9 June 2022

CMC MARKETS PLC

("CMC" or the "Company")

Final results for the year ended 31 March 2022

2022 net operating income at top end of guidance. Embarking on new phase of diversification. Targeting 30% net operating income growth over three years.

For the year ended	31 March 2022	31 March 2021	Change %	31 March 2020	Change %
Net operating income (£ million)	281.9	409.8	(31%)	252.0	12%
Leveraged net trading revenue (£ million)	*229.6*	*349.2*	*(34%)*	*214.5*	*7%*
Non-leveraged net trading revenue (£ million)	*48.0*	*54.8*	*(12%)*	*31.8*	*51%*
Other income (£ million)	*4.3*	*5.8*	*(25%)*	*5.7*	*(24%)*
Profit before tax (£ million)	92.1	224.0	(59%)	98.7	(7%)
Basic earnings per share (pence)	24.8	61.5	(60%)	30.1	(18%)
Dividend per share (pence)	12.4	30.6	(60%)	15.0	(18%)
Leveraged gross client income (£ million)	288.5	335.3	(14%)	240.6	20%
Leveraged client income retention	80%	104%	(24%)	89%	(9%)
Leveraged active clients (numbers)	64,243	76,591	(16%)	57,202	12%
Leveraged revenue per active client (£)	3,575	4,560	(22%)	3,750	(5%)
Non-leveraged active clients (numbers)	246,120	232,053	6%	181,630	36%

Notes:
- *Net operating income represents total revenue net of introducing partner commissions and levies*
- *Leveraged net trading revenue represents CFD and spread bet gross client income net of rebates, levies and risk management gains or losses*
- *Non-leveraged net trading revenue represents stockbroking revenue net of rebates*
- *Leveraged gross client income represents spreads, financing and commissions charged to clients (client transaction costs)*
- *Leveraged active clients represent those individual clients who have traded with or held a CFD or spread bet position with CMC Markets on at least one occasion during the 12-month period*
- *Leveraged revenue per active client represents leveraged net trading revenue from active clients after deducting rebates and levies*

Highlights

- Net operating income of £282 million is at the top end of guidance and a record performance outside of the pandemic restrictions.
- Investment in growth initiatives is expected to result in a 30% increase in net operating income over the next three years. Benefits to be seen from 2023 and are set to deliver profit before tax margin expansion from 2024.
- Operating expenses have increased by 2% to £188 million, primarily due to higher personnel costs to support the ongoing strategic initiatives, partly offset by lower sales costs.
- Profit before tax of £92 million (2020: £224 million).
- Underlying liquidity remains strong. Regulatory OFR ratio of 489%. Net available liquidity improvement to £246 million (2021: £211 million).
- The £30 million share buyback commenced on 15th March. As of 7th June, the Company has repurchased and cancelled 4,603,703 Ordinary Shares with nominal value of 25 pence for an aggregate purchase amount of £12.7 million.

Outlook and dividend

- Alongside our focus on delivering strong business performance in 2023 new business expansion is expected to grow net operating income by 30% over next three years based on the 2022 result and underlying conditions. The targeted growth is expected to be broadly linear over that period with benefits expected in 2023.
- New investments will focus on seven core initiatives aiming to enhance functionality and capture the broader wallet share as we evolve our execution services and investment platforms. We will continue to utilise our technology to enter new markets and expand our non-leveraged offering. The impact will reduce revenue volatility and grow pre-tax profit margins from 2024.
- Our 2023 investment plans are expected to increase operating costs to approximately £205 million excluding variable remuneration, underpinning the expected 30% growth in underlying net operating income by 2025 as well as longer-term growth from the UK non-leveraged business. Over two thirds of the new investment will be associated with people, product development and marketing. The rate of spending will be dependent on the Group's ability to make additional personnel hires.
- CMC Invest Australia continues to expand and invest in its market-leading offering, with reinvestment in mobile and a complete UX redesign. Singapore expansion is on track and planned for 2023.
- CMC's leveraged B2B offering continues to perform well, delivering 60% client income growth in 2022 versus 2021. CMC is expecting future 20% CAGR in B2B client income. B2B expansion continues to be a major growth pillar.
- CMC Invest UK: the new UK non-leveraged platform has been successfully soft launched to staff and will be rolled out to new clients over coming months.
- The Board recommends a final dividend of 8.88 pence per share (FY 2021: 21.43 pence), equating to £26 million, resulting in a total dividend payment for the year of 12.38 pence per share (FY 2021: 30.63 pence).

Lord Cruddas, Chief Executive Officer commented:

"I am delighted to report another year of impressive performance from both a strategic and financial standpoint. Excluding the exceptional COVID-19 impacted prior year, which due to market volatility saw unusually significant trading volumes, this is a record net operating income result for the Group.

Over the last year we have taken steps to define the strategic direction and diversification of the Group, building on our existing technology to launch a new investment platform that will unlock significant shareholder value and challenge the existing client transaction fee cost structures.

There is significant opportunity and growth potential in the self-directing investment platform space, especially in the UK, not just for improved technology but also transaction costs and fees. We believe commissions, execution spreads and custodial fees are too high and too expensive for retail investors. We will utilise our platform technology, including pricing and execution, to drive down the transaction costs of investments for retail clients, just like we did in Australia, where we are the number two investment platform for retail investors.

The business is evolving. We continue to improve and grow our existing leveraged business whilst at the same time utilising our technology to enter new markets and expand our non-leveraged offering.

I look forward to providing further updates as the strategy expands over both the short and long-term."

Analyst and Investor Presentation

A presentation will be held for equity analysts and investors today at 10.00 a.m. (BST), note questions will only be taken over the conference call line.

A live audio webcast of the presentation will be available via the following link:

https://webcasts.cmcmarkets.com/results/2022fullyearhttps://webcasts.cmcmarkets.com/results/2022fullyear

Alternatively, you can dial into the presentation by registering via the following link:

https://webcasts.cmcmarkets.com/results/2022fullyear/vip_connect

Annual Report and Financial Statements

A copy of the Company's Annual Report and Financial Statements for the year ended 31 March 2022 (the "2022 Annual Report and Financial Statements") is available within the Investor Relations section of the Company website http://www.cmcmarkets.com/group/results/annual-reports

Pursuant to Listing Rule 9.6.1 the Company has submitted a PDF of the 2022 Annual Report and Financial Statements to the National Storage Mechanism which will shortly be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism. A version in single electronic reporting format will be uploaded in due course and the Company will make a further announcement when this is available.

In compliance with The Disclosure Guidance and Transparency Rules (DTR) 6.3.5, the information in the document below is extracted from the Company's 2022 Annual Report and Financial Statements. This material is not a substitute for reading the 2022 Annual Report and Financial Statements in full and any page numbers and cross references in the extracted information below refer to page numbers and cross-references in the 2022 Annual Report and Financial Statements.

Forthcoming announcement dates

Friday 29 July 2022	Q1 2023 trading update
Friday 7 October 2022	H1 2023 pre-close trading update

Enquiries

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Notes to Editors

CMC Markets plc ("CMC"), whose shares are listed on the London Stock Exchange under the ticker CMCX (LEI: 213800VB75KAZBFH5U07), was established in 1989 and is now one of the world's leading online financial trading businesses. The company serves retail and institutional clients through regulated offices and branches in 12 countries, with a significant presence in the UK, Australia, Germany and Singapore. The Group offers an award-winning, online and mobile trading platform, enabling clients to trade over 10,000 financial instruments across shares, indices, foreign currencies, commodities and treasuries through contracts for difference ("CFDs") and financial spread bets (in the UK and Ireland only). Clients can also place financial binary bets through Countdowns and, in Australia, access stockbroking services. More information is available at http://www.cmcmarkets.com/group/

Forward Looking Statements

This announcement and Appendix may include statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the

Listing Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date such statements are published.

CHAIRMAN'S STATEMENT

Our strategic investments in technology, client service, professional and institutional clients and income diversification through new products, have led to a strong financial performance in 2022. This performance, along with the launch of the CMC Invest platform in the UK, provides the Group with a strong base from which we can continue to focus on innovation and agile and responsive technology development.

The Board's clear vision of the Group's strategy of income diversification through adapting and building on our superior technology is starting to crystallise. The benefits of the Group's strategy are becoming more apparent. Through engagement with clients and the expertise of our staff, the Group is continuing to develop clear opportunities for significant growth within all of our markets.

Throughout all parts of the product development process, we engage with clients to provide input into improvements that can be made to our products and propositions. In addition, we have made significant progress on initiatives to improve staff engagement. The combination of engaged clients and employees results in a robust and agile business focusing on medium to long-term value generation, which supports our purpose, values and strategy.

Results and dividend

Net operating income fell 31% to £281.9 million; however, when excluding the exceptional COVID-19 affected 2021, the Group generated an increase in net operating income of 12% on 2020. This is a strong result for the Group, as it represents a record year outside of 2021.

The strong net operating income performance has generated profits after tax of £72.0 million. The Board recommends a final dividend of 8.88 pence per share which results in a total dividend payment of 50% of profits after tax.

Board and governance

As discussed in the 2021 Annual Report and Financial Statements, the Board conducted an internal governance review in 2021, resulting in the appointment of external advisers, Independent Audit, in January 2021. This review was concluded within 2022, resulting in very positive changes to the information the Board receives, improvements in the scope of the Nomination Committee including greater involvement in people strategy, and improvements in ownership and presentation of the Group's risk information. More information on the changes can be found on pages 66, 74 and 76 in the 2022 Annual Report and Financial Statements.

We are sorry to lose Clare Salmon, who is not putting herself up for re-election this year, but also welcome Susanne Chishti, who brings a diverse view of developments and trends in the wider consumer technology environment. We are also seeking, via agents, a further Non-Executive Director to cover the gap left by Clare's departure, further details of which can be found on page 76 of the Nomination Committee report in the 2022 Annual Report and Financial Statements.

People and stakeholders

Our staff are our greatest asset and their work on delivering against our strategic initiatives has driven the strong performance across all business lines, along with delivering new products and features to communicated timescales. On behalf of the Board, I would like to thank them all for their considerable contribution.

In addition, our staff have shown incredible resilience and flexibility when faced with travel and work restrictions caused by the COVID-19 pandemic, and have continued to do so throughout this year. No staff were furloughed and the Group did not request any government COVID–19 assistance. More details of what we have been doing are presented in the Sustainability section of the 2022 Annual Report and Financial Statements.

Financial Reporting Council

During the year to 31 March 2022 the Board received correspondence from the Financial Reporting Council ("FRC") concerning a potential unlawful dividend payment in respect of the payment of the 2021 interim dividend. On further investigation by the Company it was concluded that similar questions had arisen in some prior years. Details of this and the rectification process for addressing these issues are set out on page 101 in the Directors' Report in the Annual Report and Financial Statements. The Company has made certain changes to internal processes to ensure that these irregularities do not arise again.

Outlook

Our focus on improving and building on our existing technology underpins our strategy of exploiting our existing leveraged technology with both new and improved products and expanding into new geographies in our non-leveraged business.

The strengths and robustness of our technology have been demonstrated through the white-label agreement for Australia and New Zealand Banking Group Limited ("ANZ"), culminating in the announcement of the acquisition of its Share Investing clients.

The strategy also forms the foundation for the launch of our new UK non-leveraged investment platform in April 2022. The new platform is being rolled out to the market over the coming year and augurs well for the Group's future. Our clear focus on revenue diversification will continue throughout the coming year as will our assessment of how best to address the realisation of future value for the two broadly different businesses, namely leveraged and non-leveraged, both underpinned by our technology.

James Richards
Chairman
8 June 2022

CEO REPORT

We continue to expand and diversify the business into new asset classes including the launch of a new investment platform in the UK and the development of a new investment platform in Singapore.

This follows the success of our investment platform in Australia with the migration of over 500,000 investing client accounts through partnerships (B2B) and the acquisition of the ANZ Bank investing business.

We have ambitious plans to continue this expansion in various other countries and I look forward to updating investors as the strategy expands over the short and long term.

Investing for the future

Over the last year we have taken steps to define the strategic direction and diversification of the Group, building on our existing technology to launch new investment platforms that will unlock significant shareholder value and challenge the existing client transaction fee cost structures.

There is significant opportunity and growth potential in the self-directed investment platform space, especially in the UK, not just for improved technology and client experience but also transaction costs and fees.

We believe commissions, execution spreads and custodial fees are too high and too expensive for retail investors. We will utilise our platform technology, including pricing and execution, to drive down the transaction costs of investments for retail clients, just like we did in Australia, where we are the number two investment platform for retail investors.

CMC is a pioneer of platform technology and boasts over 25 years of experience in providing technology-backed solutions for B2C and B2B clients and partners. This gives us scale, leverage and the ability to drive down transaction costs, as well as the ability to launch new platforms and enter new markets quickly.

For example, our new UK investment platform, CMC Invest, was launched ahead of time and on budget. It was launched to our UK staff in April 2022 and will be available to the broader market over the coming summer months.

It will include physical shares, multi-currency accounts, tax wrapper products and third-party funds, cryptocurrencies and, in due course, a full B2B offering.

In addition, we continue to look at expanding our non-leveraged geographical diversification and we have recently announced we plan to launch a new investment platform in Singapore within the next year, as well as considering two other jurisdictions for launch in 2024.

As part of CMC's strategy, we announced the acquisition of Australia and New Zealand Banking Group Limited's ("ANZ's") Share Investing client base during the year. The transaction involved the acquisition of approximately 500,000 ANZ Share Investing clients, with total assets in excess of AUD$43 billion.

The CMC platform will offer ANZ clients a wide range of additional benefits; these include access to enhanced market-leading mobile apps and complementary education tools and resources, as well as lower brokerage commissions across four major international markets and the local Australian market.

The Group continues to progress the transition of clients, which is expected to complete in the next 12 months.

Because of the growing diversification of the Group the Board has begun an evaluation of the merits of a managed separation of its leveraged and non-leveraged divisions to unlock further shareholder value. This process is being led by the Chairman and the Board and they will update investors later in the year.

Financial performance

As expected, against an extremely strong prior period, revenues across our leveraged retail (B2C) businesses declined, compared to the COVID-19 period.

In our non-leveraged business, revenues remained less volatile. Client income retention remained strong, and the stockbroking business continued to see growth in active clients and contributed a material level of revenue and profitability for the Group.

Overall, Group net operating income decreased 31% versus the prior period, to £281.9 million, but increased 12% versus 2020 (£252.0 million).

The Group's cost base excluding variable remuneration increased by 3% to £173.1 million during the year, mainly as a result of the significant investments in people and technology and increased marketing spend to attract new clients.

Variable remuneration decreased by £1.7 million to £14.5 million following the record performance and associated remuneration last year. Overall, total costs increased by 2% to £189.8 million.

Against an exceptional prior year comparator, profit before tax at £92.1 million was £131.9 million lower than the previous year, and £6.6 million lower than 2020. Our dividend policy remains unchanged, at 50% of profit after tax, therefore resulting in a proposed final dividend per share of 8.88 pence.

The underlying fundamentals of the business remain well supported; we continue to target and retain higher value, sophisticated clients and we have seen levels of client money, which are an indicator of future trading potential, remain close to the record levels seen in the prior year. Stockbroking active clients increased 6% to 246,120. Of this increase, stockbroking B2C clients increased 21% to 56,205, with B2B increasing by 2% to 189,915.

The balance sheet continues to reflect the strong financial position of the Group. At the end of the year, the Group's net available liquidity was £245.9 million and the regulatory OFR ratio was 489%.

Regulatory change

The Australian Securities and Investments Commission ("ASIC") implemented measures relating to CFDs on 29 March 2021. After the introduction of these new measures, regulatory conditions are now more harmonised globally and we can continue to focus on growing our business in an industry where regulatory arbitrage is reduced. As anticipated, the changes reduced the notional value of retail client trading in Australia and, combined with lower market volatility, resulted in less active client trading than in the prior period. In April 2022, ASIC extended its product intervention order, imposing conditions on the issue and distribution of CFDs for a further five years to 23 May 2027, thereby improving regulatory visibility.

People & sustainability

Our people are crucial to our success, and I continue to be impressed by their hard work and dedication. We have a very strong team across all our business units and on behalf of the Board I would like to thank all of our people for their commitment, especially through the COVID-19 pandemic.

How we as a business and our people interact with each other, the environment and society is important. CMC recognises that the Group has a duty to help improve the prospects and living environment of the local community. Sustainability and social awareness are part of our core values and culture. I'm proud of the launch of our "Our Tomorrow: taking a positive position" strategy, detailing the five core pillars of what we stand for at CMC from a sustainability perspective.

Clients

Our clients are at the heart of everything we do as we continue to develop our platforms, innovate and invest to ensure that our user experience is industry leading as we drive client retention and lifetime value. On top of our continued focus on our leveraged clients, I am pleased to welcome approximately 500,000 new clients to our Australian stockbroking business as they transition from ANZ Share Invest and look forward to offering them new functionality and an enhanced experience.

I also look forward to welcoming new clients to our UK non-leveraged wealth platform, where we will strive to partner with new investors over the longer term to help them achieve prosperity at every stage of their lives.

Share buyback programme

On 15 March 2022, the Company commenced a share buyback programme of up to £30 million. The Board's decision to undertake the buyback was underpinned by the Company's robust capital position and having considered the capital and liquidity requirements for ongoing investment in the business. This buyback programme forms part of a normal balanced approach to shareholder returns alongside the current dividend policy. The share buyback programme is progressing well and remains on track to be completed no later than 30 June 2023.

Dividend

The Board recommends a final dividend payment of £25.8 million. This is 8.88 pence per share (2021: 21.43 pence), resulting in a total dividend payment for the year of 12.38 pence per share (2021: 30.63 pence). This represents a payment of 50% of profit after tax, in line with policy. The Board believes that this is an appropriate payment for the year after considering both the Group’s capital and liquidity position and forecast requirements in the year ahead to support business growth.

Outlook

We continue to see a lot of uncertainty, not just in the financial markets, but across all sectors and industries. If recent years have taught us anything it is that we must be prepared for the unexpected and the extraordinary.

Our platforms have demonstrated that in periods of extreme volatility, they are able to continue servicing clients robustly, enabling us to gain trust and a reputation of stability. The investments made in our infrastructure have served us well and will continue to do so, providing a solid foundation upon which we can look to take advantage of future opportunities.

This year’s performance reflects the ongoing success of our B2B technology partnerships and focus across our leveraged and non-leveraged businesses.

With a large addressable market, in terms of both client numbers and AuA, there is a huge opportunity for us to grow with a more predictable and stable revenue stream.

This business continues to change as we look to utilise our technology to enter new markets and new geographies and expand our non-leveraged offering. I look forward to updating investors as the strategy expands over both the short and long term.

Lord Cruddas
Chief Executive Officer
8 June 2022

FINANCIAL REVIEW

2022 saw a significant decrease in market activity, particularly during H1, from the exceptional levels seen during 2021. Whilst this has resulted in lower net operating income for the Group, we are in a stronger position when comparing to pre-pandemic performance. This has been driven primarily by the material increase in sustained monthly active leveraged and non-leveraged clients when compared to 2020.

Decreased market volatility, and the resulting lower client trading activity across both the leveraged and non-leveraged businesses, combined with lower client income retention compared to the exceptional levels seen in 2021, resulted in 2022 net operating income of £281.9 million. This, combined with a moderate increase in operating expenses from investment in technology and product, resulted in a statutory profit before tax of £92.1 million (2021: £224.0 million). Whilst net operating income and profit before tax have reduced from 2021, the performance of the Group in 2022 was strong compared to pre-COVID-19 levels and is a record net operating income year when excluding the COVID-19 influenced 2021 results. The overall health of the Group remains exceptionally strong, with the step-change in active client numbers achieved in 2021 continuing in both our leveraged and non-leveraged businesses throughout the year, combined with client AuM and AuA reaching record highs, providing a solid base of future profitability and growth for the Group.

The cohort of clients onboarded during the pandemic displays similar characteristics, including quality and tenure, to those of prior client cohorts, giving the Group confidence of retaining this ongoing stronger and larger client base into the medium term. This, in conjunction with the agreed acquisition of ANZ Bank Share Investing clients in the Australian non-leveraged business, the launch of our CMC Invest platform in the UK and the ongoing focus on improving our institutional product offering, sees the Group exiting the year with significant prospects for diversified growth.

Whilst total capital resources decreased to £311.5 million (2021: £323.1 million) as a result of the increase in intangible assets and proposed capital distributions to shareholders, the Group OFR ratio remains strong at 489%. Our total available liquidity increased to £469.0 million (2021: £456.1 million) primarily due to cash generated from operations. This healthy capital and liquidity position is reflected in the launch of the £30 million share buyback programme in March 2022. The buyback programme should be considered as part of a normal balanced approach to shareholder returns alongside the current dividend policy, which is unchanged.

The ambitious digital transformation and technology investment plan we embarked upon during 2021 has made significant progress throughout 2022 with more frequent product enhancements along with the new CMC Invest platform launched in the UK in April 2022. Our non-leveraged business presents a significant growth opportunity for the Group, and we will continue to invest in the product and platform, both in the UK and in other geographies, over the coming years. In addition, there are still significant areas of opportunity for optimisation and enhancement within the leveraged business, particularly for our institutional business, and investment will continue in technology and product throughout 2023.

Summary income statement

£m	2022	2021	Change	Change %
Net operating income	**281.9**	**409.8**	**(127.9)**	**(31%)**
Operating expenses	(187.6)	(184.0)	(3.6)	(2%)
Operating profit	**94.3**	**225.8**	**(131.5)**	**(58%)**
Finance costs	(2.2)	(1.8)	(0.4)	(24%)
Profit before taxation	**92.1**	**224.0**	**(131.9)**	**(59%)**
PBT margin[1]	**32.7%**	**54.7%**	**(22.0%)**	**—**
Profit after tax	**72.0**	**178.1**	**(106.1)**	**(60%)**

Pence	2022	2021	Change	Change %
Basic EPS	**24.8**	**61.5**	**(36.7)**	**(60%)**
Ordinary dividend per share[2]	**12.4**	**30.6**	**(18.3)**	**(60%)**

[1] Statutory profit before tax as a percentage of net operating income.
[2] Ordinary dividends paid/proposed relating to the financial year, based on issued share capital as at 31 March of each financial year.

Summary

Net operating income for the year decreased by £127.9 million (31%) to £281.9 million, with a decrease in market volatility, particularly in H1, compared to exceptional levels seen in 2021 resulting in lower client trading activity and lower client income retention throughout the period. This lower volatility and trading activity impacted both the leveraged and non-leveraged businesses. The net operating income represents a record for the Group when excluding the COVID-19 impacted 2021.

Total operating expenses have increased by £3.6 million (2%) to £187.6 million, with the main driver being investments in our strategic initiatives resulting in higher personnel, professional fees and technology costs. These increases have been partially offset by lower sales-related costs.

Profit before tax decreased to £92.1 million from £224.0 million and PBT margin decreased to 32.7% from 54.7%, reflecting the high level of operational gearing in the business.

Net operating income overview

£m	2022	2021	Change %
Leveraged net trading revenue	229.6	349.2	(34%)
Non-leveraged net trading revenue (excl. interest income)	48.0	54.8	(12%)
Net trading revenue[1]	**277.6**	**404.0**	**(31%)**
Interest income	0.8	0.7	12%
Other operating income	3.5	5.1	(30%)
Net operating income	**281.9**	**409.8**	**(31%)**

[1] CFD and spread bet gross client income net of rebates, levies and risk management gains or losses and stockbroking revenue net of rebates.

Leveraged net trading revenue decreased by £119.6 million (34%) driven by decreases in both gross client income and client income retention. The reduction in gross client income was a result of the significant volatility in the market in 2021 resulting in exceptionally high client trading activity, with the majority of 2022 returning to more normalised levels. Client income retention was lower during the period at 80% (2021: 104%) as a result of a change in the mix of asset classes traded by clients and lower natural hedging of flow within indices. This resulted in revenue per active client ("RPC") decreasing by £985 (22%) to £3,575.

Leveraged active client numbers decreased by 16% in comparison to 2021; however, monthly active clients remain significantly above pre-COVID-19 levels, demonstrating the structural shift in the Group's client base.

Non-leveraged net trading revenue was 12% lower at £48.0 million (2021: £54.8 million), with decreased client trading activity during the less volatile market environment offset by an active client base which was 6% larger than 2021 and 36% higher than 2020.

B2B and B2C net trading revenue

£m	2022			2021			Change %		
	B2C	B2B	Total	B2C	B2B	Total	B2C	B2B	Total
Leveraged net trading revenue	185.5	44.1	229.6	307.3	41.9	349.2	(40%)	5%	(34%)
Non-leveraged net trading revenue	9.6	38.4	48.0	10.4	44.4	54.8	(8%)	(14%)	(12%)
Net trading revenue	**195.1**	**82.5**	**277.6**	**317.7**	**86.3**	**404.0**	**(39%)**	**(4%)**	**(31%)**

The lower trading activity across the Group was reflected within both our B2C and B2B businesses, with year-on-year decreases in net trading revenue of 34% and 12% respectively. Whilst the leveraged B2C business saw the largest fall in revenue of 40%, the non-leveraged business experienced a comparatively lower fall of 8% and the leveraged B2B business revenue grew 5%, demonstrating the progress the Group continues to make in its strategic direction.

Regional performance overview: leveraged

	2022				2021				Change %			
	Net trading revenue £m	Gross client income £m[1]	Active Clients	RPC £	Net trading revenue £m	Gross client income £m[1]	Active Clients	RPC £	Net trading revenue	Gross client income[1]	Active Clients	RPC
UK	78.8	107.1	16,264	4,848	122.0	123.2	20,077	6,078	(35%)	(13%)	(19%)	(20%)
Europe	43.7	51.1	15,747	2,778	64.8	53.7	20,280	3,197	(33%)	(5%)	(22%)	(13%)
UK & Europe	**122.5**	**158.2**	**32,011**	**3,827**	**186.8**	**176.9**	**40,357**	**4,630**	**(34%)**	**(11%)**	**(21%)**	**(17%)**
APAC & Canada	107.1	130.3	32,232	3,322	162.4	158.4	36,234	4,481	(34%)	(18%)	(11%)	(26%)
Total	**229.6**	**288.5**	**64,243**	**3,575**	**349.2**	**335.3**	**76,591**	**4,560**	**(34%)**	**(14%)**	**(16%)**	**(22%)**

[1] Spreads, financing and commissions on CFD client trades.

Leveraged

UK and Europe

Gross client income fell by £18.7 million (11%) and RPC decreased by £803 (17%), with active clients decreasing by 21%.

UK

The number of active clients in the region decreased by 19% to 16,264 (2021: 20,077), in turn driving a gross client income reduction of 13% against the prior year to £107.1 million (2021: £123.2 million). The decreases were predominantly driven by the B2C business.

Europe

Europe comprises offices in Austria, Germany, Norway, Poland and Spain. Gross client income decreased 5% to £51.1 million (2021: £53.7 million), driven by reduced client trading in the less volatile market environment. RPC also fell by 13% to £2,778 (2021: £3,197). The number of active clients decreased 22% to 15,747 (2021: 20,280).

APAC & Canada

Our APAC & Canada business services clients from our Sydney, Auckland, Singapore, Toronto and Shanghai offices along with other regions where we have no physical presence. Gross client income decreased by 18% to £130.3 million (2021: £158.4 million), primarily driven by decreased active clients and lower market activity throughout the year. Active clients were down 11% to 32,232 (2021: 36,234). Performance in the region was impacted by the regulatory intervention by ASIC in Australia at the start of the year, as well as the wider decrease in market volatility.

Non-leveraged

The non-leveraged Australian business delivered a very strong top line performance, continuing the momentum from a record year in 2021. While revenue fell 12% to £48.0 million (2021: £54.8 million) due to more normalised market conditions, the underlying key health metrics of the business continue to achieve new heights. The business finished 2022 with record AuA, up 16% to AUD$80.2 billion (2021: AUD$69.4 billion), while active clients continued to increase, up 6% to 246,120 (2021: 232,053).

Interest income

Global interest rates remained at historically low levels despite moderate increases in Q4 2022, with interest income remaining broadly flat, up 12% to £0.8 million (2021: £0.7 million). The majority of the Group's interest income is earned through our segregated client deposits in our UK, Australia, New Zealand and stockbroking subsidiaries.

Expenses

Total costs increased by £4.0 million (2%) to £189.8 million.

£m	2022	2021	Change %
Net staff costs – fixed (excluding variable remuneration)	70.4	62.5	(13%)
IT costs	28.7	26.2	(10%)
Marketing costs	24.5	24.6	-
Sales-related costs	2.8	5.8	51%
Premises costs	3.3	3.8	12%
Legal and professional fees	8.6	7.2	(18%)
Regulatory fees	5.6	5.0	(11%)
Depreciation and amortisation	12.9	11.2	(15%)
Irrecoverable sales tax	2.8	6.5	57%
Other	13.5	15.0	10%
Operating expenses excluding variable remuneration	**173.1**	**167.8**	**(3%)**
Variable remuneration	14.5	16.2	10%
Operating expenses including variable remuneration	**187.6**	**184.0**	**(2%)**
Interest	2.2	1.8	(24%)
Total costs	**189.8**	**185.8**	**(2%)**

Net staff costs

Net staff costs including variable remuneration increased £6.2 million (8%) to £84.9 million following significant investment across the business, particularly within technology, marketing and product functions, to support the delivery of strategic projects. Variable remuneration decreased due to the Group performance resulting in lower performance-related pay.

£m	2022	2021	Change %
Gross staff costs excluding variable remuneration	74.0	64.4	(15%)
Performance related pay	12.1	13.7	12%
Share-based payments	2.4	2.5	3%
Total employee costs	**88.5**	**80.6**	**(10%)**
Contract staff costs	3.9	3.2	(20%)
Net capitalisation	(7.5)	(5.1)	46%
Net staff costs	**84.9**	**78.7**	**(8%)**

Depreciation and amortisation costs

Depreciation and amortisation have increased by £1.7 million (15%) to £12.9 million, primarily due to the depreciation of additional office space in London and the amortisation of staff development costs which were capitalised at the end of the previous financial year.

Irrecoverable sales tax

Irrecoverable sales tax costs decreased £3.7 million (57%) to £2.8 million as a result of a one-off tax recovery and ongoing lower irrecoverable VAT in the UK.

Other expenses

Sales-related costs decreased by £3.0 million (51%), primarily driven by the release of provisions made in the prior year for client compensation.

Legal and professional fees increased £1.4 million (18%), primarily driven by external consultants who have been engaged to advise on the delivery of various strategic projects during the year.

Premises costs decreased £0.5 million (12%) due to the rental of temporary additional office space within London in 2021. This was replaced with permanent space at the start of the financial year to accommodate growth in headcount.

Other costs decreased due to a number of factors, with the main drivers being lower bad debt and higher FX gains on balance sheet revaluation, offset by higher bank charges.

Taxation

The effective tax rate for 2022 was 21.9%, up from the 2021 effective tax rate, which was 20.5%. The effective tax rate has increased in the period due as a result of a higher proportion of the Group's taxable profits earned outside of the UK, and so taxed at a higher corporate tax rate than the UK's 19%, notably Australia at 30%.

Profit after tax for the year

The decrease in profit after tax for the year of £106.1 million (60%) was due to lower net operating income and the operational gearing in the business.

Dividend

Dividends of £72.6 million were paid during the year (2021: £62.1 million), with £62.4 million relating to a final dividend for the prior year paid in September 2021, and a £10.2 million interim dividend paid in December 2021 relating to current year performance. The Group has proposed a final ordinary dividend of 8.88 pence per share (2021: 21.43 pence per share).

Non-Statutory Summary Group Balance Sheet

£m	2022	2021
Intangible assets	30.4	10.3
Property, plant and equipment	13.0	14.8
Net lease liability	(2.3)	(4.0)
Fixed Assets	**41.1**	**21.1**
Cash and cash equivalents	176.6	118.9
Amount due from brokers	196.1	253.9
Financial investments	27.9	28.1
Other assets	13.4	—
Net derivative financial instruments	—	0.2
Title transfer funds	(44.1)	(30.7)
Own Funds	**369.9**	**370.4**
Working Capital	(43.0)	2.6
Tax (payable) / receivable	(0.4)	1.7
Deferred tax net asset	2.7	4.7
Net Assets	**370.3**	**400.5**

The table above is a non-statutory view of the Group Balance Sheet and line names do not necessarily have their statutory meanings. A reconciliation to the primary statements can be found on page 164 in the 2022 Annual Report and Financial Statements.

Fixed assets

Intangible assets increased by £20.1 million to £30.4 million (2021: £10.3 million) as a result of the transaction with ANZ Bank to transition approximately 500,000 Share Investing clients to CMC (AUD$25 million) in addition to the capitalisation of internal resource dedicated to the development of new products and functionality in 2022.

Net lease liability decreased by £1.7 million during the year due to the net length of lease contracts being lower at the end of 2022 than the prior year.

Own funds

Amounts due from brokers relate to cash held at brokers either for initial margin or balances in excess of this for cash management purposes. The reduced client trading exposures throughout the year, particularly in equities, resulted in decreases in holdings at brokers for hedging purposes.

Cash and cash equivalents have increased during the year as a result of the Group's operating performance, in addition to the Group holding less cash at our brokers for margining purposes resulting in associated increases in own cash.

Financial investments mainly relate to eligible assets held by the Group as core liquid assets used to meet Group regulatory liquidity requirements.

Title transfer funds increased by £13.4 million, reflecting the high levels of account funding by a small population of mainly institutional clients.

Working capital

The decrease year on year is primarily as a result of the increased market volatility in Q4 of the prior year, which significantly increased the value of the stockbroking receivables yet to settle at the prior year end.

Tax payable

Tax moved to a payable position due to underpayments in Australia.

Deferred tax net asset

Deferred net tax assets decreased as a result of accelerated research and development tax deductions in the UK and Australia.

Impact of climate risk

We have assessed the impact of climate risk on our balance sheet and have concluded that there is no material impact on the Financial Statements for the year ended 31 March 2022.

Regulatory capital resources

For the year under review, the Group was supervised on a consolidated basis by the FCA. The Group maintained a capital surplus over the regulatory requirement at all times.

For the period to 31 December 2021, the Group and its UK regulated subsidiaries were subject to CRD IV, comprising the Capital Requirements Directive ("CRD") and the Capital Requirements Regulation ("CRR").

From 1 January 2022 the Group and its UK regulated subsidiaries became subject to the Investment Firm Prudential Regime ("IFPR") as transposed into the FCA's MIFIDPRU handbook. A new legislative package, the Investment Firm Regulation and Directive ("IFR/IFD"), was also introduced in Europe that became directly applicable to Member States from 26 June 2021. Both regimes have been designed to be more tailored towards investment firms and have led to changes in the treatment of capital, remuneration requirements, governance and transparency provisions. The UK played an instrumental role in the introduction of IFR/IFD and the IFPR has been designed to achieve similar outcomes, albeit tailored where necessary to reflect the structure of the UK market and how it operates.

The Group and its UK regulated subsidiaries fall into scope of the IFPR, with the Group's German subsidiary, CMC Markets Germany GmbH, subject to the provisions of IFR/IFD.

On a like for like basis, the Group's total capital resources decreased to £311.5 million (2021: £323.1 million) with retained earnings for the year being partly offset by the interim and proposed final dividend distribution. In accordance with the IFPR all deferred tax assets must now be fully deducted from core equity Tier 1 capital.

At 31 March 2022 the Group had a total OFR ratio of 489% in comparison to a capital ratio of 20.5% in 2021 (as calculated under the CRR). The change in capital treatment under the IFPR has resulted in revisions to the calculation of capital requirements and monitoring metrics. In essence, the Group has a surplus of nearly 5 times the regulatory minimum in comparison to 2021 when it was just over 2.5 times the regulatory minimum in accordance with the CRR rules. This is attributable to changes in methodology but also a decrease in market risk exposure.

The following table summarises the Group's capital adequacy position at the year end. The Group's approach to capital management is described in note 30 in the 2022 Annual Report and Financial Statements.

£m	2022	2021
Core equity Tier 1 capital ("CET1 capital")[1]	344.5	339.8
Less: intangibles and deferred tax assets[2]	(33.0)	(16.7)
Total capital resources after relevant deductions	**311.5**	**323.1**
Own funds requirements ("OFR")[3]	63.6	84.2
Total OFR ratio (%)[4]	**489%**	**384%**

[1] Total audited capital resources as at the end of the financial year of £370.4 million, less proposed dividends.
[2] In accordance with the IFPR, all deferred tax assets must be fully deducted from CET1 capital.
[3] The minimum capital requirement in accordance with MIFIDPRU 4.3.
[4] The OFR ratio represents CET1 capital as a percentage of OFR.

Liquidity

The Group has access to the following sources of liquidity that make up total available liquidity:

- **Own funds:** The primary source of liquidity for the Group. It represents the funds that the business has generated historically, including any unrealised gains/losses on open hedging positions. All cash held on behalf of segregated clients is excluded. Own funds consist mainly of cash and cash equivalents. They also include investments in UK government securities, of which the majority are held to meet the Group's regulatory liquidity requirements.
- **Title transfer funds ("TTFs"):** This represents funds received from professional clients and eligible counterparties (as defined in the FCA Handbook) that are held under a title transfer collateral agreement ("TTCA"), a means by which a professional client or eligible counterparty may agree that full ownership of such funds is unconditionally transferred to the Group. The Group does not require clients to sign a TTCA in order to be treated as a professional client and as a result their funds remain segregated. The Group considers these funds as an ancillary source of liquidity and places no reliance on them for its stability.
- **Available committed facility (off-balance sheet liquidity):** The Group has access to a facility of up to £55.0 million (2021: £55.0 million) in order to fund any potential fluctuations in margins required to be posted at brokers to support the risk management strategy. The facility consists of a one-year term facility of £27.5 million (2021: £27.5 million) and a three-year term facility of £27.5 million (2021: £27.5 million). The maximum amount of the facility available at any one time is dependent upon the initial margin requirements at brokers and margin received from clients. There was no drawdown on the facility at 31 March 2022 (2021: £nil).

The Group's use of total available liquidity resources consists of:

- **Blocked cash:** Amounts held to meet the requirements of local regulators and exchanges, in addition to amounts held at overseas subsidiaries in excess of local segregated client requirements to meet potential future client requirements. Cash committed to the purchase of shares within the current buyback programme is also classified as blocked cash. This was £28.0 million at 31 March 2022 (2021: £nil).
- **Initial margin requirement at broker:** The total GBP equivalent initial margin required by prime brokers to cover the Group's hedge derivative and cryptocurrency positions.

Own funds have decreased slightly to £369.9 million (2021: £370.4 million). Own funds include short-term financial investments, amounts due from brokers and amounts receivable/payable on the Group's derivative financial instruments. For more details refer to note 29 in the 2022 Annual Report and Financial Statements.

£m	2022	2021
Own funds	369.9	370.4
Title transfer funds	44.1	30.7
Available committed facility	55.0	55.0
Total available liquidity	**469.0**	**456.1**
Less: blocked cash	(103.1)	(75.4)
Less: initial margin requirement at broker	(120.0)	(170.1)
Net available liquidity	**245.9**	**210.6**
Of which: held as liquid asset requirement	27.9	28.1

Client money

Total segregated client money held by the Group for leveraged clients was £546.6 million at 31 March 2021 (2021: £549.4 million).

Client money represents the capacity for our clients to trade and offers an underlying indication of the health of our client base.

Client money governance

The Group segregates all money held by it on behalf of clients excluding a small number of large clients which have entered a TTCA with the firm. This is in accordance with or exceeding applicable client money regulations in countries in which it operates. The majority of client money requirements fall under the Client Assets Sourcebook ("CASS") rules of the FCA in the UK, BaFin in Germany and ASIC in Australia. All segregated client funds are held in dedicated client money bank accounts with major banks that meet strict internal criteria and are held separately from the Group's own money.

The Group has comprehensive client money processes and procedures in place to ensure client money is identified and protected at the earliest possible point after receipt as well as governance structures which ensure such activities are effective in protecting client money. The Group's governance structure is explained further on pages 60 to 68 of the 2022 Annual Report and Financial Statements.

Euan Marshall
Chief Financial Officer
8 June 2022

PRINCIPAL RISKS

The Group's business activities naturally expose it to strategic, financial and operational risks inherent in the nature of the business it undertakes and the financial, market and regulatory environments in which it operates. The Group recognises the importance of understanding and managing these risks and that it cannot place a cap or limit on all of the risks to which it is exposed. However, effective risk management ensures that risks are managed to an acceptable level. The Board, through its Group Risk Committee, is ultimately responsible for the implementation of an appropriate risk strategy, which has been achieved using an integrated Risk Management Framework. The main areas covered by the Risk Management Framework are:

- identifying, evaluating and monitoring of the principal risks to which the Group is exposed;
- setting the risk appetite of the Board in order to achieve its strategic objectives; and
- establishing and maintaining governance, policies, systems and controls to ensure the Group is operating within the stated risk appetite.

The Board has put in place a governance structure which is appropriate for the operations of an online retail financial services group and is aligned to the delivery of the Group's strategic objectives including its diversification into non-leveraged businesses. The structure is regularly reviewed and monitored and any changes are subject to Board approval. Furthermore, management regularly considers updates to the processes and procedures to embed good corporate governance throughout the Group. As part of the Group Risk Management Framework, the business is subject to independent assurance by internal audit (third line of defence). The use of independent compliance monitoring, risk reviews (second line of defence) and risk and control self-assessments (first line of defence) provides additional support to the integrated assurance programme and ensures that the Group is effectively identifying, managing and reporting its risks. The Group continues to make enhancements to its Risk Management Framework and governance to provide a more structured approach to identifying and managing the risks to which it is exposed to ensure the Group's risk management is commensurate to its current operations alongside its aspirations and diversification. The Board annually undertakes a robust assessment of the principal risks facing the Group.

The Group has always had an understanding of the importance of the importance of ESG, evidenced by governance review conducted by Independent Audit in respect to Governance and, in turn, the Group is in the process of evolving its framework to a more pure adoption of Enterprise Risk Management framework to support the diversification of its business whilst maintaining its level of oversight and control.

Top and emerging risks are those that would threaten the Group's business model, future performance, solvency or liquidity. They form either a subset of one or multiple principal risks, their management is set out in note 30 to the Financial Statements and they are:

- **COVID-19**: The primary risk faced was from a resilience perspective; the Group has put significant measures in place which have proven to be robust and continues to actively monitor the situation.
- **Climate change risk:** A summary of the process undertaken to assess the risks of climate change on the Group is detailed within pages 40 to 43 of the 2022 Annual Report and Financial Statements, with the conclusion that they are not material.
- **People risk:** changing expectations regarding the office working environment and flexible working in combination with skills shortages have given rise to heightened staff acquisition and retention risk. Numerous measures have been put in place during the year to continue to attract and retain talent including changes to policies and remuneration reviews. The risk continues to be heightened.
- **Market risk management:** The Group's risk management is constantly reviewed to ensure it is optimised and as efficient as possible. For more information on market risk management and mitigation see page 53 of the 2022 Annual Report and Financial Statements.

Further information on the structure and workings of the Board and Management Committees is included in the Corporate governance report on pages 60 to 68 of the 2022 Annual Report and Financial Statements.

Principal Risk	Risk	Description	Management and mitigation
Business and strategic risks	**Acquisitions and disposals risk**	The risk that mergers, acquisitions, disposals or other partnership arrangements made by the Group do not achieve the stated strategic objectives or that they give rise to ongoing or previously unidentified liabilities.	• Robust corporate governance structure including strong challenge from independent Non-Executive Directors. • Vigorous and independent due diligence process. • Aligning and managing the businesses with Group strategy as soon as possible after acquisition.
	Strategic / business model risk	The risk of an adverse impact resulting from the Group's strategic decision making as well as failure to exploit strengths or take opportunities. It is a risk which may cause damage or loss, financial or otherwise, to the Group as a whole.	• Strong governance framework established including three independent Non-Executive Directors and the Chairman sitting on the Board. • Robust governance, challenge and oversight from independent Non-Executive Directors. • Managing the Group in line with the agreed strategy, policies and risk appetite.
	Preparedness for regulatory change risk	The risk that changes to the regulatory framework the Group operates in impact the Group's performance. Such changes could result in the Group's product offering becoming less profitable, more difficult to offer to clients, or an outright ban on the product offering in one or more of the countries where the Group operates.	• Active dialogue with regulators and industry bodies. • Monitoring of market and regulator sentiment towards the product offering. • Monitoring by and advice from compliance department on impact of actual and possible regulatory change. • A business model and proprietary technology that are responsive to changes in regulatory requirements.
	Reputational risk	The risk of damage to the Group's brand or standing with shareholders, regulators, existing and potential clients, the industry and the public at large.	• The Group is conservative in its approach to reputational risk and operates robust controls to ensure significant risks to its brand and standing are appropriately mitigated. • Examples include: - proactive engagement with the Group's regulators and active participation with trade and industry bodies; and positive development of media relations with strictly controlled media contact; and - systems and controls to ensure we continue to offer a good service to clients and quick and effective response to address any potential issues.

Principal Risk	Risk	Description	Management and mitigation
Financial risks	**Credit and counterparty risk**	The risk of losses arising from a counterparty failing to meet its obligations as they fall due.	**Client counterparty risk** The Group's management of client counterparty risk is significantly aided by the automated liquidation functionality. This is where the client positions are reduced should the total equity of the account fall below a pre-defined percentage of the required margin for the portfolio held. Other platform functionality mitigates risk further: • tiered margin requires clients to hold more collateral against bigger or higher risk positions; • mobile phone access allowing clients to manage their portfolios on the move; • guaranteed stop loss orders allow clients to remove their chance of debt from their position(s); and • position limits can be implemented on an instrument and client level. The instrument level enables the Group to control the total exposure the Group takes on in a single instrument. At a client level this ensures that the client can only reach a pre-defined size in any one instrument. In relevant jurisdictions, CMC offers negative balance protection to retail clients limiting the liability of a retail investor to the funds held in their trading account. However, after mitigations, there is a residual risk that the Group could incur losses relating to clients (excluding negative balance protection accounts) moving into debit balances if there is a market gap. **Financial institution credit risk** Risk management is carried out by a central liquidity risk management ("LRM") team under the Counterparty Concentration Risk Policy. Mitigation is achieved by: • monitoring concentration levels to counterparties and reporting these internally/externally on a monthly/quarterly basis; and • monitoring the credit ratings and credit default swap ("CDS") spreads of counterparties and reporting internally on a weekly basis.
	Insurance risk	The risk that an insurance claim by the Group is declined (in full or in part) or there is insufficient insurance coverage.	• Use of a reputable insurance broker who ensures cover is placed with financially secure insurers. • Comprehensive levels of cover maintained. • Rigorous claim management procedures are in place with the broker. The Board's appetite for uninsured risk is low and as a result the Group has put in place established comprehensive levels of insurance cover.
	Tax and financial reporting risk	The risk that financial, statutory or regulatory reports including VAT and similar taxes are submitted late, incomplete or are inaccurate.	• Robust process of checking and oversight in place to ensure accuracy. • Knowledgeable and experienced staff undertake and overview the relevant processes.

Principal Risk	Risk	Description	Management and mitigation
	Liquidity risk	The risk that there is insufficient available liquidity to meet the liabilities of the Group as they fall due.	• Risk management is carried out by a central LRM team under policies approved by the Board and in line with the FCA's Investment Firms Prudential Regime ("IFPR") regime. The Group utilises a combination of liquidity forecasting and stress testing to identify any potential liquidity risks under both normal and stressed conditions. The forecasting and stress testing fully incorporates the impact of all liquidity regulations in force in each jurisdiction that the Group operates in and any other impediments to the free movement of liquidity around the Group Risk is mitigated by: • the provision of timely daily, weekly and monthly liquidity reporting and real-time broker margin requirements to enable strong management and control of liquidity resources; • maintaining regulatory and Board-approved buffers; • managing liquidity to a series of Board-approved metrics and Key Risk Indicators; • a committed bank facility of up to £55 million (2021: £55 million) to meet short-term liquidity obligations to broker counterparties in the event that the Group does not have sufficient access to its own cash; and • a formal Contingency Funding Plan ("CFP") is in place that is designed to aid senior management to assess and prioritise actions in a liquidity stress scenario. For further information see note 30 to the 2022 Annual Report and Financial Statements.
	Market risk	The risk that the value of our residual portfolio will decrease due to changes in market risk factors. The three standard market risk factors are price moves, interest rates and foreign exchange rates.	• Trading risk management monitors and manages the exposures it inherits from clients on a real-time basis and in accordance with Board-approved appetite. • The Group predominantly acts as a market maker in linear, highly liquid financial instruments in which it can easily reduce market risk exposure through its prime broker ("PB") arrangements. This significantly reduces the Group's revenue sensitivity to individual asset classes and instruments. • Financial risk management runs stress scenarios on the residual portfolio, comprising a number of single and combined Company-specific and market-wide events in order to assess potential financial and capital adequacy impacts to ensure the Group can withstand severe moves in the risk drivers it is exposed to. For further information see note 30 to the 2022 Annual Report and Financial Statements.
Operational risks	**Business change risk**	The risk that business change projects are ineffective, fail to deliver stated objectives, or result in resources being stretched to the detriment of business-as-usual activities.	• Governance process in place for all business change programmes with Executive and Board oversight and scrutiny. • Key users engaged in development and testing of all key change programmes. • Significant post-implementation support, monitoring and review procedures in place for all change programmes. • Strategic benefits and delivery of change agenda communicated to employees.

Principal Risk	Risk	Description	Management and mitigation
	Business continuity and disaster recovery risk	The risk that a business continuity event or system failure results in a reduced ability or inability to perform core business activities or processes.	• Multiple data centres and systems to ensure core business activities and processes are resilient to individual failures. • Remote access systems to enable staff to work from home or other locations in the event of a disaster recovery or business continuity requirement. • Periodic testing of business continuity processes and disaster recovery. • Robust incident management processes and policies to ensure prompt response to significant systems failures or interruptions.
	Financial crime risk	The risk that the Group is not committed to combatting financial crime and ensuring that our platform and products are not used for the purpose of money laundering, sanctions evasion or terrorism financing.	Adherence with applicable laws and regulations regarding anti-money laundering (“AML”), counter terrorism financing (“CTF”), sanctions and anti-bribery & corruption is mandatory and fundamental to our AML/CTF framework. We have strict and transparent standards and we continuously strengthen our processes to ensure compliance with applicable laws and regulations. CMC Markets reserves the right to reject any client, payment, or business that is not consistent with our risk appetite. This risk is further mitigated by: • establishing and maintaining a risk-based approach towards assessing and managing the money laundering and terrorist financing risks to the Group; • establishing and maintaining risk-based know your customer (“KYC”) procedures, including enhanced due diligence (“EDD”) for those customers presenting higher risk, such as politically exposed persons (“PEPs”); • establishing and maintaining risk-based systems for surveillance and procedures to monitor ongoing customer activity; • procedures for reporting suspicious activity internally and to the relevant law enforcement authorities or regulators as appropriate; • maintenance of appropriate records for the minimum prescribed record keeping periods; • training and awareness for all employees; • provision of appropriate MI and reporting to senior management of the Group’s compliance with the requirements; and • oversight of Group entities for financial crime in line with the Group AML/CTF Oversight Framework.
	Information and data security risk	The risk of unauthorised access to, or external disclosure of, client or Company information, including those caused by cyber attacks.	• Dedicated information security and data protection expertise within the Group. • Technical and procedural controls implemented to minimise the occurrence or impact of information security and data protection breaches. • Access to information and systems only provided on a “need-to-know” and “least privilege” basis consistent with the user’s role and also requires the appropriate authorisation. • Regular system access reviews implemented across the business.

Principal Risk	Risk	Description	Management and mitigation
	Information technology and infrastructure risk	The risk of loss of technology services due to loss of data, system or data centre or failure of a third party to restore services in a timely manner.	• Continuous investment in increased functionality, capacity and responsiveness of systems and infrastructure, including investment in software that monitors and assists in the detection and prevention of cyber attacks. • Software design methodologies, project management and testing regimes to minimise implementation and operational risks. • Constant monitoring of systems performance and, in the event of any operational issues, changes to processes are implemented to mitigate future concerns. • Operation of resilient data centres to support each platform (two in the UK to support Next Generation and two in Australia to support Stockbroking). • Systems and data centres designed for high availability and data integrity enabling continuous service to clients in the event of individual component failure or larger system failures. • Dedicated Support and Infrastructure teams to manage key production systems. Segregation of duties between Development and Production Support teams where possible to limit development access to production systems.
	Legal (commercial / litigation) risks	The risk that disputes deteriorate into litigation.	• Compliance with legal and regulatory requirements including relevant codes of practice. • Early engagement with legal advisers and other risk managers. • Appropriately managed complaints which have a legal/litigious aspect. • An early assessment of the impact and implementation of changes in the law.
	Operations (processing) risks	The risk that the design or execution of business processes is inadequate or fails to deliver an expected level of service and protection to client or Company assets.	• Investment in system development and upgrades to improve process automation. • Enhanced staff training and oversight in key business processing areas. • Monitoring and robust analysis of errors and losses and underlying causes.
	Procurement and outsourcing risks	The risk that third-party organisations inadequately perform, or fail to provide or perform, the outsourced activities or contractual obligations to the standards required by the Group.	• Responsibility for procurement, vendor management and general outsourcing owned by the Chief Financial Officer under the Senior Manager and Certification Regime, with the accountability to ensure compliance to the Group procurement process and completion of key activities, based on the risk profile of the service required by the organisation. • Outsourcing only employed where there is a strategic gain in resource or experience, which is not available in house. • Due diligence performed on service supplier ahead of outsourcing being agreed. • Service-level agreements in place and regular monitoring of performance undertaken.

Principal Risk	Risk	Description	Management and mitigation
	People risk	The risk of loss of key staff, having insufficient skilled and motivated resources available or failing to operate people-related processes to an appropriate standard.	• The Board has directed that the Group maintains active People, Succession and Resource Plans for the Group and all key individuals and teams, which will mitigate some of the risk of loss of key persons. It will adopt policies and strategies commensurate with its objectives of: - attracting and nurturing the best staff; - retaining and motivating key individuals; - managing employee-related risks; - achieving a high level of employee engagement; - developing personnel capabilities; - optimising continuous professional development; and - achieving a reputation as a good employer with an equitable remuneration policy.
	Regulatory and compliance risk	The risk of regulatory sanction or legal proceedings as a result of failure to comply with regulatory, statutory or fiduciary requirements or as a result of a defective transaction.	• Internal audit outsourced to an independent third-party professional services firm. • Effective compliance oversight and advisory/technical guidance provided to the business. • Comprehensive monitoring and surveillance programmes, policies and procedures designed by compliance. • Strong regulatory relations and regulatory horizon scanning, planning and implementation. • Controls for appointment and approval of staff holding a senior management or certified function and annual declarations to establish ongoing fitness and propriety. • Governance and reporting of regulatory risks through the Risk Management Committee, Group Audit Committee and Group Risk Committee. • Robust anti-money laundering controls, client due diligence and sanctions checking.
	Conduct risk	The risk that through our culture, behaviours or practices we fail to meet the reasonable expectations of our customers, shareholders or regulators.	• The Treating Customers Fairly ("TCF") and Conduct Committee is comprised of senior management and subject matter experts; it convenes regularly to evaluate and challenge the TCF MI alongside any emerging issues or incidents which could impact client fairness. It reports to the Board via the Risk Management Committee ("RMC") who are also charged with approving the TCF Policy. • Also, the Conduct, Fitness and Propriety Panel is chaired by global HR, with Deputy CEO as well as global and regional HR and compliance membership. The Committee discusses specific conduct-related matters, including any serious concerns raised in the TCF Committee, breaches of the Code of Conduct, serious complaints specific to an employee or any concerns with a Certification or Senior Manager Function. • APAC has a Conduct Committee for the region, nominated jointly by the APAC and stockbroking Boards. It aims to ensure a customer-centric perspective in how CMC goes about compliance obligations and business activities to ensure we are delivering good customer outcomes. It is chaired by the Head of HR APAC and consists of Board representatives across the region as well as the Head of APAC Commercial. Accordingly, governance

Principal Risk	Risk	Description	Management and mitigation
			structures, control mechanisms and organisational culture should be sufficiently relevant, suitable and sustainable to support good organisational conduct.
	Client money segregation risk	The risk that the Group fails to implement adequate controls and processes to ensure that client money is segregated in accordance with applicable regulations.	• The Client Money and Asset Protection Committee ("CMAPC"), which reports into the RMC, is a fundamental part of the Group's client money governance and oversight procedures. The CMAPC is chaired by the Chief Financial Officer, an FCA-approved person, who is responsible for overseeing the controls and procedures in place to protect client money. The Committee is comprised of senior management from across the Group who oversee functions which impact client money. The CMAPC forms a key part of the oversight of client money in addition to compliance, and internal audit.

DIRECTORS' STATEMENT PURSUANT TO THE FCA'S DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

The directors are required by the Disclosure Guidance and Transparency Rules to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

Each of the directors, whose names and functions are listed below, confirm to the best of their knowledge that:

- the Group Financial Statements contained in the 2022 Annual Report and Financial Statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and results of the Group;
- the Strategic Report contained in the 2022 Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face; and
- the 2022 Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

CMC Markets plc Board of Directors

James Richards (Chairman)

Lord Cruddas (Chief Executive Officer)

David Fineberg (Deputy Chief Executive Officer)

Euan Marshall (Chief Financial Officer)

Matthew Lewis (Head of Asia Pacific & Canada)

Paul Wainscott (Senior Independent Director)

Sarah Ing (Non-Executive Director)

Clare Salmon (Non-Executive Director)

Susanne Chishti (Non-Executive Director)

Consolidated income statement

For the year ended 31 March 2022

£'000	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue		**325,809**	**461,308**
Interest income		834	746
Total revenue	3	**326,643**	**462,054**
Introducing partner commissions and betting levies		(44,693)	(52,288)
Net operating income	2	**281,950**	**409,766**
Operating expenses	4	(189,131)	(183,994)
Net impairment gains on financial assets		1,494	—
Operating profit		**94,313**	**225,772**
Finance costs		(2,177)	(1,762)
Profit before taxation		**92,136**	**224,010**
Taxation	5	(20,138)	(45,903)
Profit for the year attributable to owners of the parent		**71,998**	**178,107**

Earnings per share

Basic earnings per share (p)	**6**	**24.8p**	**61.5p**
Diluted earnings per share (p)	6	24.7p	61.2p

Consolidated statement of comprehensive income

For the year ended 31 March 2022

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year	**71,998**	**178,107**
Other comprehensive income / (expense):		
Items that may be subsequently reclassified to income statement		
Loss on net investment hedges, net of tax	(1,089)	(2,007)
Currency translation differences	1,761	4,563
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax	(54)	(54)
Other comprehensive income for the year	**618**	**2,502**
Total comprehensive income for the year attributable to owners of the parent	**72,616**	**180,609**

Consolidated statement of financial position

At 31 March 2022

Company registration number: 05145017

£'000	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Intangible assets	8	30,328	10,330
Property, plant and equipment	9	24,941	26,105
Deferred tax assets		6,022	6,370
Financial investments		13,448	—
Trade and other receivables	10	1,797	1,800
Total non-current assets		**76,536**	**44,605**
Current assets			
Trade and other receivables	10	156,917	127,119
Derivative financial instruments		2,359	3,241
Current tax recoverable		—	1,749
Other assets		13,443	—
Financial investments	11	14,497	28,104
Amounts due from brokers		196,117	253,895
Cash and cash equivalents	12	176,578	118,921
Total current assets		**559,911**	**533,029**
TOTAL ASSETS		**636,447**	**577,634**
LIABILITIES			
Current liabilities			
Trade and other payables	13	215,853	152,253
Derivative financial instruments		2,362	3,077
Share buyback liability		27,264	—
Borrowings		194	945
Lease liabilities	14	4,916	4,599
Current tax payable		429	—
Provisions		369	1,889
Total current liabilities		**251,387**	**162,763**
Non-current liabilities			
Borrowings		—	194
Lease liabilities	14	9,269	10,727
Deferred tax liabilities		3,309	1,622
Provisions		2,117	1,811
Total non-current liabilities		**14,695**	**14,354**
TOTAL LIABILITIES		**266,082**	**177,117**
EQUITY			
Share capital		73,193	73,299
Share premium		46,236	46,236
Capital redemption reserve		281	—
Own shares held in trust		(1,094)	(382)
Other reserves		(75,980)	(49,334)
Retained earnings		327,729	330,698
Total equity		**370,365**	**400,517**
TOTAL EQUITY AND LIABILITIES		**636,447**	**577,634**

Consolidated statement of changes in equity

For the year ended 31 March 2022

£'000	Share capital	Share premium	Capital redemption reserve	Own shares held in trust	Other reserves	Retained earnings	Total Equity
At 1 April 2020	72,899	46,236	—	(433)	(51,836)	216,013	282,879
New shares issued	400	—	—	—	—	—	400
Profit for the year	—	—	—	—	—	178,107	178,107
Other comprehensive income for the year	—	—	—	—	2,502	—	2,502
Acquisition of own shares held in trust	—	—	—	(364)	—	—	(364)
Utilisation of own shares held in trust	—	—	—	415	—	—	415
Share-based payments	—	—	—	—	—	(2,458)	(2,458)
Tax on share-based payments	—	—	—	—	—	1,164	1,164
Dividends	—	—	—	—	—	(62,128)	(62,128)
At 31 March 2021	73,299	46,236	—	(382)	(49,334)	330,698	400,517
New shares issued	175	—	—	—	—	—	175
Profit for the year	—	—	—	—	—	71,998	71,998
Other comprehensive income for the year	—	—	—	—	618	—	618
Acquisition of own shares held in trust	—	—	—	(1,006)	—	—	(1,006)
Utilisation of own shares held in trust	—	—	—	294	—	—	294
Share buyback	(281)	—	281	—	(27,264)	(2,975)	(30,239)
Share-based payments	—	—	—	—	—	59	59
Tax on share-based payments	—	—	—	—	—	553	553
Dividends	—	—	—	—	—	(72,604)	(72,604)
At 31 March 2022	**73,193**	**46,236**	**281**	**(1,094)**	**(75,980)**	**327,729**	**370,365**

Consolidated statement of cash flows

For the year ended 31 March 2022

£'000	Note	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities			
Cash generated from operations	15	181,795	151,300
Interest income		1,742	1,784
Tax paid		(14,651)	(33,620)
Net cash generated from operating activities		**168,886**	**119,464**
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,500)	(4,162)
Investment in intangible assets		(21,813)	(8,028)
Purchase of financial investments		(28,337)	(28,933)
Proceeds from maturity of financial investments and coupon receipts		27,511	25,176
Outflow on net investment hedges		(998)	(1,761)
Net cash used in investing activities		**(27,137)**	**(17,708)**
Cash flows from financing activities			
Repayment of borrowings		(10,945)	(51,190)
Proceeds from borrowings		10,000	50,000
Principal elements of lease payments		(5,962)	(6,057)
Proceeds from issue of Ordinary Shares		—	80
Acquisition of own shares		(831)	(44)
Share buyback		(2,975)	—
Dividends paid		(72,604)	(62,128)
Finance costs		(2,151)	(1,749)
Net cash used in financing activities		**(85,468)**	**(71,088)**
Net increase in cash and cash equivalents		**56,281**	**30,668**
Cash and cash equivalents at the beginning of the year		118,921	84,307
Effect of foreign exchange rate changes		1,376	3,946
Cash and cash equivalents at the end of the year		**176,578**	**118,921**

1. Basis of preparation

Basis of accounting

The financial information set out herein does not constitute the Group's statutory accounts for the years ended 31 March 2022 and 2021 but is derived from those financial statements. The Annual Report and Financial Statements for the year ended 31 March 2021 have been delivered to the Registrar of Companies and those for the year ended 31 March 2022 will be delivered following the Company's Annual General Meeting to be held on 28 July 2022. The external auditor has reported on those financial statements; its reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

While the financial information included in this announcement has been prepared in accordance with the UK-adopted international accounting standards, including interpretations issued by the IFRS Interpretations Committee and with the requirements of the Companies Act 2006 for the periods presented, this announcement does not itself contain sufficient information to comply with IFRSs.

The Financial Statements have been prepared in accordance with the going concern basis, under the historical cost convention, except in the case of "Financial instruments at fair value through profit or loss ("FVPL")" and "Financial instruments at fair value through other comprehensive income ("FVOCI")". The financial information is rounded to the nearest thousand, except where otherwise indicated.

The Group's principal accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year. The financial statements presented are at and for the years ending 31 March 2022 and 31 March 2021. Financial annual years are referred to as 2022, and 2021 in the financial statements.

Accounting policy – Other assets

Other assets represent cryptocurrencies controlled by the Group. The Group offers various cryptocurrency-related products that can be traded on its platform. The Group purchases and sells cryptocurrencies as part of its hedging activity.

The Group holds cryptocurrency assets for trading in the ordinary course of its business, effectively acting as a commodity broker-dealer in respect of the underlying cryptocurrency assets. In the prior period cryptocurrency assets were disclosed within "Amount due for brokers" (31 March 2021: £1,520,000). The assets will continue to be measured at fair value less cost to sell with changes in valuation being recorded within revenue in the income statement in the period in which they arise. Cryptocurrency assets are not financial instruments, and they are categorised as non-financial assets.

Cryptocurrency assets continue to be held at fair value through profit and loss therefore the adoption of this accounting policy impacts classification only. Other assets amount to £13,443,000 and are presented as a separate line in the consolidated statement of financial position. The Statement of Financial Position has not been restated to reclassify the comparative, on grounds of materiality.

There is no further impact for the year ended 31 March 2022 and for the year ended 31 March 2021.

Significant accounting judgements

The preparation of Financial Statements in conformity with IFRSs requires the use of certain significant accounting judgements. It also requires management to exercise its judgement in the process of applying the Group'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:

Deferred taxes
The recognition and measurement of deferred tax assets involve significant judgment. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or *part of the asset to be recovered.*
Contingent liabilities
Judgement has been applied in evaluating the accounting treatment of the specific matters described in Note 35 (Contingent Liabilities), notably the probability of any obligation or future payments arising.

Accounting for cryptocurrencies
The Group has recognised £13,443,000 (31 March 2021: £1,520,000 in ''Amounts due from brokers'') of cryptocurrency assets and rights to cryptocurrency assets on its Statement of Financial Position as at 31 March 2022. These assets are used for hedging purposes and held for sale in the ordinary course of business. A judgement has been made to apply the measurement principles of IFRS 13 Fair value measurement in accounting for these assets. The assets are presented as 'other assets' on the Consolidated Statement of Financial Position.

Intangible assets
The Group has recognised £14,237,000 of intangible assets under development on its Statement of Financial Position as at 31 March 2022 relating to the transaction with Australia and New Zealand Banking Group Limited (''ANZ'') to transition its portfolio of Share investing clients to CMC for AUD$25m. A judgement has been made to apply the recognition and measurement principles of IAS 38 Intangibles in accounting for these assets.
The Group has recognised £6,054,000 of intangible assets under development on its Statement of Financial Position as at 31 March 2022 relation to the development of UK CMC Invest trading platform. In performing the annual impairment assessment,

which concluded that no impairment was required, it was determined that the recoverable amount of the asset is a source of estimation uncertainty which is sensitive to the estimated future revenues from the UK CMC Invest business.

2. Segmental reporting

The Group's principal business is online retail financial services including stockbroking and providing its clients with the ability to trade contracts for difference ("CFD") and financial spread betting on a range of underlying shares, indices, foreign currencies, commodities and treasuries. The Group also makes these services available to institutional partners through white label and introducing broker arrangements. The Group's CFDs are traded worldwide, whereas the financial spread betting products are only available to trade in the UK and Ireland and the Group provides stockbroking services only in Australia. The Group's business is generally managed on a geographical basis, and for management purposes, the Group is organised into four segments:

- Leveraged - CFD and Spread bet - UK and Ireland ("UK & IE");
- Leveraged - CFD – Europe;
- Leveraged - CFD - Australia, New Zealand and Singapore ("APAC") and Canada; and
- Non-leveraged - Stockbroking - Australia

These segments are in line with the management information received by the chief operating decision maker ("CODM").

Revenues and costs are allocated to the segments that originated the transaction. Costs generated centrally are allocated to segments on an equitable basis, mainly based on revenue, headcount or active client levels, or where central costs are directly attributed to specific segments.

Year ended 31 March 2022	**Leveraged**			**Non-leveraged**		
£'000	**UK & IE**	**Europe**	**APAC & Canada**	**Australia**	**Central**	**Total**
Segment revenue net of introducing partner commissions and betting levies	80,891	43,795	108,384	48,046	—	281,116
Interest income	(413)	—	335	912	—	834
Net operating income	**80,478**	**43,795**	**108,719**	**48,958**	**—**	**281,950**
Segment operating expenses	(18,767)	(6,480)	(22,755)	(10,422)	(129,213)	(187,637)
Segment contribution	**61,711**	**37,315**	**85,964**	**38,536**	**(129,213)**	**94,313**
Allocation of central operating expenses	(35,527)	(30,597)	(40,689)	(22,400)	129,213	—
Operating profit	**26,184**	**6,718**	**45,275**	**16,136**	**—**	**94,313**
Finance costs	(432)	(290)	(195)	(168)	(1,092)	(2,177)
Allocation of central finance costs	(474)	(207)	(411)	**—**	1,092	—
Profit before taxation	**25,278**	**6,221**	**44,669**	**15,968**	**—**	**92,136**

Year ended 31 March 2021 £'000	Leveraged UK & IE	 Europe	 APAC & Canada	Non-leveraged Australia	 Central	 Total
Segment revenue net of introducing partner commissions and betting levies	125,947	65,035	163,236	54,802	—	409,020
Interest income	(26)	—	533	239	—	746
Net operating income	**125,921**	**65,035**	**163,769**	**55,041**	**—**	**409,766**
Segment operating expenses	(19,909)	(6,574)	(21,950)	(10,039)	(125,522)	(183,994)
Segment contribution	**106,012**	**58,461**	**141,819**	**45,002**	**(125,522)**	**225,772**
Allocation of central operating expenses	(36,336)	(30,393)	(37,320)	(21,473)	125,522	—
Operating profit	**69,676**	**28,068**	**104,499**	**23,529**	**—**	**225,772**
Finance costs	(484)	(36)	(242)	(213)	(787)	(1,762)
Allocation of central finance costs	(331)	(134)	(322)	—	787	—
Profit before taxation	**68,861**	**27,898**	**103,935**	**23,316**	**—**	**224,010**

The measurement of net operating income for segmental analysis is consistent with that in the income statement.

The Group uses 'Segment contribution' to assess the financial performance of each segment. Segment contribution comprises operating profit for the year before finance costs and taxation.

3. Total revenue

Revenue

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Leveraged	247,987	373,006
Non-leveraged	74,326	83,310
Other revenue	3,496	4,992
Total	**325,809**	**461,308**

Interest income

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Bank and broker interest	825	681
Interest on financial investments	9	43
Other interest income	—	22
Total	**834**	**746**

The Group earns interest income from its own corporate funds and from segregated client funds.

4. Operating expenses

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Net staff costs	84,862	78,653
IT costs	28,721	26,162
Sales and marketing	27,363	30,399
Premises	3,343	3,794
Legal and Professional fees	8,568	7,234
Regulatory fees	5,576	5,002
Depreciation and amortisation	12,901	11,239
Irrecoverable sales tax	2,789	6,536
Other	15,480	15,017
	189,603	**184,036**
Capitalised internal software development costs	(472)	(42)
Operating expenses	**189,131**	**183,994**

The above presentation reflects the breakdown of Operating expenses by nature of expense.

5. Taxation

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Analysis of charge for the year:		
Current tax:		
Current tax on profit for the year	18,642	35,124
Adjustments in respect of previous years	(465)	(815)
Total current tax	**18,177**	**34,309**
Deferred tax:		
Origination and reversal of temporary differences	1,699	11,508
Adjustments in respect of previous years	409	86
Impact of change in tax rate	(147)	—
Total deferred tax	**1,961**	**11,594**
Total tax	**20,138**	**45,903**

The standard rate of UK corporation tax charged was 19% with effect from 1 April 2017. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The effective tax rate of 21.86% (year ended 31 March 2021: 20.49%) differs from the standard rate of UK corporation tax of 19% (year ended 31 March 2021: 19%). The differences are explained below:

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Profit before taxation	**92,136**	**224,010**
Profit multiplied by the standard rate of corp. tax in the UK of 19% (31 March 2021: 19%)	17,506	42,562
Adjustment in respect of foreign tax rates	2,500	3,918
Adjustments in respect of previous years	(56)	(729)
Impact of change in tax rate	(147)	1
Expenses not deductible for tax purposes	291	415
Recognition of previously unrecognised tax losses	—	(678)
Other differences	44	414
Total tax	**20,138**	**45,903**

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Tax on items recognised directly in Equity		
Tax credit on Share based payments	553	1,164

6. Earnings per share ("EPS")

Basic EPS is calculated by dividing the earnings attributable to the equity owners of the Company by the weighted average number of Ordinary Shares in issue during each year excluding those held in employee share trusts which are treated as cancelled.

For diluted earnings per share, the weighted average number of Ordinary Shares in issue, excluding those held in employee share trusts, is adjusted to assume vesting of all dilutive potential weighted average Ordinary Shares and that vesting is satisfied by the issue of new Ordinary shares.

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Earnings attributable to ordinary shareholders (£ '000)	**71,998**	**178,107**
Weighted average number of shares used in the calculation of basic EPS ('000)	290,815	289,677
Dilutive effect of share options ('000)	1,022	1,485
Weighted average number of shares used in the calculation of diluted EPS ('000)	**291,837**	**291,162**
Basic EPS (p)	**24.8p**	**61.5p**
Diluted EPS (p)	**24.7p**	**61.2p**

For the year ended 31 March 2022, 1,022,000 (year ended 31 March 2021: 1,485,000) potentially dilutive weighted average Ordinary Shares in respect of share options in issue were included in the calculation of diluted EPS.

7. Dividends

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Declared and paid in each year		
Final dividend for 2021 at 21.43p per share (2020: 12.18p)	62,410	35,393
Interim dividend for 2022 at 3.50p per share (2021: 9.20p)	10,194	26,735
Total	**72,604**	**62,128**

The final dividend for 2022 of 8.88 pence per share, amounting to £25,778,000 was proposed by the Board on 8 June 2022 and has not been included as a liability at 31 March 2022. The dividend will be paid on 11 August 2022, following approval at the Company's AGM, to those members on the register at the close of business on 14 July 2022.

The dividends paid or declared in relation to the financial year are set out below:

pence	Year ended 31 March 2022	Year ended 31 March 2021
Declared per share		
Interim dividend	3.50	9.20
Final dividend	8.88	21.43
Total dividend	**12.38**	**30.63**

8. Intangible assets

£ '000	Goodwill	Computer software	Trademarks and trading licences	Client relationships	Assets under development	Total
At 31 March 2021						
Cost	11,500	125,995	1,397	2,995	6,148	148,035
Accumulated amortisation	(11,500)	(122,075)	(1,135)	(2,995)	—	(137,705)
Carrying amount at 31 March 2021	**—**	**3,920**	**262**	**—**	**6,148**	**10,330**
Additions	—	77	—	—	21,736	21,813
Transfers	—	5,246	—	—	(5,246)	—
Disposals	—	—	(69)	—	—	(69)
Amortisation charge	—	(2,773)	(47)	—	—	(2,820)
Foreign currency translation	—	105	(1)	—	970	1,074
Carrying amount at 31 March 2022	—	**6,575**	**145**	**—**	**23,608**	**30,328**
At 31 March 2022						
Cost	11,500	132,187	1,052	3,095	23,608	171,442
Accumulated amortisation	(11,500)	(125,612)	(907)	(3,095)	—	(141,114)
Carrying amount	**—**	**6,575**	**145**	**—**	**23,608**	**30,328**

9. Property, plant and equipment

£ '000	Leasehold improvements	Furniture, fixtures and equipment	Computer hardware	RIght-of-use assets	Total
At 31 March 2021					
Cost	19,273	9,656	36,249	19,146	84,324
Accumulated amortisation	(14,393)	(8,795)	(27,235)	(7,796)	(58,219)
Carrying amount at 31 March 2021	**4,880**	**861**	**9,014**	**11,350**	**26,105**
Additions	106	198	3,196	5,362	8,862
Disposals	—	(6)	(14)	(94)	(114)
Depreciation charge	(1,642)	(414)	(3,225)	(4,800)	(10,081)
Foreign currency translation	18	3	45	103	169
Carrying amount at 31 March 2022	**3,362**	**642**	**9,016**	**11,921**	**24,941**
At 31 March 2022					
Cost	16,883	8,922	37,375	24,557	87,737
Accumulated amortisation	(13,521)	(8,280)	(28,359)	(12,636)	(62,796)
Carrying amount	**3,362**	**642**	**9,016**	**11,921**	**24,941**

10. Trade and other receivables

£'000	31 March 2022	31 March 2021
Current		
Gross trade receivables	15,256	9,103
Less: provision for impairment of trade receivables	(6,219)	(7,762)
Trade receivables	9,037	1,341
Prepayments and accrued income	11,143	9,799
Stockbroking debtors	134,324	99,035
Other debtors	2,413	16,944
	156,917	**127,119**
Non-current		
Other debtors	1,797	1,800
Total	**158,714**	**128,919**

Stockbroking debtors represent the amount receivable in respect of equity security transactions executed on behalf of clients with a corresponding balance included within trade and other payables (note 13).

As at 31 March 2021, the other debtors balance included a deposit of AUD 25,000,000 (£13,781,000) which was repaid as part of the transaction with ANZ as described in Note 1.

11. Financial investments

£'000	31 March 2022	31 March 2021
UK Government securities:		
At 1 April	28,037	25,385
Purchase of securities	28,337	28,933
Maturity of securities and coupon receipts	(28,428)	(26,256)
Accrued interest	(17)	29
Changes in the fair value of debt instruments at fair value through other comprehensive income	(54)	(54)
At 31 March	**27,875**	**28,037**
Equity securities		
At 1 April	67	60
Foreign currency translation	3	7
At 31 March	**70**	**67**
Total	**27,945**	**28,104**
Split as:		
Non-current	13,448	—
Current	14,497	28,104
Total	**27,945**	**28,104**

12. Cash and cash equivalents

£'000	31 March 2022	31 March 2021
Gross cash and cash equivalents	723,213	668,304
Less: Client monies	(546,635)	(549,383)
Cash and cash equivalents	**176,578**	**118,921**
Analysed as:		
Cash at bank	**176,578**	118,921

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

13. Trade and other payables

£'000	31 March 2022	31 March 2021
Current		
Gross trade payables	593,995	580,062
Less: Client monies	(546,635)	(549,383)
Trade payables	47,360	30,679
Tax and social security	2,242	236
Stockbroking creditors	123,875	89,091
Accruals and other creditors	42,376	32,247
Total	**215,853**	**152,253**

Stockbroking creditors represent the amount payable in respect of equity security transactions executed on behalf of clients with a corresponding balance included within trade and other receivables (note 10).

14. Leases

The Group leases several assets including leasehold properties and computer hardware to meet its operational business requirements. The average lease term is 2.1 years.

The movements in lease liabilities during the year were as follows:

£'000	31 March 2022	31 March 2021
At 1 April	15,326	19,273
Additions / modifications of new leases during the year	4,658	1,181
Interest expense	700	818
Lease payments made during the year	(6,662)	(6,875)
Foreign currency translation	163	929
At 31 March	**14,185**	**15,326**

£'000	31 March 2022	31 March 2021
Analysis of lease liabilities		
Non-current	9,269	10,727
Current	4,916	4,599
Total	**14,185**	**15,326**

The lease payments for the year ended 31 March 2022 relating to short-term leases amounted to £207,000 (year ended 31 March 2020: £748,000).

15. Cash generated from operations

£'000	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before taxation	92,136	224,010
Adjustments for:		
Interest income	(834)	(746)
Finance costs	2,177	1,762
Depreciation	10,081	9,254
Amortisation of intangible assets	2,820	1,985
Research and development tax credit	(743)	(728)
Loss / (profit) on disposal of property, plant and equipment	86	(109)
Other non-cash movements including exchange rate movements	(681)	(908)
Share-based payment	356	(2,045)
Changes in working capital		
(Increase)/Decrease in trade and other receivables	(29,800)	59,616
Decrease/(Increase) in amounts due from brokers	57,778	(119,619)
Increase in other assets	(13,443)	—
Increase/(Decrease) in trade and other payables	63,600	(24,932)
Decrease in net derivative financial instruments	76	2,574
(Decrease)/Increase in provisions	(1,814)	1,186
Cash generated from operations	**181,795**	**151,300**