

# CMC Spreadbet plc

## Annual Report and Financial Statements

31 March 2022

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# **CMC Spreadbet plc**

## **Annual Report and Financial Statements**

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# CMC Spreadbet plc

## Strategic report

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The Directors present their Strategic report on the Company for the financial year ended 31 March 2022.

### CORPORATE INFORMATION

CMC Spreadbet plc (the "Company") is a public limited company, limited by shares, incorporated in England and Wales under the Companies Act 1985. The nature of the operations and principal activities of the Company are running a spread betting market on financial instruments.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Revenue for the financial year ended 31 March 2022 was £23,077,000 (2021: £27,291,000). The profit for the financial year was £2,154,000 (2021: £2,756,000).

The Company has net assets of £48,294,000 as at 31 March 2022 (2021: £46,140,000).

The Company will continue to strive for excellence in its provision of its products and services across its chosen markets.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of CMC Markets plc, the ultimate parent company of CMC Markets Group (the "Group"), manage the Group's risks at a Group level rather than at an individual business unit level. For this reason, the Company's Directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of CMC Spreadbet plc's business. The principal risks of the Group which include those of the Company, are discussed in the Strategic report of the Group's Annual Report and Financial Statements, which does not form part of this report.

The Company continues to operate a strategy of focusing on high value and experienced clients which has helped the Company mitigate the impact of the The European Securities and Markets Authority's (ESMA) regulations effective from 1 August 2018, which impact client trading activity. The Company has adopted a robust and rigorous approach to this ensuring that only clients that meet the ESMA professional client criteria are treated as such. The Directors believe that increased regulation in the sector is a good thing for the industry overall and the Company has witnessed its clients adopt their trading behaviour as they themselves get used to new margin requirements, using more of their cash on account to trade and trading for longer periods. Since the implementation of the ESMA rules, trading levels for the Company's clients has stabilised indicating that there remains a demand from these clients to trade which is encouraging for the medium and long-term success of the business.

### KEY PERFORMANCE INDICATORS ("KPIs")

The Directors of CMC Markets plc manage the Group's operations on a geographical basis. For this reason, the Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of development, performance or position of the business of the Company. The development, performance and position of the business of the Group, which includes the Company, is discussed in the Directors' report of the Group's Annual Report and Financial Statements which does not form part of this report.

The Strategic report has been approved by the Board of Directors and is signed on its behalf by:



**Euan Marshall**  
Director  
18 July 2022

Registered office  
133 Houndsditch  
London EC3A 7BX

# CMC Spreadbet plc

## Directors' report

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The Directors present their report together with the audited Financial Statements of the Company for the year ended 31 March 2022.

### PRINCIPAL ACTIVITIES

The Company is an online retail financial services business and enables its customers to trade spread bets on a range of financial instruments. The Company is authorised and regulated by the Financial Conduct Authority.

### STRATEGIC REPORT

The Companies Act 2006 requires the company to prepare a Strategic report, which commences at the start of this Annual Report and Financial Statements on page 1. The Strategic report includes information about the Company's review of the business throughout the year, future developments, principal risks and uncertainties and key performance indicators.

### FINANCIAL RISK MANAGEMENT

Financial risk management is disclosed under note 16 to the Financial Statements on page 18.

### GOING CONCERN

Having given due consideration to the nature of the Company's business, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

### RESULTS AND DIVIDENDS

The results for the year are shown in the statement of comprehensive income on page 7. As at the date of signing these financial statements the Directors have not recommended the payment of a Dividend for the year (2021: £nil).

### DIRECTORS

The Directors of the Company who held office during the year and up to the date of signing these Financial Statements were as follows:

Lord Cruddas  
David Fineberg  
Euan Marshall

Lord Cruddas, David Fineberg and Euan Marshall are also Directors of CMC Markets plc, the ultimate parent company.

### DIRECTORS' INDEMNITIES

As permitted by the articles of association, the Directors have the benefit of indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

The Company also maintains appropriate insurance to cover Directors' and Officers' liability which is assessed annually and approved by the Board of CMC Markets plc. No amount was paid under the Directors' and Officers' liability insurance during the year. This was in place at the start, end and throughout the financial year.

### STAKEHOLDER STATEMENTS

#### *Other stakeholders*

From the perspective of the Board, as a result of the governance structure, the Group board has taken the lead in carrying out the duties of a board in respect of the Company's other stakeholders. The Board of the Company has also considered relevant matters where appropriate. An explanation of how the Directors on the Group board have had regard to the need to foster the business relationships with suppliers, customers and others, and the effect of that regard is set out on page 9 of the CMC Markets plc Annual Report and Financial Statements 2022.

# CMC Spreadbet plc

## Directors' report

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### DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a Director at the date approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Each Director has taken all the steps that he or she is obliged to take as Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given pursuant to Section 418 of the Companies Act 2006.

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP acted as auditors of the Company throughout the year. Following completion of a tender process for CMC Markets plc and its subsidiaries, Deloitte LLP are to be appointed as auditor of the Company and a resolution to this effect will be put before the Company's shareholders at the general meeting of the Company at which the Company's 2022 annual accounts and financial statements are to be laid.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable 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 company will continue in business.

The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors' report has been approved by the Board of Directors and signed on its behalf by:



**Euan Marshall**  
Director  
18 July 2022

Registered office:  
133 Houndsditch  
London  
EC3A 7BX

# Independent auditors' report to the members of CMC Spreadbet plc

## Report on the audit of the financial statements

### Opinion

In our opinion, CMC Spreadbet plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of financial position as at 31 March 2022; Statement of comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform

# CMC Spreadbet plc

## Independent auditors' report to the members of CMC Spreadbet plc

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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 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## Responsibilities for the financial statements and the audit

### Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Financial Conduct Authority's Handbook and corporation tax legislation, 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 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 recording of journals. Audit procedures performed by the engagement team included:

- Review of correspondence with regulators in so far as it was related to the financial statements
- Enquiries of management in relation to known or suspected instances of non-compliance with laws and regulations and fraud
- Identifying and, where relevant, testing journal entries
- Incorporating unpredictability into the nature, timing and/or extent of our testing
- Reviewing minutes of those charged with governance

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.

# CMC Spreadbet plc

## Independent auditors' report to the members of CMC Spreadbet plc

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

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

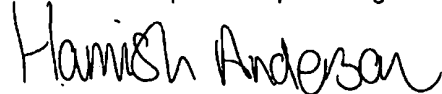
## Other required reporting

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



**Hamish Anderson (Senior Statutory Auditor)**

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

18 July 2022

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# CMC Spreadbet plc

## Statement of comprehensive income

For the year ended 31 March 2022

£ 000	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue		23,077	27,291
Interest income	4	851	832
<b>Total revenue</b>		<b>23,928</b>	<b>28,123</b>
Betting levies		(498)	(397)
<b>Net operating income</b>		<b>23,430</b>	<b>27,726</b>
Operating expenses	5	(21,103)	(23,464)
Net impairment losses on financial assets		(147)	(1,710)
<b>Operating profits</b>		<b>2,180</b>	<b>2,552</b>
Interest expense		(26)	(10)
<b>Profit before taxation</b>		<b>2,154</b>	<b>2,542</b>
Taxation	9	-	214
<b>Profit for the financial year and total comprehensive income</b>		<b>2,154</b>	<b>2,756</b>

All the Company's activities during the year and preceding year are classed as continuing.

**CMC Spreadbet plc**  
**Statement of financial position**  
**Company registration number: 2589529**

As at 31 March 2022

£ 000	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Trade and other receivables	10	-	40,167
<b>Total non-current assets</b>		-	<b>40,167</b>
<b>Current assets</b>			
Trade and other receivables	10	45,735	4,568
Amounts due from brokers		180	279
Cash and cash equivalents	11	6,133	2,670
<b>Total current assets</b>		<b>52,048</b>	<b>7,517</b>
<b>Total assets</b>		<b>52,048</b>	<b>47,684</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	3,754	1,544
<b>Total current liabilities</b>		<b>3,754</b>	<b>1,544</b>
<b>Total liabilities</b>		<b>3,754</b>	<b>1,544</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Ordinary Share capital	13	350	350
Retained earnings		47,944	45,790
<b>Total equity</b>		<b>48,294</b>	<b>46,140</b>
<b>Total equity and liabilities</b>		<b>52,048</b>	<b>47,684</b>

The Financial Statements on pages 7 to 24 were approved by the Board of Directors on 18 July 2022 and signed on its behalf by:

*Euan Marshall*

**Euan Marshall**  
**Director**

# CMC Spreadbet plc

## Statement of changes in equity

For the year ended 31 March 2022

£ 000	Ordinary Share capital	Retained Earnings	Total Equity
At 1 April 2020	350	43,034	43,384
Profit for the year and total comprehensive income	-	2,756	2,756
At 31 March 2021	350	45,790	46,140
Profit for the year and total comprehensive income	-	2,154	2,154
At 31 March 2022	350	47,944	48,294

# CMC Spreadbet plc

## Statement of cash flows

For the year ended 31 March 2022

£ 000	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	14	3,457	(429)
Interest income	4	32	70
Tax recovered		-	329
Finance costs		(26)	(10)
<b>Net cash generated from / (used in) operating activities</b>		<b>3,463</b>	<b>(40)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>3,463</b>	<b>(40)</b>
Cash and cash equivalents at the beginning of the year		2,670	2,710
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>6,133</b>	<b>2,670</b>

# CMC Spreadbet plc

## Notes to the Financial Statements

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### 1. General information

#### *Corporate information*

CMC Spreadbet plc (the "Company") is a public limited company, limited by shares, incorporated in England and Wales under the Companies Act 1985. The nature of the operations and principal activities of the Company are running a spread betting market on financial instruments.

#### *Functional and presentation currency*

Items included in these Financial Statements of the Company are measured using British pounds sterling ("GBP") being the currency of the primary economic environment in which the Company operates (the "functional currency"). These Financial Statements are presented in GBP, which is the Company's presentation currency. Foreign currency transactions are included in accordance with the policies set out in note 3.

#### *Significant accounting judgements and estimates*

The preparation of Financial Statements in conformity with IFRS requires the use of certain significant accounting judgements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The only area involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the Financial statements, is:

#### *Contingent liabilities*

Judgement has been applied in evaluating the accounting treatment of the specific matters described in note 18 (Contingent liabilities), notably the probability of any obligations or future payments arising.

No significant estimates were used in the preparation of the financial statements.

### 2. Basis of preparation

#### *Basis of accounting*

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its company financial statements on 1 April 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Financial Statements have been prepared under the historical cost convention.

The Company's principal accounting policies adopted in the preparation of these Financial Statements are set out in note 3 below. These policies have been consistently applied to all years presented. The Financial Statements presented are at and for the years ended 31 March 2022 and 31 March 2021. Financial annual years are referred to as 2022 and 2021 in the Financial Statements.

#### *Changes in accounting policy and disclosures*

#### *Application of new and revised accounting standards*

The following standards and interpretations applied for the first time in the current financial year, but do not have a significant impact on the financial statements of the Company:

Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

#### *New accounting standards in issue but not yet effective*

Reference to the Conceptual Framework – Amendments to IFRS 3

Annual Improvements to IFRS Standards 2019-2020

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

Definition of Accounting Estimate – Amendments to IAS 8

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future years.

# CMC Spreadbet plc

## Notes to the Financial Statements

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### 3. Summary of significant accounting policies

#### **Total revenue**

##### **Revenue**

Revenue comprises the fair value of the consideration received from the provision of online financial services in the ordinary course of the Company's activities, net of client rebates. Revenue is shown net of value added tax after eliminating sales within the Company.

Each spread bet trade is traded back to back with CMC Markets UK plc. CMC Spreadbet plc has a trading partner relationship with CMC Markets UK plc.

The Company generates market maker revenue principally from commissions, and acting as a spread bet to its clients, and the transactions undertaken to hedge the resulting risks.

Revenue from spread bet represents the fees paid by clients for commission and funding charges in respect of the opening, holding and closing of financial spread bets together with the spread and fair value gains and losses for the Company arising on client trading activity.

Commission and funding charges are accounted for in accordance with IFRS15 "Revenue from Contracts with Customers". Commission income is earned and recognised when the trade is placed, and funding charges when an open position is held by a customer at 5:00pm New York time. Spread and fair value gains and losses are accounted for in accordance with IFRS9 "Financial Instruments" and IFRS13 "Fair Value Measurement". Open client and hedging positions are fair valued on a daily basis and the unrealised gains and losses arising on this valuation are recognised in revenue, alongside realised gains and losses on positions that have closed.

##### **Other revenue**

Other revenue from the provision of financial information, dormancy fees and balance conversions are accounted for in accordance with IFRS15 "Revenue from Contracts with Customers".

##### **Interest income**

Total revenue also includes interest earned on amounts due from Group companies and on the Company's own funds and client funds net of interest payable to clients. Interest income is accrued based on the effective interest rate method, by reference to the principal outstanding and at the interest rate applicable.

##### **Management and service fees**

A fellow subsidiary (CMC Markets UK plc) recharges a proportion of its cost base to the Company as it incurs costs on behalf of the Company.

##### **Betting levies**

Spread betting levies are charged to the statement of comprehensive income when the associated revenue is recognised and are disclosed as a deduction from total revenue in deriving net operating income. Betting levy is payable on net gains generated from clients on spread betting and the Countdowns product. This levy is payable on net gains generated from clients on these products

##### **Taxation**

The tax expense represents the sum of the current tax charge and movements in deferred tax (if applicable).

The current tax charge is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's asset for current tax is calculated using tax rates that have been enacted or substantively enacted as at the balance sheet date.

##### **Foreign currencies**

Transactions denominated in currencies other than the functional currency, 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 as at the balance sheet date.

##### **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

# CMC Spreadbet plc

## Notes to the Financial Statements

### 3. Summary of significant accounting policies (continued)

Trade receivables do not contain a significant financing element and therefore expected credit losses are measured using the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

The expected loss model for these trade receivables has been built based on the levels of loss experienced, with due consideration given to forward-looking information.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within operating costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other operating costs in the statement of comprehensive income.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise current account balances, bank deposits and other short-term highly liquid investments with initial maturity dates of less than three months.

#### **Client money**

The Company holds money on behalf of clients in accordance with the Client Asset (CASS) rules of the Financial Conduct Authority. Client monies are classified as either client money or cash and cash equivalents in accordance with the relevant regulatory agency's requirements. The amounts held on behalf of clients at the statement of financial position date are stated in notes 11 and 12. Segregated client funds comprise individual client funds held in segregated client money accounts. Segregated client money accounts hold statutory trust status restricting the Company's ability to control the monies and accordingly such amounts are not recognised on the Company's statement of financial position.

#### **Trade payables**

Trade payables are not interest bearing and are stated at fair value on initial recognition and subsequently at amortised cost.

#### **Share capital**

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

### 4. Interest income

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
<b>Interest income comprises the following:</b>		
Interest from Group Companies	819	762
Bank interest	32	70
<b>Total</b>	<b>851</b>	<b>832</b>

### 5. Operating expenses

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
<b>Operating expenses comprise of the following:</b>		
Regulatory fees and levies	825	852
Sales and marketing costs	234	297
Management and services fees paid to Group companies	19,616	20,829
Other costs	428	1,486
<b>Total</b>	<b>21,103</b>	<b>23,464</b>

# CMC Spreadbet plc

## Notes to the Financial Statements

### 6. Employee Information

There were no employees during the current year (2021: 0 employees). The average number of Directors during the year was 3 (2021: 3 Directors).

The remuneration of Lord Cruddas, Mr Fineberg, and Mr Marshall is paid by a fellow group company (CMC Markets UK plc) which makes no recharge to the Company. Detailed remuneration disclosures are provided in the remuneration report in the CMC Markets plc Annual Report and Financial Statements 2022 on pages 62 to 85.

No remuneration or pension scheme benefits were paid or are payable by the Company to the Directors. The Directors provide services to the Group as a whole, and their principal activities are not specific to the business of this Company. It is not possible to make an accurate apportionment of their emoluments to the Company. Hence, no Directors' emoluments are disclosed in the Financial Statements of the Company.

### 7. Profit before taxation

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
<b>Profit before tax is stated after (crediting)/charging:</b>		
Net foreign exchange (gain) / loss	(46)	52

### 8. Auditors' remuneration

Auditors' remuneration of £39,000 (2021: £37,000) for audit services to the Company was borne by CMC Markets UK plc. The amount for other non-audit services during the year ended 31 March 2022 was £69,000 (2021: £66,000) which was also borne by CMC Markets UK plc.

### 9. Taxation

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current tax</b>		
Adjustment in respect of previous years	-	(214)
<b>Total tax</b>	-	<b>(214)</b>

Factors affecting total tax for the year:

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

The effective tax rate of 0% (2021: 8%) differs from the standard rate of UK corporation tax rate of 19% (2021: 19%).

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
<b>Profit before taxation</b>	<b>2,154</b>	<b>2,542</b>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	409	483
Group relief claimed	(409)	(483)
Adjustment in respect of previous years	-	(214)
<b>Total tax</b>	-	<b>(214)</b>



# CMC Spreadbet plc

## Notes to the Financial Statements

### 10. Trade and other receivables

£ 000	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Gross trade receivables	3,554	5,780
Less: provision for impairment of trade receivables	(3,360)	(4,734)
<b>Trade receivables</b>	<b>194</b>	<b>1,046</b>
Tax and Social Security	14	1
Accrued income	17	14
Amounts due from Group companies	45,510	3,507
<b>Total current</b>	<b>45,735</b>	<b>4,568</b>
<b>Non-current</b>		
Other debtors	-	125
Amounts due from Group companies	-	40,042
<b>Total Non-current</b>	<b>-</b>	<b>40,167</b>
<b>Total</b>	<b>45,735</b>	<b>44,735</b>

### Provision for impairment of trade receivables

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
<b>At 1 April</b>	<b>4,734</b>	<b>3,024</b>
(Net debt provision released) / net debt provided for	(147)	2,214
Debt written off	(1,227)	(504)
<b>At 31 March</b>	<b>3,360</b>	<b>4,734</b>

### 11. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, bank overdrafts and cash on hand. Cash at bank earns interest at floating rates, based on daily bank deposit rates.

Cash and cash equivalents comprise the following for the purpose of the statement of cash flows:

£ 000	As at 31 March 2022	As at 31 March 2021
Gross cash and cash equivalents	95,075	104,012
Less: Client monies	(88,942)	(101,342)
<b>Cash and cash equivalents</b>	<b>6,133</b>	<b>2,670</b>

# CMC Spreadbet plc

## Notes to the Financial Statements

### 12. Trade and other payables

£ 000	As at 31 March 2022	As at 31 March 2021
Gross trade payables	92,239	102,790
Less: Client monies	(88,942)	(101,342)
Trade payables	3,297	1,448
Amounts due to Group Companies	53	-
Accrued expenditure	404	96
Total	3,754	1,544

### 13. Ordinary share capital

	Number (000)		£ 000	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b>				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
<b>Allotted, issued and fully paid</b>				
Ordinary shares of £1 each	350	350	350	350
Total	350	350	350	350

### 14. Cash generated from / (used in) operations

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Profit before taxation	2,154	2,542
Adjustments for:		
Net interest income	(851)	(832)
Finance costs	26	10
Changes in working Capital:		
Increase in trade and other receivables	(181)	(966)
Decrease / (Increase) in amounts due from brokers	99	(71)
Increase / (Decrease) in trade and other payables	2,210	(1,112)
Cash generated from / (used in) operations	3,457	(429)

# CMC Spreadbet plc

## Notes to the Financial Statements

### 15. Financial Instruments

#### *Analysis of financial instruments by category*

The following tables analyse financial assets and liabilities in accordance with the categories of financial instruments on an IFRS 9 basis.

As at 31 March 2022

£ 000	Amortised Cost
<b>Financial Assets:</b>	
Cash and cash equivalents	6,133
Amounts due from brokers	180
Trade and other receivables excluding non-financial assets	45,704
<b>Total</b>	<b>52,017</b>

£ 000	Amortised Cost
<b>Financial Liabilities:</b>	
Trade and other payables excluding non-financial liabilities	(3,754)
<b>Total</b>	<b>(3,754)</b>

As at 31 March 2021

£ 000	Amortised Cost
<b>Financial Assets:</b>	
Cash and cash equivalents	2,670
Amounts due from brokers	279
Trade and other receivables excluding non-financial assets	44,720
<b>Total</b>	<b>47,669</b>

£ 000	Amortised Cost
<b>Financial Liabilities:</b>	
Trade and other payables excluding non-financial liabilities	(1,544)
<b>Total</b>	<b>(1,544)</b>

# CMC Spreadbet plc

## Notes to the Financial Statements

### 15. Financial instruments (continued)

#### Analysis of financial instruments by category (continued)

##### Maturity analysis

As at 31 March 2022

£ 000	On demand	Less than three months	Three months to one year	After one year	Total
<b>Financial assets</b>					
Cash and cash equivalents	6,133	-	-	-	6,133
Amounts due from brokers	180	-	-	-	180
Trade and other receivables	194	-	45,510	-	45,704
	<b>6,507</b>	<b>-</b>	<b>45,510</b>	<b>-</b>	<b>52,017</b>
<b>Financial liabilities:</b>					
Trade payables	(3,754)	-	-	-	(3,754)
	<b>(3,754)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,754)</b>
<b>Net liquidity gap</b>	<b>2,753</b>	<b>-</b>	<b>45,510</b>	<b>-</b>	<b>48,263</b>

As at 31 March 2021

£ 000	On demand	Less than three months	Three months to one year	After one year	Total
<b>Financial assets</b>					
Cash and cash equivalents	2,670	-	-	-	2,670
Amounts due from brokers	279	-	-	-	279
Trade and other receivables	4,553	-	-	40,167	44,720
	<b>7,502</b>	<b>-</b>	<b>-</b>	<b>40,167</b>	<b>47,669</b>
<b>Financial liabilities:</b>					
Trade payables	(1,544)	-	-	-	(1,544)
	<b>(1,544)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,544)</b>
<b>Net liquidity gap</b>	<b>5,958</b>	<b>-</b>	<b>-</b>	<b>40,167</b>	<b>46,125</b>

The amounts disclosed in the table are the contractual undiscounted cash flows, including principal and interest payments, these amounts will not reconcile to the amounts disclosed in the balance sheet.

### 16. Financial risk management

The Company's day-to-day business activities naturally expose it to strategic, financial (including credit and market) and operational risks. However, from a market risk perspective CMC Spreadbet plc entered into an allocation agreement with CMC Markets UK plc with effect from 1 April 2015. Under this agreement, the Company's exposure to market risk is mitigated by the use of a real time synthetic/implied back to back process with CMC Markets UK plc. The back-to-back trades hedge the market risk for the Company on all instruments, with the exception of Binary products (Countdowns). The back-to-back arrangement effectively passes the market risk on these hedged instruments to CMC Markets UK plc. The Company is exposed to price risk from Binary products due to the absence of a back-to-back arrangement; however this risk is deemed to be immaterial due to the maximum size of any potential loss with respect of the capital base of the subsidiary.

The CMC Markets plc Board sets the strategy and the policies for managing these risks and delegates the monitoring and management of these risks to various committees including the Group Risk Committee and the Risk Management Committee.

Management considers the carrying value of all financial assets and liabilities to be the approximate equivalent of the fair value.

# CMC Spreadbet plc

## Notes to the Financial Statements

### 16. Financial risk management (continued)

The Group's ICAAP review document is prepared under the requirements set out in the Financial Conduct Authority ("FCA") Rulebook in accordance with CRD IV1. From 1 January 2022, the Investment Firm Prudential Regime ("IFPR") has become applicable for FCA regulated investment firms. A key purpose of an ICAAP review document, and its successor the ICARA review document, is to inform a firm's board of the ongoing assessment of the firm's risks, how the firm intends to mitigate those risks, and how much current and future capital and liquidity is necessary to hold against those risks. This is achieved by considering potential stresses as well as mitigating factors.

Financial risks arising from financial instruments are categorised into market, credit, counterparty and liquidity risks which, together with how the Group categorises and manages these risks, are described below.

[1 The Capital Requirements Directive (2013/36/EU) ("CRD") and the Capital Requirements Regulation (575/2013) ("CRR"), called "CRD IV".

#### Market risk

Market risk is analysed as market price risk, interest rate risk and currency risk. These are not deemed material for the Company based on the allocation agreement discussed above and the immateriality of the maximum size of a potential loss resulting from the limited risk products.

#### Non trading book interest-rate risk

Interest rate risk arises from either less interest being earned or more being paid on interest bearing assets and liabilities due to a change in the relevant floating rate.

Interest rate risk arises in CMC Spreadbet plc through a limited number of channels: income on segregated client and own funds and debits on client balances that are over a pre-defined threshold.

The sensitivity analysis performed is based on a reasonable and possible move in the floating rate by 1.25% (2021: 0.50%) upwards and 0.25% (2021: 0.25%) downwards. This is in line with the movement used for the year ended 31 March 2022. This is summarised in the below table, and reflects the Company's view that in the current economic environment, interest rate volatility is unlikely to have a significant impact on the profits of the Company. This has no material impact on the Company's equity.

#### Non trading book interest-rate risk (continued)

31 March 2022		
£ 000	Absolute increase	Absolute decrease
Impact of	1.25% change	0.25% change
Profit after tax	809	(188)
Equity	809	(188)

31 March 2021		
£ 000	Absolute increase	Absolute decrease
Impact of	0.50% change	0.25% change
Profit after tax	253	(79)
Equity	253	(79)

#### Non trading book foreign exchange risk

Foreign exchange risk is the risk that the Company's results are impacted by movements in foreign exchange rates.

The Company is exposed to foreign exchange risk in the form of transaction exposure and this is managed at a Group Level.

Transaction exposure is from holdings of cash and other current assets and liabilities in a currency other than the base currency of the entity. This risk is hedged each month by the Liquidity Risk Management team according to a policy based on a cap and floor model, with gains/losses recognised in the statement of comprehensive income. Any foreign exchange exposures are hedged in accordance with the Group Foreign Exchange Hedging Policy. Given the effectiveness of the hedging program, a sensitivity analysis has not been performed.

#### Credit risk

Credit risk is the risk that the counterparty to a transaction will cause the Company financial loss by failing to fulfil a contractual obligation. Below are the channels of credit risk the Company is exposed through:

- Financial Institution ("FI");

# CMC Spreadbet plc

## Notes to the Financial Statements

### 16. Financial risk management (continued)

#### Credit risk (continued)

- Client

Credit risk is managed at a Group level.

#### Financial Institution credit risk

The Company has relationships with a number of counterparties that provide prime brokerage and/or banking services (e.g. cash accounts, foreign exchange trading, credit facilities, etc.).

FI credit risk can therefore be defined as the risk that a FI will default on their contractual obligation to the Company resulting in a loss to the Company. The above could be incurred in the following way:

- For FIs used as a bank, the Company does not receive the funds the FI holds on the Company's account.

#### Mitigation of Financial Institution credit risk

To mitigate or avoid a credit loss:

- The Company maintains, where practical, a range of relationships to reduce over-reliance on a single FI – as detailed in the Group Counterparty Concentration Risk Policy.
- The Company monitors the credit worthiness of the FI and reviews counterparties at least annually – as detailed in the Group Hedge Counterparty Selection Policy.

In order to manage both FI Credit Risk and Counterparty Credit Risk within appetite, the Company sets a limit, articulated in a policy, against the total balance that can be held with each rated institution. The limit is expressed as a maximum percentage of capital.

Liquidity Risk Management monitors the credit quality of all FIs, by tracking the credit ratings issued by Standard & Poor's and Fitch rating agencies, the credit default swap ("CDS") spreads determined in the CDS market, share price, performance against a relevant index, and other relevant metrics.

The rated FIs that the Company transacts with are of investment grade quality; however no quantitative credit rating limits are set by the Company that FIs must exceed because the choice of suitable FIs is finite and therefore setting minimum rating limits could lead to the possibility that no FIs are able to meet them. As an alternative, the Company reviews negative rating action and large CDS spread widening to FIs on a case-by-case basis. Should an institution's credit rating fall below investment grade, the Group Risk Committee will be called and options discussed. Possible actions by the Company to reduce exposure to FIs depend on the nature of the relationship and the practical availability of substitute FIs. Possible actions include the withdrawal of cash balances from a FI on a daily basis, switching a proportion of hedge trading to another prime broker FI or ceasing all commercial activity with the FI.

The tables below present Company's exposure to FIs based on their long-term credit rating.

31 March 2022 £ 000	Amounts Due from Brokers	Cash and cash equivalents	Total
BBB+ to BBB-	-	6,133	6,133
Unrated	180	-	180
<b>Total</b>	<b>180</b>	<b>6,133</b>	<b>6,313</b>

31 March 2021 £ 000	Amounts Due from Brokers	Cash and cash equivalents	Total
A+ to A-	-	2,670	2,670
Unrated	279	-	279
<b>Total</b>	<b>279</b>	<b>2,670</b>	<b>2,949</b>

There were no cash balances or deposits with institutions which were considered to be impaired (2021: £nil).

# CMC Spreadbet plc

## Notes to the Financial Statements

### 16. Financial risk management (continued)

#### Credit risk (continued)

##### Client credit risk

The Company operates a real-time mark-to-market leveraged trading facility where clients are required to lodge collateral against positions, with any profits and losses generated by the client credited and debited automatically to their account. As with any leveraged product offering, there is the potential for a client to lose more than the collateral lodged.

Client counterparty risk captures the risk associated with a client defaulting on their obligations due to the Group. As the Group does not offer most of its retail clients credit terms and has a robust liquidation process, client counterparty credit risk will in general only arise when markets and instruments gap and the movement in the value of a client's leveraged portfolio exceeds the value of equity that the client has held at the Group leaving the client account in deficit.

##### Mitigation of client credit risk

- Liquidation process

This is the automated process of closing a client's open position if the total equity is not enough to cover a predefined percentage of required margin for the portfolio held.

The Company has a fully automated liquidation process on the Next Generation platform. This process ensures a consistent and timely approach to the processing of liquidation orders and ultimately aims to minimise client credit risk exposure through protecting the client from becoming a debtor.

Pre-emptive processes are also in place where a client's free equity (total equity less total margin requirement) becomes negative. At this point the client is requested to deposit additional funds and is restricted from increasing their position. Clients in some regions may use limited risk accounts, where it is guaranteed that a client cannot move to a negative equity balance.

- Tiered margin

Tiered margin is built into the Next Generation platform. It enables the Group to set higher margin rates (therefore requiring a client to lodge more collateral) against positions that are deemed to be more risky due to risk profile, which could be due to size relative to the underlying turnover, the Group's risk appetite or volatility of the instrument.

- Position limits

Position limits can be implemented on an instrument and client level on the Next Generation platform. The instrument level enables the Company to control the total exposure the Group acquires in a single instrument. At a client level this ensures that the client can only reach a pre-defined size in any one instrument.

##### Client credit risk stress testing

None of the stress tests run through the year implied any significant risk to the capital adequacy or to the ongoing profitability of the Company.

##### Client debt history

The Company establishes specific provisions against debts due from clients where management determines that it is probable that it will be unable to collect all amounts owed in accordance with contractual terms of the customer's agreement. Net debt provided for in the year ended 31 March 2022 amounted to £147,000 (2021: £2,214,000). Bad debt written off in the financial year to 31 March 2022 was £1,227,000 or 5.1% of revenue (2021: £504,000 or 1.8% of revenue).

The table below details the movement on the Company provision for impairment of trade receivables:

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
At 1 April	4,734	3,024
(Net debt provision released) / net debt provided for	(147)	2,214
Debt written off	(1,227)	(504)
At 31 March	3,360	4,734

# CMC Spreadbet plc

## Notes to the Financial Statements

### 16. Financial risk management (continued)

#### Credit risk (continued)

##### Debt ageing analysis

The Company works efficiently to minimise the effects of client debts on the Company's profit and loss. Client debts are managed very early in their life cycle in order to minimise the likelihood of them becoming doubtful debts or of being written off.

The following table sets out ageing of debts that are past due and the provisions charged against them:

As at 31 March 2022		
£ 000	Debt	Provision
Less than one month	101	15
One to three months	2	1
Three to 12 months	37	23
Over 12 months	3,414	3,321
	<b>3,554</b>	<b>3,360</b>

As at 31 March 2021		
£ 000	Debt	Provision
Less than one month	103	21
One to three months	2,078	1,247
Three to 12 months	330	262
Over 12 months	3,269	3,204
	<b>5,780</b>	<b>4,734</b>

#### Liquidity Risk

Liquidity risk is the risk that there is insufficient available liquidity to meet the liabilities of the Company as they fall due.

Liquidity is managed centrally for the Company by the Liquidity Risk Management team utilising a combination of liquidity forecasting and stress testing (formally documented in the Company's Individual Liquidity Adequacy Assessment ("ILAA")) to ensure that the Company retains access to sufficient liquidity resources in both normal and stressed conditions to meet its liabilities as they fall due. Liquidity forecasting fully incorporates the impact of liquidity regulations in force in each jurisdiction and other impediments to the free movement of liquidity around the Company, including its own policies on minimum liquidity to be retained by trading entities.

Stress testing is undertaken on a quarterly basis upon a range of individual and combined, firm specific and market wide, short and medium term scenarios that represent plausible but severe stress events to ensure the Company has appropriate sources of liquidity in place to meet such events.

Due to the risk management strategy adopted and the changeable scale of the client trading book, the largest and most variable consumer of liquidity is PB margin requirements. The collateral calls are met in cash from own funds but to ensure liquidity is available for extreme spikes the Company has a committed bank facility of £55,000,000 (2021: £55,000,000) to meet short term liquidity obligations to broker counterparties in the event that it does not have sufficient access to own cash or funds from clients and to leave a sufficient liquidity buffer to cope with a stress event.

The Company does not engage in maturity transformation as part of its underlying business and therefore maturity mismatch of assets and liabilities does not represent a liquidity risk to the Company.



# CMC Spreadbet plc

## Notes to the Financial Statements

### 16. Financial risk management (continued)

#### Capital management

The Company's objectives for managing capital are as follows:

- to comply with the capital requirements set by the financial market regulators to which the Company is subject;
- to ensure that the Company is able to operate as a going concern and satisfy any minimum externally imposed capital requirements; and
- to ensure that the Company maintains a strong capital base to support the development of its business.

The capital resources of the Company consist of equity being share capital and retained earnings, which at 31 March 2022 totalled £48,294,000 (2021: £46,140,000).

The Company is supervised by the FCA. The Group is supervised on a consolidated basis by the FCA.

The Group is currently in the process of preparing its first iteration of the Internal Capital Adequacy and Risk Assessment ( ' ICARA ' ) review document, prepared in accordance with the Investment Firm Prudential Regime ( ' IFPR ' ), as transposed into the MIFIDPRU handbook. Whilst the ICARA is performed on a Group basis it is designed to capture any material risks or potential harms faced by those entities within the Group, including CMC Spreadbet plc, as well as any relevant risk mitigation strategies, to ensure that adequate capital is maintained against risks that the Company wishes to take to achieve its business objectives. The Group previously prepared an ICAAP under the requirements of the FCA and CRD IV.

The outcome of the ICARA will be presented as an Internal Capital and Liquidity Assessment document covering the Company. It is reviewed and approved by the Group Board on an annual basis.

Further information on the Group's management of regulatory capital was previously provided in the "Pillar 3 Disclosure" report, which is available on the Group website ([www.cmcmarketsplc.com](http://www.cmcmarketsplc.com)). In accordance with the new IFPR rules, disclosure requirements are now only applicable at a solo regulated entity level. These are also available on the Group's website. The Company's country-by-country reporting disclosure is also available in the same location on the Group website.

### 17. Related party transactions

The Company entered the following transactions with other Group entities during the year:

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Service fees received from Group companies	22,815	27,071
Management and services fees paid to Group companies	(19,616)	(20,829)

The amounts outstanding with Group entities at year end were as follows:

£ 000	As at 31 March 2022	As at 31 March 2021
Amounts (due to) / from fellow subsidiaries	(53)	667
Amount due from Parent	45,510	42,882

# CMC Spreadbet plc

## Notes to the Financial Statements

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### 18. Contingent liabilities

The Company is a joint and several guarantor to a bank loan facility entered into by CMC Markets UK plc. Under the terms of the loan agreement, CMC Markets UK plc can draw down on this facility. The total amount drawn down at 31 March 2022 was £nil (2021: £nil).

#### *UK banking surcharge*

In the absence of the Company qualifying for a specific exemption, the Company would be subject to the Bank Corporation Tax surcharge of 8% on taxable profits over £25m. The Company has concluded that it meets the exemption requirements and therefore the related tax charge, which would amount to £523k (31 March 2021: nil) in respect of all relevant periods, has not been provided for. The Company's position is supported by external advice although it is possible that it could be challenged.

### 19. Events after the reporting period

On 1 July 2022, the Company was awarded a sum of £1,676,000 by the High Court in a lawsuit that the Company initiated against a debtor. The amount awarded includes the debt owed, interest on the debt owed and legal costs. However no funds had been received at the time the financial statements were authorised for issue."

### 20. Ultimate controlling party

The immediate parent undertaking is CMC Markets UK Holdings Limited.

The ultimate parent company and largest and smallest Group to consolidate these Financial Statements is CMC Markets plc, incorporated in the United Kingdom. The address of the parent company is 133 Houndsditch, London, EC3A 7BX.

Copies of the Group Financial Statements are available from the registered office of CMC Markets plc at 133 Houndsditch, London, EC3A 7BX.

The Company's ultimate controlling party is Lord Cruddas by virtue of his majority shareholding in the ultimate parent undertaking CMC Markets plc.

### 21. Events after the reporting period

On 1 July 2022, the Company was awarded a sum of £1,676,000 by the High Court in a lawsuit that the Company initiated against a debtor. The amount awarded includes the debt owed, interest on the debt owed and legal costs. No amounts are recognised in the financial statements regarding this matter and no funds had been received at the time the financial statements were authorised for issue.