19 November 2020

CMC MARKETS PLC

Interim results for the half year ended 30 September 2020

Record H1 trading performance, with significant investment in technology to drive further growth

For the half year ended	30 September 2020	30 September 2019	Change
Net operating income (£ million)	230.9	102.3	126%
CFD and spread bet net trading revenue (£ million)	*200.4*	*85.1*	*135%*
Stockbroking net trading revenue (£ million)	*26.3*	*14.5*	*82%*
Other income (£ million)	*4.2*	*2.7*	*53%*
Profit before tax (£ million)	141.1	30.1	369%
Basic earnings per share (pence)	38.3	9.5	303%
Dividend per share (pence)	9.20	2.85	223%
CFD gross client income (£ million)	173.6	103.5	68%
CFD client income retention	115%	82%	33%
CFD active clients (numbers)	59,082	41,603	42%
CFD revenue per active client (£)	3,392	2,047	66%

Notes:
- *Net operating income represents total revenue net of introducing partner commissions and levies*
- *CFD net trading revenue represents CFD and spread bet gross client income net of rebates, levies and risk management gains or losses*
- *CFD gross client income represents spreads, financing and commissions charged to clients (client transaction costs)*
- *CFD 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 six-month period*
- *CFD revenue per active client represents total trading revenue from CFD and spread bet active clients after deducting rebates and levies*

Key highlights

- Record H1 trading performance, with net operating income up £128.6 million (126%) to £230.9 million (H1 2020: £102.3 million)
- CFD gross client income up 68%, representing increased client trading and demand from new and existing clients
- CFD revenue per active client up 66% to £3,392, with an unwavering strategic focus on high quality clients
- CFD active clients increased by 17,479 to 59,082 (42%), demonstrating the continuing attractiveness of the platform to existing and new clients, with encouraging early signs around new client quality and longevity
- Stockbroking net trading revenue up 82% driven by significantly increased client trading as a result of higher market volatility and increases in the client base
- Operating expenses excluding variable remuneration up 22% to £79.1 million (H1 2020: £64.8 million) due to higher marketing costs to attract high-value new clients, increases in client trading-related variable costs, and investments in technology and platforms resulting in increased staff costs
- Operating expenses including variable remuneration up 25% to £88.9 million (H1 2020: £71.2 million)
- Profit before tax up 369%, demonstrating strong operating leverage
- Regulatory total capital ratio of 27.3% and net available liquidity of £247.9 million
- Interim dividend of 9.20 pence (H1 2020: 2.85 pence) with a total dividend for the year expected to be in line with policy at 50% of profit after tax

Significant investment in technology

- The Group continues to win business in a highly competitive field through its investment in proprietary technology platforms, thereby diversifying its offering, enhancing its retail and institutional relationships, and enabling new revenue opportunities
- The expertise and experience of the technology function has been further strengthened with Brendan Foxen, Chief Technology Officer, joining the Group during the period
- In addition, the Group has significantly scaled up the breadth and capability of the technology function, hiring 68 additional staff (a 35% increase) since H1 2020, to increase the speed of delivery and volume of new platform and technology innovations and to capture new revenue opportunities

Peter Cruddas, Chief Executive Officer, commented:

“I am delighted with our record first half performance, which vindicates our strategy of continuing focus on high value clients. I am tremendously proud of the resilience, flexibility and capability displayed by all of my colleagues at CMC, and would like to personally thank them all for their commitment and passion with which they deliver the continued quality service to our clients.

At CMC our goal is to constantly provide a superior and unrivalled online trading experience for our clients and through this period of market uncertainty we have provided a CFD platform with 99.97% uptime. We look to lead with quality and in the period have been able to on-board a record number of high quality clients and deliver significant growth across all of our key businesses.

The significant increase in net trading revenue across all areas of the business in H1 2021 is a result of the Group’s unwavering focus on our strategic initiatives. This has delivered increased diversification of Group revenues, improved CFD client income and an increased number of active clients.

During the period we continued to recruit new staff, we did not request to participate in any Government financial support schemes and all staff were paid in full through the normal payroll. Our new Chief Technology Officer, Brendan Foxen, has settled in well and is already making a valuable contribution.

Looking ahead, while it is still too early to know the full extent of the changes in client trading demand, we have had the ability to demonstrate the strength of our offering and are confident in retaining the high-quality clients we target. I believe that CMC is in an excellent position. We have many opportunities to leverage our technological innovation, quality client service and platform strength, and these will allow us to expand our product portfolio and deliver further profitable growth for the Group. I believe that, based on these competitive advantages, we will be able to provide highly attractive returns for our shareholders over the coming years.”

Analyst and Investor Presentation

A presentation will be held for equity analysts and investors today, 19 November 2020, at 10:30 a.m. (GMT).

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

https://webcasts.cmcmarkets.com/results/2021halfyear

Should you wish to ask a question, please dial into the presentation on +44 (0)20 3059 5869, and quote "CMC Markets plc H1 2021 Results Conference" when prompted.

Forthcoming announcement dates

20 January 2021	Q3 2021 trading update
8 April 2021	FY 2021 pre-close update

Forward looking statements

This trading update 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.

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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. CMC Markets 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"), financial spread bets (in the UK and Ireland only) and, in Australia, access stockbroking services. More information is available at http://www.cmcmarketsplc.com

CHIEF EXECUTIVE'S REVIEW

In the first half of 2021, we have continued to build on the momentum that we reported in 2020. We have delivered a record performance while continuing to invest in technology that will provide a strong platform for our future growth.

Exceptional performance delivered

Net operating income of £230.9 million (H1 2020: £102.3 million) was a record for the Group, with exceptional performance seen across our B2C and institutional B2B businesses as well as in our stockbroking business. The CFD business has seen significant revenue growth as a result of our ongoing focus on our high value, sophisticated global client base and continuous improvements to our risk management strategy and customer proposition.

Gross CFD client income increased 68% to £173.6 million, with client trading activity across the business improving significantly due to market conditions. Client income retention also improved to 115% (H1 2020: 82%) which we would expect to reduce in more normalised conditions. As a result CFD net trading revenue increased by 135% to £200.4 million.

As well as the significant improvement in profitability, the underlying fundamentals of the business remain strong. CFD active clients for the period were up 42% to 59,082; and we continue to target and retain higher value, sophisticated clients in order to grow client income. The cohort of clients acquired during the COVID-19 period, since March 2020, has been significantly larger than prior periods. Early indications regarding their quality and longevity is encouraging. Levels of client money, which are an indicator of future trading potential and client confidence in the stability of the Group, increased by £84.5 million (25%) from March 2020.

The stockbroking business also continued to grow with net trading revenue up 82% to £26.3m. The benefits of the ANZ Bank stockbroking white label partnership continue to contribute to the Group's growth, with stockbroking active clients increasing 42% to 168,270. Of this increase, stockbroking B2C clients increased 58% to 32,225, with B2B increasing by 39% to 136,045.

The Group has invested significantly in technology during the period from H1 2020, predominantly through the recruitment of an additional 68 staff in technology (a 35% increase) and 16 staff in quantitative analysis (a 41% increase). Technology and quantitative analysis now account for 39% of our global staff headcount. In addition, marketing spend increased to attract new high value clients and capitalise on the market opportunity, with other variable costs also increasing, driven by elevated client trading volumes.

The operational gearing in the business resulted in a statutory profit before tax of £141.1 million, up 369% on prior year (H1 2020: £30.1 million). Profit after tax was £110.8 million, up 303% against prior year (H1 2020: £27.5 million) and basic earnings per share was 38.3 pence (H1 2020: 9.5 pence).

The balance sheet continues to reflect the strong financial position of the Group. At the end of the period, the Group's net available liquidity was £247.9 million and the regulatory capital ratio was 27.3%. It is important for the Group to retain a healthy level of available cash to support the continued investment in technology and people, giving shareholders confidence that high returns can be sustained in future, while also receiving a dividend in line with our policy of distributing 50% of profit after tax.

Optimising our risk management

The ongoing market conditions and continued optimisation of our risk management strategy has resulted in improving client income retention during H1 2021. Improvements have included the ongoing optimisation of our hedging decisions using our quantitative and data science analytics such as decay mark-out curves and static position and risk concentration detection of the flows we inherit. The majority of the risk management gain seen in H1 2021 was derived from positive hedging revenue from our static hedges. CMC's exposure to our clients' significant positive equity market returns in H1 was matched with largely complete hedging of the static risk during the period. The profitable net hedge position resulted from the internalisation of a proportion of certain highly liquid instruments during periods of high volatility, within board approved limits. It remains our medium term expectation that client income retention will be in excess of 80% but not above 100% as achieved in H1 2021.

Regulatory uncertainty lifted

On 23 October 2020, the Australian Securities and Investments Commission ("ASIC"), issued the outcome of the August 2019 consultation paper regarding the application of product intervention powers on the issuance and distribution of binary options and CFDs to retail clients, which will be implemented from 29 March 2021.

In summary, the product intervention order will restrict CFD leverage offered to retail clients to the same maximum ratio as those implemented by the European Securities and Markets Authority ("ESMA"). Other measures such as margin close out protection and negative balance protection for retail clients will also be implemented.

Given the Group's focus on acquiring and retaining high quality, experienced clients, we believe a large proportion of Australian CFD net revenue is generated by clients eligible to qualify as wholesale clients, meaning they will not be impacted by the potential regulatory changes when they are implemented.

We are glad that the regulatory uncertainty in our core markets has been lifted so we can continue to focus on driving the business forward in an industry with more closely harmonised regulations, which validates our business model.

In addition, in the UK, the FCA has imposed a ban on the sale of instruments, such as CFDs, with prices linked to cryptocurrencies to retail clients from 6 January 2021. During the previous financial year this contributed less than 1% of the Group's CFD net trading revenue.

Strategic initiatives

The Group has a clear vision to make financial markets truly accessible for investors, which is at the heart of everything we do. The Group continues to deliver on strategic initiatives and maintains a healthy pipeline of projects that create new revenue streams through further product, channel and geographic diversification. These initiatives are all supported by our ongoing focus on, and investment in, technology and, through a wider application of this, we can extend our offering and deliver further profitable growth.

Institutional ("B2B") offering

The institutional business continues to provide great growth potential as we develop the technology offering further. The ANZ Bank partnership continues to deliver clear evidence of the value that can be generated. Our CFD B2B offering, which provides API connectivity, white label and grey label solutions and which we expect will become an increasing part of the Group, continues to grow. Throughout the period we have invested in our technology and personnel, and are due to release an FX Spot product in H2 2021 as we continue to focus on making improvements to the experience of our institutional clients.

Optimising our client journey

Throughout the period we have continued to make improvements to our client journey to improve the user experience and client conversion rates, as well as focusing on acquiring and retaining higher value clients. We are now beginning to see these improvements coming through, justifying our focus in this area.

We continue to focus on providing both our retail and institutional clients with best-in-class platforms that deliver an intuitive and personalised experience which they can utilise to achieve their trading goals quickly and efficiently.

Established markets give a stable outlook

Our established markets consist of the UK, Germany and Australia. Our Australian business continues to perform well with growth in CFD net trading revenue during the period rising to £61.9 million, which now accounts for 31% of CFD net trading revenue for the Group. The Group has gained valuable experience from the implementation of ESMA regulatory changes and as a result is well prepared for the ASIC regulatory changes in March next year.

The transition period, part of the process for the UK to leave the European Union ("EU"), comes to an end on 31 December 2020. The Group has established a subsidiary in Germany and started on-boarding new German resident clients in the region from December 2019 and is on track to start on-boarding clients from other EEA countries to the German subsidiary from December 2020. The Group's headquarters will remain in the UK and is well positioned to maintain full service to our clients.

Higher dividend payment in challenging market environment

The Board has declared an interim dividend of 9.20 pence per share (H1 2020: 2.85 pence per share), with a view to paying a final dividend in line with the Group's policy of 50% of profit after tax. The interim dividend will be paid on 18 December 2020 to those members on the register at the close of business on 27 November 2020.

Outlook

Following the strong performance in H1 2021, a strong start to H2 2021, and encouraging signs regarding the longevity of recently on-boarded clients, the Board is confident that net operating income for the year will be in excess of £370 million while H2 2021 operating costs (excluding variable remuneration) are likely to be similar to H1 2020.

The Group continues to invest in technology and people in both the existing CFD and stockbroking businesses, as well as in other market segments, which could present great opportunities to deliver further value for shareholders over the long term.

OPERATING REVIEW

Summary

Net operating income increased by £128.6 million (126%) to £230.9 million. There was strong growth in both the CFD and Stockbroking areas of the business as a result of ongoing volatility related to the COVID-19 pandemic driving new clients to on-board and dormant clients to reactivate their accounts.

CFD and spread bet net trading revenue increased by £115.3 million (135%) driven by increases in both gross client income and client income retention. The increase in gross client income was in turn driven by CFD active client numbers increasing by 42% to 59,082 and clients trading more during the volatile market environment. This resulted in revenue per active client ("RPC") increasing by £1,345 (66%) to £3,392.

Stockbroking net revenue was 82% higher at £26.3 million (H1 2020: £14.5 million), also driven by increased client trading activity from a significantly enlarged client base during the volatile market environment.

Statutory profit before tax increased by £111.0 million (369%) to £141.1 million and the profit before tax margin[1] increased by 31.7% from 29.4% to 61.1%.

Net operating income overview

For the half year ended £ million	30 September 2020	30 September 2019	Change	Change %
CFD and Spread bet net trading revenue	200.4	85.1	115.3	135%
Stockbroking net trading revenue	26.3	14.5	11.8	82%
Net trading revenue[2]	**226.7**	**99.6**	**127.1**	**128%**
Interest income	0.5	1.8	(1.3)	(74%)
Other operating income	3.7	0.9	2.8	333%
Net operating income	**230.9**	**102.3**	**128.6**	**126%**

B2B and B2C net trading revenue

For the half year ended	30 September 2020			30 September 2019			Change		
£ million	B2C[3]	B2B[4]	Total	B2C	B2B	Total	B2C	B2B	Total
CFD and Spread bet net trading revenue	183.0	17.4	200.4	69.0	16.1	85.1	165%	8%	135%
Stockbroking net trading revenue	4.8	21.5	26.3	2.7	11.8	14.5	78%	82%	82%
Net trading revenue	**187.8**	**38.9**	**226.7**	**71.7**	**27.9**	**99.6**	**162%**	**39%**	**128%**

[1] Statutory profit before tax as a percentage of net operating income
[2] CFD and spread bet gross client income net of rebates, levies and risk management gains or losses and stockbroking revenue net of rebates
[3] Business to Consumer ("B2C") – revenue from retail and professional clients
[4] Business to Business ("B2B") – revenue from institutional clients

Regional performance overview: CFD and Spread bet

For the half year ended	30 September 2020				30 September 2019				Change			
	Net trading revenue (£m)	Gross client income [1] (£m)	Active Clients	RPC (£)	Net trading revenue (£m)	Gross client income [1] (£m)	Active Clients	RPC (£)	Net trading revenue	Gross client income[1]	Active Clients	RPC
UK	66.4	63.3	14,871	4,468	29.7	37.4	9,259	3,205	124%	69%	61%	39%
Europe	38.7	28.3	17,191	2,252	15.9	17.1	13,865	1,149	143%	65%	24%	96%
ESMA Region	105.1	91.6	32,062	3,280	45.6	54.5	23,124	1,972	131%	68%	39%	66%
APAC & Canada	95.3	82.0	27,020	3,525	39.5	49.0	18,479	2,140	141%	67%	46%	65%
Total	**200.4**	**173.6**	**59,082**	**3,392**	**85.1**	**103.5**	**41,603**	**2,047**	**135%**	**68%**	**42%**	**66%**

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

All regions saw significant increases in revenue per active client, driven by higher gross client income in all regions and improved client income retention across the Group.

UK

Active clients increased by 61% to 14,871 (H1 2020: 9,259), predominantly due to COVID-19 volatility, in addition to increased marketing spend, causing new clients to set up an account and dormant clients to reactivate their accounts. Gross client income grew 69% to £63.3 million (H1 2020: £37.4 million) driven by both higher active clients in addition to trading activity also being elevated due to market volatility.

Revenue per active client also improved significantly to £4,468 (H1 2020: £3,205), an increase of 39%.

Europe

Europe comprises offices in Austria, Germany, Norway, Poland and Spain. Active client numbers were 24% higher than prior year, with gross client income increasing by 65% to £28.3 million as a result.

Revenue per active client also improved significantly to £2,252 (H1 2020: £1,149), an increase of 96%.

APAC and Canada

Our APAC and Canada business services clients from our Sydney, Auckland, Singapore, Toronto and Shanghai offices along with other regions where we have no physical presence.

Active client numbers increased by 46% to 27,020 (H1 2020: 18,479), with strong growth across the majority of offices in the region. Gross client income increased by 67% to £82.0 million (H1 2020: £49.0 million), driven by both higher active clients in addition to trading activity also being elevated due to market volatility.

Stockbroking

Active clients

For the half year ended	30 September 2020	30 September 2019
B2C active clients	32,225	20,417
B2B active clients	136,045	98,105
Total Stockbroking active clients	**168,270**	**118,522**

The stockbroking business continued to display strong growth, with net trading revenue increasing 82% to £26.3 million, driven by market volatility acting as a call to action for clients and a significant (42%) increase in active clients.

Operating expenses

For the half year ended £m	30 September 2020	30 September 2019	Change %
Net staff costs – fixed (excluding variable remuneration)	28.8	26.7	(8%)
IT costs	12.7	10.5	(20%)
Marketing costs	12.0	6.5	(84%)
Sales-related costs	2.8	1.2	(126%)
Premises costs	1.7	1.6	(8%)
Legal and professional fees	3.3	2.5	(34%)
Regulatory fees	2.6	3.1	15%
Depreciation and amortisation	5.5	5.8	6%
Irrecoverable sales tax	3.3	2.3	(43%)
Other	6.4	4.6	(45%)
Operating expenses excluding variable remuneration	**79.1**	**64.8**	**(22%)**
Variable remuneration	9.8	6.4	(52%)
Operating expenses including variable remuneration	**88.9**	**71.2**	**(25%)**
Interest	0.9	1.0	13%
Total costs	**89.8**	**72.2**	**(24%)**

Operating expenses excluding variable remuneration increased by £14.3 million (22%) to £79.1 million. This was driven by an increase in marketing costs (£5.5 million) as the Group sought to capitalise on the opportunity to attract new clients, increased IT costs (£2.2 million) as a result of higher market data charges and investments in strategic projects and higher staff costs driven by the significant investment in technology staff over the period. Other costs also increased by £1.8 million primarily driven by volume-related variable costs such as bank charges and also increases in bad debt.

Variable remuneration increased to £9.8 million (H1 2020: £6.4 million), following the strong operating performance in the first half of the year in both the CFD and stockbroking businesses.

Taxation

The effective tax rate for H1 2021 was 21%, up from the H1 2020 effective tax rate, which was 9%. The rate is higher than the UK corporation tax rate due to a significant portion of Group PBT being generated in Australia where corporation tax is 30%. The year on year increase is a result of deferred tax credits recognised in H1 2020 exceeding those utilised in H1 2020, which lowered the effective tax rate in that period.

Balance sheet and own funds

Intangible assets increased by £3.8 million to £8.4 million (31 March 2020: £4.6 million) predominantly due to capitalisation of staff costs related to technology projects.

Trade receivables decreased by £42.0 million over the six month period primarily as a result of COVID-19 related volatility significantly increasing stockbroking receivables in March 2020. A similar decrease of £37.7 million was seen in stockbroking payables for the same reason.

Amounts due from brokers increased by £27.7 million to £162.0 million mainly due to higher initial margin at brokers. Cash and cash equivalents also increased significantly during the period, with the £65.8 million increase a result of the Group's operating performance.

Deferred tax assets decreased by £7.8m to £8.7m as a result of utilisation Australian tax credits in the period.

Own funds increased by £87.8 million to £326.1 million (31 March 2020: £238.3 million) during the six month period with the increase largely due to own funds generated from operating activities.

Principal risks and uncertainties

Details of the Group's approach to risk management and its principal risks and uncertainties were set out on pages 44 to 53 of the 2020 Group Annual Report and Financial Statements (available on the Group website https://www.cmcmarketsplc.com). During the six months to 30 September 2020 and up to the date of approval of the interim financial statements, there have been no significant changes to the Group's risk management framework. The Group categorises its principal risks into three areas: business and strategic risks; financial risks; and operational risks. The Group's top and emerging risks, which form either a subset of one or multiple principal risks within the three principal risk categories, and continue to be at the forefront of Group discussions, are regulatory change across the Group and the UK's exit from the European Union, although the latter is now largely mitigated through the German subsidiary receiving a regulatory license.

RESPONSIBILITY STATEMENT

The directors listed below (being all the directors of CMC Markets plc) confirm that to the best of our knowledge, these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the consolidated interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year and any material changes in the related-party transactions described in the last annual report.

Neither the Group nor the directors accept any liability to any person in relation to the interim results for the half year ended 30 September 2020, except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with Section 90A and Schedule 10A of the Financial Services and Markets Act 2000.

By order of the board of directors

Peter Cruddas
Chief Executive Officer

19 November 2020

CMC Markets plc Board of Directors

Executive Directors
Peter Cruddas (Chief Executive Officer)
David Fineberg (Deputy Chief Executive Officer)
Matthew Lewis (Head of Asia Pacific and Canada)
Euan Marshall (Chief Financial Officer)

Non-Executive Directors
James Richards (Chairman)
Sarah Ing
Clare Salmon
Paul Wainscott

CONSOLIDATED INTERIM INCOME STATEMENT
For the half year ended 30 September 2020

£ '000	Note	30 September 2020	30 September 2019
Revenue	**3**	**255,622**	**123,030**
Interest income		478	1,843
Total revenue		**256,100**	**124,873**
Introducing partner commissions and betting levies		(25,235)	(22,554)
Net operating income	2	**230,865**	**102,319**
Operating expenses	4	(88,859)	(71,190)
Operating profit		**142,006**	**31,129**
Finance costs		(900)	(1,034)
Profit before taxation		**141,106**	**30,095**
Taxation	5	(30,315)	(2,595)
Profit for the period attributable to owners of the parent		**110,791**	**27,500**

Earnings per share

Basic earnings per share (p)	**6**	**38.3p**	**9.5p**
Diluted earnings per share (p)	6	38.1p	9.4p

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 September 2020

£ '000	30 September 2020	30 September 2019
Profit for the period	**110,791**	**27,500**
Other comprehensive income / (expense):		
Items that may be subsequently reclassified to income statement		
Loss on net investment hedges	(2,572)	(411)
Currency translation differences	6,777	708
Change in value of debt instruments at fair value through other comprehensive income	(32)	2
Other comprehensive income for the period	**4,173**	**299**
Total comprehensive income for the period	**114,964**	**27,799**

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2020

£ '000	Note	30 September 2020	30 September 2019	31 March 2020
ASSETS				
Non-current assets				
Intangible assets	8	8,374	4,539	4,588
Property, plant and equipment	9	28,798	30,679	28,138
Deferred tax assets		8,665	14,732	16,530
Trade and other receivables	10	2,531	2,711	2,269
Total non-current assets		**48,368**	**52,661**	**51,525**
Current assets				
Trade and other receivables	10	144,264	100,634	186,263
Derivative financial instruments		4,038	2,792	5,353
Current tax recoverable		-	4,238	848
Financial investments	11	25,503	25,211	25,445
Amounts due from brokers		161,988	109,827	134,276
Cash and cash equivalents	12	150,092	61,973	84,307
Total current assets		**485,885**	**304,675**	**436,492**
TOTAL ASSETS		**534,253**	**357,336**	**488,017**
LIABILITIES				
Current liabilities				
Trade and other payables	13	139,464	91,758	177,185
Derivative financial instruments		3,655	7,224	2,369
Borrowings		1,026	1,095	880
Lease liabilities	14	5,300	5,158	4,686
Current tax payable		5,770	-	-
Short-term provisions		980	221	548
Total current liabilities		**156,195**	**105,456**	**185,668**
Non-current liabilities				
Borrowings		194	833	751
Lease liabilities	14	13,152	16,266	14,587
Deferred tax liabilities		2,292	1,153	2,206
Long-term provisions		1,843	2,017	1,926
Total non-current liabilities		**17,481**	**20,269**	**19,470**
TOTAL LIABILITIES		**173,676**	**125,725**	**205,138**
EQUITY				
Equity attributable to owners of the Company				
Share capital		73,299	72,899	72,899
Share premium		46,236	46,236	46,236
Own shares held in trust		(382)	(607)	(433)
Other reserves		(47,663)	(49,530)	(51,836)
Retained earnings		289,087	162,613	216,013
Total equity		**360,577**	**231,611**	**282,879**
TOTAL EQUITY AND LIABILITIES		**534,253**	**357,336**	**488,017**

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 September 2020

£ ‘000	Note	Share capital	Share premium	Own shares held in trust	Other reserves	Retained earnings	Total Equity
At 31 March 2019		**72,892**	**46,236**	**(604)**	**(49,829)**	**136,385**	**205,080**
Change in accounting policy		-	-	-	-	263	263
Restated at 1 April 2019		**72,892**	**46,236**	**(604)**	**(49,829)**	**136,648**	**205,343**
New shares issued		7	-	-	-	-	7
Profit for the period		-	-	-	-	27,500	27,500
Other comprehensive income for the period		-	-	-	299	-	299
Acquisition of own shares		-	-	(32)	-	-	(32)
Utilisation of own shares held in trust		-	-	29	-	-	29
Share-based payments		-	-	-	-	430	430
Dividends	7	-	-	-	-	(1,965)	(1,965)
At 30 September 2019		**72,899**	**46,236**	**(607)**	**(49,530)**	**162,613**	**231,611**
At 31 March 2020		**72,899**	**46,236**	**(433)**	**(51,836)**	**216,013**	**282,879**
New shares issued		400	-	-	-	-	400
Profit for the period		-	-	-	-	110,791	110,791
Other comprehensive income for the period		-	-	-	4,173	-	4,173
Acquisition of own shares		-	-	(319)	-	-	(319)
Utilisation of own shares held in trust		-	-	370	-	-	370
Share-based payments		-	-	-	-	(3,114)	(3,114)
Tax on share-based payments	5	-	-	-	-	790	790
Dividends	7	-	-	-	-	(35,393)	(35,393)
At 30 September 2020		**73,299**	**46,236**	**(382)**	**(47,663)**	**289,087**	**360,577**

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the half year ended 30 September 2020

£ '000	Note	30 September 2020	30 September 2019
Cash flows from operating activities			
Cash generated from operations	15	123,236	29,739
Net interest income		921	2,116
Tax paid		(13,640)	(6,472)
Net cash generated from operating activities		**110,517**	**25,383**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,041)	(1,210)
Investment in intangible assets		(4,389)	(285)
Purchase of financial investments		(14,873)	(3,402)
Proceeds from maturity of financial investments		14,345	-
Outflow on net investment hedges		(1,817)	(581)
Net cash used in investing activities		**(8,775)**	**(5,478)**
Cash flows from financing activities			
Proceeds from borrowings		-	10,175
Repayment of borrowings		(1,108)	(11,197)
Principal elements of lease payments		(3,093)	(3,034)
Proceeds from issue of Ordinary Shares		81	-
Acquisition of own shares		-	(25)
Dividends paid		(35,393)	(1,965)
Finance costs		(898)	(1,034)
Net cash used in financing activities		**(40,411)**	**(7,080)**
Net increase in cash and cash equivalents		**61,331**	**12,825**
Cash and cash equivalents at the beginning of the period		84,307	48,729
Effect of foreign exchange rate changes		4,454	419
Cash and cash equivalents at the end of the period		**150,092**	**61,973**

1. Basis of preparation

Basis of accounting and accounting policies

The condensed consolidated interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 March 2020 and the condensed consolidated interim financial statements for the half year ended 30 September 2020 have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRSs"), IFRS Interpretations Committee ("IFRS ICs") interpretations and the Companies Act 2006 applicable to companies reporting under IFRSs.

The audited statutory financial statements for the year ended 31 March 2020 have been delivered to the Registrar of Companies. The auditors' opinion on those financial statements was unqualified and did not contain a statement made under Section 498 of the Companies Act 2006. The 31 March 2020 balances presented in these condensed consolidated interim financial statements are from those financial statements and are audited.

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the Group's statutory financial statements for the year ended 31 March 2020.

The condensed consolidated interim financial statements have been prepared 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.

Future accounting developments

The Group did not implement the requirements of any Standards or Interpretations that were in issue but were not required to be adopted by the Group at the half year. No other Standards or Interpretations have been issued that are expected to have an impact on the Group's financial statements.

Significant accounting judgements

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the use of certain significant accounting judgements. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the condensed consolidated interim financial statements are:

Deferred taxes

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.

Intangible assets

As detailed in note 8, the Group incurs significant expenditure on the development and implementation of software systems. The judgements regarding capitalisation and impairment, and the estimation of the useful life of the assets have a material impact on these financial statements.

The Group follows the accounting policy described in note 2 within the Group's Annual Report and Financial Statements 2020.

The Group has carefully considered the following judgements:

- whether costs meet the capitalisation criteria under IAS 38 'Intangible Assets'; and
- whether the asset is impaired.

No intangible assets were deemed to be impaired in the period.

The Group estimates the useful life of its software to be three years based on the technical obsolescence of the asset, however the actual useful life may be shorter or longer. If the actual useful life is determined to be shorter, the amortisation charged to the Statement of Profit or Loss and Other Comprehensive Income will be adjusted.

Going concern

The Group has considerable financial resources, a broad range of products and a geographically diversified business. Consequently, the Directors believe that the Group is well placed to manage its business risks in the context of the current economic outlook. Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. They therefore continue to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

Seasonality of operations

The Directors consider that, given the impact of market volatility, and the growth in overseas business and the use of mobile platforms, there is no predictable seasonality to the Group's operations.

2. Segmental reporting

The Group's principal business is online retail financial services and provides 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; spread bets only in 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:

- CFD and Spreadbet - UK and Ireland ("UK & IE");
- CFD - Europe;
- CFD - Australia, New Zealand and Singapore ("APAC") and Canada; and
- 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.

	CFD and Spreadbet			Stock-broking		
30 September 2020 **£ '000**	**UK & IE**	**Europe**	**APAC & Canada**	**Australia**	**Central**	**Total**
Segment revenue net of Introducing partner commissions and betting levies	69,506	38,796	95,733	26,352	-	230,387
Interest income	89	-	320	69	-	478
Net operating income	**69,595**	**38,796**	**96,053**	**26,421**	**-**	**230,865**
Segment operating expenses	(9,970)	(2,924)	(9,565)	(5,253)	(61,147)	(88,859)
Segment contribution	**59,625**	**35,872**	**86,488**	**21,168**	**(61,147)**	**142,006**
Allocation of central operating expenses	(17,907)	(15,732)	(17,483)	(10,025)	61,147	-
Operating profit	**41,718**	**20,140**	**69,005**	**11,143**	**-**	**142,006**
Finance costs	(261)	(17)	(119)	(111)	(392)	(900)
Allocation of central finance costs	(153)	(67)	(172)	-	392	-
Profit before taxation	**41,304**	**20,056**	**68,714**	**11,032**	**-**	**141,106**

	CFD and Spreadbet			Stock-broking		
30 September 2019 **£ '000**	**UK & IE**	**Europe**	**APAC & Canada**	**Australia**	**Central**	**Total**
Segment revenue net of Introducing partner commissions and betting levies	30,133	16,005	39,846	14,492	-	100,476
Interest income	871	-	828	144	-	1,843
Net operating income	**31,004**	**16,005**	**40,674**	**14,636**	**-**	**102,319**
Segment operating expenses	(6,460)	(4,176)	(7,559)	(4,153)	(48,842)	(71,190)
Segment contribution	**24,544**	**11,829**	**33,115**	**10,483**	**(48,842)**	**31,129**
Allocation of central operating expenses	(13,511)	(13,386)	(14,190)	(7,755)	48,842	-
Operating profit	**11,033**	**(1,557)**	**18,925**	**2,728**	**-**	**31,129**
Finance costs	(280)	(8)	(168)	(135)	(443)	(1,034)
Allocation of central finance costs	(202)	(80)	(161)	-	443	-
Profit before taxation	**10,551**	**(1,645)**	**18,596**	**2,593**	**-**	**30,095**

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 period before finance costs, taxation and an allocation of central operating expenses.

The measurement of segment asset for segmental analysis is consistent with that in the balance sheet. The total non-current assets other than deferred tax assets, broken down by location of the assets, is shown below.

£ '000	30 September 2020	31 March 2020
UK	22,020	17,841
Australia	14,264	13,568
Other countries	3,419	3,586
Total non-current assets	**39,703**	**34,995**

3. Revenue

£ '000	30 September 2020	30 September 2019
CFD and spread bet	211,791	95,833
Stockbroking	40,195	26,357
Other	3,636	840
Revenue	**255,622**	**123,030**

4. Operating Expenses

£ '000	30 September 2020	30 September 2019
Net staff costs	38,559	33,191
IT costs	12,676	10,529
Sales and marketing	14,799	7,752
Premises	1,727	1,595
Legal and Professional fees	3,325	2,491
Regulatory fees	2,645	3,124
Depreciation and amortisation	5,493	5,843
Irrecoverable sales tax	3,337	2,333
Other	6,298	4,332
Operating expenses	**88,859**	**71,190**

5. Taxation

£ '000	30 September 2020	30 September 2019
Analysis of charge for the period:		
Current tax		
Current tax on profit for the period	21,122	5,599
Adjustments in respect of previous periods	(116)	14
Total current tax	**21,006**	**5,613**
Deferred tax		
Origination and reversal of temporary differences	9,311	(3,068)
Adjustments in respect of prior periods	(2)	(10)
Impact of change in tax rate	-	60
Total deferred tax	**9,309**	**(3,018)**
Total tax	**30,315**	**2,595**

The standard rate of UK corporation tax 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 for the half year ended 30 September 2020 was 21.48% (Half year ended 30 September 2019: 8.62%), differs from the standard rate of UK corporation tax rate of 19% (Half year ended 30 September 2019: 19%). The differences are explained below:

£ '000	30 September 2020	30 September 2019
Profit before taxation	**141,106**	**30,095**
Profit multiplied by the standard rate of corporation tax in the UK of 19% (30 September 2019: 19%)	26,810	5,718
Adjustment in respect of foreign tax rates	3,266	764
Adjustments in respect of prior periods	(118)	4
Impact of change in tax rate	-	60
Recognition of previously unrecognised tax losses	-	(4,218)
Expenses not deductible for tax purposes	116	228
Income not subject to tax	11	(10)
Share awards	-	39
Other differences	230	10
Total tax	**30,315**	**2,595**

£ '000	30 September 2020	30 September 2019
Tax on items recognised directly in Equity		
Tax on Share based payments	(790)	-

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 period 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 conversion of all dilutive potential weighted average ordinary shares, which consists of share options granted to employees and shares issuable to client investors at IPO.

£ '000	30 September 2020	30 September 2019
Earnings attributable to ordinary shareholders (£ '000)	**110,791**	**27,500**
Weighted average number of shares used in the calculation of basic earnings per share ('000)	288,985	288,582
Dilutive effect of share options ('000)	1,833	2,887
Weighted average number of shares used in the calculation of diluted earnings per share ('000)	**290,818**	**291,469**
Basic earnings per share (p)	**38.3p**	**9.5p**
Diluted earnings per share (p)	**38.1p**	**9.4p**

For the half year ended 30 September 2020, 1,833,000 (Half year ended 30 September 2019: 2,887,000) potentially dilutive weighted average ordinary shares in respect of share options in issue were included in the calculation of diluted EPS.

7. Dividends

£ '000	30 September 2020	30 September 2019
Prior year final dividend of 12.18p per share (30 September 2019: 0.68p)	35,393	1,965

An interim dividend for 2021 of 9.20p per share, amounting to £26,746,000 has been approved by the board but has not been included as a liability at 30 September 2020. The dividend will be paid on 18 December 2020 to those members on the register at the close of business on 27 November 2020.

8. Intangible assets

£ '000	Goodwill	Computer software	Trademarks and trading licences	Client relationships	Assets under development	Total
At 31 March 2020						
Cost	11,500	121,085	1,409	2,684	1,054	137,732
Accumulated amortisation	(11,500)	(117,907)	(1,053)	(2,684)	-	(133,144)
Carrying amount	**-**	**3,178**	**356**	**-**	**1,054**	**4,588**
Half year ended 30 September 2020						
Carrying amount at the beginning of the period	**-**	**3,178**	**356**	**-**	**1,054**	**4,588**
Additions	-	1,953	-	-	2,505	4,458
Transfers	-	68	-	-	(68)	-
Disposals	-	-	(57)	-	(33)	(90)
Amortisation charge	-	(894)	(16)	-	-	(910)
Foreign currency translation	-	252	10	-	66	328
Carrying amount at the end of the period	**-**	**4,557**	**293**	**-**	**3,524**	**8,374**
At 30 September 2020						
Cost	11,500	125,709	1,424	3,012	3,524	145,169
Accumulated amortisation	(11,500)	(121,152)	(1,131)	(3,012)	-	(136,795)
Carrying amount	**-**	**4,557**	**293**	**-**	**3,524**	**8,374**

9. Property, plant and equipment

£ '000	Leasehold improvements	Furniture, fixtures and equipment	Computer hardware	Right-of-use assets	Total
At 31 March 2020					
Cost	18,600	9,807	31,008	17,657	77,072
Accumulated depreciation	(12,156)	(8,523)	(24,166)	(4,089)	(48,934)
Carrying amount	**6,444**	**1,284**	**6,842**	**13,568**	**28,138**
Half year ended 30 September 2020					
Carrying amount at the beginning of the period	**6,444**	**1,284**	**6,842**	**13,568**	**28,138**
Additions	-	8	2,733	1,369	4,110
Depreciation charge	(893)	(295)	(1,321)	(2,074)	(4,583)
Foreign currency translation	240	78	138	677	1,133
Carrying amount at the end of the period	**5,791**	**1,075**	**8,392**	**13,540**	**28,798**
At 30 September 2020					
Cost	19,375	10,057	34,258	19,680	83,370
Accumulated depreciation	(13,584)	(8,982)	(25,866)	(6,140)	(54,572)
Carrying amount	**5,791**	**1,075**	**8,392**	**13,540**	**28,798**

10. Trade and other receivables

£ '000	30 September 2020	30 September 2019	31 March 2020
Current			
Gross trade receivables	9,310	8,874	10,840
Less: provision for impairment of trade receivables	(6,202)	(3,759)	(5,853)
Trade receivables	3,108	5,115	4,987
Prepayments and accrued income	9,699	7,431	8,045
Stockbroking debtors	113,745	70,711	158,113
Other debtors	17,712	17,377	15,118
	144,264	**100,634**	**186,263**
Non-current			
Other debtors	2,531	2,711	2,269
Total	**146,795**	**103,345**	**188,532**

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

11. Financial investments

£ '000	30 September 2020	30 September 2019	31 March 2020
UK Government securities:			
At the beginning of the period / year	25,385	22,013	22,013
Purchase of securities	14,873	3,402	14,446
Maturity of securities and Coupon receipts	(14,826)	(355)	(11,245)
Accrued interest	36	82	167
Net gains transferred to equity	(32)	2	4
At the end of the period / year	**25,436**	**25,144**	**25,385**
Equity securities:			
At the beginning of the period / year	60	66	66
Foreign currency translation	7	1	(6)
At the end of the period / year	**67**	**67**	**60**
Total	**25,503**	**25,211**	**25,445**

£ '000	30 September 2020	30 September 2019	31 March 2020
Analysis of financial investments			
Non-current	-	-	-
Current	25,503	25,211	25,445
Total	**25,503**	**25,211**	**25,445**

Financial investments are shown as current assets when they have a maturity of less than one year.

12. Cash and cash equivalents

£ '000	30 September 2020	30 September 2019	31 March 2020
Gross cash and cash equivalents	574,401	400,491	424,077
Less: Client monies	(424,309)	(338,518)	(339,770)
Own cash and cash equivalents	**150,092**	**61,973**	**84,307**
Analysed as:			
Cash at bank	150,092	61,973	84,307
Short-term investments	-	-	-

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments, with maturities of three months or less. Cash at bank earns interest at floating rates, based on daily bank deposit rates.

13. Trade and other payables

£ '000	30 September 2020	30 September 2019	31 March 2020
Current			
Gross trade payables	436,209	348,256	348,442
Less: Client monies	(424,309)	(338,518)	(339,770)
Trade payables	11,900	9,738	8,672
Tax and social security	52	79	112
Stockbroking creditors	103,937	64,651	139,534
Accruals and deferred income	23,575	17,290	28,867
	139,464	**91,758**	**177,185**
Non-current			
Accruals and deferred income	-	-	-
Total	**139,464**	**91,758**	**177,185**

14. Lease liabilities

£ '000	30 September 2020	30 September 2019	31 March 2020
At the beginning of the period / year	19,273	-	-
Lease liabilities recognised on adoption of IFRS 16	-	24,433	24,433
Additions / (Modifications) of new leases during the year	1,196	(144)	1,481
Interest expense	423	535	1,001
Lease payments made during the year	(3,516)	(3,569)	(6,747)
Foreign currency translation	1,076	169	(895)
At the end of the period / year	**18,452**	**21,424**	**19,273**

£ '000	30 September 2020	30 September 2019	31 March 2020
Analysis of lease liabilities			
Non-current	13,152	16,266	14,587
Current	5,300	5,158	4,686
Total	**18,452**	**21,424**	**19,273**

15. Cash generated from operations

£ '000	30 September 2020	30 September 2019
Cash flows from operating activities		
Profit before taxation	141,106	30,095
Adjustments for:		
Net interest income	(478)	(1,843)
Finance costs	900	1,034
Depreciation	4,583	5,095
Amortisation of intangible assets	910	748
Research and development tax credit	(97)	-
(Profit) / Loss on disposal of property, plant and equipment	(109)	150
Share-based payment	(2,746)	459
Other non-cash movements including exchange rate movements	800	142
Changes in working capital:		
Decrease in trade and other receivables	41,740	18,070
Increase in amounts due from brokers	(27,712)	(21,792)
Decrease in trade and other payables	(37,721)	(5,578)
Increase in net derivative financial instruments liabilities	1,846	3,184
Increase / (Decrease) in provisions	214	(25)
Cash generated from operations	**123,236**	**29,739**

16. Liquidity

The Group has access to the following liquidity resources 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 consists mainly of cash and cash equivalents and also includes investments in UK government securities which are held to meet the Group's liquid asset buffer (LAB - as agreed with FCA). These UK government securities are BIPRU 12.7 eligible securities and are available to meet liabilities which fall due in periods of stress.
- **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 considers these funds as an ancillary source of liquidity and places no reliance on its stability.
- **Available committed facility** (off-balance sheet liquidity). The Group has access to a syndicated revolving credit facility of up to £40.0 million (30 September 2019: £40.0 million; 31 March 2020: £40.0 million) in order to fund any potential fluctuations in margins required to be posted at brokers to support our risk management strategy. 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. The facility consists of a one year term facility of £20.0 million and a three year term facility of £20.0 million, both of which were renewed in March 2020.

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

- **Blocked cash.** Amounts held to meet the requirements of local market regulators and amounts held at overseas subsidiaries in excess of local segregated client requirements to meet potential future client requirements.
- **Initial margin requirement at broker.** The total GBP equivalent initial margin required by prime brokers to cover the Group's hedge derivative positions.

Own funds on 30 September 2020 were £326,066,000 (30 September 2019: £182,841,000; 31 March 2020: £238,340,000). Short-term financial investments, amounts due from brokers and amounts receivable / (payable) on the derivative financial instruments have been included within 'own funds' in order to provide a clear presentation of the Group's potential cash resources.

£ '000	**30 September 2020**	**30 September 2019**	**31 March 2020**
Cash and cash equivalents	150,092	61,973	84,307
Amount due from brokers	161,988	109,827	134,276
Financial investments	25,503	25,211	25,445
Derivative financial instruments (Current Assets)	4,038	2,792	5,353
	341,621	199,803	249,381
Less: Title transfer funds	(11,900)	(9,738)	(8,672)
Less: Derivative financial instruments (Current Liabilities)	(3,655)	(7,224)	(2,369)
Own Funds	**326,066**	**182,841**	**238,340**
Title transfer funds	11,900	9,738	8,672
Available committed facility	40,000	40,000	21,335
Total Available liquidity	**377,966**	**232,579**	**268,347**
Less: Blocked cash	(43,851)	(26,929)	(40,293)
Less: Initial margin requirement at broker	(86,187)	(67,564)	(38,993)
Net available liquidity	**247,928**	**138,086**	**189,061**

The following Own Funds Flow Statement summarises the Group's generation of own funds during each period and excludes all cash flows in relation to monies held on behalf of clients.

£ '000	30 September 2020	30 September 2019	31 March 2020
Operating activities			
Profit before tax	**141,106**	**30,095**	**98,686**
Adjustments for:			
Finance costs	900	1,034	2,052
Depreciation and amortisation	5,493	5,843	10,959
Other non-cash adjustments	(2,934)	924	3,368
Tax paid	(13,640)	(6,472)	(13,079)
Own funds generated from operating activities	**130,925**	**31,424**	**101,986**
Movement in working capital	**1,005**	**10,361**	**12,274**
Outflow from investing activities			
Net Purchase of property, plant and equipment and intangible assets	(6,430)	(1,495)	(4,273)
Other outflow from investing activities	(1,817)	(581)	1,084
Outflow from financing activities			
Proceeds from issue of Ordinary Shares	81	-	-
Interest paid	(898)	(1,034)	(2,052)
Dividends paid	(35,393)	(1,965)	(10,201)
Other outflow from financing activities	(4,201)	(4,081)	(7,090)
Total outflow from investing and financing activities	**(48,658)**	**(9,156)**	**(22,532)**
Increase in own funds	**83,272**	**32,629**	**91,728**
Own funds at the beginning of the period / year	238,340	149,793	149,793
Effect of foreign exchange rate changes	4,454	419	(3,181)
Own funds at the end of the period / year	**326,066**	**182,841**	**238,340**

As part of the transaction with ANZ Bank, the Group deposited AUD 25,000,000 in escrow in April 2017.

17. Fair value measurement disclosures

The Group's assets and liabilities that are measured at fair value are derivative financial instruments and financial investments. The table below categorises those financial instruments measured at fair value based on the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

30 September 2020 £ '000	Level 1	Level 2	Level 3	Total
Financial investments	25,436	-	67	25,503
Derivative financial instruments (Current Assets)	-	4,038	-	4,038
Derivative financial instruments (Current Liabilities)	-	(3,655)	-	(3,655)
	25,436	**383**	**67**	**25,886**

30 September 2019 £ '000	Level 1	Level 2	Level 3	Total
Financial investments	25,144	-	67	25,211
Derivative financial instruments (Current Assets)	-	2,792	-	2,792
Derivative financial instruments (Current Liabilities)	-	(7,224)	-	(7,224)
	25,144	**(4,432)**	**67**	**20,779**

31 March 2020 £ '000	Level 1	Level 2	Level 3	Total
Financial investments	25,385	-	60	25,445
Derivative financial instruments (Current Assets)	-	5,353	-	5,353
Derivative financial instruments (Current Liabilities)	-	(2,369)	-	(2,369)
	25,385	**2,984**	**60**	**28,429**

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- for foreign currency forwards – present value of future cash flows based on the forward exchange rates at the balance sheet date.

All of the resulting fair value estimates are included in level 2.

Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities not held at fair value approximates to their carrying value:

- Cash and cash equivalents
- Amounts due from brokers
- Trade and other receivables
- Trade and other payables
- Borrowings

18. Related party transactions

There have been no significant changes to the nature of related parties disclosed in the statutory financial statements for the Group as at and for the year ended 31 March 2020.

Directors' transactions

There were no director transactions during the half year ended 30 September 2020 and 30 September 2019.

19. Contingent liabilities

The Group engages in retail client relationships and partnership contracts that could result in non-performance claims and from time to time is involved in disputes during the ordinary course of business. The Group provides for claims where costs are likely to be incurred, and there are no contingent liabilities which are expected to have a material adverse financial impact on the Group.

20. Forward looking statements

This announcement 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.

INDEPENDENT REVIEW REPORT TO CMC MARKETS PLC

Report on the consolidated interim financial statements

Our conclusion

We have reviewed CMC Markets plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim results of CMC Markets plc for the 6 month period ended 30 September 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated interim statement of financial position as at 30 September 2020;
- the consolidated interim income statement and the consolidated interim statement of comprehensive income for the period then ended;
- the consolidated interim statement of cash flows for the period then ended;
- the consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London

19 November 2020