exchange, incorporated in the UK, registered in England and Wales and domiciled in the UK.

The term 'Parent Company' refers to Clarkson PLC and 'Group' refers to the Company, its consolidated subsidiaries and the relevant assets and liabilities of the share purchase trusts.

Copies of the Annual Report will be circulated to all shareholders and will also be available from the registered office of the Company at Commodity Quay, St Katharine Docks, London E1W 1BF.

2 Statement of accounting policies

2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2023. Additional accounting policies for the Parent Company are set out in note A.

The financial statements are presented in pounds sterling and all values are rounded to the nearest one hundred thousand pounds sterling (£0.1m) except when otherwise indicated.

The consolidated income statement is shown in columnar format to assist with understanding the Group's results by presenting profit for the year before exceptional items and acquisition-related costs; this is referred to as 'underlying profit'. Items which are non-recurring in nature and considered to be material in size are shown as 'exceptional items'. The column 'acquisition-related costs' includes the amortisation of acquired intangible assets, the costs of acquiring new businesses and the expensing of the cash and share-based elements of consideration linked to ongoing employment obligations on acquisitions. These notes form an integral part of the financial statements on pages 157 to 198.

Statement of compliance

The consolidated financial statements of the Clarkson PLC Group have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and the Disclosure Guidance and Transparency Rules Sourcebook of the United Kingdom's Financial Conduct Authority.

The consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and fair value through other comprehensive income.

The Group has considerable financial resources available to it, a strong balance sheet and has consistently generated a profit and good cash inflows. As a result of this, the Directors believe that the Group is well placed to manage its business risks successfully, despite the challenging market backdrop and geo-political tensions.

Management has stress tested a range of scenarios, modelling different assumptions with respect to the Group's cash resources. Three different scenarios were considered:

- Management modelled the impact of a reduction in profitability to £30m (a level of profit the Group has exceeded in every year since 2013), whilst taking no mitigating actions.
- Management assessed the impact of a significant reduction in world seaborne trade similar to that experienced in the global financial crisis in 2008, the pandemic in 2020 and the Ukraine conflict in 2022: seaborne trade recovered in 2009, 2021 and 2023 along with the profitability of the Group. Since 1990 no two consecutive years have seen reductions in world seaborne trade.
- Management undertook a reverse stress test over a period of three years to determine what it might take for the Group to encounter financial difficulties. This test was based on current levels of overheads, the net cash and available funds position at 31 December 2023, the collection of debts and the invoicing and collection of the forward order book.

Under the first two scenarios, the Group is able to generate profits and cash, and has positive net cash and available funds* available to it. In the third scenario, current net cash and available funds* together with the collection of debts and the forward order book would leave sufficient cash resources to cover at least the next 12 months without any new business.

Accordingly, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for at least the next 12 months. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Except where noted, the accounting policies set out in this note have been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation

The Group's consolidated financial statements incorporate the results and net assets of Clarkson PLC and all its subsidiary undertakings made up to 31 December each year.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are unconsolidated from the date that control ceases.

See note W to the Parent Company financial statements for full details on subsidiaries.

* Classed as an APM. See pages 219 and 220 for further information.

2 Statement of accounting policies continued

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. However, for the purposes of segmental reporting, internal recharges are included within the appropriate segments.

2.2 Changes in accounting policy and disclosures

New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2023:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – Amendments to IAS 8; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 January 2023 and not early adopted

Certain new accounting standards, amendments to accounting standards, and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3 Critical accounting judgements and estimates

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

Judgements

Revenue recognition

IFRS 15 'Revenue from Contracts with Customers' requires the Group to assess its revenue streams, including whether the recognition of revenue should be at a 'point in time' or 'over time'. Where revenue is at a point in time, a judgement is also required as to at what point this is. The Group has defined and determined its performance obligations, which continues to be the successful satisfaction of the negotiated contract between counterparties and therefore recognises revenue at this point in time. This is a critical judgement, since if the performance obligation was deemed to be satisfied at an earlier point or over time, the revenue recognition would differ.

In addition, for certain clients, the Group considers that there is uncertainty at the time of invoicing as to whether the clients are capable of settling their invoices when due. The Group continues to trade with such clients which are deemed to be key market participants or preferred counterparties for certain transactions. At the point of revenue recognition, these amounts are invoiced but provisions are made which directly offset against revenue, on the basis consideration is not certain. See note 2.19 for further details.

Alternative performance measures

The Group excludes adjusting items (exceptional items and acquisition-related costs) from its underlying earnings measure. The Directors believe that alternative performance measures can provide users of the financial statements with a better understanding of the Group's underlying financial performance, if used properly. If improperly used and presented, these measures could mislead the users of the financial statements by obscuring the real profitability and financial position of the Group. Directors' judgement is required as to what items qualify for this classification. Further details are included on pages 219 and 220.

Recognition of software assets

A judgement is made regarding the decision to capitalise expenditure on the balance sheet relating to the development of software assets across the Group in accordance with IAS 38 'Intangible Assets'. This includes considering if the future economic benefit from the asset can be readily identified and estimated and will flow to the relevant entity in the Group. Once capitalised, a further judgement is made to determine the point at which the software becomes fully operational and thus when the asset will begin to be amortised through the income statement over its useful economic life.

IFRS 16 'Leases'

Key judgements made in calculating the initial measurement include determining the lease term where extension or termination options exist. In such instances, all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option, have been considered to determine the lease term. Extension periods (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated), such as for options with renewal dates in the next 12 months.

A judgement is made at the commencement of a lease as to whether elements of the contract are lease components or non-lease components. If an element does not convey the right to control the use of an identified asset for a period of time in exchange for consideration then this is treated as a non-lease component. The most significant non-lease component attributable to the Group is service charges.

Estimation uncertainty

The assumptions and estimates at the end of the current reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set on the next page.

2 Statement of accounting policies continued

Impairment of trade receivables

Trade receivables are amounts due from customers in the ordinary course of business. Trade receivables are classified as current assets if collection is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current assets.

The provision for impairment of receivables represents management's best estimate of expected credit losses to arise on trade receivables at the balance sheet date. Determining the amount of the provision includes analysis of specific customers' creditworthiness which may be impaired as indicated by the age of the invoice, the existence of any disputes, recent historical payment patterns and any known information regarding the client's financial position. In a limited number of circumstances, where doubt exists as to the ability to collect payment, a provision is made at the time of invoicing (see Judgements: Revenue recognition on page 162). For clients where a specific provision is not recognised, management is required to estimate expected credit losses in accordance with IFRS 9 'Financial Instruments'. This estimate takes into account the Group's history of bad debt write-offs and extended unpaid invoices for each of its segments and also views on market conditions both for certain business lines and territories. Determining the amount of a provision for impairment is inherently challenging and in a given year there is a risk this estimate may materially change in the following year, either due to successful, unforeseen collections or sudden deterioration or failures of clients. This is therefore deemed to be a critical accounting estimate. See note 15 for further details.

Impairment testing of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which assets on the balance sheet have been allocated. The value-in-use calculation requires estimation of future cash flows expected to arise for the cash-generating unit, the selection of suitable discount rates and the estimation of future growth rates. As determining such assumptions is inherently uncertain and subject to future factors, there is the potential that these may differ in subsequent periods. See note 14 for further details.

Employee benefits

The determination of the Group's defined benefit obligation depends on certain assumptions, such as the selection of the discount rate, inflation rates and mortality rates. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's financial statements within the next year. See note 23 for further details.

2.4 Property, plant and equipment

Land held for use in the production or supply of goods or services, or for administrative purposes, is stated on the balance sheet at its historical cost.

Freehold and long leasehold properties, leasehold improvements, office furniture and equipment and motor vehicles are recorded at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset.

Land is not depreciated. Depreciation on other assets is charged on a straight-line basis over the estimated useful life (after allowing for estimated residual value based on current prices) of the asset, and is charged from the time an asset becomes available for its intended use. Estimated useful lives are as follows:

Freehold and long leasehold properties	10 to 60 years
Leasehold improvements	Over the period of the lease
Office furniture and equipment	2 to 10 years
Motor vehicles	4 to 5 years

Estimates of useful lives and residual scrap values are assessed annually.

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss.

2.5 Investment properties

Land and buildings held for long-term investment and to earn rental income are classified as investment properties. Investment properties are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged on a straight-line basis over the estimated useful life of the asset, and is charged from the time an asset becomes available for its intended use. The estimated useful life of investment properties is 60 years.

In addition to historical cost accounting, the Directors have also presented, through additional narrative, the fair value of the investment properties in note 11.

2.6 Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

All transaction costs are expensed in the income statement as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the income statement. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units identified according to operating segment.

2 Statement of accounting policies continued

2.7 Intangible assets

Separately acquired intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Costs incurred on development projects, relating to the introduction or design of new systems or improvement of the existing systems, are only capitalised as intangible assets if capitalisation criteria under IAS 38 'Intangible Assets' are met; that is, where the related expenditure is separately identifiable, the costs are measurable and management is satisfied as to the ultimate technical and commercial viability of the project such that it will generate future economic benefits based on all relevant available information. Capitalised development costs are amortised from the date the system is fully operational over their expected useful lives (not exceeding five years). Other costs linked to development projects that do not meet the above criteria such as data population, research expenditure and staff training costs are recognised within administrative expenses as incurred.

Costs incurred in the provision and implementation of Software as a Service ('SaaS') agreements, including subscriptions, software configuration and customisation, data migration, testing and training are expensed in the income statement as incurred. To the extent that a SaaS agreement has a separately identifiable intangible asset that is material, the costs are capitalised until the software application use commences and then amortised over their expected useful life (not exceeding five years).

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement within administrative expenses.

Intangible assets are amortised as follows:

Trade name and non-contractual commercial relationships

Amortisation is calculated using estimates of revenues generated by each asset over their estimated useful lives which is up to 15 years.

Forward order book on acquisition

Amortisation is calculated based on expected future cash flows estimated to be up to five years.

Development costs

Amortisation is calculated from the point at which the asset is ready for use, over the estimated useful life which is up to five years.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Goodwill

The Group assesses whether there are any indicators that goodwill is impaired at each reporting date. Goodwill is tested for impairment annually.

Impairment of goodwill is determined by assessing the recoverable amount of the cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December.

2 Statement of accounting policies continued

2.9 Investments and other financial assets

Classification

Financial assets within the scope of IFRS 9 'Financial Instruments' are classified as financial assets at fair value through profit or loss ('FVPL'), financial assets at fair value through other comprehensive income ('FVOCI') and financial assets at amortised cost.

The Group determines the classification of its financial assets on initial recognition, taking into account the purpose for which the financial assets were acquired.

Financial assets at fair value through profit or loss ('FVPL')

These assets are measured at fair value. Net gains and losses are recognised in profit or loss in finance revenue or finance costs. Any interest or dividend income are recognised in profit or loss in finance revenue or finance costs. No assets were so designated at initial recognition of IFRS 9.

Financial assets at fair value through other comprehensive income ('FVOCI')

These assets are measured at fair value. Dividends are recognised when the entity's right to receive payment is established, it is probable the economic benefits will flow to the entity, and the amount can be measured reliably. Dividends are recognised in the income statement unless they clearly represent recovery of a part of the cost of the investment. Changes in fair value are recognised in other comprehensive income and are never recycled to the income statement, even if the asset is sold or impaired.

Recognition and measurement

Fair value

The fair value of investments in equity instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such valuation techniques include using recent arm's-length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis, or other valuation models.

Amortised cost

Loans and receivables are measured at amortised cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

2.10 Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

Impairment losses for trade receivables are recognised within revenue to the extent there is uncertainty at the time of invoicing as to whether the clients are capable of settling their invoices when due. A provision for impairment is made when there is objective evidence that the Group will not be able to collect all of the amounts due. The provision is determined with reference to specific analysis of increased credit loss risk for clients and lifetime expected credit losses applied to all other trade receivables (the simplified approach). The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectable.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out ('FIFO') method and excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of between one day and three months.

2.13 Derivative financial instruments and hedge accounting

The Group uses various derivative financial instruments to reduce exposure to foreign exchange movements. These can include foreign currency contracts and currency options. All derivative financial instruments are initially recognised on the balance sheet at their fair value adjusted for transaction costs.

The fair values of financial instrument derivatives are determined by reference to quoted prices in an active market.

The method of recognising the movements in the fair value of the derivative depends on whether the instrument has been designated as a hedging instrument (determined with reference to IFRS 9 'Financial Instruments') and, if so, the cash flow being hedged. To qualify for hedge accounting, the terms of the hedge must be clearly documented at inception and there must be an expectation that the derivative will be highly effective in offsetting changes in the cash flow of the hedged risk. Hedge effectiveness is tested throughout the life of the hedge and if at any point it is concluded that the relationship can no longer be expected to remain highly effective in achieving its objective, the hedge relationship is terminated. The Group designates the hedged risk as movements in the spot rate, with changes in the forward rate recognised in other comprehensive income.

Gains and losses on financial instrument derivatives which qualify for hedge accounting are recognised according to the nature of the hedge relationship and the item being hedged.

2 Statement of accounting policies continued

2.13 Derivative financial instruments and hedge accounting continued

Cash flow hedges: derivative financial instruments are classified as cash flow hedges when they hedge the Group's exposure to changes in cash flows attributable to a particular asset or liability or a highly probable forecast transaction. Gains or losses on designated cash flow hedges are recognised directly in equity in other comprehensive income, to the extent that they are determined to be effective. Any remaining portion of the gain or loss is recognised immediately in the income statement. On recognition of the hedged asset or liability, any gains or losses that had previously been recognised directly in equity are included in the initial measurement of the fair value of the asset or liability. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in equity remains there and is recognised in the income statement when the forecast transaction is ultimately recognised. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement and reported in revenue.

Where financial instrument derivatives do not qualify for hedge accounting, changes in the fair market value are recognised immediately in the income statement.

2.14 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Employee benefits

The Group operates various post-employment schemes, including both defined contribution and defined benefit pension plans.

Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension arrangements on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset/liability recognised in the balance sheet in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the end of the reporting period and the fair value of plan assets. Where the Group does not have an unconditional right to a scheme's surplus, this asset is not recognised in the balance sheet. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in administrative expenses.

The net interest revenue/cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This revenue/cost is included in other finance revenue – pensions in the income statement.

2.17 Share-based payment transactions

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby consideration is received in the form of equity instruments for services rendered (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of these awards were valued using either a Monte Carlo valuation model or a Black-Scholes model, depending on the type of award being valued. See note 22 for further details.

2 Statement of accounting policies continued

2.17 Share-based payment transactions continued

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share. See note 8 for further details.

The social security contributions payable in connection with the share options are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

2.18 Share capital

Ordinary shares are recognised in equity as share capital at their nominal value. The difference between consideration received and the nominal value is recognised in the share premium account, except when applying the merger relief provision of the Companies Act 2006.

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

Company shares held in trust in connection with the Group's employee share schemes are deducted from consolidated shareholders' equity. Purchases, sales and transfers of the Company's shares are disclosed as changes in consolidated shareholders' equity. The assets and liabilities of the trusts are consolidated in full into the Group's consolidated financial statements.

2.19 Revenue recognition

Revenue is recognised in accordance with satisfaction of performance obligations of contracts.

Broking

Shipbroking and offshore revenue consists of commission receivable and is predominantly recognised at a point in time. The point in time is deemed to be when the underlying parties to the transaction have completed their respective obligations and successfully fulfilled the contract between them as brokered and overseen by Clarksons.

The transaction price is fixed and determined with reference to the contracted commission rate for the broker. Broking revenue contracts vary, with certain contracts having a single performance obligation and others, such as newbuilds, containing multiple performance obligations. In the case of single performance obligation contracts, the transaction is allocated wholly against that performance obligation. In the case of multiple performance obligation contracts, the transaction price is allocated with reference to the agreed stages of completion in the underlying contract. The price for such stages is agreed between the underlying counterparties and Clarksons' commission is derived as a percentage of this. The stage of completion is deemed a reasonable proxy for the allocation of the total consideration transaction price to performance obligations in the contract.

Time charter commission revenue is recognised over time in line with the period of time for which the vessel is being chartered, which is deemed to be the most faithful representation of the service provided over the period of the contract. The transaction price is apportioned evenly over the life of the charter per the contract.

Futures broking commissions are recognised when the services have been performed.

Financial

Revenue consists of commissions and fees receivable from financial services activities. Fees from investment banking activities, syndication and other financial solutions are recognised at a point in time, on a success basis, when certain criteria in applicable agreements have been met. Financial revenue usually involves a single performance obligation (being successful execution of the relevant financial services activity). The transaction price is allocated wholly to the point in time when this performance obligation is satisfied. The transaction price usually is determined as a fixed percentage of the underlying financial services transaction.

Support

Agency income is recognised at a point in time when vessels arrive in port. The transaction price is clearly defined in the contract as the fee for providing the service and an agreed charge is made for disbursements, if applicable.

Revenue from the sale of goods is recognised on delivery of goods to the customer. The transaction price is clearly defined in the sales order for each product ordered.

Port services income is recognised on the vessel load or discharge completion date and stores rent on an over time basis. The transaction price is clearly defined in the contract as the fee per tonne of product loaded, stored or discharged.

Freight forwarding income is recognised on the date of dispatch of goods or services. The transaction price is clearly defined as per the quote provided to the customer for the storage or transportation of goods.

The transaction price is allocated wholly to the performance obligation.

2 Statement of accounting policies continued

2.19 Revenue recognition continued

Research

Revenue comprises both fees for one-off projects, which are recognised as and when services are performed, and sales of shipping publications and other information, which is recognised when the research products are delivered. Subscriptions to periodicals and other information are recognised over time, which is determined with reference to the subscription period and therefore the most faithful representation of how the client consumes the benefit. The transaction price is agreed in the contract and is on a per product basis and either recognised wholly at a point in time, or in the case of subscriptions, it is spread evenly over the subscription period. The transaction price is allocated wholly to the performance obligation.

Contract assets/liabilities

Except for Research, which is generally invoiced in advance, invoicing typically aligns with the timing that performance obligations are satisfied. Payment terms are set out in note 15.

At the year-end, there may be amounts where invoices have not been raised but performance obligations are deemed satisfied. These are recognised as contract assets and mainly arise in Broking and Financial. In Research, amounts invoiced ahead of performance obligations being satisfied are included as contract liabilities.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group considers the executive members of the Company's Board to be the chief operating decision maker.

Transactions between operating segments are at arm's length.

2.21 Foreign currencies

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value was determined.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into pounds sterling at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period as an approximation of rates prevailing at the date of the transaction. Exchange differences arising, if any, are recognised in the consolidated statement of comprehensive income and transferred to the Group's currency translation reserve. Such translation differences are recognised as income or expense in the period in which an operation is disposed. Cumulative translation differences have been set to zero at the date of transition to IFRS.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.22 Taxation

Current income tax

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

Current income tax is recognised in the income statement, except on items relating to equity, in which case the related current income tax is recognised directly in equity.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2 Statement of accounting policies continued

2.22 Taxation continued

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. In calculating future taxable profits, the forecasts considered were consistent with those used for the purposes of the Group's annual goodwill impairment testing and relevant future taxable profits were generally forecast for a minimum timeframe of five years. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year 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.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority, where there is an intention to settle the balances on a net basis.

2.23 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the lessee's incremental borrowing rate, as the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is based on the rate payable for loans of a similar term and asset value, or from a series of inputs including government bond yields and adjustments to take into account entity-specific risk profiles.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable; variable lease payments that depend on an index or rate; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) if one of the following occurs:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Non-lease components are charged to the income statement in line with the services being provided.

The right-of-use assets comprise the initial measurement of the corresponding lease liability less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Whenever the Group incurs an obligation for costs to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' with a corresponding entry within the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset and starts at the commencement date of the lease. See note 2.8 for the policy on impairment.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

All of the Group's leases are classified as operating leases with rental income from these leases recognised on a straight-line basis over the term of the relevant lease.

3 Revenue and expenses

	2023 £m	2022 £m
Revenue		
Revenue from contracts with customers	**639.0**	603.4
Revenue from other sources: rental income	**0.4**	0.4
	639.4	603.8

Revenue is disaggregated further in note 4, which is the level at which it is analysed within the business. Further information on the timing of transfer of goods and services for revenue streams is included in note 2. Included in revenue is £9.3m (2022: £7.9m) that was included in the contract liability balance at the beginning of the year.

The forward order book comprises contracts where the Group's performance obligations are not yet satisfied and accordingly, no revenue or asset is recognised.

	2023 £m	2022 £m
Cost of sales		
Agency services	**9.1**	5.9
Inventories	**19.6**	14.2
Other	**1.7**	1.7
	30.4	21.8

	2023 £m	2022 £m
Finance income		
Bank interest income	**9.6**	1.2
Dividend income	**0.1**	0.2
Other finance income	**0.8**	0.5
	10.5	1.9

	2023 £m	2022 £m
Finance costs		
Interest expenses on lease liabilities	**1.7**	1.9
Other finance costs	**0.5**	0.3
	2.2	2.2

	2023 £m	2022 £m
Other finance income – pensions		
Net benefit income	**0.7**	0.4

Operating profit

Operating profit from continuing operations is stated after charging/(crediting):

	2023 £m	2022 £m
Depreciation	**14.7**	13.7
Amortisation of intangible assets	**4.8**	4.1
Net foreign exchange losses/(gains)	**6.8**	(0.5)
Research and development	**16.2**	21.2
Short-term lease expense	**0.3**	0.3

3 Revenue and expenses continued

	2023 £000	2022 £000
Auditors' remuneration		
Fees payable to the Company's Auditors for the audit of the Company's and Group financial statements	**525**	350
Fees payable to the Company's Auditors and their associates for other services:		
The auditing of financial statements of subsidiaries of the Company	**443**	384
Audit-related assurance services	**94**	89
	1,062	823

Audit-related assurance services consists of £48,000 (2022: £46,500) in relation to the half year review and £46,000 (2022: £42,500) of other audit-related services in relation to required regulatory reporting.

	2023 £m	2022 £m
Employee compensation and benefits expense		
Wages and salaries	**370.2**	350.1
Social security costs	**34.2**	28.8
Share-based payment expense	**1.9**	1.8
Pension costs – defined contribution plans	**10.0**	9.3
	416.3	390.0

The numbers above include remuneration and pension entitlements for each Director. Details are included in the Director's Remuneration Report in the Directors' emoluments and compensation table on page 133. The Clarkson PLC Directors are considered to be the only key management personnel.

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

	2023	2022
Broking	**1,337**	1,256
Financial	**115**	106
Support	**361**	298
Research	**133**	123
	1,946	1,783

4 Segmental information

The Group considers the executive members of the Company's Board to be the chief operating decision maker. The Board receives segmental operating and financial information on a regular basis. The segments are determined by the class of business the Company provides and are Broking, Financial, Support and Research. This is consistent with the way the Group manages itself and with the format of the Group's internal financial reporting.

Clarksons' Broking division represents services provided to shipowners and charterers in the transportation by sea of a wide range of cargoes. It also represents services provided to buyers and sellers/yards relating to sale and purchase transactions. Also included is a futures broking operation which arranges principal-to-principal cash-settled contracts for differences based upon standardised freight contracts.

The Financial division represents full-service investment banking, specialising in the maritime, oil services and natural resources sectors. Clarksons also provides structured asset finance services and structured projects in the shipping, offshore and real estate sectors.

Support includes port and agency services representing ship agency services provided throughout the UK and Egypt.

Research services encompass the provision of shipping-related information and publications.

All areas of the business work closely together to provide the best possible service to our clients. Internal recharges are included within the appropriate segments. Segment revenue represents revenue from external customers.

The Group is not reliant on any major customer that contributes more than 10% of Group revenue.

4 Segmental information continued

Business segments

	Revenue		Results	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Broking	**516.8**	495.5	**121.2**	117.6
Financial	**44.1**	49.8	**6.6**	7.8
Support	**56.6**	39.0	**6.4**	5.0
Research	**21.9**	19.5	**8.4**	7.0
Segment revenue/profit	**639.4**	603.8	**142.6**	137.4
Head office costs			**(42.4)**	(36.6)
Operating profit before exceptional items and acquisition-related costs			**100.2**	100.8
Exceptional items			**2.2**	–
Acquisition-related costs			**(2.6)**	(0.8)
Operating profit			**99.8**	100.0
Finance income			**10.5**	1.9
Finance costs			**(2.2)**	(2.2)
Other finance income – pensions			**0.7**	0.4
Profit before taxation			**108.8**	100.1
Taxation			**(23.0)**	(20.5)
Profit for the year			**85.8**	79.6

Business segments

	Assets		Liabilities	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Broking	**665.0**	642.7	**286.6**	287.0
Financial	**76.1**	101.1	**26.0**	48.4
Support	**69.1**	41.6	**34.1**	16.4
Research	**10.9**	11.4	**14.1**	12.8
Segment assets/liabilities	**821.1**	796.8	**360.8**	364.6
Unallocated assets/liabilities	**54.5**	35.5	**58.2**	54.5
	875.6	832.3	**419.0**	419.1

Unallocated assets predominantly relate to head office cash balances and cash on deposit, the pension scheme surplus and tax assets. Unallocated liabilities include the pension scheme deficit, tax liabilities and head office accruals.

Business segments

	Non-current asset additions				Depreciation		Amortisation	
	Property, plant and equipment 2023 £m	**Intangible assets 2023 £m**	Property, plant and equipment 2022 £m	Intangible assets 2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Broking	**6.9**	**4.3**	11.5	9.3	**11.5**	11.0	**4.5**	4.1
Financial	**0.5**	**–**	0.8	–	**1.1**	1.2	**–**	–
Support	**8.9**	**2.8**	1.2	0.2	**1.7**	1.2	**0.3**	–
Research	**–**	**–**	–	–	**0.4**	0.2	**–**	–
	16.3	**7.1**	13.5	9.5	**14.7**	13.6	**4.8**	4.1

4 Segmental information continued

Geographical segments – by origin of invoice

	Revenue	
	2023 £m	2022 £m
Europe, Middle East and Africa*	**464.2**	434.4
Americas	**33.6**	32.2
Asia-Pacific	**141.6**	137.2
	639.4	603.8

Geographical segments – by location of assets

	Non-current assets**	
	2023 £m	2022 £m
Europe, Middle East and Africa*	**236.2**	237.7
Americas	**4.9**	5.4
Asia-Pacific	**12.9**	15.4
	254.0	258.5

* Includes revenue for the UK of £281.9m (2022: £254.0m) and non-current assets for the UK of £116.0m (2022: £117.2m).

** Non-current assets exclude deferred tax assets and employee benefits.

5 Exceptional items

In December 2023, the Group completed the sale of an industrial unit, which resulted in a gain of £3.5m, after transaction fees and costs. The Group donated £1.3m of the proceeds to The Clarkson Foundation. The net gain of £2.2m is shown as an exceptional item.

6 Acquisition-related costs

Included in acquisition-related costs is £0.2m (2022: £0.2m) relating to amortisation of intangibles acquired and £0.3m (2022: £0.3m) of cash and share-based payment charges relating to previous acquisitions.

Also included is £0.3m (2022: £nil) relating to amortisation of intangibles acquired and £1.6m (2022: £nil) of cash and share-based payment charges relating to current year acquisitions.

Included in administrative expenses is £0.2m (2022: £0.3m) of transaction costs relating to acquisitions in the current year. See note 13 for further details.

7 Taxation

Tax charged in the consolidated income statement is as follows:

	2023 £m	2022 £m
Current tax		
Tax on profits for the year	**27.3**	26.9
Adjustments in respect of prior years	**(0.8)**	(0.7)
	26.5	26.2
Deferred tax		
Origination and reversal of temporary differences	**(3.1)**	(4.9)
Impact of change in tax rates	**(0.4)**	(0.8)
	(3.5)	(5.7)
Total tax charge in the income statement	**23.0**	20.5

Tax relating to items charged/(credited) to equity is as follows:

		2023 £m	2022 £m
Current tax			
Employee benefits	– on pension benefits	**–**	(0.1)
Employee benefits	– other employee benefits	**(0.3)**	(0.3)
Other items in equity		**–**	0.4
		(0.3)	–
Deferred tax			
Employee benefits	– on pension benefits	**(0.5)**	(1.6)
Employee benefits	– other employee benefits	**0.5**	1.1
Foreign currency contracts		**2.5**	(1.8)
Other temporary differences		**(0.1)**	–
		2.4	(2.3)
Total tax charge/(credit) in the statement of changes in equity		**2.1**	(2.3)

Reconciliation of tax charge

The tax charge in the consolidated income statement for the year is lower (2022: higher) than the average standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are reconciled below:

	2023 £m	2022 £m
Profit before taxation	**108.8**	100.1
Profit at UK average standard rate of corporation tax of 23.5% (2022: 19%)	**25.6**	19.0
Effects of:		
Expenses not deductible for tax purposes	**2.4**	2.3
Non-taxable income	**(1.2)**	–
(Lower)/higher tax rates on overseas earnings	**(3.3)**	0.4
Tax losses recognised	**(0.4)**	(0.1)
Adjustments relating to prior year	**(1.2)**	(1.3)
Adjustments relating to changes in tax rates	**(0.4)**	(0.8)
Other adjustments	**1.5**	1.0
Total tax charge in the income statement	**23.0**	20.5

7 Taxation continued

Deferred tax

Deferred tax credited in the consolidated income statement is as follows:

		2023 £m	2022 £m
Employee benefits	– on pension benefits	**0.1**	(0.1)
Employee benefits	– on employee benefits	**(3.0)**	(6.7)
In relation to earnings of overseas subsidiaries		**0.3**	0.5
Other temporary differences		**(0.9)**	0.6
Deferred tax credit in the income statement		**(3.5)**	(5.7)

Deferred tax included in the balance sheet is as follows:

		2023 £m	2022 £m
Deferred tax assets			
Employee benefits	– on pension benefits	**–**	0.1
	– other employee benefits	**17.7**	15.8
Foreign currency contracts		**–**	1.7
Other temporary differences		**3.1**	0.9
Deferred tax assets before offset		**20.8**	18.5
Offset against deferred tax liabilities		**(4.0)**	(3.9)
Deferred tax assets in the balance sheet		**16.8**	14.6
Deferred tax liabilities			
Employee benefits	– on pension benefits	**(3.5)**	(3.9)
In relation to earnings of overseas subsidiaries		**(3.1)**	(2.8)
Foreign currency contracts		**(0.8)**	–
Intangible assets		**(2.4)**	(2.4)
Other temporary differences		**(3.6)**	(1.9)
Deferred tax liabilities before offset		**(13.4)**	(11.0)
Offset against deferred tax assets		**4.0**	3.9
Deferred tax liabilities in the balance sheet		**(9.4)**	(7.1)

Deferred tax assets and liabilities are offset and reported net where appropriate within territories.

Included in the above are deferred tax assets of £6.4m (2022: £8.3m) and deferred tax liabilities of £nil (2022: £nil) which are due within one year. Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

All deferred tax movements arise from the origination and reversal of temporary differences. The Group did not recognise a deferred tax asset of £2.7m (2022: £3.1m) in respect of unused tax losses of £8.4m (2022: £9.4m), which predominantly have either no expiry date or an expiry date of 10 years or more.

Deferred taxes at the balance sheet date have been measured using the appropriate enacted tax rates and are reflected in these financial statements.

8 Earnings per share

	2023		2022	
	Underlying £m	**Reported £m**	Underlying £m	Reported £m
Profit for the year attributable to equity holders of the Parent Company	**83.8**	**83.8**	76.3	75.6

	2023		2022	
	Underlying Million	**Reported Million**	Underlying Million	Reported Million
Weighted average number of ordinary shares (excluding share purchase trusts' shares) – basic	**30.5**	**30.5**	30.5	30.5
Dilutive effect of share options	**0.2**	**0.2**	0.2	0.2
Weighted average number of ordinary shares (excluding share purchase trusts' shares) – diluted	**30.7**	**30.7**	30.7	30.7

	2023		2022	
	Underlying Pence	**Reported Pence**	Underlying Pence	Reported Pence
Basic earnings per share	**275.0**	**275.2**	250.3	247.9
Diluted earnings per share	**273.5**	**273.6**	248.5	246.1

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

The share awards relating to Directors, where the performance conditions have not yet been met at the balance sheet date, are not included in the above numbers. The weighted average number of these shares was 50,196 (2022: nil).

There were 22,901 share options in relation to the employee ShareSave scheme that are not included because they are anti-dilutive at the year end (2022: 34,089). These options could potentially dilute basic earnings per share in the future.

9 Dividends

	2023 £m	2022 £m
Declared and paid during the year:		
Final dividend for 2022 of 64p per share (2021: 57p per share)	**19.3**	17.2
Interim dividend for 2023 of 30p per share (2022: 29p per share)	**9.0**	8.7
Dividend paid	**28.3**	25.9
Proposed for approval at the AGM (not recognised as a liability at 31 December):		
Final dividend for 2023 proposed of 72p per share (2022: 64p per share)	**22.1**	19.6

10 Property, plant and equipment

31 December 2023

	Freehold and long leasehold properties £m	Leasehold improvements £m	Office furniture and equipment £m	Motor vehicles £m	Total £m
Original cost					
At 1 January 2023	**10.0**	**20.6**	**27.3**	**1.1**	**59.0**
Additions	**1.8**	**1.6**	**4.5**	**0.1**	**8.0**
Arising on acquisitions	**–**	**0.2**	**0.1**	**0.1**	**0.4**
Disposals	**(0.2)**	**(0.3)**	**–**	**(0.3)**	**(0.8)**
Foreign exchange differences	**(0.3)**	**(0.4)**	**(0.5)**	**(0.1)**	**(1.3)**
At 31 December 2023	**11.3**	**21.7**	**31.4**	**0.9**	**65.3**
Accumulated depreciation					
At 1 January 2023	**2.1**	**11.0**	**19.6**	**0.8**	**33.5**
Charged during the year	**0.1**	**1.5**	**3.1**	**0.1**	**4.8**
Disposals	**(0.1)**	**(0.2)**	**–**	**(0.2)**	**(0.5)**
Foreign exchange differences	**(0.2)**	**(0.2)**	**(0.4)**	**(0.2)**	**(1.0)**
At 31 December 2023	**1.9**	**12.1**	**22.3**	**0.5**	**36.8**
Net book value at 31 December 2023	**9.4**	**9.6**	**9.1**	**0.4**	**28.5**

31 December 2022

	Freehold and long leasehold properties £m	Leasehold improvements £m	Office furniture and equipment £m	Motor vehicles £m	Total £m
Original cost					
At 1 January 2022	9.4	18.7	23.4	1.3	52.8
Additions	1.2	2.1	4.3	–	7.6
Arising on acquisitions	–	–	0.1	–	0.1
Disposals	(0.9)	(0.6)	(1.1)	(0.2)	(2.8)
Foreign exchange differences	0.3	0.4	0.6	–	1.3
At 31 December 2022	10.0	20.6	27.3	1.1	59.0
Accumulated depreciation					
At 1 January 2022	1.9	9.8	17.9	0.7	30.3
Charged during the year	0.2	1.4	2.3	0.2	4.1
Disposals	(0.1)	(0.5)	(1.1)	(0.1)	(1.8)
Foreign exchange differences	0.1	0.3	0.5	–	0.9
At 31 December 2022	2.1	11.0	19.6	0.8	33.5
Net book value at 31 December 2022	7.9	9.6	7.7	0.3	25.5

At 31 December 2023 there was £15.2m included in the above figures relating to fully depreciated property, plant and equipment that is still in use (2022: £13.6m).

11 Investment properties

	2023 £m	2022 £m
Cost		
At 1 January and 31 December	**2.1**	2.1
Accumulated depreciation		
At 1 January	**1.1**	0.9
Charged during the year*	**–**	0.1
Foreign exchange differences	**–**	0.1
At 31 December	**1.1**	1.1
Net book value at 31 December	**1.0**	1.0

* The depreciation charged during 2023 was less than £0.1m.

The fair value of the investment properties at 31 December 2023 was £2.2m (2022: £2.3m). This was based on valuations from external independent valuers who have the appropriate professional qualifications and recent experience of valuing properties in the location and of the type being valued.

12 Right-of-use assets

	Leasehold properties 2023 £m	Leasehold properties 2022 £m
Cost		
As at 1 January	**70.8**	69.5
Additions	**4.4**	5.9
Arising on acquisitions	**3.5**	–
Disposals	**(1.3)**	(6.6)
Foreign exchange differences	**(2.7)**	2.0
At 31 December	**74.7**	70.8
Accumulated depreciation		
As at 1 January	**31.5**	24.4
Charged during the year	**9.9**	9.5
Disposals	**(1.3)**	(3.3)
Foreign exchange differences	**(1.3)**	0.9
At 31 December	**38.8**	31.5
Net book value at 31 December	**35.9**	39.3

13 Intangible assets

31 December 2023

	Goodwill £m	Development costs £m	Other intangible assets £m	Total £m
Cost				
At 1 January 2023	**291.9**	**21.3**	**33.4**	**346.6**
Additions	**–**	**2.8**	**–**	**2.8**
Arising on acquisitions	**1.2**	**–**	**3.1**	**4.3**
Other (reclassification)	**–**	**1.2**	**(1.2)**	**–**
Foreign exchange differences	**(16.4)**	**–**	**(1.4)**	**(17.8)**
At 31 December 2023	**276.7**	**25.3**	**33.9**	**335.9**
Accumulated amortisation and impairment				
At 1 January 2023	**120.3**	**6.2**	**31.2**	**157.7**
Charged during the year	**–**	**4.2**	**0.6**	**4.8**
Foreign exchange differences	**(8.1)**	**–**	**(1.4)**	**(9.5)**
At 31 December 2023	**112.2**	**10.4**	**30.4**	**153.0**
Net book value at 31 December 2023	**164.5**	**14.9**	**3.5**	**182.9**

31 December 2022

	Goodwill £m	Development costs £m	Other intangible assets £m	Total £m
Cost				
At 1 January 2022	284.8	19.3	30.6	334.7
Additions	–	2.0	–	2.0
Arising on acquisitions	5.4	–	2.1	7.5
Other (reclassification)	(0.2)	–	0.2	–
Foreign exchange differences	1.9	–	0.5	2.4
At 31 December 2022	291.9	21.3	33.4	346.6
Accumulated amortisation and impairment				
At 1 January 2022	118.9	2.2	30.4	151.5
Charged during the year	–	4.0	0.1	4.1
Other (reclassification)	(0.1)	–	0.1	–
Foreign exchange differences	1.5	–	0.6	2.1
At 31 December 2022	120.3	6.2	31.2	157.7
Net book value at 31 December 2022	171.6	15.1	2.2	188.9

Development costs are amortised based on their estimated useful life, which will not typically exceed five years, when ready for use. These costs represent expenditure incurred in relation to the Sea suite of products, see page 56 for further details on Sea.

All intangible assets are held in the currency of the businesses acquired and are subject to foreign exchange retranslations to the closing rate at each year-end.

In 2023 the Group made acquisitions, which are detailed below, resulting in goodwill of £1.2m and £3.1m of other intangibles assets.

13 Intangible assets continued

Acquisitions – 2023

DHSS

On 6 February 2023, Clarkson Port Services B.V. (subsequently Clarkson Port Services Holdings B.V.) acquired 100% of the share capital of DHSS Service B.V., DHSS Logistics B.V., DHSS Projects B.V. and DHSS Aviation B.V., located in the Netherlands. The initial cash consideration was €4.6m (£4.1m), with a further €6.2m payable depending on the achievement of post-transaction earnings targets and ongoing employment.

On 22 December 2023, DHSS Aviation B.V., DHSS Logistics B.V. and DHSS Projects B.V. were merged into DHSS Service B.V. and on 29 December 2023, DHSS Service B.V. changed its name to Clarkson Port Services B.V.

This acquisition will provide a step change in Clarkson Port Services' offering, delivering significant added value to existing clients and presenting enhanced growth opportunities through the ability to tender for larger offshore renewables contracts internationally.

The goodwill of £0.1m is attributable to the team acquired.

MarDocs

On 28 March 2023, Maritech Services Limited acquired 100% of the MarDocs digital platform business from Marcura Platform Solutions Fze. MarDocs is a cloud-based management tool that enables charterers, owners and brokers to collaborate on fixture management and charterparty/recap documentation. Total consideration was US$1.5m (£1.2m).

The acquisition will bring significant strategic benefits and synergies to Sea by consolidating the MarDocs business into Sea's existing offering.

The goodwill of £0.5m is attributable to the synergies of an integrated service offering.

Recap Manager

On 31 March 2023, a further acquisition was completed by Maritech Services Limited. 100% of the share capital of Recap Manager Limited was acquired from the London Tanker Brokers' Panel Limited for negligible consideration.

The acquisition will enable Sea to create the leading contract management platform for the shipping industry.

The goodwill of £0.5m is attributable to the synergies of an integrated service offering.

Leme

On 31 October 2023, Clarksons Brasil Ltda entered into an Asset Purchase Agreement with a seller group, comprising Leme Chartering Comercio Maritimo Ltda and four individuals. Initial consideration was US$0.1m (£0.1m), with a further maximum amount payable of US$0.7m dependant on earn-out targets.

The acquisition expands our global coverage in dry cargo broking.

The goodwill of £0.1m is attributable to the team acquired.

The following table summarises the consideration paid, the provisional fair value of the net assets acquired, and the liabilities assumed, for each acquisition.

	DHSS £m	MarDocs £m	Recap Manager £m	Leme £m	Total £m
Intangible assets	2.2	0.9	–	–	3.1
Property, plant and equipment	0.4	–	–	–	0.4
Right-of-use assets	3.5	–	–	–	3.5
Trade and other receivables	5.5	–	0.1	–	5.6
Cash and cash equivalents	–	–	0.1	–	0.1
Total assets	11.6	0.9	0.2	–	12.7
Trade and other payables (current)	(3.5)	–	(0.2)	–	(3.7)
Lease liability (current)	(0.5)	–	–	–	(0.5)
Trade and other payables (non-current)	–	–	(0.5)	–	(0.5)
Lease liability (non-current)	(3.0)	–	–	–	(3.0)
Deferred tax liabilities	(0.6)	(0.2)	–	–	(0.8)
Total liabilities	(7.6)	(0.2)	(0.7)	–	(8.5)
Net identifiable assets acquired	4.0	0.7	(0.5)	–	4.2
Goodwill	0.1	0.5	0.5	0.1	1.2
Total consideration paid in cash	4.1	1.2	–	0.1	5.4

13 Intangible assets continued

The table below details the revenue and net profit after tax contributed to the Group since each respective acquisition date, together with consolidated pro-forma revenue and reported profit for the year ended 31 December 2023, if the acquisitions had occurred on 1 January 2023.

	DHSS £m	MarDocs £m	Recap Manager £m	Leme £m
Revenue contributed since acquisition	**10.8**	**0.3**	**0.5**	**–**
Net profit after tax since acquisition	**0.8**	**0.1**	**0.4**	**–**
Consolidated pro-forma revenue	**639.9**	**639.4**	**639.4**	**639.8**
Consolidated pro-forma reported profit for the year	**85.8**	**85.8**	**85.8**	**85.8**

These amounts have been calculated extrapolating the acquirees' results without the need for adjustments for differences in accounting policies, including the additional depreciation and amortisation that would have been charged assuming that the fair value adjustments to intangible assets had applied from 1 January 2023, together with the consequential tax effects.

This information is not necessarily indicative of the 2023 results of the combined Group had the acquisitions actually been made at the beginning of the period presented, or indicative of the future consolidated performance given the nature of the business acquired.

The table below sets out the net cash outflow of the acquisitions:

	2023 £m
Outflow of cash to acquire subsidiaries, net of cash acquired	
DHSS cash consideration	**4.1**
MarDocs cash consideration	**1.2**
Leme cash consideration	**0.1**
	5.4
Less: Cash acquired	**(0.1)**
Net outflow of cash – investing activities	**5.3**

Transaction costs of £0.2m are included in administrative expenses in the income statement and in operating cash flows in the cash flow statement.

Acquisitions – 2022

On 3 October 2022, Maritech Holdings Limited acquired 100% of the share capital of Chinsay AB (now Sea by Maritech Sweden AB) and its subsidiary Chinsay Pte. Ltd (now Sea by Maritech Singapore Pte. Ltd) for cash consideration of US$3.2m (£2.9m)

On 4 November 2022, Maritech Holdings Limited acquired 100% of the share capital of Setapp Sp. z.o.o. for cash consideration of €3.0m (£2.6m).

In 2022, Gibb Group Limited acquired 100% of the share capital of PPE Suppliers Limited for £0.2m.

Further information of these acquisitions, including details of the consideration paid, the fair value of the assets acquired and the liabilities assumed, can be found on pages 174 and 175 of the 2022 Annual Report.

14 Impairment testing of goodwill

Goodwill is allocated to the Group's cash-generating units ('CGUs') identified according to operating division.

The carrying amount of goodwill acquired through business combinations is as follows:

	2023 **£m**	2022 £m
Dry cargo chartering	**16.2**	16.1
Container chartering	**2.0**	2.0
Tankers chartering	**10.8**	10.6
Specialised products chartering	**13.1**	13.1
Gas chartering	**2.8**	2.8
Sale and purchase broking	**42.2**	45.8
Offshore broking	**46.3**	48.1
Securities	**13.0**	14.1
Project finance	**11.6**	12.6
Port and agency services	**3.2**	3.1
Research services	**3.3**	3.3
	164.5	171.6

The movement in the aggregate carrying value is analysed in more detail in note 13.

Goodwill is allocated to CGUs which are tested for impairment at least annually. The goodwill arising in each CGU is similar in nature and thus the testing for impairment uses the same approach.

The recoverable amounts of the CGUs are assessed using a value-in-use model. Value-in-use is calculated as the net present value of the projected risk-adjusted cash flows of the CGU to which the goodwill is allocated.

The key assumptions used for value-in-use calculations are as follows:
- The pre-tax discount rate for the chartering and broking CGUs is 12.3% (2022: 12.7%); port and agency services is 12.4% (2022: 13.3%); research services is 12.1% (2022: 13.2%); and for securities and project finance is 12.5% (2022: 13.4%). As all broking and chartering CGUs have operations that are global in nature and similar risk profiles, the same discount rate has been used.
- These discount rates are based on the Group's weighted average cost of capital ('WACC') and adjusted for CGU-specific risk factors. The Group's WACC is a function of the Group's cost of equity, derived using a Capital Asset Pricing Model. The cost of equity includes a number of variables to reflect the inherent risk of the business being evaluated.
- The cash flow projections are based on financial budgets and strategic plans approved by the Board, extrapolated over a five-year period. These assume a level of revenue and profits which are based on both past performance and expectations for future market development and take into account the cyclicality of the business in which the CGU operates. The effect on cash flows of climate change was considered but assessed to have no material impact at this time. Cash flows beyond the five-year period are extrapolated in perpetuity using a conservative growth rate of 1.7% (2022: 1.7%) across all CGUs.

The results of the Directors' review of goodwill indicate remaining headroom for all CGUs.

As the offshore broking and securities CGUs were subject to impairment in previous years, sensitivity analysis has been carried out using reasonably possible changes to key assumptions, none of which cause an impairment. An increase in the discount rate of 0.5% would decrease value-in-use by £2.1m for offshore broking and £0.5m for securities. A decrease in total pre-tax cash flows of 5% would decrease value-in-use by £3.0m for offshore broking and £1.0m for securities. For the other CGUs, there are no reasonably possible changes in key assumptions that would result in an impairment.

In light of continuing, global macro-economic and geo-political uncertainty, the Board keeps the carrying value of goodwill under constant review and continually monitors for any potential indicators of impairment.

15 Trade and other receivables

	2023 £m	2022 £m
Non-current		
Other receivables	**1.7**	2.6
Foreign currency contracts	**2.7**	–
	4.4	2.6
Current		
Trade receivables	**121.7**	127.2
Other receivables	**11.4**	10.3
Foreign currency contracts	**0.8**	0.1
Prepayments	**9.5**	9.0
Contract assets	**4.1**	3.5
	147.5	150.1

Trade receivables are non-interest bearing and are generally on terms payable within 90 days. As at 31 December 2023, the allowance for impairment of trade receivables was £21.9m (2022: £19.6m). The allowance is based on experience and ongoing market information about the creditworthiness of specific counterparties and expected credit losses in respect of the remaining balances.

The Group has unconditional rights to consideration in respect of trade receivables, except for £1.2m (2022: £1.1m) which relates to amounts invoiced in respect of subscriptions where revenue is recognised over time and the right to payment is conditional on satisfying this performance obligation. These amounts are deferred as revenue and included within the contract liability balance. See note 19.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of invoices over a period of 36 months before 1 January 2023 and the corresponding historical credit losses experienced within this period. These are then adjusted, if necessary, to reflect current and forward-looking information, such as the general economic condition of the market in which the counterparty operates.

The following table shows the exposure to credit risk and expected credit losses of trade receivables as at 31 December:

			2023			2022
	Expected loss rate %	**Gross carrying amount £m**	**Loss allowance £m**	Expected loss rate %	Gross carrying amount £m	Loss allowance £m
0 – 3 months	**3.5**	**108.5**	**3.8**	3.6	116.2	4.2
3 – 12 months	**25.3**	**22.7**	**5.7**	24.4	20.1	4.9
Over 12 months	**100.0**	**12.4**	**12.4**	100.0	10.5	10.5
		143.6	**21.9**		146.8	19.6

Movements in the loss allowance for trade receivables were as follows:

	2023 £m	2022 £m
At 1 January	**19.6**	12.9
Release of loss allowance	**(11.8)**	(8.2)
Receivables written off during the year as uncollectible	**(0.5)**	(0.3)
Increase in loss allowance	**15.7**	14.3
Foreign exchange differences	**(1.1)**	0.9
At 31 December	**21.9**	19.6

Included within the movements in the loss allowance were amounts which were provided at the time of invoicing for which no revenue has been recognised, because collectability was not considered probable; see note 2. The other classes within trade and other receivables do not include any impaired items.

15 Trade and other receivables continued

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2023 **£m**	2022 £m
US dollar	**83.3**	81.7
Sterling	**24.1**	19.8
Norwegian krone	**5.5**	22.9
Other currencies	**8.8**	2.8
	121.7	127.2

16 Investments

	2023 **£m**	2022 £m
Non-current		
Financial assets at fair value through profit or loss	**1.3**	1.2
	1.3	1.2
Current		
Cash on deposit	**37.8**	3.1
Government bonds	**2.1**	–
Financial assets at fair value through profit or loss	**0.2**	0.4
	40.1	3.5

The non-current financial assets at fair value through profit or loss relate to equity and other investments. The Group held deposits totalling £37.8m (2022: £3.1m) with maturity periods greater than three months and £2.1m of government bonds (2022: £nil). Current financial assets at fair value through profit or loss relate to convertible bonds in the Financial segment.

17 Inventories

	2023 **£m**	2022 £m
Finished goods	**3.3**	2.4

The cost of inventories recognised as an expense and included in cost of sales amounted to £19.6m (2022: £14.2m).

18 Cash and cash equivalents

	2023 **£m**	2022 £m
Cash at bank and in hand	**281.2**	320.1
Short-term deposits	**117.7**	64.3
	398.9	384.4

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is £398.9m (2022: £384.4m).

Included in cash at bank and in hand is £1.6m (2022: £12.4m) of restricted funds relating to employee taxes, security trading deposits pending settlement and other commitments.

19 Trade and other payables

	2023 £m	2022 £m
Current		
Trade payables	**34.4**	50.0
Other payables	**19.6**	10.5
Other tax and social security	**5.7**	12.3
Deferred consideration	**0.4**	–
Foreign currency contracts	**–**	3.7
Bonus accruals	**237.7**	225.8
Other accruals	**30.1**	24.1
Contract liabilities	**11.5**	9.5
	339.4	335.9
Non-current		
Other payables	**3.2**	2.5
Foreign currency contracts	**–**	3.3
	3.2	5.8

Trade payables and other payables are non-interest bearing and are normally settled on demand.

20 Lease liabilities

	2023 £m	2022 £m
Current		
Lease liabilities	**10.4**	9.9
Non-current		
Lease liabilities	**32.8**	37.7

A maturity analysis of undiscounted lease liability payments is included within note 28.

Included within lease liabilities are £10.0m (2022: £11.8m) of leases where payments are linked to an index. The liabilities in relation to these leases are only adjusted as and when the change in rental cash flows takes effect.

21 Provisions

	2023 £m	2022 £m
Current		
At 1 January	**0.6**	0.6
Arising during the year	**0.1**	0.2
Foreign exchange differences	**(0.1)**	(0.2)
At 31 December	**0.6**	0.6
Non-current		
At 1 January	**1.9**	1.6
Arising during the year	**–**	0.3
At 31 December	**1.9**	1.9

Provisions include amounts recognised for the dilapidation of various leasehold premises of £1.5m (2022: £1.5m) which will be utilised on cessation of the lease and £0.9m (2022: £1.0m) in relation to provisions for employee benefits.

22 Share-based payment plans

	2023 £m	2022 £m
Expense arising from equity-settled share-based payment transactions	**1.9**	1.8

The share-based payment plans are described below. There were no cancellations or modifications to any of the plans during 2023 or 2022.

Share options

Long-term incentive awards

Details of the long-term incentive awards are included in the Directors' Remuneration Report on page 143. Awards made to the Directors are given in the Directors' Remuneration Report on page 136. The fair value of awards that are not subject to a market-based performance condition were valued using a Black-Scholes model. The fair value of awards subject to a market-based performance condition were valued using a stochastic model. For awards subject to a holding period a Chaffe protective put method was used to estimate a discount for the lack of marketability.

ShareSave scheme

The ShareSave scheme (or local equivalent) enables eligible employees to acquire options to purchase ordinary shares in the Company at a discount. To participate in the scheme, the employees are required to save a set amount each month, up to a maximum of £500 (or local equivalent) per month, for a period of 24 to 36 months, depending on their jurisdiction. Under the terms of the scheme, at the end of the savings period the employees are entitled to purchase shares using their savings at a price of 15% to 20% (depending on jurisdiction) below the market price just ahead of the invitation date. Employees that remain in service at the end of the savings period and make the required savings from their monthly salary for the savings period will become entitled to purchase the shares. Employees who cease their employment, do not save the required amount from their monthly salary, or elect not to exercise their option to purchase shares will be refunded their full savings. In certain circumstances, employees who cease their employment may exercise their option to purchase shares. The fair value of these awards was valued using a Black-Scholes model.

Movements in the year

The following table illustrates the number of, and movements in, share options during the year:

	Outstanding at 1 January 2023	Granted in year	Lapsed in year	Exercised in year	Outstanding at 31 December 2023	Exercisable at 31 December 2023	Weighted average contractual life Years
Long-term incentive awards[1]	**141,518**	**43,902**	**(263)**	**–**	**185,157**	**55,947**	**7.69**
2019 ShareSave[2]	**39,386**	**–**	**(1,561)**	**(37,825)**	**–**	**–**	**–**
2020 ShareSave[3]	**104,274**	**–**	**(4,663)**	**(65,410)**	**34,201**	**34,201**	**0.33**
2021 ShareSave[4]	**34,089**	**–**	**(11,188)**	**–**	**22,901**	**–**	**1.33**
2022 ShareSave[5]	**234,254**	**–**	**(32,404)**	**(153)**	**201,697**	**–**	**2.28**
2023 ShareSave[6]	**–**	**168,443**	**(2,113)**	**–**	**166,330**	**–**	**3.30**
	553,521	**212,345**	**(52,192)**	**(103,388)**	**610,286**	**90,148**	

The exercise prices for share options outstanding at the year-end were: [1]£nil, [2]N/A, [3]£19.28, [4]£31.44, [5]£22.05–£22.51, [6]£21.62–£23.07.

The weighted average exercise price for each movement in share options are as follows:

	Outstanding at 1 January 2023 £	Granted in year £	Lapsed in year £	Exercised in year £	Outstanding at 31 December 2023 £	Exercisable at 31 December 2023 £
Long-term incentive awards	**–**	**–**	**–**	**–**	**–**	**–**
ShareSave	**22.02**	**21.65**	**24.02**	**18.93**	**22.39**	**19.28**
Total	**16.39**	**17.17**	**23.90**	**18.93**	**15.59**	**7.30**

The weighted average share price at the date of exercise was £29.08.

22 Share-based payment plans continued

The following table illustrates the number of, and movements in, share options for the previous year:

	Outstanding at 1 January 2022	Granted in year	Lapsed in year	Exercised in year	Outstanding at 31 December 2022	Exercisable at 31 December 2022	Weighted average contractual life Years
Long-term incentive awards[1]	160,003	38,548	–	(57,033)	141,518	–	8.19
2018 ShareSave[2]	17,218	–	(660)	(16,558)	–	–	–
2019 ShareSave[3]	164,784	–	(3,756)	(121,642)	39,386	39,386	0.33
2020 ShareSave[4]	114,001	–	(6,581)	(3,146)	104,274	–	1.33
2021 ShareSave[5]	66,313	–	(32,224)	–	34,089	–	2.24
2022 ShareSave[6]	–	237,327	(3,073)	–	234,254	–	3.28
	522,319	275,875	(46,294)	(198,379)	553,521	39,386	

The exercise prices for share options outstanding at the year-end were: [1]£nil, [2]£22.12, [3]£18.30, [4]£19.28, [5]£31.44–£32.18, [6]£22.05–£22.51.

The weighted average exercise price for each movement in share options are as follows:

	Outstanding at 1 January 2022 £	Granted in year £	Lapsed in year £	Exercised in year £	Outstanding at 31 December 2022 £	Exercisable at 31 December 2022 £
Long-term incentive awards	–	–	–	–	–	–
ShareSave	21.21	22.50	27.95	18.78	22.02	18.30
Total	14.71	19.35	27.95	13.38	16.39	18.30

The weighted average share price at the date of exercise was £30.92.

Significant inputs

The inputs into the models used to value options granted in the period fell within the following ranges:

	2023	2022
Share price at date of grant (£)	**27.35–30.95**	26.30–34.45
Exercise price (£)	**0.00–23.07**	0.00–22.51
Expected term (years)	**2.0–3.3**	2.0–3.3
Risk-free interest rate (%)	**3.7–4.7**	1.7–4.4
Expected dividend yield (%)	**0.0–3.4**	0.0–3.3
Expected volatility (%)	**31.5–32.5**	32.1–35.3

Expected volatility is calculated using historical data, where available, over the period of time commensurate with the remaining performance period for long-term incentive awards and the expected award term for the ShareSave scheme, as at the date of grant.

Other employee incentives

During the year, 1,454,526 shares (2022: 562,184 shares) at a weighted average price of £30.70 (2022: £33.06) were awarded to employees in settlement of 2022 (2021) cash bonuses.

The fair value of these shares was determined based on the market price at the date of grant.

23 Employee benefits

The Group operates three final salary defined benefit pension schemes, being the Clarkson PLC scheme, the Plowrights scheme and the Stewarts scheme, all within the UK. The schemes are all registered as occupational pension schemes with HMRC and are subject to UK legislation and oversight from the Pensions Regulator. These are funded by the payment of contributions to separate trusts administered by Trustees who are required to act in the best interests of the schemes' beneficiaries. Responsibility for governance of each scheme lies with the respective board of trustees in accordance with the rules applicable to that scheme. Currently each board of trustees includes a representative of the relevant principal employer. The schemes' assets are invested in a range of pooled pension investment funds managed by professional fund managers.

Defined benefit pension arrangements give rise to open-ended commitments and liabilities for the sponsoring company. As a consequence, the Company closed its original defined benefit section of the Clarkson PLC scheme to new entrants on 31 March 2004. This section was closed to further accrual for all existing members as from 31 March 2006. The Plowrights scheme was closed to further accrual from 1 January 2006. The Stewarts scheme was closed to further accrual on 1 January 2004.

Every three years, a pension scheme must obtain from an actuary a report containing a valuation and a recommendation on rates of contribution. UK legislation requires that pension schemes are funded prudently and must adhere to the statutory funding objective. Triennial valuations for all the schemes have been prepared as detailed below.

The actuarial valuation of the Clarkson PLC scheme shows a pension surplus on an ongoing basis of £11.5m (105%) as at 31 March 2022. Following the 2016 valuation, Clarkson PLC and the Trustees agreed to cease funding with effect from 1 October 2016. Since 1 May 2021 all expenses of the scheme will be met from the surplus assets.

The actuarial valuation of the Plowrights scheme shows a pension surplus on an ongoing basis of £3.0m (108%) as at 31 March 2022. Clarkson PLC and the Trustees agreed to cease funding with effect from 1 December 2019. The expenses for the scheme will be met from the surplus assets.

The actuarial valuation of the Stewarts scheme showed a pension surplus on an ongoing basis of £0.1m (100%) as at 1 September 2021. Clarksons Offshore and Renewables Limited will continue to pay contributions of £0.4m per annum, which will include scheme expenses.

The Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if a scheme's assets underperform this yield, this will create a deficit. The largest two schemes have de-risked by replacing their equity holdings with less volatile investments.

Changes in bond yields

A decrease in corporate bond yields will increase a scheme's liabilities, although this will be partially offset by an increase in the value of the schemes' bond holdings.

Inflation risk

Some of the Group pension obligations are linked to inflation. The majority of the schemes' assets are either unaffected by (fixed-interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the schemes' liabilities.

Other pension arrangements

Overseas pension arrangements have been determined in accordance with local practice and regulations. One such defined benefit arrangement is in Greece whereby the employer is obligated to pay an indemnity to employees on retirement.

The Group also operates various other defined contribution pension arrangements. Where required, the Group also makes contributions to these schemes.

23 Employee benefits continued

The Group incurs no material expenses in the provision of post-retirement benefits other than pensions.

The following information relates to the sum of the three separate UK schemes.

Recognised in the balance sheet

	2023 £m	2022 £m
Fair value of schemes' assets	**131.3**	134.7
Present value of funded defined benefit obligations	**(115.5)**	(115.2)
	15.8	19.5
Effect of asset ceiling in relation to the Plowrights scheme	**(2.4)**	(4.1)
Net benefit asset recognised in the balance sheet	**13.4**	15.4

The net benefit asset disclosed above is the combined total of the three UK schemes. The Clarkson PLC scheme has a surplus of £13.8m (2022: £15.8m), the Plowrights scheme has a recognised surplus of £nil (2022: £nil), and the Stewarts scheme has a deficit of £0.4m (2022: £0.4m). As there is no right of set-off between the schemes, the benefit asset of £13.8m (2022: £15.8m) is disclosed separately on the balance sheet from the benefit liability of £0.4m (2022: £0.4m).

The surplus in the Clarkson PLC scheme is recognised, as there are future economic benefits available in the form of a reduction in future contributions to the defined contribution section of the scheme and, in the event of wind up, excess surplus is refundable to the Group. There are no such future economic benefits in respect of the Plowrights scheme and therefore the surplus of £2.4m (2022: £4.1m) cannot be recognised.

A deferred tax asset on the benefit liability amounting to £nil (2022: £0.1m) and a deferred tax liability on the benefit asset of £3.5m (2022: £3.9m) is shown in note 7.

Recognised in the income statement

	2023 £m	2022 £m
Recognised in other finance income – pensions:		
Expected return on schemes' assets	**6.5**	3.6
Interest cost on benefit obligation and asset ceiling	**(5.8)**	(3.2)
Recognised in administrative expenses:		
Scheme administrative expenses	**(1.0)**	(0.8)
Net benefit charge recognised in the income statement	**(0.3)**	(0.4)

Recognised in the statement of comprehensive income

	2023 £m	2022 £m
Actual return on schemes' assets	**5.5**	(59.0)
Less: expected return on schemes' assets	**(6.5)**	(3.6)
Actuarial loss on schemes' assets	**(1.0)**	(62.6)
Actuarial (loss)/gain on defined benefit obligations	**(3.1)**	54.7
Actuarial loss recognised in the statement of comprehensive income	**(4.1)**	(7.9)
Tax credit on actuarial loss	**1.0**	1.2
Release of asset ceiling in relation to the Plowrights scheme	**1.9**	1.3
Tax charge on asset ceiling	**(0.4)**	(0.2)
Tax credit on change in tax rates	**–**	0.1
Net actuarial loss on employee benefit obligations	**(1.6)**	(5.5)
Cumulative amount of actuarial (losses)/gains, before tax, recognised in the statement of comprehensive income	**(2.7)**	1.4

23 Employee benefits continued

Schemes' assets

	2023		2022	
	%	**£m**	%	£m
Equities*	**1.2**	**1.6**	1.1	1.5
Government bonds*	**30.8**	**40.5**	39.5	53.2
Corporate bonds*	**28.7**	**37.7**	30.4	40.9
Investment funds*	**21.9**	**28.7**	25.6	34.5
Cash and other assets	**17.4**	**22.8**	3.4	4.6
	100.0	**131.3**	100.0	134.7

* The schemes' assets are invested in pooled investment vehicles which are unquoted. The allocation in the table above considers the underlying assets of these funds.

Net defined benefit asset

Changes in the fair value of the net defined benefit asset are as follows:

31 December 2023

	Present value of obligation £m	Fair value of plan assets £m	Total £m	Impact of asset ceiling £m	Total £m
At 1 January 2023	**(115.2)**	**134.7**	**19.5**	**(4.1)**	**15.4**
Expected return on assets	**–**	**6.5**	**6.5**	**–**	**6.5**
Interest costs	**(5.6)**	**–**	**(5.6)**	**(0.2)**	**(5.8)**
Employer contributions	**–**	**0.4**	**0.4**	**–**	**0.4**
Administrative expenses	**–**	**(1.0)**	**(1.0)**	**–**	**(1.0)**
Benefits paid	**8.4**	**(8.3)**	**0.1**	**–**	**0.1**
Actuarial (loss)/gain	**(3.1)**	**(1.0)**	**(4.1)**	**1.9**	**(2.2)**
At 31 December 2023	**(115.5)**	**131.3**	**15.8**	**(2.4)**	**13.4**

31 December 2022

	Present value of obligation £m	Fair value of plan assets £m	Total £m	Impact of asset ceiling £m	Total £m
At 1 January 2022	(174.2)	201.5	27.3	(5.3)	22.0
Expected return on assets	–	3.6	3.6	–	3.6
Interest costs	(3.1)	–	(3.1)	(0.1)	(3.2)
Employer contributions	–	0.4	0.4	–	0.4
Administrative expenses	–	(0.8)	(0.8)	–	(0.8)
Benefits paid	7.4	(7.4)	–	–	–
Actuarial gain/(loss)	54.7	(62.6)	(7.9)	1.3	(6.6)
At 31 December 2022	(115.2)	134.7	19.5	(4.1)	15.4

The Group expects, based on the valuations and funding requirements including expenses, to contribute £0.1m to its defined benefit pension schemes in 2024. (2023: £0.4m).

The principal weighted average valuation assumptions are as follows:

	2023 %	2022 %
Rate of increase in pensions in payment	**3.1**	3.1
Price inflation (RPI)	**3.1/3.2**	3.3
Price inflation (CPI)	**2.8**	2.8
Discount rate for scheme liabilities	**4.8**	5.0

23 Employee benefits continued

The mortality assumptions used to assess the defined benefit obligations at 31 December 2023 and 31 December 2022 are based on the 'SAPS' standard mortality tables, being S3PA for the Clarkson PLC scheme with a scheme-specific adjustment of 90% (2022: 90%), S3PA for the Plowrights scheme with a scheme-specific adjustment of 84% for males and 98% for females (2022: S3PA 84% for males and 98% for females) and for the Stewarts scheme 100% of S3PA 'light' for males and 100% of S3PA for females (2022: 100% of S3PA). These tables have been adjusted to allow for anticipated future improvements in life expectancy using the standard projection model published in 2023 (2022: model published in 2022). Examples of the assumed future life expectancy are given in the table below:

		Additional years **2023**	2022
Post-retirement life expectancy on retirement at age 65:			
Employees retiring in the year	– male	**22.7**	22.2–23.5
	– female	**23.9–24.7**	24.5–25.2
Employees retiring in 20 years' time	– male	**23.5–24.0**	23.5–24.8
	– female	**25.3–26.0**	25.9–26.6

Experience adjustments

	2023 £m	2022 £m
Experience loss on schemes' assets	**(1.0)**	(62.6)
Gain/(loss) on schemes' liabilities due to changes in demographic assumptions	**2.9**	(0.3)
(Loss)/gain on schemes' liabilities due to changes in financial assumptions	**(3.7)**	67.6
Loss on schemes' liabilities due to experience adjustments	**(2.3)**	(12.6)
Gain on asset ceiling	**1.9**	1.3
Actuarial loss	**(2.2)**	(6.6)
Income tax credit on actuarial loss	**0.6**	1.1
Actuarial loss – net of tax	**(1.6)**	(5.5)

Sensitivities

The table below shows the sensitivity of the defined benefit obligation to changes to the most significant actuarial assumptions. The impact of changes to each assumption is shown in isolation although, in practice, changes to assumptions may occur at the same time and can either offset or compound the overall impact on the defined benefit obligation. A change of 0.25% is deemed appropriate given the movement in assumptions during the current and previous years. The sensitivities have been calculated using the same methodology as the main calculations. The weighted average duration of the defined obligation is 13 years.

		2023		2022
	Change in assumption %	**Change in defined benefit obligation %**	Change in assumption %	Change in defined benefit obligation %
Discount rate for scheme liabilities	**0.25**	**(2.9)**	0.25	(2.9)
	(0.25)	**3.1**	(0.25)	3.1
Price inflation (RPI)	**0.25**	**2.4**	0.25	2.4
	(0.25)	**(2.4)**	(0.25)	(2.3)

An increase of one year in the assumed life expectancy for both males and females would increase the benefit obligation by 3.4% (2022: 3.3%).

24 Share capital

Ordinary shares of 25p each, issued and fully paid:

	Number of shares	**2023 £m**	Number of shares	2022 £m
At 1 January	**30,622,110**	**7.7**	30,480,764	7.6
Additions	**103,388**	**–**	141,346	0.1
At 31 December	**30,725,498**	**7.7**	30,622,110	7.7

During the year, the Company issued 103,388 shares (2022: 141,346) in relation to the ShareSave scheme. The difference between the exercise price (ranging from £18.30-£22.51 (2022: £18.30-£22.12)) and the nominal value of £0.25 was taken to the share premium account, see note 25.

Shares held by Employee Benefit Trusts

The trustees have waived their right to dividends on the unallocated shares held in the employee share trust.

25 Other reserves

31 December 2023

	Share premium £m	ESOP reserve £m	Employee benefits reserve £m	Capital redemption reserve £m	Hedging reserve £m	Merger reserve £m	Currency translation reserve £m	Total £m
At 1 January 2023	**36.5**	**–**	**3.7**	**2.0**	**(5.1)**	**55.7**	**22.0**	**114.8**
Other comprehensive income/(loss):								
Foreign exchange differences on retranslation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**(17.2)**	**(17.2)**
Foreign currency hedges recycled to profit or loss – net of tax	**–**	**–**	**–**	**–**	**2.1**	**–**	**–**	**2.1**
Foreign currency hedge revaluations – net of tax	**–**	**–**	**–**	**–**	**5.7**	**–**	**–**	**5.7**
Total other comprehensive income/(loss)	**–**	**–**	**–**	**–**	**7.8**	**–**	**(17.2)**	**(9.4)**
Share issues	**1.9**	**–**	**–**	**–**	**–**	**–**	**–**	**1.9**
Employee share schemes:								
Share-based payments expense	**–**	**–**	**1.9**	**–**	**–**	**–**	**–**	**1.9**
Transfer to profit and loss on vesting	**–**	**–**	**(1.5)**	**–**	**–**	**–**	**–**	**(1.5)**
ESOP shares acquired	**–**	**(49.5)**	**–**	**–**	**–**	**–**	**–**	**(49.5)**
Equity-settled liabilities	**–**	**46.7**	**–**	**–**	**–**	**–**	**–**	**46.7**
Total employee share schemes	**–**	**(2.8)**	**0.4**	**–**	**–**	**–**	**–**	**(2.4)**
At 31 December 2023	**38.4**	**(2.8)**	**4.1**	**2.0**	**2.7**	**55.7**	**4.8**	**104.9**

31 December 2022

	Share premium £m	ESOP reserve £m	Employee benefits reserve £m	Capital redemption reserve £m	Hedging reserve £m	Merger reserve £m	Currency translation reserve £m	Total £m
At 1 January 2022	33.9	(0.5)	3.9	2.0	0.5	55.7	8.5	104.0
Other comprehensive (loss)/income:								
Foreign exchange differences on retranslation of foreign operations	–	–	–	–	–	–	13.5	13.5
Foreign currency hedges recycled to profit or loss – net of tax	–	–	–	–	3.3	–	–	3.3
Foreign currency hedge revaluations – net of tax	–	–	–	–	(8.9)	–	–	(8.9)
Total other comprehensive (loss)/income	–	–	–	–	(5.6)	–	13.5	7.9
Share issues	2.6	–	–	–	–	–	–	2.6
Employee share schemes:								
Share-based payments expense	–	–	1.8	–	–	–	–	1.8
Transfer to profit and loss on vesting	–	2.0	(2.0)	–	–	–	–	–
ESOP shares acquired	–	(20.4)	–	–	–	–	–	(20.4)
Equity-settled liabilities	–	18.9	–	–	–	–	–	18.9
Total employee share schemes	–	0.5	(0.2)	–	–	–	–	0.3
At 31 December 2022	36.5	–	3.7	2.0	(5.1)	55.7	22.0	114.8

25 Other reserves continued

Nature and purpose of other reserves

ESOP reserve

The ESOP reserve in the Group represents 96,655 shares (2022: nil shares) purchased by the Employee Benefit Trusts to meet obligations under various incentive schemes. The shares are stated at cost. The market value of these shares at 31 December 2023 was £3.1m (2022: £nil). At 31 December 2023 none of these shares were under option (2022: none). During the year the share purchase trusts acquired 1,531,668 shares at a weighted average price of £32.29 (2022: 576,894 shares at £35.34); see note 22 for further details of share incentive schemes.

Employee benefits reserve

The employee benefits reserve is used to record the value of equity-settled share-based payments provided to employees. Details are included in note 22.

Capital redemption reserve

The capital redemption reserve arose on previous share buy-backs by Clarkson PLC.

Hedging reserve

This reserve comprises the effective portion of the fair value of cash flow hedging instruments relating to hedged transactions that have not yet occurred. Realised hedges are recycled to the statement of comprehensive income. Movements are net of tax. Further details on hedging are shown in note 28.

Merger reserve

This comprises the premium on the share placing in November 2014 and the shares issued in February 2015 as part of the acquisition of Clarksons Norway AS (formerly Clarksons Platou AS/RS Platou ASA). No share premium is recorded in the financial statements, through the operation of the merger relief provisions of the Companies Act 2006.

Currency translation reserve

The currency translation reserve represents the currency translation differences arising from the consolidation of foreign operations.

26 Financial commitments and contingencies

Contingencies

The Group has given no financial commitments to suppliers (2022: none).

The Group has given no guarantees (2022: none).

From time to time, the Group is engaged in litigation in the ordinary course of business. The Group carries professional indemnity insurance.

There is currently no litigation that is expected to have a material adverse financial impact on the Group's consolidated results or net assets.

The Group also maintained throughout the financial year Directors' and Officers' liability insurance in respect of its Directors.

27 Events occurring after the reporting period

In February 2024, Gibb Group Ltd acquired 100% of the share capital of Trauma & Resuscitation Services Limited for a cash consideration of £2.0m and additional maximum deferred consideration (including earn-out) of £3.3m.

28 Financial risk management objectives and policies

The Group's principal financial liabilities comprise trade and other payables and lease liabilities. The Group's principal financial assets are trade receivables, investments, cash and cash equivalents and short-term deposits, which arise directly from its operations.

The Group has not entered into derivative transactions other than the forward currency contracts explained later in this section. It is, and was throughout 2023 and 2022, the Group's policy that no trading in derivatives shall be undertaken for speculative purposes.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign exchange risk. The Board reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

The Group seeks to trade only with recognised, creditworthy third parties. Credit risk arises when debtors fail to pay their obligations. Receivable balances are monitored on an ongoing basis and any potential bad debts identified at an early stage. The maximum exposure is the carrying amounts as disclosed in note 15; based on experience and ongoing market information about the creditworthiness of counterparties, we reasonably expect to collect all amounts unimpaired. There are no significant concentrations of credit risk within the Group, due to the large number of customers comprising the Group's customer base.

Trade receivables are written off when there is no reasonable expectation of recovery, such as the commencement of legal proceedings, financial difficulties of the counterparty, or a significant time period has elapsed since the debt was due. Impairment losses on trade receivables are presented within administrative expenses. In a limited number of circumstances, where doubt exists as to the ability to collect payment, a provision is made at the time of invoicing and included within revenue. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets are written off when there is no reasonable expectation of recovery, such as the commencement of legal proceedings, financial difficulties of the counterparty, or a significant time period has elapsed since the debt was due.

With respect to credit risk arising from cash and cash equivalents and deposits held as current investments, these are considered low risk as the financial institutions used are closely monitored by the Group treasury function to ensure they are held with creditworthy institutions and to ensure there is no over exposure to any one institution.

For all financial assets held, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

The Group seeks to ensure that sufficient liquidity exists in the right locations to meet the Group's financial obligations and related funding requirements in a timely manner, including dividends and taxes, and provide funds for capital expenditure and investment opportunities as they arise. Cash and cash equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns. Funding requirements are monitored by the Group's finance function with cash flow forecasting performed at both an entity and Group level. As a normal part of its operations, the Group could face liquidity issues if it experienced a sustained reduction in profitability, problems in the collection of debts from clients or unplanned expenditure.

The tables below summarise the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments.

31 December 2023

	Less than 3 months £m	**3 to 12 months £m**	**1 to 5 years £m**	**5 to 10 years £m**	**Total £m**
Trade and other payables	**54.0**	**–**	**3.2**	**–**	**57.2**
Deferred consideration	**0.4**	**–**	**–**	**–**	**0.4**
Lease liabilities	**3.2**	**8.6**	**30.8**	**6.0**	**48.6**
	57.6	**8.6**	**34.0**	**6.0**	**106.2**

31 December 2022

	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	5 to 10 years £m	Total £m
Trade and other payables	59.8	0.7	2.5	–	63.0
Gross settled foreign currency contracts:					
Outflow	10.4	55.7	78.3	–	144.4
Inflow	(9.2)	(53.2)	(75.0)	–	(137.4)
Lease liabilities	2.9	8.6	33.3	9.4	54.2
	63.9	11.8	39.1	9.4	124.2

28 Financial risk management objectives and policies continued

The following table shows the total liabilities arising from financing activities.

	2023			2022		
	Interest-bearing loans and borrowings £m	**Lease liabilities £m**	**Total £m**	Interest-bearing loans and borrowings £m	Lease liabilities £m	Total £m
At 1 January	**–**	**47.6**	**47.6**	–	53.8	53.8
Arising on acquisitions	**0.5**	**3.5**	**4.0**	0.6	–	0.6
Cash flows – principal	**(0.5)**	**(10.5)**	**(11.0)**	(0.6)	(11.2)	(11.8)
Cash flows – interest	**–**	**(1.7)**	**(1.7)**	–	(1.9)	(1.9)
Interest charges	**–**	**1.7**	**1.7**	–	1.9	1.9
Other non-cash movements	**–**	**4.1**	**4.1**	–	6.2	6.2
Foreign exchange differences	**–**	**(1.5)**	**(1.5)**	–	(1.2)	(1.2)
At 31 December	**–**	**43.2**	**43.2**	–	47.6	47.6

Other non-cash movements include the net impact of additions, modifications and terminations relating to leases during the year.

Foreign exchange risk

The Group has transactional currency exposures arising from revenues and expenses in currencies other than its functional currency, which can significantly impact results and cash flows. The Group's revenue is mainly denominated in US dollars and the majority of expenses are denominated in local currencies. The Group also has balance sheet exposures, either at the local entity level where monetary assets and liabilities are held in currencies other than the functional currency, or at a Group level on the retranslation of non-sterling balances into the Group's functional currency.

Our aim is to manage this risk by reducing the impact of any fluctuations. The Group hedges currency exposure through forward sales of US dollar revenues. US dollars are also sold on the spot market to meet local currency expenditure requirements. Rates of exchange, non-sterling balances and asset exposures by currency are continually assessed.

The Group is most sensitive to changes in the US dollar exchange rates. The sensitivity analysis assumes an instantaneous 5% change in the US dollar exchange rates from their levels at 31 December 2023, with all other variables held constant. The following table demonstrates the sensitivity to a reasonably possible change in this rate, with all other variables held constant, of the Group's profit before taxation and equity.

	Strengthening/ (weakening) in rate %	Effect on profit before taxation £m	Effect on equity £m
2023	**5.0**	**3.4**	**(3.3)**
	(5.0)	**(3.1)**	**3.0**
2022	5.0	2.2	(4.9)
	(5.0)	(2.0)	4.5

28 Financial risk management objectives and policies continued

Foreign exchange risk continued

Derivative financial instruments

It is the Group's policy to cover or hedge a proportion of its future transactional US dollar revenues in the UK and Norway with foreign currency contracts. The strategy is to protect the Group against a significant weakening of the US dollar. The Group considers the hedge to be effective if each forward contract is settled with the bank and the US dollars sold represent collections from previous months' invoicing. Should the hedging ratio be greater than one (that is, contracted sales are greater than US dollar revenues) then the hedge is deemed to be ineffective. Where these are designated and documented as hedging instruments in the context of IFRS 9 and are demonstrated to be effective, mark-to-market gains and losses are recognised directly in equity (see note 25). These are transferred to the income statement, within revenue, upon receipt of cash and conversion to sterling of the underlying item being hedged. All of the contracts settled during the year were effective. There were no contracts deemed ineffective during the year.

The fair value of foreign currency contracts at 31 December are as follows:

	Assets		Liabilities	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Foreign currency contracts	**3.5**	0.1	**–**	7.0

At 31 December, the Group had the following US$/GBP forward contracts for settlement:

	2023		2022	
	US$m	**Average rate US$/£**	US$m	Average rate US$/£
For settlement in 2023	**–**	**–**	80.0	1.28
For settlement in 2024	**90.0**	**1.27**	70.0	1.28
For settlement in 2025	**65.0**	**1.23**	25.0	1.23
For settlement in 2026	**10.0**	**1.26**	–	–

At 31 December, the Group had the following US$/NOK forward contracts for settlement:

	2023		2022	
	US$m	**Average rate NOK/US$**	US$m	Average rate NOK/US$
For settlement in 2023	**–**	**–**	24.0	9.81
For settlement in 2024	**21.0**	**10.53**	5.0	9.76
For settlement in 2025	**10.0**	**10.48**	–	–
For settlement in 2026	**5.0**	**10.97**	–	–

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Total capital is calculated as equity as shown in the consolidated balance sheet.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 December 2023 or 31 December 2022. These financial statements are prepared on the going concern basis and the Group continues to pay dividends.

A number of the Group's trading entities are subject to regulation by the Norwegian FSA, the FCA in the UK, the MAS in Singapore, and the CFTC and the NFA, SEC and FINRA in the US. Regulatory capital at an entity level depends on the jurisdiction in which it is incorporated. In each case, the approach is to hold an appropriate surplus over the local minimum requirement. Each regulated entity complied with their regulatory capital requirements throughout the year.

29 Financial instruments

Fair values

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December.

	Level 1		Level 2		Level 3	
	2023 £m	2022 £m	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Assets						
Investments at fair value through profit or loss ('FVPL')	**0.3**	0.5	**1.2**	1.1	**–**	–
Foreign currency contracts	**–**	–	**3.5**	0.1	**–**	–
	0.3	0.5	**4.7**	1.2	**–**	–
Liabilities						
Foreign currency contracts	**–**	–	**–**	7.0	**–**	–
	–	–	**–**	7.0	**–**	–

FVPL investments are valued based on quoted prices in an active market (Level 1) or based on quoted prices for similar assets (Level 2); FVOCI investments are categorised as Level 3 as the shares are not listed on an exchange and there were no recent observable arm's-length transactions in the shares. The fair value of the foreign currency contracts are calculated by management based on external valuations received. These valuations are calculated based on forward exchange rates at the balance sheet date.

Investment properties are not measured at fair value, but the fair value is disclosed in note 11.

The classification of financial assets and financial liabilities at 31 December is as follows:

Financial assets

				2023				2022
	Hedging instruments £m	**Fair value through profit or loss £m**	**Amortised cost £m**	**Total £m**	Hedging instruments £m	Fair value through profit or loss £m	Amortised cost £m	Total £m
Other receivables	**–**	**–**	**13.1**	**13.1**	–	–	12.9	12.9
Investments	**–**	**1.5**	**39.9**	**41.4**	–	1.6	3.1	4.7
Trade receivables	**–**	**–**	**121.7**	**121.7**	–	–	127.2	127.2
Foreign currency contracts	**3.5**	**–**	**–**	**3.5**	0.1	–	–	0.1
Cash and cash equivalents	**–**	**–**	**398.9**	**398.9**	–	–	384.4	384.4
	3.5	**1.5**	**573.6**	**578.6**	0.1	1.6	527.6	529.3

Financial liabilities

			2023			2022
	Hedging instruments £m	**Amortised cost £m**	**Total £m**	Hedging instruments £m	Amortised cost £m	Total £m
Trade payables	**–**	**34.4**	**34.4**	–	50.0	50.0
Other payables	**–**	**22.8**	**22.8**	–	13.0	13.0
Foreign currency contracts	**–**	**–**	**–**	7.0	–	7.0
Deferred consideration	**–**	**0.4**	**0.4**	–	–	–
Lease liabilities	**–**	**43.2**	**43.2**	–	47.6	47.6
	–	**100.8**	**100.8**	7.0	110.6	117.6

The carrying value of current and non-current financial assets and liabilities is deemed to equate to the fair value at 31 December 2023 and 2022.

Net losses on financial assets at fair value through profit or loss amounted to £0.1m (2022: £0.3m gain). Net losses on financial assets at fair value through other comprehensive income were £nil (2022: £nil). Gains/(losses) on trade receivables (measured at amortised cost) are shown in note 15.

30 Related party transactions

As in 2022, the Group did not enter into any related party transactions during the year, except as noted below.

As mentioned in the biographies in the Board of Directors on page 106, Sue Harris is a Non-Executive Director of Schroder & Co. Limited and Chair of the Audit and Risk Committee of the Wealth Management Division. Another Schroder Group company is one of the investment managers of the defined benefit section of the Clarkson PLC pension scheme. In 2020, Jeff Woyda was appointed to the Board of Trustees of The Clarkson Foundation.

Compensation of key management personnel (including Directors)

There were no key management personnel in the Group apart from the Clarkson PLC Directors. Details of their compensation are set out below.

	2023 £m	2022 £m
Short-term employee benefits	**14.6**	12.1
Post-employment benefits	**0.1**	0.1
Share-based payments	**1.1**	1.1
	15.8	13.3

Full remuneration details are provided in the Directors' Remuneration Report on pages 128 to 144.

31 Non-controlling interest

The non-controlling interest relates to 11 entities based in Norway, in the Financial segment.

The subsidiaries that have a non-controlling interest were not material to the Group.

See page 193 of the 2022 Annual Report for the summarised financial information of the subsidiaries with a non-controlling interest to the Group in 2022.

Parent Company balance sheet
as at 31 December

	Note	2023 £m	2022 £m
Non-current assets			
Property, plant and equipment	C	**9.6**	11.0
Investment properties	D	**0.3**	0.3
Right-of-use assets	E	**14.6**	17.2
Investments in subsidiaries	F	**167.2**	167.2
Employee benefits	P	**13.8**	15.8
Deferred tax assets	G	**2.1**	–
		207.6	211.5
Current assets			
Trade and other receivables	H	**95.2**	93.1
Income tax receivable		**7.8**	6.2
Investments	I	**0.5**	0.5
Cash and cash equivalents	J	**20.2**	0.3
		123.7	100.1
Current liabilities			
Trade and other payables	K	**(43.3)**	(28.2)
Lease liabilities	L	**(3.3)**	(3.2)
		(46.6)	(31.4)
Net current assets		**77.1**	68.7
Non-current liabilities			
Lease liabilities	L	**(15.9)**	(19.2)
Provisions	M	**(1.1)**	(1.1)
Deferred tax liabilities	N	**–**	(0.9)
		(17.0)	(21.2)
Net assets		**267.7**	259.0
Capital and reserves			
Share capital	Q	**7.7**	7.7
Other reserves	R	**100.2**	97.9
Retained earnings		**159.8**	153.4
Total equity		**267.7**	259.0

The Company's profit for the year was £36.8m (2022: £56.0m).

The financial statements on pages 199 to 218 were approved by the Board on 1 March 2024, and signed on its behalf by:

Laurence Hollingworth
Chair

Jeff Woyda
Chief Financial Officer & Chief Operating Officer

Registered number: 1190238

Parent Company statement of changes in equity
for the year ended 31 December

		Attributable to equity holders of the Parent Company			
	Note	Share capital £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2023		**7.7**	**97.9**	**153.4**	**259.0**
Profit for the year		**–**	**–**	**36.8**	**36.8**
Other comprehensive expense:					
Actuarial loss on employee benefit schemes – net of tax	P	**–**	**–**	**(1.4)**	**(1.4)**
Total comprehensive income for the year		**–**	**–**	**35.4**	**35.4**
Transactions with owners:					
Share issues	R	**–**	**1.9**	**–**	**1.9**
Employee share schemes		**–**	**0.4**	**(1.1)**	**(0.7)**
Tax on other employee benefits		**–**	**–**	**0.3**	**0.3**
Tax on other items in equity		**–**	**–**	**0.1**	**0.1**
Dividend paid	B	**–**	**–**	**(28.3)**	**(28.3)**
Total transactions with owners		**–**	**2.3**	**(29.0)**	**(26.7)**
Balance at 31 December 2023		**7.7**	**100.2**	**159.8**	**267.7**

		Attributable to equity holders of the Parent Company			
	Note	Share capital £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2022		7.6	95.5	132.0	235.1
Profit for the year		–	–	56.0	56.0
Other comprehensive expense:					
Actuarial loss on employee benefit schemes – net of tax	P	–	–	(7.9)	(7.9)
Total comprehensive income for the year		–	–	48.1	48.1
Transactions with owners:					
Share issues	R	0.1	2.6	–	2.7
Employee share schemes		–	(0.2)	(1.3)	(1.5)
Tax on other employee benefits		–	–	0.5	0.5
Dividend paid	B	–	–	(25.9)	(25.9)
Total transactions with owners		0.1	2.4	(26.7)	(24.2)
Balance at 31 December 2022		7.7	97.9	153.4	259.0

Parent Company cash flow statement
for the year ended 31 December

	Note(s)	2023 £m	2022 £m
Cash flows from operating activities			
Profit before taxation		**33.0**	49.4
Adjustments for:			
Foreign exchange differences		**(0.1)**	(0.3)
Depreciation	C, D, E	**4.6**	4.4
Share-based payment expense		**1.1**	1.1
Impairment of investment in subsidiaries	F	**–**	0.8
Difference between pension contributions paid and amount recognised in the income statement		**1.0**	0.7
Gain on sale of property, plant and equipment		**(3.5)**	–
Finance income		**(49.9)**	(71.4)
Finance costs		**0.6**	0.7
Other finance income – pensions		**(0.8)**	(0.5)
Increase in trade and other receivables		**(3.7)**	(37.8)
Increase in bonus accrual		**0.7**	9.6
Increase in trade and other payables		**14.3**	1.5
Cash utilised from operations		**(2.7)**	(41.8)
Income tax received		**–**	–
Net cash flow from operating activities		**(2.7)**	(41.8)
Cash flows from investing activities			
Interest received		**0.2**	–
Purchase of property, plant and equipment	C	**(0.6)**	(1.8)
Proceeds from sale of property, plant and equipment	I	**3.6**	–
Dividends received from investments		**49.6**	71.4
Net cash flow from investing activities		**52.8**	69.6
Cash flows from financing activities			
Interest paid		**(0.6)**	(0.7)
Dividend paid	B	**(28.3)**	(25.9)
Payments of lease liabilities		**(3.2)**	(3.7)
Proceeds from shares issued		**1.9**	2.7
Net cash flow from financing activities		**(30.2)**	(27.6)
Net increase in cash and cash equivalents		**19.9**	0.2
Cash and cash equivalents at 1 January		**0.3**	0.1
Cash and cash equivalents at 31 December	J	**20.2**	0.3

Notes to the Parent Company financial statements

A Statement of accounting policies

The accounting policies applied in the preparation of the Parent Company financial statements are the same as those set out in note 2 to the consolidated financial statements, and have been applied consistently to all periods.

Statement of compliance

The financial statements of Clarkson PLC have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 ('UK IFRS') and the applicable legal requirements of the Companies Act 2006.

The Parent Company's functional and presentational currency is pounds sterling.

The Parent Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company income statement or statement of comprehensive income. The profit for the Parent Company for the year was £36.8m (2022: £56.0m).

Changes in accounting policy and disclosures

As stated in note 2 to the consolidated financial statements, there were no new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2023, that had a material impact on the Parent Company.

Critical accounting judgements and estimates

Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value-in-use of the subsidiary. The value-in-use calculation requires estimation of future cash flows expected to arise for the subsidiary, the selection of suitable discount rates and the estimation of future growth rates. As determining such assumptions is inherently uncertain and subject to future factors, there is the potential these may differ in subsequent periods and therefore materially change the conclusions reached.

Investments in subsidiaries

The Parent Company recognises its investments in subsidiaries at cost less provision for impairment. The Parent Company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the Parent Company estimates the investment's recoverable amount. An investment's recoverable amount is the higher of its fair value less costs to sell and its value-in-use, and is determined for an individual investment. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Parent Company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the investment is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the investment in prior years.

Share-based payment transactions

The fair value of the compensation given to subsidiaries in respect of share-based payments is recognised as a capital contribution over the vesting period, reduced by any payments received from subsidiaries.

B Dividends

	2023 £m	2022 £m
Declared and paid during the year:		
Final dividend for 2022 of 64p per share (2021: 57p per share)	**19.3**	17.2
Interim dividend for 2023 of 30p per share (2022: 29p per share)	**9.0**	8.7
Dividend paid	**28.3**	25.9
Proposed for approval at the AGM (not recognised as a liability at 31 December):		
Final dividend for 2023 proposed of 72p per share (2022: 64p per share)	**22.1**	19.6

C Property, plant and equipment

31 December 2023

	Freehold and long leasehold properties £m	Leasehold improvements £m	Office furniture and equipment £m	Total £m
Original cost				
At 1 January 2023	**1.9**	**14.4**	**10.2**	**26.5**
Additions	**–**	**–**	**0.6**	**0.6**
Disposals	**(0.2)**	**–**	**–**	**(0.2)**
At 31 December 2023	**1.7**	**14.4**	**10.8**	**26.9**
Accumulated depreciation				
At 1 January 2023	**0.7**	**7.6**	**7.2**	**15.5**
Charged during the year	**–**	**1.0**	**1.0**	**2.0**
Disposals	**(0.2)**	**–**	**–**	**(0.2)**
At 31 December 2023	**0.5**	**8.6**	**8.2**	**17.3**
Net book value at 31 December 2023	**1.2**	**5.8**	**2.6**	**9.6**

31 December 2022

	Freehold and long leasehold properties £m	Leasehold improvements £m	Office furniture and equipment £m	Total £m
Original cost				
At 1 January 2022	1.9	14.4	8.4	24.7
Additions	–	–	1.8	1.8
At 31 December 2022	1.9	14.4	10.2	26.5
Accumulated depreciation				
At 1 January 2022	0.6	6.5	6.5	13.6
Charged during the year	0.1	1.1	0.7	1.9
At 31 December 2022	0.7	7.6	7.2	15.5
Net book value at 31 December 2022	1.2	6.8	3.0	11.0

D Investment properties

	2023 £m	2022 £m
Cost		
At 1 January and 31 December	**0.6**	0.6
Accumulated depreciation		
At 1 January	**0.3**	0.3
Charged during the year*	**–**	–
At 31 December	**0.3**	0.3
Net book value at 31 December	**0.3**	0.3

* The depreciation charged during the year was less than £0.1m.

The fair value of the investment property at 31 December 2023 was £0.8m (2022: £0.9m). This was based on a valuation from an external independent valuer who has the appropriate professional qualification and recent experience of valuing properties in the location and of the type being valued.

E Right-of-use assets

	2023 £m	2022 £m
Cost		
At 1 January and 31 December	**26.5**	26.5
Accumulated depreciation		
At 1 January	**9.3**	6.8
Charged during the year	**2.6**	2.5
At 31 December	**11.9**	9.3
Net book value at 31 December	**14.6**	17.2

F Investments in subsidiaries

	2023 £m	2022 £m
Cost		
At 1 January	**167.2**	168.0
Impairment	**–**	(0.8)
At 31 December	**167.2**	167.2

In 2022 an impairment in Clarksons Platou (Italia) Srl (in liquidation) of £0.8m was taken, reducing Clarkson PLC's investment in the subsidiary to £nil. As the investment in Clarksons Norway AS (formerly Clarksons Platou AS) was subject to impairment in previous years, sensitivity analysis has been carried out using reasonably possible changes to key assumptions, none of which cause an impairment. An increase in the discount rate of 0.5% would decrease value-in-use by £5.3m and a decrease in pre-tax cash flows of 5% would decrease value-in-use by £7.1m.

G Deferred tax assets

	2023 £m	2022 £m
Employee benefits – other employee benefits	**5.1**	3.3
Other temporary differences	**1.0**	0.6
Deferred tax assets before offset	**6.1**	3.9
Offset with deferred tax liabilities	**(4.0)**	(3.9)
Deferred tax assets in the balance sheet	**2.1**	–

Deferred tax assets and liabilities are offset and reported net where appropriate. See note N.

Included in the above are deferred tax assets of £3.2m (2022: £2.6m) which are expected to be utilised within one year. Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. All deferred tax movements arise from the origination and reversal of temporary differences.

There were no unrecognised tax losses in the year (2022: none)

H Trade and other receivables

	2023 £m	2022 £m
Other receivables	**0.3**	–
Prepayments and accrued income	**1.3**	1.0
Owed by Group companies	**93.6**	92.1
	95.2	93.1

The Company has no trade receivables (2022: none). All amounts owed by Group companies are payable on demand with no interest being charged. As at 31 December 2023, the Company calculated the expected credit loss of amounts owed by Group companies to be immaterial (2022: immaterial). Further details of related party receivables are included in note V.

I Investments

	2023 £m	2022 £m
Cash on deposit	**0.5**	0.5

The Company held £0.5m (2022: £0.5m) in a deposit with a 95-day notice period. This deposit is held with an A-rated financial institution.

J Cash and cash equivalents

	2023 £m	2022 £m
Cash at bank and in hand	**20.2**	0.3

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents is £20.2m (2022: £0.3m).

K Trade and other payables

	2023 £m	2022 £m
Other payables	**0.2**	0.1
Owed to Group companies	**17.0**	2.1
Bonus accruals	**20.7**	20.0
Other accruals	**4.1**	4.3
Deferred income	**1.3**	1.7
	43.3	28.2

All amounts owed to Group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Further details of related party payables are included in note V.

L Lease liabilities

	2023 £m	2022 £m
Current		
Lease liabilities	**3.3**	3.2
Non-current		
Lease liabilities	**15.9**	19.2

M Provisions

	2023 £m	2022 £m
Non-current		
At 1 January and 31 December	**1.1**	1.1

Provisions have been recognised for the dilapidation of various leasehold premises which will be utilised on cessation of the lease. A maturity analysis of undiscounted lease liability payments is included within note T. None of the leases contain extension options and rentals are not linked to any index.

N Deferred tax liabilities

	2023 £m	2022 £m
Employee benefits – on pension benefit asset	**3.5**	3.9
Other temporary differences	**0.5**	0.9
Deferred tax liabilities before offset	**4.0**	4.8
Offset with deferred tax assets	**(4.0)**	(3.9)
Deferred tax liabilities in the balance sheet	**–**	0.9

Deferred tax assets and liabilities are offset and reported net where appropriate, see note G.

None of the above deferred tax liabilities are due within one year.

All deferred tax movements arise from the origination and reversal of temporary differences.

O Share-based payment plans

	2023 £m	2022 £m
Expense arising from equity-settled, share-based payment transactions	**1.1**	1.1

For more information on the Parent Company's share-based payment plans, see note 22 of the consolidated financial statements.

P Employee benefits

The Company operates two final salary defined benefit pension schemes, being the Clarkson PLC scheme and the Plowrights scheme, both within the UK. The schemes are both registered as occupational pension schemes with HMRC and are subject to UK legislation and oversight from the Pensions Regulator. These are funded by the payment of contributions to separate trusts administered by trustees who are required to act in the best interests of the schemes' beneficiaries. Responsibility for governance of each scheme lies with the respective board of trustees in accordance with the rules applicable to that scheme. Currently each board of trustees includes a representative of the relevant principal employer. The schemes' assets are invested in a range of pooled pension investment funds managed by professional fund managers.

Defined benefit pension arrangements give rise to open-ended commitments and liabilities for the sponsoring company. As a consequence, the Company closed its original defined benefit section of the Clarkson PLC scheme to new entrants on 31 March 2004. This section was closed to further accrual for all existing members as from 31 March 2006. The Plowrights scheme was closed to further accrual from 1 January 2006.

Every three years, a pension scheme must obtain from an actuary a report containing a valuation and a recommendation on rates of contribution. UK legislation requires that pension schemes are funded prudently and must adhere to the statutory funding objective. Triennial valuations for both schemes have been prepared as detailed below.

The actuarial valuation of the Clarkson PLC scheme shows a pension surplus on an ongoing basis of £11.5m (105%) as at 31 March 2022. Following the 2016 valuation, Clarkson PLC and the Trustees had agreed to cease funding with effect from 1 October 2016. Since 1 May 2021 all expenses of the scheme will be met from the surplus assets.

The actuarial valuation of the Plowrights scheme shows a pension surplus on an ongoing basis of £3.0m (108%) as at 31 March 2022. Clarkson PLC and the Trustees agreed to cease funding with effect from 1 December 2019. The expenses for the scheme will be met from the surplus assets.

The Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if a scheme's assets underperform this yield, this will create a deficit. The two schemes have de-risked by replacing their equity holdings with less volatile investments.

Changes in bond yields

A decrease in corporate bond yields will increase a scheme's liabilities, although this will be partially offset by an increase in the value of the schemes' bond holdings.

Inflation risk

Some of the Company pension obligations are linked to inflation. The majority of the schemes' assets are either unaffected by (fixed-interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the schemes' liabilities.

Other pension arrangements

The Company operates a defined contribution pension scheme. Where required, the Company also makes contributions to this scheme.

The Company incurs no material expenses in the provision of post-retirement benefits other than pensions.

The following information relates to the sum of the two separate schemes.

P Employee benefits continued

The following tables summarise amounts recognised in the balance sheet and the components of net benefit charge recognised in the income statement:

Recognised in the balance sheet

	2023 **£m**	2022 £m
Fair value of schemes' assets	**120.6**	124.4
Present value of funded defined benefit obligations	**(104.4)**	(104.5)
	16.2	19.9
Effect of asset ceiling in relation to the Plowrights scheme	**(2.4)**	(4.1)
Net benefit asset recognised in the balance sheet	**13.8**	15.8

The net benefit asset disclosed above is the combined total of the two schemes. The Clarkson PLC scheme has a surplus of £13.8m (2022: £15.8m) and the Plowrights scheme has a recognised surplus of £nil (2022: £nil).

The surplus in the Clarkson PLC scheme is recognised, as there are future economic benefits available in the form of a reduction in future contributions to the defined contribution section of the scheme and, in the event of wind up, excess surplus is refundable to the Company. There are no such future economic benefits in respect of the Plowrights scheme and therefore the surplus of £2.4m (2022: £4.1m) cannot be recognised.

A deferred tax liability on the benefit asset of £3.5m (2022: £3.9m) is shown in note N.

Recognised in the income statement

	2023 **£m**	2022 £m
Recognised in other finance income – pensions:		
Expected return on schemes' assets	**6.0**	3.4
Interest cost on benefit obligation and asset ceiling	**(5.2)**	(2.9)
Recognised in administrative expenses:		
Schemes' administrative expenses	**(1.0)**	(0.7)
Net benefit charge recognised in the income statement	**(0.2)**	(0.2)

Recognised in the statement of comprehensive income

	2023 **£m**	2022 £m
Actual return on schemes' assets	**5.1**	(55.7)
Less: expected return on schemes' assets	**(6.0)**	(3.4)
Actuarial loss on schemes' assets	**(0.9)**	(59.1)
Actuarial (loss)/gain on defined benefit obligations	**(2.8)**	48.0
Actuarial loss recognised in the statement of comprehensive income	**(3.7)**	(11.1)
Tax credit on actuarial loss	**0.8**	2.1
Effect of asset ceiling in relation to the Plowrights scheme	**1.9**	1.3
Tax charge on asset ceiling	**(0.4)**	(0.2)
Net actuarial loss on employee benefit obligations	**(1.4)**	(7.9)
Cumulative amount of actuarial losses, before tax, recognised in the statement of comprehensive income	**(4.7)**	(1.0)

Schemes' assets

	%	**2023** **£m**	%	2022 £m
Government bonds*	**30.1**	**36.3**	39.5	49.1
Corporate bonds*	**28.4**	**34.3**	30.4	37.8
Investment funds*	**22.6**	**27.2**	26.4	32.9
Cash and other assets	**18.9**	**22.8**	3.7	4.6
	100.0	**120.6**	100.0	124.4

* The schemes' assets are invested in pooled investment vehicles which are unquoted. The allocation in the table above considers the underlying assets of these funds.

P Employee benefits continued

Net defined benefit asset

Changes in the fair value of the net defined benefit asset are as follows:

31 December 2023

	Present value of obligation £m	Fair value of plan assets £m	Total £m	Impact of asset ceiling £m	Total £m
At 1 January 2023	(104.5)	124.4	19.9	(4.1)	15.8
Expected return on assets	–	6.0	6.0	–	6.0
Interest costs	(5.0)	–	(5.0)	(0.2)	(5.2)
Administrative expenses	–	(1.0)	(1.0)	–	(1.0)
Benefits paid	7.9	(7.9)	–	–	–
Actuarial (loss)/gain	(2.8)	(0.9)	(3.7)	1.9	(1.8)
At 31 December 2023	(104.4)	120.6	16.2	(2.4)	13.8

31 December 2022

	Present value of obligation £m	Fair value of plan assets £m	Total £m	Impact of asset ceiling £m	Total £m
At 1 January 2022	(156.6)	187.7	31.1	(5.3)	25.8
Expected return on assets	–	3.4	3.4	–	3.4
Interest costs	(2.8)	–	(2.8)	(0.1)	(2.9)
Administrative expenses	–	(0.7)	(0.7)	–	(0.7)
Benefits paid	6.9	(6.9)	–	–	–
Actuarial gain/(loss)	48.0	(59.1)	(11.1)	1.3	(9.8)
At 31 December 2022	(104.5)	124.4	19.9	(4.1)	15.8

Based on the valuations and funding requirements including expenses, the Company does not expect to contribute to its defined benefit pension schemes in 2024 (2023: £nil).

The principal valuation assumptions are as follows:

	2023 %	2022 %
Rate of increase in pensions in payment	2.9	3.1
Price inflation (RPI)	3.1/3.2	3.3
Price inflation (CPI)	2.8	2.8
Discount rate for schemes' liabilities	4.8	5.0

The mortality assumptions used to assess the defined benefit obligations at 31 December 2023 and 31 December 2022 are based on the 'SAPS' standard mortality tables, being S3PA for the Clarkson PLC scheme with a scheme-specific adjustment of 90% (2022: 90%) and S3PA for the Plowrights scheme with a scheme-specific adjustment of 84% for males and 98% for females (2022: S3PA 84% for males and 98% for females). These tables have been adjusted to allow for anticipated future improvements in life expectancy using the standard projection model published in 2023 (31 December 2022: model published in 2022). Examples of the assumed future life expectancy are given in the table below:

		Additional years	
		2023	2022
Post-retirement life expectancy on retirement at age 65:			
Employees retiring in the year	– male	22.7	23.0–23.5
	– female	24.0–24.7	24.6–25.2
Employees retiring in 20 years' time	– male	23.5–24.0	24.3–24.8
	– female	25.4–26.0	26.0–26.6

P Employee benefits continued

Experience adjustments

	2023 £m	2022 £m
Experience loss on schemes' assets	**(0.9)**	(59.1)
Gain/(loss) on schemes' liabilities due to changes in demographic assumptions	**2.9**	(0.3)
(Loss)/gain on schemes' liabilities due to changes in financial assumptions	**(3.4)**	61.2
Loss on schemes' liabilities due to experience adjustments	**(2.3)**	(12.9)
Gain on asset ceiling	**1.9**	1.3
Actuarial loss	**(1.8)**	(9.8)
Income tax credit on actuarial loss	**0.4**	1.9
Actuarial loss – net of tax	**(1.4)**	(7.9)

Sensitivities

The table below shows the sensitivity of the defined benefit obligation to changes to the most significant actuarial assumptions. The impact of changes to each assumption is shown in isolation although, in practice, changes to assumptions may occur at the same time and can either offset or compound the overall impact on the defined benefit obligation. A change of 0.25% is deemed appropriate given the movement in assumptions during the current and previous years. The sensitivities have been calculated using the same methodology as the main calculations. The weighted average duration of the defined obligation is 13 years.

	2023		2022	
	Change in assumption %	Change in defined benefit obligation %	Change in assumption %	Change in defined benefit obligation %
Discount rate for scheme liabilities	**0.25**	**(2.9)**	0.25	(2.9)
	(0.25)	**3.1**	(0.25)	3.1
Price inflation (RPI)	**0.25**	**2.7**	0.25	2.7
	(0.25)	**(2.6)**	(0.25)	(2.6)

An increase of one year in the assumed life expectancy for both males and females would increase the defined benefit obligation by 3.4% (2022: 3.2%).

Q Share capital

Ordinary shares of 25p each, issued and fully paid:

	Number of shares	2023 £m	Number of shares	2022 £m
At 1 January	**30,622,110**	**7.7**	30,480,764	7.6
Additions	**103,388**	**–**	141,346	0.1
At 31 December	**30,725,498**	**7.7**	30,622,110	7.7

During the year, the Company issued 103,388 shares (2022: 141,346) in relation to the ShareSave scheme. The difference between the exercise price, ranging from £18.30-£22.51 (2022: £18.30-£22.12), and the nominal value of £0.25 was taken to the share premium account, see note R.

R Other reserves

31 December 2023

	Share premium £m	Employee benefits reserve £m	Capital redemption reserve £m	Merger reserve £m	Total £m
At 1 January 2023	**36.5**	**3.7**	**2.0**	**55.7**	**97.9**
Share issues	**1.9**	**–**	**–**	**–**	**1.9**
Employee share schemes:					
Share-based payments expense	**–**	**1.9**	**–**	**–**	**1.9**
Transfer to profit and loss on vesting	**–**	**(1.5)**	**–**	**–**	**(1.5)**
Total employee share schemes	**–**	**0.4**	**–**	**–**	**0.4**
At 31 December 2023	**38.4**	**4.1**	**2.0**	**55.7**	**100.2**

31 December 2022

	Share premium £m	Employee benefits reserve £m	Capital redemption reserve £m	Merger reserve £m	Total £m
At 1 January 2022	33.9	3.9	2.0	55.7	95.5
Share issues	2.6	–	–	–	2.6
Employee share schemes:					
Share-based payments expense	–	1.8	–	–	1.8
Transfer to profit and loss on vesting	–	(2.0)	–	–	(2.0)
Total employee share schemes	–	(0.2)	–	–	(0.2)
At 31 December 2022	36.5	3.7	2.0	55.7	97.9

Nature and purpose of other reserves

Employee benefits reserve

The employee benefits reserve is used to record the value of equity-settled share-based payments provided to employees.

Capital redemption reserve

The capital redemption reserve arose on previous share buy-backs by the Company.

Merger reserve

This comprises the premium on the share placing in November 2014 and the shares issued in February 2015 as part of the acquisition of Clarksons Norway AS (formerly Clarksons Platou AS/RS Platou ASA). No share premium is recorded in the financial statements, through the operation of the merger relief provisions of the Companies Act 2006.

S Financial commitments and contingencies

Contingencies

The Company has given no financial commitments to suppliers (2022: none).

The Company has given no guarantees (2022: none).

From time to time the Company may be engaged in litigation in the ordinary course of business. The Company carries professional indemnity insurance. There are currently no liabilities expected to have a material adverse financial impact on the Company's results or net assets.

The Company maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors.

T Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans from Group companies and lease liabilities. The Company has various financial assets such as current asset investments, loans to Group companies and cash and cash equivalents, which arise directly from its operations.

The Company has not entered into any derivative transactions.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk.

Credit risk

With respect to credit risk arising from cash and cash equivalents and current investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

The Company monitors its risk to a shortage of funds using projected cash flows from operations.

The tables below summarise the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments.

31 December 2023

	Less than 3 months £m	**3 to 12 months £m**	**1 to 5 years £m**	**5 to 10 years £m**	**Total £m**
Trade and other payables	**0.2**	**–**	**–**	**–**	**0.2**
Lease liabilities	**0.9**	**2.8**	**15.1**	**3.2**	**22.0**
	1.1	**2.8**	**15.1**	**3.2**	**22.2**

31 December 2022

	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	5 to 10 years £m	Total £m
Lease liabilities	0.9	2.8	15.1	7.0	25.8

The following table shows the total liabilities arising from financing activities.

	2023		2022	
	Lease liabilities £m	**Total £m**	Lease liabilities £m	Total £m
At 1 January	**22.4**	**22.4**	26.1	26.1
Cash flows – principal	**(3.2)**	**(3.2)**	(3.7)	(3.7)
Cash flows – interest	**(0.6)**	**(0.6)**	(0.7)	(0.7)
Interest charges	**0.6**	**0.6**	0.7	0.7
At 31 December	**19.2**	**19.2**	22.4	22.4

Capital management

For information on the Parent Company capital management objectives, policies and processes, see note 28 of the consolidated financial statements.

U Financial instruments

The classification of financial assets and liabilities at 31 December is as follows:

Financial assets

	2023		2022	
	Amortised cost £m	Total £m	Amortised cost £m	Total £m
Other receivables	**0.3**	**0.3**	–	–
Owed by Group companies	**93.6**	**93.6**	92.1	92.1
Investments	**0.5**	**0.5**	0.5	0.5
Cash and cash equivalents	**20.2**	**20.2**	0.3	0.3
	114.6	**114.6**	92.9	92.9

Financial liabilities

	2023		2022	
	Amortised cost £m	Total £m	Amortised cost £m	Total £m
Other payables	**0.2**	**0.2**	0.1	0.1
Owed to Group companies	**17.0**	**17.0**	2.1	2.1
Lease liabilities	**19.2**	**19.2**	22.4	22.4
	36.4	**36.4**	24.6	24.6

V Related party transactions

During the year, the Company entered into transactions, in the ordinary course of business, with related parties. Transactions with subsidiaries during the year were as follows:

	2023 £m	2022 £m
Management fees charged	**2.7**	2.6
Rent receivable	**6.7**	6.2
Dividends received	**49.6**	71.4

Balances with subsidiaries at 31 December were as follows:

	2023 £m	2022 £m
Amounts owed by related parties	**93.6**	92.1
Amounts owed to related parties	**(17.0)**	(2.1)
Deferred income	**(1.3)**	(1.7)

There were no terms or conditions attached to these balances. The increased amounts owed by related parties are predominantly due to net movements with H. Clarkson & Company Limited, the principal banking entity in the UK, which sometimes receives/pays out money on behalf of Clarkson PLC.

As mentioned in the biographies in the Board of Directors on page 106, Sue Harris is a Non-Executive Director of Schroder & Co. Limited and Chair of the Audit and Risk Committee of the Wealth Management Division. Another Schroder Group company is one of the investment managers of the defined benefit section of the Clarkson PLC pension scheme. In 2020, Jeff Woyda was appointed to the Board of Trustees of The Clarkson Foundation.

Compensation of key management personnel (including Directors)

There were no key management personnel in the Company apart from the Clarkson PLC Directors. Details of their compensation are set out in note 30 to the consolidated financial statements.

W Subsidiaries

The Parent Company had the following subsidiaries at 31 December 2023. All shares in subsidiary companies are ordinary share capital, unless otherwise stated.

Company name	Country of incorporation	Registered office address	Proportion of shares held directly by the Parent Company (%)	Proportion of shares held by the Group or its nominees (%)	Principal activity
Afromar Properties (Pty) Limited	South Africa	23 Halifax Street, Bryanston, Johannesburg, 2191, South Africa		100	Non-trading
Boxton Holding AS	Norway	Munkedamsveien 62C, 0270 Oslo, Norway		100	Non-trading
Calypso Shipping Investments Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
Clarkson Australia Holdings Pty Ltd	Australia	Level 9, 16 St Georges Terrace, Perth WA 6000, Australia	100		Holding company
Clarkson Capital Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Holding company
Clarkson Dry Cargo Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
Clarkson Hellas Ltd.(1)	Marshall Islands	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH 96960, Marshall Islands		100	Shipbroking
Clarkson Holdings Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Holding company
Clarkson IQ Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
Clarkson Morocco S.A.R.L.	Morocco	8, Rue Ali Abderrazzak, 3è étage, Casablanca, 20000, Morocco		100	Shipbroking
Clarkson Overseas Shipbroking Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Holding company
Clarkson Port Services Holdings B.V.	Netherlands	Westerlaan 11, 3016 CK, Rotterdam, Netherlands		100	Holding company
Clarkson Port Services B.V.	Netherlands	Scheepmakersweg 5, 1786PD, Den Helder, Netherlands		100	Provision of ship agency, port services and cargo handling
Clarkson Port Services Holdings LLC	United States	Universal Registered Agents, Inc., 300 Creek View Road, Suite 209, Newark 19711, United States		100(2)	Dormant
Clarkson Port Services Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Provision of ship agency and port services
Clarkson Property Holdings Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Non-trading
Clarkson Research Holdings Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Holding company
Clarkson Research Services Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Provision of data and intelligence to the shipping, trade, offshore and energy sectors
Clarkson Sale and Purchase Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant

(1) Has a branch in Greece.
(2) Membership interest.

W Subsidiaries continued

Company name	Country of incorporation	Registered office address	Proportion of shares held directly by the Parent Company (%)	Proportion of shares held by the Group or its nominees (%)	Principal activity
Clarkson Shipbrokers Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
Clarkson Shipbroking Group Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Holding company
Clarkson Shipping Agency S.A.E.	Egypt	City Stars, Capital F2, G03, Nasr City, Egypt		100	Shipping and maritime agency services
Clarkson Shipping Investments Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Dormant
Clarkson Shipping Services Acquisition (USA) LLC	United States	1333 West Loop South, Suite 1100, Houston TX 77027, United States		100(3)	Dormant
Clarkson Shipping Services India Private Limited	India	507-508 The Address, 1 Golf Course Road, Sector 56, Gurgaon, 122011, India		100	Shipbroking
Clarkson Tankers Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
Clarkson Valuations Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Provision of valuation services to the shipping and offshore sectors
Clarksons Australia Pty Limited	Australia	Level 9, 16 St Georges Terrace, Perth WA 6000, Australia		100	Shipbroking
Clarksons Business Management AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		50.01	Shipping and offshore project syndication
Clarksons Denmark ApS	Denmark	Philip Heymans Alle 29, 2. Th, 2900 Hellerup, Denmark		100	Shipbroking
Clarksons Deutschland GmbH	Germany	Johannisbollwerk 20, 5.fl, 20459, Hamburg, Germany		100	Shipbroking
Clarksons DMCC	United Arab Emirates	Unit No: B3-14-01 A, Gold Tower (AU), Plot No: JLT-PH1-I3A, Jumeirah Lakes Towers, Dubai, United Arab Emirates		100	Shipbroking
Clarksons ESG Core Plus AS	Norway	c/o Clarksons Platou Prop. Mngt. As, Munkedamsveien 62C, Oslo, 0270, Norway		50.01	Real estate and alternative investment fund
Clarksons Hong Kong Limited(4)	Hong Kong	3209-14, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong		100	Shipbroking
Clarksons Japan K.K.	Japan	Otemachi Financial City South Tower, 15th Floor, 1-9-7 Otemachi, Chiyoda-ku, Tokyo, 100-0004, Japan		100	Shipbroking
Clarksons Korea Limited	Republic of Korea	#602, 6F Shin-A, 50, Seosomun-ro 11-gil, Jung-gu, Seoul, 04515, Republic of Korea		100	Shipbroking
Clarksons Martankers, S.L.U.	Spain	Paseo del Pintor Rosales, 38, 28008, Madrid, Spain		100	Shipbroking
Clarksons Netherlands B.V.	Netherlands	Westerlaan 11, 3016 CK, Rotterdam, Netherlands		100	Shipbroking
Clarksons Norway AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway	100		Shipbroking

(3) Membership interest.
(4) Has a branch in China.

W Subsidiaries continued

Company name	Country of incorporation	Registered office address	Proportion of shares held directly by the Parent Company (%)	Proportion of shares held by the Group or its nominees (%)	Principal activity
Clarksons Offshore and Renewables Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Shipbroking
Clarksons Brasil Ltda.	Brazil	Avenida Rio Branco, 89-1601, Centro, Rio de Janeiro, 20040-004, Brazil		100	Shipbroking
Clarksons Platou (Italia) Srl in liquidazione	Italy	Via San Vincenzo 2, 16145, Genova, Italy	100		Shipbroking
Clarksons Platou Commodities USA LLC	United States	251 Little Falls Drive, Wilmington, New Castle County DE 19808, United States		100(5)	Introducing broker for LPG swaps
Clarksons Platou Futures Limited(6)	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Brokerage of shipping-related derivative financial instruments
Clarksons Project Development AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		50.29	Real estate project management
Clarksons Project Finance AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		31.01(7)	Shipping and offshore project syndication
Clarksons Project Finance Shipping AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		50.01	Shipping and offshore project syndication
Clarksons Property Management AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		24.81(8)	Provision of property-related services
Clarksons Property UK Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Property holding company
Clarksons Real Estate Investment Management AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		50.01	Management of companies and funds that invest in private companies investing in real estate and associated businesses
Clarksons Securities AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		100	Equity and fixed-income sales and trading, research and corporate finance services, including equity and debt capital markets and M&A transactions
Clarksons Securities Canada Inc.	Canada	44 Chipman Hill, Suite 1000, Saint John NB E2L 2A9, Canada		100	Equity and fixed-income sales and trading, research and corporate finance services, including equity and debt capital markets and M&A transactions

(5) Membership interest.
(6) Has branches in Singapore, Switzerland and the United Arab Emirates.
(7) The Group holds >50% of the company's voting rights.
(8) Although the holding represents <50%, the Parent Company controls the entity with controlling interests in subsidiary companies.

W Subsidiaries continued

Company name	Country of incorporation	Registered office address	Proportion of shares held directly by the Parent Company (%)	Proportion of shares held by the Group or its nominees (%)	Principal activity
Clarksons Securities Inc.	United States	1230 6th Avenue, #1603, New York NY 10022, United States		100	Equity and fixed income sales and trading, research and corporate finance services, including equity and debt capital markets and M&A transactions
Clarksons Shipbroking (Shanghai) Co., Limited	China	Room 111 Building 3 No.170, Huo Shan Road, Hongkou District, Shanghai, 200082, China		100	Shipbroking
Clarksons Shipping Services USA LLC	United States	211 East 7th Street, Suite 620, Austin TX 78701, United States		100(9)	Shipbroking
Clarksons Singapore Pte. Limited	Singapore	1 Harbourfront Avenue, #14-07, Keppel Bay Tower, 098632, Singapore		100	Shipbroking
Clarksons South Africa (Pty) Ltd	South Africa	23 Halifax Street, Bryanston, Johannesburg, 2191, South Africa		100	Shipbroking
Clarksons Structured Asset Finance Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Provision of advice on finance structuring for shipping-related projects
Clarksons Sweden AB	Sweden	Dragarbrunnsgatan 55, 753 20, Uppsala, Sweden		100	Shipbroking
Clarksons Switzerland SA	Switzerland	Rue du Prince 9, 1204, Genève, Switzerland		100	Shipbroking
Clarksons USA Inc.	United States	251 Little Falls Drive, Wilmington, New Castle County DE 19808, United States		100	Holding company
Coastal Shipping Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
CPPF Eiendom AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		100	Holding company
Enship Limited	United Kingdom	Tern Place, Denmore Road, Bridge of Don, Aberdeen, Scotland, AB23 8JX, United Kingdom		100	Dormant
Genchem Holdings Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Holding company
Gibb Group (Netherlands) B.V.	Netherlands	Scheepmakersweg 5, 1786PD, Den Helder, Netherlands		100	Supply of MRO, PPE and safety equipment for the energy and industrial sector
Gibb Group LLC	United States	Universal Registered Agents, Inc., 300 Creek View Road, Suite 209, Newark 19711, United States		60(10)	Dormant
Gibb Group Ltd	United Kingdom	Tern Place, Denmore Road, Bridge of Don, Aberdeen, Scotland, AB23 8JX, United Kingdom		100	Supply of MRO, PPE and safety equipment for the energy and industrial sector

(9) Membership interest.
(10) Membership interest.

W Subsidiaries continued

Company name	Country of incorporation	Registered office address	Proportion of shares held directly by the Parent Company (%)	Proportion of shares held by the Group or its nominees (%)	Principal activity
H. Clarkson & Company Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Shipbroking
Halcyon Shipping Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
J.O. Plowright & Co. (Holdings) Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Dormant
LevelSeas Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
LNG Shipping Solutions Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Shipbroking
Manfin Consult AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		50.1	Shipping and offshore project syndication
Marinet (Ship Agencies) Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
Maritech Development Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Development of digital products for the shipping industry
Maritech Holdings Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom	100		Holding company
Maritech Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Support of digital products and services for the shipping industry
Maritech Services Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Sale of digital products and services to the shipping industry
Michael F. Ewings (Shipping) Limited	United Kingdom	27-45 Lincoln Building Ground Floor, Great Victoria Street, Belfast, Northern Ireland, BT2 7SL, United Kingdom		100	Dormant
Norwegian Marine Services AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		50.01	Shipping and offshore project syndication
PPE Suppliers Limited	United Kingdom	Brooklyn House, Gapton Hall Road, Great Yarmouth, Norfolk, NR31 0RD, United Kingdom		100	Dormant
Recap Manager Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Sale of digital products and services to the tanker shipping industry
RS Platou AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		100	Dormant
RS Platou Economic Research AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		100	Dormant
RS Platou Hellas Limited	Cyprus	Arch. Makarios III, 58, Iris Tower, Floor 8, Nicosia, 1075, Cyprus		100	Non-trading
RS Platou Offshore AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		100	Dormant
RS Platou Shipbrokers AS	Norway	Munkedamsveien 62C, Oslo, 0270, Norway		100	Dormant

W Subsidiaries continued

Company name	Country of incorporation	Registered office address	Proportion of shares held directly by the Parent Company (%)	Proportion of shares held by the Group or its nominees (%)	Principal activity
Seafix Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Sale of digital products and services to the shipping industry
Sea by Maritech Singapore Pte. Ltd.	Singapore	8 Cross Street #21-05, Manulife Tower, Singapore, 048424		100	Marketing, sales and support of online contract management platform
Sea by Maritech Sweden AB	Sweden	Vasagatan 28, 111 20, Stockholm, Sweden		100	Sale and support of digital products and services for the shipping industry
Setapp Spółka Z Ograniczoną Odpowiedzialnością	Poland	ul. Wojskowa 6, 60-792, Poznań, Poland		100	Support of digital products and services for the shipping industry
Shipvalue.net Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
Small & Co. (Shipping) Limited	United Kingdom	Commodity Quay, St Katharine Docks, London, E1W 1BF, United Kingdom		100	Dormant
Stewart Offshore Services (Jersey) Limited(11)	Jersey	1 Waverley Place, Union Street, St. Helier, JE4 8SG, Jersey		100	Non-trading
VAXA Drift AS	Norway	c/o Vaxa Property AS, Philip Pedersens vei 20, Lysaker, 1366, Norway		8.62(12)	Operation cost management for property SPV
VAXA Group AS	Norway	c/o Vaxa Property AS, Philip Pedersens vei 20, Lysaker, 1366, Norway		8.62(12)	Holding company
VAXA Økonomi AS	Norway	Philip Pedersens vei 20, Lysaker, 1366, Norway		4.32(12)	Provision of accounting and financial advisory
VAXA Property AS	Norway	Philip Pedersens vei 20, Lysaker, 1366, Norway		8.62(12)	Property management services
Waterfront Services Limited	United Kingdom	27-45 Lincoln Building Ground Floor, Great Victoria Street, Belfast, Northern Ireland, BT2 7SL, United Kingdom		100	Dormant

(11) Dissolved on 9 February 2024.

(12) Although the holding represents <50%, the Parent Company controls the entity with controlling interests in subsidiary companies.

Alternative performance measures

The Directors believe that alternative performance measures can provide users of the financial statements with a better understanding of the Group's underlying financial performance, if used properly. Directors' judgement is required as to what items qualify for this classification.

Adjusting items
The Group excludes adjusting items from its underlying earnings metrics with the aim of removing the impact of one-offs which may distort period-on-period comparisons.

The term 'underlying' excludes the impact of exceptional items and acquisition-related costs, which are shown separately on the face of the income statement. Management separates these items due to their nature and size and believes this provides further useful information, in addition to statutory measures, to assist readers of the Annual Report to understand the results for the year.

Underlying profit before taxation

Reconciliation of reported profit before taxation to underlying profit before taxation for the year.

	2023 £m	2022 £m
Reported profit before taxation	**108.8**	100.1
Less exceptional items	**(2.2)**	–
Add back acquisition-related costs	**2.6**	0.8
Underlying profit before taxation	**109.2**	100.9

Underlying effective tax rate

Reconciliation of reported effective tax rate to underlying effective tax rate.

	2023 %	2022 %
Reported effective tax rate	**21.1**	20.5
Adjustment relating to exceptional items	**0.7**	–
Adjustment relating to acquisition-related costs	**(0.4)**	(0.1)
Underlying effective tax rate	**21.4**	20.4

Underlying profit for the year attributable to equity holders of the Parent Company

Reconciliation of reported profit attributable to equity holders of the Parent Company to underlying profit attributable to equity holders of the Parent Company.

	2023 £m	2022 £m
Reported profit attributable to equity holders of the Parent Company	**83.8**	75.6
Less exceptional items	**(2.5)**	–
Add back acquisition-related costs	**2.5**	0.7
Underlying profit attributable to equity holders of the Parent Company	**83.8**	76.3

Underlying basic earnings per share

Reconciliation of reported basic earnings per share to underlying basic earnings per share.

	2023 Pence	2022 Pence
Reported basic earnings per share	**275.2**	247.9
Less exceptional items	**(8.4)**	–
Add back acquisition-related costs	**8.2**	2.4
Underlying basic earnings per share	**275.0**	250.3

Underlying administrative expenses

Reconciliation of reported administrative expenses to underlying administrative expenses for the year.

	2023 £m	2022 £m
Reported administrative expenses	**509.2**	482.0
Add back exceptional items	**2.2**	–
Less acquisition-related costs	**(2.6)**	(0.8)
Underlying administrative expenses	**508.8**	481.2

Operational metrics

The Group monitors its cash and liquidity position by adjusting gross balances to reflect the payment of obligations to staff and restricted monies held by regulated entities.

Net cash and available funds

The Board uses net cash and available funds as a better representation of the net cash available to the business, since bonuses are typically paid after the year-end, hence an element of the year-end cash balance is earmarked for this purpose. It should be noted that accrued bonuses include amounts relating to the current year and amounts held back from previous years which will be payable in the future.

Reconciliation of reported cash and cash equivalents to net cash and available funds reported.

	2023 £m	2022 £m
Cash and cash equivalents as reported	**398.9**	384.4
Add cash on deposit and government bonds included within current investments	**39.9**	3.1
Less amounts reserved for bonuses included within current trade and other payables	**(237.7)**	(225.8)
Net cash and available funds	**201.1**	161.7

Free cash resources

Free cash resources is a further measure used by the Board in taking decisions over capital allocation. It deducts monies held by regulated entities from the net cash and available funds figure.

Reconciliation of reported cash and cash equivalents to reported free cash resources.

	2023 £m	2022 £m
Cash and cash equivalents as reported	**398.9**	384.4
Add cash on deposit and government bonds included within current investments	**39.9**	3.1
Less amounts reserved for bonuses included within current trade and other payables	**(237.7)**	(225.8)
Less net cash and available funds held in regulated entities	**(25.7)**	(30.8)
Free cash resources	**175.4**	130.9

Glossary

Aframax	A tanker size range defined by Clarksons as between 85,000-124,999 dwt.
AI	Artificial Intelligence.
API	Application Programming Interface. A data delivery mechanism.
Board	The Board of Directors of Clarkson PLC.
Bulk cargo	Unpackaged cargoes such as coal, ore and grain.
Bunkers	A ship's fuel.
Capesize (cape)	Bulk ship size range defined by Clarksons as 100,000 dwt or larger.
Cbm	Cubic metres. Used as a measurement of cargo capacity for ships such as gas carriers.
CEO	Chief Executive Officer, Andi Case.
CFO & COO	Chief Financial Officer & Chief Operating Officer, Jeff Woyda.
Cgt	Compensated gross tonnage. This unit of measurement was developed for measuring the level of shipbuilding output and is calculated by applying a conversion factor, which reflects the amount of work required to build a ship, to a vessel's gross registered tonnage.
CII	Carbon Intensity Indicator. An IMO vessel operational efficiency measure which came into force from 2023.
Chair	Laurence Hollingworth.
Charterer	Cargo owner or another person/company that hires a ship.
Charter party	Transport contract between shipowner and shipper of goods.
Chinsay	Maritech Holdings Limited (a wholly owned Group subsidiary) acquired Chinsay AB on 3 October 2022. On 16 February 2023, Chinsay AB changed its name to Sea by Maritech Sweden AB.
CGU	Cash-Generating Unit. An accounting concept used by the International Financial Reporting Standards to determine asset impairment.
Clean products	Oil products derived from refining crude oil, including gasoline, naphtha, kerosene and diesel. Excludes 'heavier' oil products such as fuel oil which are categorised as 'dirty products'
CoA	Contract of Affreightment. A freight agreement between a ship owner/operator and a cargo interest/charterer to move a defined amount of cargo on pre-defined routes over a period of time, for a pre-agreed rate.
Code	The UK Corporate Governance Code (July 2018).
Company	Clarkson PLC as a standalone entity, registered in England and Wales under company number 1190238.
Containership	A cargo ship specifically equipped with cell guides for the carriage of containerised cargo.
COVID-19	A global pandemic caused by the SARS-CoV-2 virus, first identified in late 2019.
CO_2	Carbon dioxide.
CPP	Clean Petroleum Products. Refined oil products including gasoline, gas oil, jet fuel, kerosene and naptha.
CPS	Clarkson Port Services, a business within Clarksons' Support division.
CPS BV	A subsidiary company formerly named DHSS, acquired by the Group in 2023.
Crude oil	Unrefined oil.
CSOV	Construction Service Operation Vessels. Vessels designed for wind farm support operations, providing accommodation, workshops and equipment enabling access to offshore wind installations.
CSR	Corporate Social Responsibility.
DEI	Diversity, equity and inclusion.
Disclosure Guidance and Transparency Rules	Regulations which apply to most larger companies on the London Stock Exchange, which implement a number of EU Directives on transparency, market abuse, accounting and audit. The Disclosure Guidance and Transparency Rules are supplementary to the Listing Rules.
DHSS	A group of companies (DHSS Aviation B.V., DHSS Logistics B.V., DHSS Projects B.V. and DHSS Service B.V.) acquired by the Group on 6 February 2023. DHSS was subsequently reorganised and renamed Clarkson Port Services B.V.
Dry (market)	Generic term for the bulk market.
Dry cargo carrier	A ship carrying general cargoes or sometimes bulk cargo.
Dwt	Deadweight tonne. A measure expressed in metric tonnes (1,000 kg) or long tonnes (1,016 kg) of a ship's carrying capacity, including cargo, bunkers, fresh water, crew and provisions.
EBT	Employee Benefit Trust. A trust established by the Company for the purpose of facilitating the operation of the Company's share plans.
ECM	Equity Capital Markets.
E&P	Exploration and Production.
EPC	Engineering, procurement and construction.
EPS	Earnings per share.
ESEF	The European Single Electronic Format. The electronic reporting format in which issuers on EU regulated markets must prepare their annual financial reports.
ESTs	Energy Saving Technologies.
ESG	Environmental, Social and Governance.

Glossary continued

ETS	The EU Emissions Trading System. A greenhouse gas emissions trading system extended to shipping from the start of 2024.
Executive Directors	Andi Case (CEO) and Jeff Woyda (CFO & COO).
External audit	An independent opinion of the Group and Company's financial statements by an external firm. PricewaterhouseCoopers LLP is the Group's current External Auditor.
Fair value	Fair value is defined as an amount at which an asset could be exchanged between knowledgeable and willing parties in an arm's-length transaction.
FFA	Forward Freight Agreement. A cash contract for differences requiring no physical delivery based on freight rates on standardised trade routes and for standardised vessel types.
FID	Refers to the Financial Investment Decision for an investment project.
Financial Conduct Authority ('FCA')	The FCA regulates the financial services industry in the UK.
Financial Reporting Council ('FRC')	The FRC regulates auditors, accountants and actuaries, and sets the UK's Corporate Governance and Stewardship Codes.
FOB	Forward order book. Estimated commissions collectable over the duration of the contract as principal payments fall due. The forward order book is not discounted.
Freight rate	The agreed charge for the carriage of cargo expressed per tonne of cargo (also Worldscale in the tanker market), or as a lump sum.
FTSE 250	The share index consisting of the 101st to 350th largest companies listed on the London Stock Exchange main market. Clarkson PLC has been a member of the FTSE 250 since 2015.
FVOCI	Fair value through other comprehensive income. A classification category for financial assets under IFRS 9.
FVPL	Fair value through profit or loss. A classification category for financial assets under IFRS 9.
GHG	Greenhouse gas.
Group	Clarkson PLC and its subsidiary undertakings.
GT	Gross Tonnage. A standardised measure of a ship's internal volume as defined by the IMO.

GW	Gigawatts. A unit of power or power capacity equivalent to 1 billion watts.
IFRS	International Financial Reporting Standards. A set of international accounting standards stating how particular types of transactions and other events should be reported in financial statements.
IEA	International Energy Agency. An agency which works with countries around the world to shape energy policies.
IMO	International Maritime Organization. A United Nations agency devoted to shipping.
KPIs	Key performance indicators.
LCO_2	Liquefied Carbon Dioxide (CO_2). The liquid form of carbon dioxide, formed via pressurisation (and often refrigeration) of gaseous carbon dioxide. LCO_2 carriers are vessels designed to carry such cargoes.
LGC	Large Gas Carrier. Vessel defined by Clarksons as 45,000-64,999 cbm.
Listing Rules	Set of regulations overseen by the Financial Conduct Authority, which apply to any company listed on the London Stock Exchange.
Liquidity risk	The risk of the Group being unable to meet its cash and collateral obligations without incurring large losses.
LNG	Liquefied Natural Gas.
LPG	Liquefied Petroleum Gas.
LR1	Long Range 1. Coated products tanker, defined by Clarksons as 55,000-84,999 dwt.
LR2	Long Range 2. Coated products tanker, defined by Clarksons as 85,000-124,999 dwt.
LSE	London Stock Exchange. The stock exchange in the City of London on which Clarkson PLC's shares are listed.
M&A	Mergers and Acquisitions.
MPP	Multi Purpose. A diverse fleet of vessels which are typically capable of carrying both containerised and bulk cargoes; many also have 'heavy lift' capability in order to transport large project cargoes.
MR	Medium Range. A product tanker of around 45,000-55,000 dwt.
MRO	Maintenance, repair and operating products, which includes consumables, industrial equipment and plant upkeep supplies.
MT	Metric tonne (see tonne). A measure equivalent to 1,000 kg.

Non-Executive Director	A Director of the Board, not part of the executive management of the Company, who is free from any business or other relationship that could materially conflict with their ability to exercise independent judgement.
O&M	Operations & Maintenance.
OPEC	Organization of the Petroleum Exporting Countries.
OSV	Offshore Support Vessels. Includes Anchor Handling Tug Supplys ('AHTSs') and Platform Supply Vessels ('PSVs'). Ships engaged in providing support to offshore rigs and oil platforms.
Parent Company	Clarkson PLC as a standalone entity, registered in England and Wales under company number 1190238.
PCG	PetroChemical Gas.
PPE	Personal protective equipment.
Products tanker	Tanker that carries refined oil products.
ROV	Remotely Operated Vehicle.
S&P	Sale and Purchase, a business within Clarksons' Broking division
SaaS	Software as a Service.
SAPS	Self-administered pension scheme. Used in this Annual Report in the context of mortality tables published by the UK's Continuous Mortality Investigation.
SBP	Share-based payments.
SCFI	Shanghai Containerised Freight Index. An index produced by the Shanghai Shipping Exchange reflecting movements in spot container freight rates from Shanghai to a selection of destinations around the world.
SECR	Streamlined Energy and Carbon Reporting. Mandatory reporting for large businesses in the UK regarding their energy and carbon emissions.
Setapp	Maritech Holdings Limited (a wholly owned Group subsidiary) acquired Setapp Spółka Z Ograniczoną Odpowiedzialnością on 4 November 2022.
SID	Senior Independent Director, Sue Harris.
Shipbroker	A person/company that, on behalf of a shipowner/shipper, negotiates a deal for the transportation of cargo at an agreed price. Shipbrokers also act on behalf of shipping companies in negotiating the purchasing and selling of ships, both secondhand tonnage and newbuilding contracts.
Spot market	Short-term contracts for voyage, trip or short-term time charters, normally no longer than three months in duration.
Suezmax	A tanker size range defined by Clarksons as 125,000-199,999 dwt.
TCFD	Task Force on Climate-Related Financial Disclosures. A framework which provides consistency in reporting of climate-related financial information.
TEU	20-foot Equivalent Units. The unit of measurement of a standard 20-foot long container.
TEU-miles	TEU trade volumes moved, multiplied by distance travelled in miles; used in order to give a better estimate of vessel demand on given trade route(s).
TCE	Time Charter Equivalent. Gross freight income less voyage costs (bunker, port and canal charges), usually expressed in US dollar per day.
TFDE	Tri Fuel Diesel Electric. A propulsion system used mainly in LNG carriers, where the vessel is capable of using both boil-off gas and conventional fuels to generate electricity in order to power electric motors which drive the ship's propellers.
Time charter	An arrangement whereby a shipowner places a crewed ship at a charterer's disposal for a certain period. Freight is customarily paid periodically in advance. The charterer also pays for bunker, port and canal charges.
Tonne	Metric tonne of 1,000 kg or 2,204 lbs.
TSR	Total Shareholder Return.
VLAC	Very Large Ammonia Carrier. A VLGC optimised for the carriage of ammonia cargoes as well as LPG.
VLCC	Very Large Crude Carrier. Tanker over 200,000 dwt.
VLGC	Very Large Gas Carrier. Vessel defined by Clarksons as 65,000 cbm or larger.
Wet (market)	Generic term for the tanker market.

Five-year financial summary

Income statement

	2023* £m	2022* £m	2021* £m	2020* £m	2019* £m
Revenue	**639.4**	603.8	443.3	358.2	363.0
Cost of sales	**(30.4)**	(21.8)	(16.5)	(13.3)	(14.3)
Trading profit	**609.0**	582.0	426.8	344.9	348.7
Administrative expenses	**(508.8)**	(481.2)	(355.7)	(298.5)	(298.2)
Operating profit	**100.2**	100.8	71.1	46.4	50.5
Profit before taxation	**109.2**	100.9	69.4	44.7	49.3
Taxation	**(23.4)**	(20.6)	(14.7)	(9.5)	(11.4)
Profit for the year	**85.8**	80.3	54.7	35.2	37.9

* Before exceptional items and acquisition-related costs.

Cash flow

	2023 £m	2022 £m	Restated 2021 £m	2020 £m	2019 £m
Net cash inflow from operating activities	**155.3**	178.9	125.1	65.9	67.8

Balance sheet

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Non-current assets	**284.6**	288.9	290.3	290.1	349.9
Inventories	**3.3**	2.4	1.5	1.3	1.1
Trade and other receivables (including income tax receivable)	**148.7**	153.1	118.4	76.8	77.1
Current asset investments	**40.1**	3.5	10.3	31.1	15.6
Cash and cash equivalents	**398.9**	384.4	261.6	173.4	175.7
Current liabilities	**(371.3)**	(366.2)	(257.3)	(177.4)	(170.6)
Non-current liabilities	**(47.7)**	(52.9)	(63.2)	(66.9)	(68.2)
Net assets	**456.6**	413.2	361.6	328.4	380.6

Statistics

	2023 Pence	2022 Pence	2021 Pence	2020 Pence	2019 Pence
Earnings per share – basic*	**275.0**	250.3	165.6	106.0	118.8
Dividend per share	**102.0**	93.0	84.0	79.0	78.0

* Before exceptional items and acquisition-related costs.

Changes to IFRS have not been retrospectively adjusted.

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