CMC MARKETS

20 June 2024

CMC MARKETS PLC

("CMC" the "Group" or the "Company")

Final results for the year ended 31 March 2024

Net operating income at a post-COVID high. Adjusted profit before tax up 52%. Cost efficiency programme in place to drive profit margin expansion.

Summary Financials

	FY24	FY23	Change %
Net operating income *(£m)*	**332.8**	**288.4**	**15%**
Trading net revenue (£m)	*259.1*	*233.1*	*11%*
Investing net revenue (£m)	*34.0*	*37.9*	*(10)%*
Other income (£m)	*39.7*	*17.4*	*128%*
Adjusted profit before tax *(£m)*	**80.0**	**52.6**	**52%**
Profit before tax *(£m)*	**63.3**	**52.2**	**21%**
Basic earnings per share *(pence)*	16.7	14.7	14%
Ordinary dividend per share *(pence)*	8.3	7.4	12%

Note: Net operating income represents total revenue net of introducing partner commissions and levies. Trading net revenue represents gross trading income net of rebates, levies and risk management gains or losses. Investing net revenue represents stockbroking and related services revenue net of rebates. Adjusted profit before tax is adjusted for one-off costs relating to impairment of intangible assets and global headcount restructuring.

Financial Highlights

- Net operating income of £332.8 million (FY23: £288.4 million), up 15%, marks a new record-high outside the COVID-19 pandemic period and was driven by consistently strong performance throughout H2.
    - Trading net revenue grew by 11%, to £259.1 million (FY23: £233.1 million), with strong performance in both the retail and institutional segments of the business. Of our total trading net revenue, £74.8 million was made up of fixed transactional income, which constitutes financing and commissions. Institutional segment also continues to grow as a proportion of overall net revenue.
    - Investing net revenue 10% lower than prior year at £34.0 million (FY23: £37.9 million) primarily driven by unfavourable movements in FX from a weaker Australian Dollar. On a constant currency basis investing net revenue was 3% lower year-on-year.
    - Other income of £39.7 million (FY23: £17.4 million) up 128% due to higher global interest rates driving income from client and own cash balances.
- Operating expenses[1], excluding variable remuneration, were £249.5 million (FY23: £217.2 million), including a non-recurring £12.3 million impairment charge relating to internally-developed platforms for the UK Invest and cash equities offerings and £4.3 million of one-off costs relating to actions to reduce global headcount.
- Regulatory total Own Funds Requirements (OFR) ratio of 312% (FY23: 369%) and net available liquidity of £192.2 million (FY23: £184.2 million)
- Statutory profit before tax of £63.3 million (FY23: £52.2 million), up 21%, reflecting net operating income outperformance and steps taken on costs.
- Adjusted profit before tax, excluding non-recurring costs, of £80.0 million was up 52%.
- Final dividend of 7.3 pence per share (FY23: 3.9 pence), taking the total dividend for the year to 8.3 pence per share (FY23: 7.4 pence), up 12% year-on-year.

[1] *Including impairment of intangible assets.*

Operational Highlights

- Strong progress made to enhance operational efficiency with ongoing cost review programme driving synergies across product and business lines.
- Efficiency programme extending beyond costs to all areas of the business such as our new centralised Treasury Management Division with the launch of our global Treasury Management System focused on efficient cash management, currency and liquidity optimisation.
- CMC Markets Connect brand, API ecosystem and world-leading financial markets technology continues to underpin our growth and has proven critical in growing our B2B and institutional offering with several major client wins during the year and a strong pipeline of potential clients.
- Significantly bolstered product suite with the rollout of options and addition of cash equities to our institutional offering, to expand this valuable segment.
- Further development of investing platform with Invest UK rolling out mutual funds and SIPPs post-financial year-end and the rollout of cryptocurrencies for Invest Australia.
- Continued expansion across new geographies and markets with launch of CMC Invest Singapore, a growing footprint in Middle East with DIFC hub and renewed focus on strengthening the governance and capability of our European operations as a lever for growth.
- Regional expansion further supported by Opto, our content and thematic investing tool, which has over 100k subscribers, advanced API infrastructure and recently finalised cash equities trading functionality, which is set for imminent release.

Outlook

- Having reached the peak of the investment cycle, management continues to seek opportunities to drive further cost efficiencies and deliver margin expansion, whilst investing in significant opportunities for incremental growth.
- Combined with new product launches and further technological upgrades planned for FY25, we remain confident in the business' ability to generate robust levels of income on a leaner cost base, resulting in improved profit margins.
- Current trading proving encouraging with positive trends seen early in the new fiscal year.
- Management is guiding to net operating income of between £320-360 million in FY25 on a cost base, excluding variable remuneration and non-recurring charges, of approximately £225 million.

Lord Cruddas, Chief Executive Officer, commented:

"Over the past year, our diversification strategy through B2B technology and an institutional first approach has delivered strong growth and opened up many opportunities for the company around the world.

"This strategy, based on continuous product launches and multiple application connectivity through the CMC Markets Connect brand, means we are making great strides in a huge market segment of B2B and institutional business, with limited competition from our peers.

"Building on this strategy this year we will launch a fully integrated multi-asset, multi-currency platform, underpinned by connectivity for B2B and institutional clients, as well as for retail clients. This is bolstered by new product launches including SIPPs, mutual funds (UK Invest), OTC options, cash cryptos, fixed income, and with futures, and exchange-traded options to come.

"CMC Markets Connect has added a new fintech dimension to our offering and there is no higher endorsement of our company than when a major bank or financial institution trusts our technology to deliver a service to their valued clients.

"Institutional, B2B and multi-asset, multi-currency platforms, across all brands is the future, and ours. We have built the infrastructure which will allow us to significantly increase our growth potential whilst improving profit margins through scale.

"It is going to be an exciting couple of years."

An analyst and investor presentation will be held on 20 June 2024 at 9:00am UK time. Participants need to register using the link below.

Webcast:

CMC Markets plc Full Year 2024 Results

Annual Report and Financial Statements

A copy of the Company's Annual Report and Financial Statements for the year ended 31 March 2024 (the "2024 Annual Report and Financial Statements") is available within the Investor Relations section of the Company website at http://www.cmcmarketsplc.com.

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 2024 Annual Report and Financial Statements. This material is not a substitute for reading the 2024 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 2024 Annual Report and Financial Statements.

Forthcoming announcement dates:

25 July 2024	Q1 2025 Trading Update
21 November 2024	H1 2025 Interim Results

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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.

MAR disclosure statement

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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 12,000 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, Singapore and the UK, access stockbroking services. More information is available at http://www.cmcmarketsplc.com.

CHAIRMANS STATEMENT

The Board’s strategy of diversification and placing a greater focus on institutional clients and the B2B sector continues to build momentum. The long-term investments we have made in our technology and our people will continue to enhance our business performance and benefit our clients and other stakeholders.

While we have given a greater focus to our institutional business, we of course maintained investment in our retail business, launching our Invest product in Singapore and continuing to enhance our Invest business in the UK. We launched mutual funds on Invest UK as well as our SIPP product post year-end, broadening the range of high-quality long-term investment products for our UK retail customers. In addition to our product diversification, we continue to pursue targeted geographical diversification, building on our existing presence in Dubai and placing a renewed focus on governance and capabilities in Europe to ensure a solid foundation for what is an attractive growth region. Our staff continue to be instrumental to our growth and diversification. As we announced earlier in the year, the Group has reached the peak of its investment cycle and the Board and senior management conducted two restructuring reviews, leading to the loss of around 15% of roles across the Group. While it is always a matter of great regret when colleagues leave the business, we are now better placed to deliver on our growth opportunities and leverage our scale to grow profit margins, whilst continuing to invest in our products and technology.

Results and dividend

Net operating income rose 15% to £332.8 million in the year, following improved trading conditions in the second half of 2024, with increased client trading activity and further momentum in our B2B businesses. Profit after tax for the year was £46.9 million. The Board recommends a final dividend of 7.3 pence per share which results in a total dividend payment of 8.3 pence for the year, in line with our dividend policy of 50% of profit after tax.

Board

The Board was delighted to approve the appointment of Albert Soleiman as CFO in September 2023 following the resignation of Euan Marshall. Prior to his appointment as CFO, Albert led the launch of our CMC Invest business in the UK which is a key part of our diversification strategy and enables clients to generate long-term wealth through our investing platforms. Albert’s extensive knowledge of the business made him the ideal choice as CFO.

Susanne Chishti has advised that she is not putting herself up for re-election at the 2024 AGM. I would like to thank Susanne for her hard work and the insight she has provided to the Board, particularly in relation to workforce engagement matters, during her time as a Non-Executive Director. We wish her well in her future endeavours.

People and stakeholders

Our workforce remains the bedrock for our business and the efforts of our people enable us to deliver on our strategic goals and provide outstanding service for our clients. The Board also considers our wider stakeholders and the communities in which we operate, and during the year approved our Community Impact 121 strategy, committing to making donations to charitable causes and enabling staff volunteering.

We recognise, with the restructuring reviews and the resulting reduction in roles, that this was a more difficult period for our people, and this is discussed further in the Our Tomorrow section of the 2024 Annual Report and Financial Statements.

The Board continues to place priority on developing and investing in our people with Susanne Chishti having acted as our designated Non-Executive Director responsible for workforce engagement. The scope of the work undertaken by Susanne in this role is set out in the 2024 Annual Report and Financial Statements.

The Board would like to express its gratitude to all CMC's employees for their significant contributions throughout the year and particularly during the period of heightened change.

Sustainable-based growth

The Board is committed to putting in place the tools and capabilities for our customers and employees to invest for a better future. Further information is set out in the Our Tomorrow section of the 2024 Annual Report and Financial Statements.

Outlook

The outlook for the Group remains positive as we continue to invest in the business, develop the platforms and technologies that our clients want and further improve our operational efficiency. We will continue to build on the work undertaken to date to diversify the business to position it for future opportunities and challenges. While there will continue to be potential for uncertainty in the financial markets due to ongoing geopolitical events, the Board will maintain its focus on positioning the business to navigate through this period of volatility to the benefit of all our stakeholders.

James Richards

Chairman
20 June 2024

CEO STATEMENT

Over the past year, CMC Markets has experienced exceptional growth, marked by a strong financial performance, and continued technology advancements. Our financial results, in particular our net operating income of £332.8 million represents a record for the Group when excluding the COVID-19 impacted 2021. Our profit before tax of £63.3 million was up 21%, reflecting the success of our institutional first approach by leveraging our technology to partner with major financial institutions. The recent announcement of our partnership with Revolut, where our best-in-class technology will support their rapidly expanding customers' investing needs, is not only a testament to the success of this strategy but also opens significant opportunities for further collaboration on a global scale.

This strategy has transformed and diversified the business into a provider of financial technology solutions, facilitating platforms, multiple connectivity, liquidity, trade execution and clearing across multiple venues as we partner with major financial institutions. We have very little competition in this institutional space. We are certainly not in competition with peers from the retail CFD sector, and, because of our technology and offering, we have a clear and long-standing competitive advantage that separates us from our traditional peers in the retail market.

This is not something that has happened by accident, it has been part of our business for over twenty years, but it is only recently that investors and analysts have started to understand the diversity of our business model and the scale it brings. As we gravitate further towards the fintech sector, this is driving CMC towards a higher valuation multiple as we are increasingly moving away from valuations associated with the retail CFD sector. A retail CFD only platform is where CMC started, but that is not where we are today, and it is not our future, and public markets are gradually beginning to reflect this in our higher valuation.

We are already the second largest on-exchange stockbroker in Australia with over $70 billion in AUA and over one million customer accounts and we are regularly the number one options clearer on the Australian exchange. CMC Group currently serves more than 400 institutions with marquee partnerships in all our major geographies and a strong pipeline in our target countries. Our focus is not only to seek out new partnerships but to also help our existing partners realise the full potential of their businesses through new products and access to various liquidity pools, thereby maximising returns for CMC and our partners. We have the infrastructure and experience to continue our growth in this huge market.

It has been an exciting year and I look forward to working with my superb team over the coming years to add more value and growth to an already exciting business.

Treasury Management and Capital Markets

Over the last couple of years, we have been building a Treasury Management and Capital Markets Division; an area I have extensive experience in due to my banking background. The development of this division has become necessary as the Group continues to expand and diversify.

Today, we are managing substantial cash and currency balances, trade settlements and multiple venue clearing. Our annual trade turnover is more than US$4 trillion and growing, driven by our institutional business and new product additions. We are managing a number of prime brokers, banking relationships, exchanges, and partnerships all around the world. With offices in 12 countries, a large stockbroking business, cash settlements, and expanding B2B and institutional partnerships, we have become a technology-based, multi-currency global organisation, which requires not just a focus on technology but also on treasury management functionality.

As part of our Treasury Management Division, we have linked all our overseas offices to a Treasury Management System ("TMS") to centralise all foreign exchange ("FX") transactions and cash balances onto one real-time platform. All currency and cash movements are centrally managed by the treasury team, who then lock in FX profits, whilst also managing our cash with prime brokers, banks, exchanges, and partners, to optimise capital market returns. This ensures our cash and trade settlements are as efficient as possible, thereby freeing up capital to invest. It is an amazing value add to the business and generates additional income through optimisation and efficiency.

To be clear, this is not a risk book of business; it is capital markets and interest rate optimisation. It is cash deployed effectively in the right venues to earn the maximum return in the capital markets. Via the TMS platform we can also centralise all cash foreign exchange exposures and settlements, locking in currency exchange rates and optimising foreign exchange profits.

The treasury management team is there to optimise liquidity, settle trades and optimise our cash flows. This has added great scale to the business and additional incremental profits. In our financial accounts for FY24 we have a record £39.7 million as other income. This includes interest income from the higher interest rate environment but within that figure there are the efficiencies of our TMS and the additional value this brings.

In the coming years we will provide a more granular breakdown as this side of the business expands and matures. Treasury management is important and necessary as we expand our B2B and institutional business, as well as our cash product range. It will help us win more business and will help us to remain competitive.

Financial performance

Financial performance in the year has been strong. Net operating income of £332.8 million (FY23: £288.4 million) was up 15% with continued good momentum across our B2B segment, and profit before tax for the year was £63.3 million, up 21% on FY23. Other income continued to benefit from higher global interest rates, as well as our new centralised TMS.

Whilst operating expenses, excluding variable remuneration, are higher in the year, much of this was driven by a non-recurring impairment charge and an increase in net staff costs relating to the annualisation of higher headcount levels for much of the year, as well as the higher termination costs resulting from the reduction in global headcount.

Driving efficient performance throughout the business has been a central focus over the course of FY24, and this includes the introduction of the aforementioned TMS, but also extends to our disciplined focus on costs. As announced at the half year, the business has reached the peak of its current investment cycle and H2 saw us complete a cost review designed to rationalise our cost base and drive synergies through our global operations. This includes the merging of support functions, streamlining of reporting lines and greater focus on our capital allocation, which will generate sustainable cost savings from FY25 onwards.

We remain firmly committed to continued investment in our business and technology platforms to maintain our competitive advantage. However, following years of strong investment, we are now in a position to leverage our operational strength to grow efficiently. We continue to see opportunities to rationalise the cost base as we maintain our ongoing focus on delivering sustainable cost savings.

Our financial performance in FY24 leaves the Group in a strong position and has laid the foundation for another successful year ahead.

Delivering growth through diversification

Underpinning our growth agenda is our diversification strategy, which has opened many opportunities for the business around the world. This strategy is predicated on a rigorous programme of continuous product upgrades, a sustained commitment to providing world-leading technology for our clients across all business lines and further expansion of our reach across both new geographies and markets.

Continuous product development

FY24 has seen CMC continue to diversify its product offering. Our approach, which is on the focused expansion of asset classes to strengthen our levels of engagement is critical in enabling us to continue to support our clients. This includes the rollout of OTC options, with futures and exchange traded options set to be delivered in H1 FY25. The addition of cash equities to our institutional offering has allowed us to expand the services available to this valuable segment. On UK Invest, we have added mutual funds in FY24, and SIPPs post-financial year-end, as well as continued updates designed to enhance the user experience. Invest Australia also expanded to offer cash cryptocurrencies.

Sustained commitment to world-leading technology

Underpinning our continued product development is our unwavering commitment to being a world-leader in financial markets technology. Our CMC Markets Connect brand and API ecosystem is the foundation for our growth and expansion and the power of this technology has proven critical in securing a number of large B2B partners, such as Revolut. This builds on the already extensive network of partnerships that we have in place and our ability to provide larger institutions with complex, bespoke builds, cements us further as the partner of choice and reinforces our deep understanding of the financial sector and technical superiority. Elsewhere, we have launched our CMC Invest Singapore platform, and we continue to enhance our connectivity to more execution venues, ECNs, and client types across this vast electronic marketplace. Looking to the future, we remain committed to a disciplined level of continued investment over the medium-term, leveraging technology to drive innovation and growth.

Expansion across new geographies and markets

A core aspect of our diversification strategy is expansion across new regions and markets. In addition to the launch of Invest Singapore, we have also expanded our operations in the Middle East with our subsidiary in Dubai’s International Financial Centre and we have placed a renewed emphasis on our European operations, with a focus on strengthening the governance and capability of this region as a lever for growth. Meanwhile, our content and thematic investing tool, Opto, achieved significant milestones, notably the completion of equities trading functionality, which is set to launch imminently. Through continued and targeted regional expansion across the world, CMC continues to unlock new opportunities, delivering sustained value creation for shareholders.

Regulatory change

As we outlined as part of our half year results, updated regulations governing Consumer Duty in the UK were enforced for financial services companies from 31 July 2023. These regulations are designed to establish a rigorous level of consumer safeguarding in financial dealings. The integration of these obligations within the Group has proven effective, and CMC remains committed to refining its procedures post-implementation, while monitoring client outcomes to try to ensure their ongoing financial goals are met.

CMC also intends to comply with the European Union’s Digital Operational Resilience Act, applicable from January 2025, which seeks to promote cyber resilience by enhancing ICT risk management and cyber risk management across financial services. Requirements include the reporting of major ICT-related incidents, digital operational resilience testing, information sharing, and measures and requirements related to the use of ICT third-party services.

People and sustainability

As the emphasis on sustainability continues to influence financial markets, our goal is to empower both our clients and employees with the tools and expertise needed to make informed and ethical choices, both in their investments and in the workplace. We acknowledge and embrace the finance industry's deep responsibility to support global sustainability initiatives and appreciate the belief that integrating sustainable practices can yield tangible advantages for our business.

Dividend

The Board has proposed a final dividend payment of £20.4 million, which equates to 7.3 pence per share, resulting in a total dividend payment of 8.3 pence per share for the year. This is in line with the dividend policy of 50% of profit after tax.

Outlook

With the launch of new product initiatives, further technological advancements, and the expanding opportunities created by our diversification strategy, combined with our programme to rationalise costs, we are confident in the business' ability to generate robust levels of income on a leaner cost base. This will drive an enhancement in profit margins in the year ahead. Management is anticipating achieving net operating income of between £320-360 million in FY25, on a cost base, excluding variable remuneration and non-recurring charges, of around £225 million.

I look forward to continued exciting profitable growth in the years to come.

Lord Cruddas

Chief Executive Officer
20 June 2024

FINANCIAL REVIEW

Summary income statement

	FY24	FY23	Change	Change %
Net operating income	**332.8**	**288.4**	**44.4**	**15%**
Adjusted operating expenses[1]	(267.2)	(233.9)	(33.3)	(14%)
Operating profit	**65.6**	**54.5**	**11.1**	**20%**
Loss on share of associates	(0.3)	—	(0.3)	—
Finance costs	(2.0)	(2.3)	0.3	16%
Profit before taxation	**63.3**	**52.2**	**11.1**	**21%**
PBT margin[2]	**19.0%**	**18.1%**	**0.9%pts**	—
Profit after tax	**46.9**	**41.4**	**5.5**	**13%**

(p)	FY24	FY23	Change	Change %
Basic EPS	16.7	**14.7**	2.0	14%
Ordinary dividend per share[3]	8.3	**7.4**	0.9	12%

[1] Including variable remuneration.
[2] Statutory profit before tax as a percentage of net operating income.
[3] 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 of £332.8 million increased by £44.4 million (15%) compared to 2023. This performance was driven by a strong performance in our trading business in H2, and a 152% increase in interest income, largely as a result of higher global interest rates on client and own cash balances.

Adjusted operating expenses, including variable remuneration, of £267.2 million increased by £33.3 million (14%), primarily due to higher staff costs and an impairment of £12.3 million mainly relating to internally developed platforms for the UK Invest and cash equities offerings.

This resulted in a statutory profit before tax of £63.3 million (2023: £52.2 million) and PBT margin of 19.0%, up from 18.1% in the prior year.

Net operating income overview

£m	FY24	FY23	Change %
Trading net revenue	259.1	233.1	11%
Investing net revenue (excl. interest income)	34.0	37.9	(10)%
Net revenue[1]	**293.1**	**271.0**	**8%**
Interest income	35.0	13.9	152%
Other operating income	4.7	3.5	34%
Net operating income	**332.8**	**288.4**	**15%**

[1] CFD and spread bet revenue net of rebates and levies and stockbroking revenue net of rebates.

Trading performance overview

	FY24	FY23	Change %
Trading net revenue (£m)	259.1	233.1	11%
Trading revenue per active client (£)	£4,685	£3,968	18%

Trading net revenue increased by £26.0 million, representing an 11% increase against the prior year due to a strong second half performance, driving an increase in revenue per active client of £717 (18%) to £4,685. Revenue per active client was a record high level, reflecting the growing proportion of trading volumes generated by high-value, institutional clients.

Investing performance overview

	FY24		FY23		Change %	
	Net revenue (£m)	Active Clients[1]	Net revenue (£m)	Active Clients[1]	Net revenue (£m)	Active Clients
B2C	24.4	168,760	14.6	125,326	67%	35%
B2B	9.6	42,816	23.3	92,984	(59%)	(54%)
Total	34.0	211,576	37.9	218,310	(10%)	(3%)

[1] ANZ customers are classified as B2B prior to integration in March 2023. Post integration, they are managed as CMC Retail customers and classified as B2C

Investing net revenue was 10% lower at £34.0 million (FY23: £37.9 million), primarily driven by a £2.9 million unfavourable FX movement from a weaker Australian dollar. Underlying performance on a constant currency basis was 3% lower than the prior year, as weaker domestic trading was largely offset by stronger international trading and the introduction of physical crypto trading for retail customers, with the second half of the year seeing stronger trading activities, particularly in Q4.

Interest income

Interest income increased by £21.1 million, representing a 152% increase, to £35.0 million driven predominantly by elevated base rates and higher non-segregated fund balances.

The majority of the Group's interest income is earned through our segregated client deposits in our UK, Australia, New Zealand and Invest Australia subsidiaries. Our investing business generated 31% of the Group's interest income, with 69% being generated in our trading business. The Group continually monitors its returns on both own and segregated client deposits to ensure optimal returns.

Expenses

Total costs increased by £33.3 million (14%) to £269.5 million.

£m	FY24	FY23	Change %
Net staff costs – fixed (excluding variable remuneration)	100.8	84.9	(19%)
IT costs	39.7	33.7	(18%)
Marketing costs	31.1	32.3	4%
Sales-related costs	4.5	6.0	25%
Premises costs	6.7	5.7	(17%)
Legal and professional fees	13.9	8.6	(62%)
Regulatory fees	4.3	9.4	54%
Depreciation and amortisation[1]	27.4	15.6	(75%)
Irrecoverable sales tax	5.5	3.0	(97%)
Other	15.6	18.0	14%
Adjusted operating expenses excluding variable	**249.5**	**217.2**	**(15%)**
Variable remuneration	17.7	16.7	(6%)
Adjusted operating expenses including variable	**267.2**	**233.9**	**(14%)**
Loss on share of associates	0.3	-	-
Interest	2.0	2.3	16%
Total costs	**269.5**	**236.2**	**(14%)**

1 Including impairment of intangible asset costs.

Net staff costs

Net staff costs, including variable remuneration, increased £16.9 million (17%) to £118.5 million. This was driven by the annualisation of higher headcount levels for much of the year, along with increases in gross pay within certain areas of the business to ensure the Group continues to remunerate staff in line with market rates to assist talent retention within the organisation, as well as the higher termination costs resulting from the reduction in global headcount.

Variable remuneration increased in light of strong Group financial performance in the year.

£m	FY24	FY23	Change %
Gross staff costs, excluding variable remuneration	110.7	92.9	(19%)
Performance related pay	14.9	14.5	(3%)
Share-based payments	2.8	2.2	(24%)
Total employee costs	**128.4**	**109.6**	**(17%)**
Contract staff costs	1.7	3.1	45%
Net capitalisation	(11.6)	(11.1)	5%
Net staff costs	**118.5**	**101.6**	**(17%)**

Depreciation and amortisation costs

Depreciation and amortisation have increased by £11.8 million (75%) to £27.4 million, primarily due to the impairment of internally-developed trading platforms for the invest platform and cash equities offerings.

Sales-related costs

Sales-related costs decreased by £1.5 million (25%) to £4.5 million driven by lower transactional costs in Invest Australia as a result of the lower volumes traded by clients, and lower levels of promotional and compensation payments.

Marketing costs

Marketing costs reduced to £31.1 million, down 4%, reflective of the more cautious approach we have taken with regard to marketing spend in the last year as we have focused our attention on product development and expansion across our platforms.

IT costs

IT costs increased by £6.0 million (18%) to £39.7 million, primarily as a result of our expanded product offering, higher software costs and an increase in market data costs. Inflationary pressures in light of the wider global environment also contributed significantly to these cost increases.

Legal & Professional fees

Legal and professional fees increased by £5.3 million (62%), primarily driven by an increase in consultancy fees, along with smaller increases in legal and audit fees.

Regulatory fees

Regulatory fees decreased by £5.1 million (54%) primarily as a result of a lower FSCS levy.

Premises costs

Premises costs increased £1.0 million (17%) due to higher utility costs, service charges and additional rent costs driven by the new office in Dubai, partially offset by lower rates.

Irrecoverable Sales Tax

Irrecoverable sales tax increased by £2.5 million (97%) mainly due to a non-recurring VAT refund received in the prior year.

Other expenses

Other expenses decreased by £2.4 million (14%) mainly due to lower recruitment fees as a result of the high level of new hires in the prior year.

Taxation

The effective tax rate for 2024 was 26.0%, up from the 2023 effective tax rate, which was 20.6%. This increase in the effective tax rate was mainly due to the increase in the UK corporate tax rate.

Profit after tax for the year

The increase in profit after tax for the year of £5.5 million (13%) was due to higher levels of net operating income being partially offset by an increase in expenses, including the one-off impairment charge and non-recurring costs relating to the global headcount reduction.

Dividend

Dividends of £13.7 million were paid during the year (2023: £35.0 million), with £10.9 million relating to a final dividend for the prior year paid in August 2023, and £2.8 million relating to an interim dividend paid in January 2024 relating to current year performance. The Group has proposed a final ordinary dividend of 7.30 pence per share (2023: 3.90 pence per share).

Non-Statutory Summary Group Balance Sheet

£m	FY24	FY23
Intangible assets	28.9	35.3
Property, plant and equipment	15.3	14.1
Net lease liability	(3.0)	(2.7)
Fixed Assets	**41.2**	**46.7**
Cash and cash equivalents	160.3	146.2
Net amounts due from brokers	221.9	179.2
Financial investments	50.9	30.6
Other assets	12.3	2.0
Net derivative financial instruments	-	1.1
Title transfer funds	(119.6)	(49.4)
Own Funds	**325.8**	**309.7**
Working capital	31.4	8.2
Net tax (payable) / receivable	(0.2)	8.6
Investment in associates	2.4	-
Deferred tax net asset	2.9	0.8
Net Assets	**403.5**	**374.0**

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 180 in the 2024 Annual Report and Financial Statements.

Fixed assets

Intangible assets decreased by £6.4 million to £28.9 million (2023: £35.3 million) which is predominantly a result of the impairment of intangible assets.

Own funds

Net 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 increase in client trading exposures throughout the year, particularly in equities and bullion, resulted in increases in holdings at brokers for hedging purposes.

Cash and cash equivalents have increased during the year primarily as a result of an increase in non-segregated balances and operating cash inflow. Financial investments mainly relate to UK government securities and short-term financial investments.

Title transfer funds increased by £70.2 million, which reflects high levels of account funding by a small population of mainly institutional clients.

Working capital

The £23.2 million increase in working capital requirements year on year is primarily the result of movements in stockbroking receivables and payables arising from clients' trading that is yet to settle at the period end.

Net tax receivable

Tax moved to a broadly flat position due to the utilisation of receivables during the year.

Deferred tax net asset

Deferred net tax assets increased to £2.9 million over the period, due to a true up of deferred tax in the UK.

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 2024.

Regulatory capital resources

The Group and its UK regulated subsidiaries fall into scope of the FCA's Investment Firms Prudential Regime ("IFPR"), with the Group's German subsidiary, CMC Markets Germany GmbH, subject to the provisions of the Investment Firms Regulation and Directive ("IFR/IFD").

The Group's total capital resources increased to £340.1 million (2023: £326.8 million) with increases in retained earnings for the year being partly offset by the proposed final dividend distribution. In accordance with the IFPR all deferred tax assets must now be fully deducted from common equity tier 1 capital ("CET1 capital").

At 31 March 2024 the Group had a total OFR ratio of 312%, down from 369% in 2023. This is a result of an increase in own fund requirements to £109.0 million (2023: £88.6 million).

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 2024 Annual Report and Financial Statements.

£m	FY24	FY23
CET1 capital[1]	383.1	363.1
Less: regulatory deduction[2]	(43.0)	(36.3)
Total capital resources after relevant deductions	**340.1**	**326.8**
Own funds requirements ("OFR")[3]	109.0	88.6
Total OFR ratio (%)[4]	**312%**	**369%**

[1] Total audited capital resources as at the end of the financial year of £403.5 million, less proposed dividends.
[2] In accordance with the IFPR, all deferred tax assets must be fully deducted from CET1 capital. Deferred tax assets are the net of assets and liabilities shown in note 14 of the 2024 Annual Report and Financial Statements.
[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, 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 30 of the 2024 Annual Report and Financial Statements.
- 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.

The Group also has access to a committed facility of up to £55.0 million (2023: £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 (2023: £27.5 million) and a three-year term facility of £27.5 million (2023: £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 as at 31 March 2024 (2023: £nil).

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

- **Blocked cash:** Amounts held for operational purposes to meet the requirements of local regulators and exchanges, in addition to liquidity in 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 and cryptocurrency positions.

Own funds have increased by £16.1 million to £325.8 million (2023: £309.7 million).

£m	FY24	FY23
Own funds	325.8	309.7
Title transfer funds	119.6	49.4
Total available liquidity	**445.4**	**359.1**
Less: blocked cash	(68.5)	(68.8)
Less: initial margin requirement at broker	(184.7)	(106.1)
Net available liquidity	**192.2**	**184.2**

Client money

Total segregated client money held by the Group for trading clients was £517.6 million at 31 March 2024 (2023: £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 and assets 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 within the Governance section of our 2024 Annual Report and Financial Statements.

Viability statement

The Directors of the Company have considered the Group's current financial position and future prospects and are confident that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment. In reaching this conclusion, both the prospects and viability considerations have been assessed.

Long-term prospects

The Group has invested significantly in recent years in product development to deliver future revenue diversification. This investment has culminated in strong progress being made on strategic initiatives during the year with the release of the Invest Singapore platform, as well as cash equities and options products being launched on the Next Generation platform, all of which are expected to support the growth and revenue diversification in upcoming years along with the ongoing growth and improvement in monetisation of our institutional offering. These releases represent the peak of this investment cycle, with the Group taking action to reduce the cost base as announced in February 2024 which is expected to support profit margin expansion in the medium term. On this basis, the Group maintains its belief that it will continue to demonstrate delivery of sufficient cash generation to support operations.

Conservative expectations of future business prospects through delivery of the Group strategy (see pages 18 and 19 of the 2024 Annual Report and Financial Statements) are presented to the Board through the budget process. The annual budget process consists of a detailed bottom-up process with a 12-month outlook which involves input from all relevant functional and regional heads. This includes a collection of resource assumptions required to deliver the Group strategy and associated revenue impacts with consideration of key risks. This is used in conjunction with external assumptions such as a region-by-region review of the regulatory environment and incorporation of any anticipated regulatory changes, revenue modelling, market volatility, interest rates and industry growth that could materially impact the business. The process also covers liquidity and capital planning and, in addition to the granular budget, a three-year outlook is prepared using assumptions on industry growth, the effects of regulatory change, revenue growth from strategic initiatives and cost growth required to support initiatives. The budget was reviewed and approved by the Board at the March 2024 Board meeting. The process for ongoing review and monitoring of risks is outlined in the Risk Management section of the 2024 Annual Report and Financial Statements (pages 59 to 68). The Board approved budget is then used to set targets across the Group.

The Directors concluded that three years is an appropriate period over which to provide a viability statement as this is the longest period over which the Board reviews the success of Group strategic projections, and this timeline is also aligned with the period over which internal stress testing occurs.

Viability

The Group performs regular stress testing scenarios. Available liquidity and capital adequacy are central to understanding the Group's viability and stress scenarios, such as adverse market conditions and adverse regulatory change, and are considered in the Group's Internal Capital Adequacy and Risk Assessment ("ICARA") document, which is shared with the FCA on request. The results of the stress testing showed that, due to the robustness of the business, the Group would be able to withstand scenarios, including combined scenarios across multiple principal risks, over the financial planning period by taking management actions that have been identified within the scenario stress tests.

The Group's revenue, which is driven by client transaction fees and interest income on both own and client funds, has seen increases resulting from the monetisation of client trading activity and the annualised impact of increases in global interest rates during the prior year, despite lower overall active client numbers. Projections of the Group's revenue have included revenue benefits from new product releases over the three-year period, which will serve to reduce risks to the Group's viability as a result of increased revenue diversity. In addition, conservative estimates of market volatility were assumed for the current businesses over the three-year period. Projections also include assumptions on interest rates that are derived from central bank rate forecasts, where available. No significant changes to regulatory capital and liquidity requirements have been assumed over the forecasting period.

In addition to considering the above, the Group also monitors performance against pre-defined budget expectations and risk indicator, which provide early warning to the Board, allowing management action to be taken where required including the assessment of new opportunities.

The Directors have no reason to believe that the Group will not be viable over a longer period, given existing and known future changes to relevant regulations.

Going concern

The Group satisfies its ongoing working capital requirements through its available liquid assets. The Group's liquid assets exclude any funds held in segregated client money accounts. In assessing whether it is appropriate to adopt the going concern basis in preparing the Financial Statements, the Directors considered the resilience of the Group, taking account of its liquidity position and cash generation, the adequacy of capital resources, the availability of external credit facilities and the associated financial covenants, stress testing of liquidity and capital adequacy that take into account the principal risks faced by the business. Further details of these principal risks and how they are mitigated and managed are documented in the Risk Management section on pages 59 to 68 of the 2024 Annual Report and Financial Statements.

Having given due consideration to the nature of the Group's business, and risks emerging or becoming more prominent, the Directors consider that the Company and the Group are going concerns, and the Financial Statements are prepared on that basis.

Albert Soleiman

Chief Financial Officer
20 June 2024

PRINCIPAL RISKS

The Group's business activities naturally expose it to strategic, financial and operational risks which are 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.

To assist the Board in discharging its responsibilities, it has in place an Enterprise Risk Management ("ERM") framework to support identification, mitigation and management of risk exposures in line with the Group's risk appetite. The Group regularly reviews the ERM framework, risk tooling and resources to ensure they remain effective to support the achievement of the Group's strategic objectives and in line with market practices and regulatory expectations.

There have been a number of improvements to the ERM framework during the year including enhancements to risk monitoring and reporting, and the consequent risk mitigation strategies. There have also been some organisational changes, to better align our people to the needs of the Group.

The Board, through its Group Risk Committee, is ultimately responsible for the implementation of an appropriate risk strategy and the main areas which it encompasses are:

- identifying, evaluating and monitoring the principal and emerging risks to which the Group is exposed;
- implementing 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.

Risk management is acknowledged to be a core responsibility of all colleagues at CMC and the oversight of risk and controls management is provided by Management and Board Committees as well as the Group risk and compliance functions.

The Group's ERM framework is designed to manage rather than eliminate risk, in line with risk appetite, and follows the "three lines" model to ensure clear risk ownership and accountability. Risk management and the implementation of controls are the responsibility of the business teams which constitute the first line. Oversight and guidance are provided primarily by the Group's risk and compliance functions which constitute the second line, and third line independent assurance is provided by the Group's internal audit function.

The Board has implemented a governance structure which is appropriate for the operations of an online financial services group and is aligned to the delivery of the Group's strategic objectives and product offering. The structure is regularly reviewed and monitored, and any changes are subject to Board approval. Furthermore, management considers root cause analysis to drive resilient improvements to processes and procedures and to embed good corporate governance throughout the Group.

The Board undertakes a robust assessment of the effectiveness of its risk management and internal controls and reviews principal risks, emerging risks and risk appetite on at least an annual basis.

The Group's risk appetite is an articulation of the nature and type of risks that the Group is willing to accept, or wants to avoid, in order to achieve its business objectives and strategy. This process is assessed as part of the Board's review of the Group's Risk Appetite Statement ("RAS"), which is a unified view of the Group's risk appetites and tolerances. It is important that the integrated risk appetite remains in line with business strategy to support the Group's strategic objectives. Risk appetite plays a key part in the Group's risk, capital and liquidity management, with the setting of risk appetites being an essential element in achieving effective risk control across the Group and achieving positive client outcomes.

The Board has carried out an assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity. In FY23 we determined that climate change was an emerging risk based on a climate risk assessment which concluded that critical thresholds are not likely to be breached. Given the criteria supporting that assessment have remained unchanged in FY24 we are comfortable that climate change risk remains an emerging risk. More information is available within the TCFD report on pages 42 to 51 of the 2024 Annual Report and Financial Statements.

The principal risks reported here are those attracting the greatest focus, and to which the Group has the largest exposure. The principal risks are linked to risk appetite and key risk indicator ("KRI") measures for reporting. In assessing all risks, CMC considers the reputational impacts of risks materialising and the impacts on its clients of negative publicity, and risks to the achievement of business objectives. The following top principal risks were considered, and they are:

- **Regulatory and compliance risk:** the Group is exposed to a significant number of different regulations and legislation, which continues to expand in line with our global footprint. During the year the most significant change was the successful implementation of the FCA Consumer Duty. Looking forward the key changes on the horizon include the introduction of new Digital Operational Resilience Act ("DORA"). Enhancements within our business change governance processes mean that regulatory projects within the Group are appropriately prioritised to ensure compliance and ongoing process improvement. We are actively managing a number of audit fundings in our German subsidiary.
- **Information and data security risk:** cyber-criminal activity continues to increase in sophistication, severity and frequency and attacks in the form of ransomware and Distributed Denial of Service ("DDoS") are particularly relevant for the Group given the online nature of the business. Dedicated specialist in house IT security resource, strong partnerships with leading security vendors and continued improvement in internal controls and governance help to mitigate the risk for CMC and its clients.
- **Business change risk:** as we continue to grow the business and implement strategic change, project delivery risk naturally becomes heightened. During the year a number of projects, including the launch of a new OTC Options product, have concluded, reducing the pressure on the business. Prioritisation of projects and the establishment of delivery pillars with ring-fenced resources have helped maintain dedicated resource pools and allocations to strategic projects.
- **People risk:** our people are the key to delivering on our purpose and strategy. Failure in our ability to attract and retain key talent puts at risk our strategic delivery and slows our velocity and our ability to maintain our high service standards. There have been organisational changes during the year to align our resource needs to the scale and priorities of the Group, resulting in a reduction of the global headcount. This has been primarily achieved by merging support functions across multiple business lines, streamlining reporting lines and automating processes. Key people metrics continue to be closely monitored as we still face a number of market headwinds.

Further information on the structure and workings of the Board and Management Committees is included in the Corporate Governance report of the 2024 Annual Report and Financial Statements.

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Business and Strategic Risks	**Strategic Risk**	Strategic risk is the potential threat the Group could face that could affect its ability to perform and execute its business strategy. It includes risks that can result from decisions made by the Board of Directors concerning the products or the services the Group provides. CMC is exposed to, and has appetite for, strategic risk through the definition or execution of our strategic initiatives where there is the risk of failing to successfully deliver what we set out to achieve. As part of our strategic risk, CMC is exposed to potential damage to our brand and reputation with the market, clients and regulators. Failure to manage reputational risks will have a significant impact on our ability to implement our strategic plan. During the year, enhanced focus on our key strategic priorities has strengthened how we deliver on our strategic goals.	We remain within our appetite by taking the following actions: • Robust governance, challenge and oversight from independent Non-Executive Directors • Ensuring significant new initiatives align to the corporate strategy • Assessing the risks associated with strategic initiatives • Establishing accountable owners to ensure successful delivery of initiatives and appropriate risk mitigations are in place • Ensuring all material products and strategic initiatives go through the product governance process with approval by the Board
Financial Risks	**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. CMC is exposed to financial risks due to the nature of our business as an online trading provider for various products. We act as a principal to our clients, predominantly across CFD and spread bet trades, exposing us to a substantial amount of market risk and liquidity risk. We have appetite to retain some market risk, balanced with low appetite for liquidity and capital risk.	We remain within our appetite by taking the following actions: • 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 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-

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
			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 to which it is exposed • Implementation of aggregate stop loss level at global and asset class level to mitigate the impact of extreme market shocks • Monitoring the cost of funding requirements from a liquidity perspective where we are actively managing market risk
Financial Risks	**Liquidity Risks**	The risk that there is insufficient liquidity available to meet the liabilities of the Group as they fall due or can only secure required liquidity at excessive cost. CMC is exposed to Liquidity Risk through our principal business, in particular our payments (margin calls) to prime brokers to effect our hedging strategies, and when there are unfunded commitments in the matched principal business (e.g. failed settlements) or obligations to lodge margins with central counterparty clearing house to cover client cash and derivative trading obligations. We have low appetite for liquidity risk and during the year we have continued to develop our framework, which includes the implementation of a revised stress testing model.	We minimise our exposure to and impacts of liquidity risk by: **Principle:** • Modelling our liquidity requirements on a forward-looking basis both under normal conditions as well as under stress conditions to ensure the Group can meet its obligations • Maintaining adequate amounts of unencumbered, high quality liquid assets and diversified funding sources • Establishing a liquidity facility to draw on if needed with appropriate analysis and modelling • Arranging contingency funding levers in certain scenarios up to and including orderly wind down • Monitoring market conditions to ensure the liquidity impact of significant market moves aligned to client positions is able to be met

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
			Matched Principle and Exchange traded: • We only offer assets that are liquid as determined by our asset suitability assessment. • Producing daily cash position reports that show surplus liquidity, unencumbered liquidity and short-term forecasts • Perform stress testing to ensure the Group has sufficient liquidity to meet its ongoing business requirements under normal conditions as well as periods of stress (forecast for 15 months)

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Financial Risks	**Credit & Counter - party Risk**	The risk of losses arising from a counterparty failing to meet its obligations as they fall due. CMC is exposed to credit and counterparty risk from its clients as well as from the financial institutions with which it operates. We have limited appetite for credit and counterparty risk, which we manage through our mitigants and controls. 2023 saw a banking crisis in the US with the collapse of several regional banks. Although CMC was not impacted by these events, credit risk exposure management continues to be a focus, and over the year we have made significant improvements to our stress testing modelling.	We manage our exposure to credit risk by: • Applying sufficient margins, including a tiered margin structure, to manage positions that are deemed riskier • Utilising our liquidation feature to reduce exposure when the client total equity falls below a pre-defined percentage of the required margin for the portfolio held • Guaranteed stop loss orders allow clients to remove their chance of debt from their position(s) • Setting limits and utilising our potential credit risk exposure models to stress and quantify counterparty client credit risk exposure across CFDs and Spreadbet • Reviewing credit worthiness of the counterparties at least annually • Managing our exposure to concentration risk with external hedge counterparties such as PBs, where we have at least two per asset class • Seeking to work with counterparties that hold investment grade credit rating, setting limits and monitoring exposures daily • Establishing intermediary limits and monitoring them daily to report and escalate large exposures

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Financial Risks	**Insurance Risk**	Risk of failure in insurance for risks and perils that the insurance company has agreed to provide indemnity for. CMC is exposed to insurance risk where we have an insurable risk event that is either not included in Group insurance or where the insurance provider has justifiable reason to not pay out on the event. We have limited appetite for insurance risk. Due to uncertainties associated with Crypto insurance that affects the cost of insurance, the Group does not include crypto within our insurance.	We mitigate our exposure by: • Use of a reputable insurance broker which ensures cover is placed with financially secure insurers • Adhering to rigorous claim management procedures with our brokers • Operating a risk-based approach to identify insurable risks across relevant departments • Full engagement with relevant business areas regarding risk and coverage requirements and related disclosure to brokers and insurers

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Operational Risks	**Business Disruption & Resilience**	Risk of inability to maintain and restore essential functions of the business. Our extensive use of a wide range of technology, people and third-party providers, as well as our physical presence across the globe, exposes us to a variety of internal and external events that can cause business disruption. This ranges from cyberattacks and technology failures to human errors and physical damage to our facilities that can impact on our ability to deliver important business services to clients. We have low appetite for business disruption and resilience and implement strong monitoring and controls to ensure we continue to deliver services to our clients. During the year we have faced both voluntary and involuntary staff turnover which is now stable following management action. This has been noted as a key risk in the Risk Management Report; ongoing process developments will further reduce the potential impact of underlying drivers.	We limit our exposure to business disruption by: • Multiple data centres and systems to ensure core business activities and processes are resilient to individual failures • Periodic testing of business continuity processes and disaster recovery • Clear identification of our critical business services with defined impact tolerances for each critical business service • Ensuring an effective contingency plan is in place, including where we have key person dependencies for critical business activities and functions • Implementing a consistent and Group-wide approach to the reporting and management of incidents, in line with our Incident Management Policy and Group Crisis Communication Manual • Developing overarching strategies to recover from incidents and ensuring senior management is sufficiently knowledgeable and prepared in case of an incident

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Operational Risks	**Internal Fraud**	The risk of fraud attempted or perpetrated by an internal party (or parties) against our organisation, our customers or our suppliers, including instances where an employee is acting in collusion with external parties. CMC is exposed to internal fraud risks where employees have access to systems and physical/ electronic assets belonging to CMC or access to client data and assets. We have no appetite for fraud and will take prompt action if it does occur.	We minimise our exposure to internal fraud risk by: • Establishing a stringent screening processes and background checks when on boarding new employees as well as adhering to local screening requirements within the geographies we operate in • Detecting unauthorised trading through trade surveillance reports to prevent internal trade manipulation • Segregating payment system administration, payment creation and payment authorisation to prevent internal payment fraud • Prompt identification and investigation of fraud cases such that any harm done to clients can be effectively remediated
Operational Risks	**External Fraud**	The risk of fraud attempted or perpetrated against our organisation or our customers, by an external party (i.e. a party without a direct relationship to the Group) without the involvement of an employee or affiliate of the organisation. CMC is exposed to fraudsters due to our large online presence as a financial organisation. Our engagement with multiple third parties also exposes us to external fraud risk where third parties could potentially engage in fraudulent activity. We have no appetite for fraud and will take prompt action if it does occur.	We minimise our exposure to external fraud risk by: • Timely reporting and escalation of fraud cases to internal and external stakeholders to support the recovery of losses. • Ensuring we only do business with suitable third parties that can operate appropriate controls against the risk of fraud. • Prompt identification and investigation of fraud cases such that any harm done to clients can be effectively remediated.

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Operational Risks	**Physical Security & Safety**	The risk of damage or theft to the Group's physical assets, client assets, or public assets, for which the Group is liable, and injury to the Group's employees or affiliates. CMC is exposed to physical security and safety risk in all locations where we have a physical presence, where either our employees, physical assets, or data assets reside. We have low appetite for material loss or damage to any firm or client assets, including employees or affiliates.	We minimise our exposure to physical security and safety risks by: • Implementing layers of security including physical access controls across our office locations to prohibit unauthorised access • Implementing additional authorisation controls for buildings with more sensitive assets, such as a two-factor security measure for access to our data centres • Implementing health and safety assessments, including regulatory risk assessments, occupational health assessments and fire drills • Regular mandatory employee health and safety online training

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Operational Risks	**Financial Crime**	The risk of money laundering, terrorist financing, sanctions violations, bribery and corruption, and KYC failure. CMC is exposed to financial crime risk as we are a financial institution holding and processing a significant volume of client confidential information including client money and client assets. We are exposed to the risk of money laundering as we deal with a broad range of clients and some of our relationships with clients are short term. We have low appetite for instances of Financial Crime and implement preventative and detective controls to mitigate any potential exposure. To ensure we stay within our risk appetite, we are improving some monitoring processes and investing in people and system enhancements.	We mitigate our exposure to financial crime risk by: • 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 • Improving procedures for reporting suspicious activity internally and to the relevant law enforcement authorities or regulators as appropriate • Improving procedures relating to mitigation of risk derived from clients that are repeat offenders of market abuse • Maintaining a restricted list of individuals and legal entities for which an account should not be opened • Risk classifying customers or entities during onboarding, allowing us to evaluate the risks associated with each new account • Implementing appropriate systems and controls for transaction monitoring to identify and block transactions that breach regulatory guidelines and violate applicable sanctions laws • Training and awareness for all employees.

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Operational Risks	**Information, Security & Data Privacy**	The risk of information security incidents, including the loss, theft, misuse of or unauthorised access to data/ information; this covers all types of data, e.g., client data, employee data, and the organisation's proprietary data, and can include the failure to comply with rules concerning information security. CMC is exposed to information security and data privacy risk where we hold large amounts of data electronically and in paper form that is confidential, highly confidential or sensitive, including personally identifiable information ("PII"). We have low appetite for loss or misuse of client, employee or firm confidential information and minimise exposure through robust preventative controls.	We minimise our exposure to information security and data privacy risks by: • Only storing data that is necessary and only for the purpose that is needed • Access controls based around least privileged access to ensure everyone can only access information that they require • Information classification to ensure data is accurately classified and appropriately controlled • Physical security controls to prevent unauthorised access to buildings and sensitive area • Implementing regular system access reviews across the business

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Operational Risks	**Technology Risk**	The risk associated with the failure or outage of systems, including hardware, software and networks. CMC is exposed to extensive technology risk as a result of being a fintech company. We have low appetite for failure or outage in our systems and minimise exposure through robust preventative and detective controls.	We minimise exposure to technology risk by: • Investing in our technology stack to ensure we provide resilient platforms that our customers can rely on • Utilising systemic monitoring tools for identification of system downtime or performance issues • Ensuring adequate resources are available across IT production, with coverage across regions to monitor functionality of our systems and provide support to prevent and remediate any system downtime • Planning and provision of sufficient system and infrastructure capacity to allow for growth or spikes in client and market activity • The provision of contingent capacity by the IT production team 24 hours a day, 5 days a week to support and remediate issues

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
Operational Risks	**Legal Risk**	The risk of errors in legal procedures and processes and breaches of CMC's legal obligations. CMC is exposed to legal risk through contracting with clients, third parties, and employees, where we may be exposed to legal liabilities, including litigation, resulting from non-performance of obligations or breaches of applicable law. We have low appetite for failures in our legal processes or obligations.	We minimise our exposure to legal risk by: • Timely involvement of the legal and compliance departments in all strategic initiatives, new products, and onboarding of suppliers and partners (i.e. third-party intermediaries such as introducing brokers) • Avoiding and appropriately handling disputes that could potentially escalate to legal disputes or litigation cases, including the timely involvement of the legal department • Ensuring all amendments to legal terms (including terms with clients, partners and suppliers) are reviewed and approved by the legal department and relevant stakeholders
Operational Risks	**Third-Party Risk**	Risk of failure to implement effective oversight over outsourced arrangements and other third-party relationships. CMC is exposed to third-party risk as we contract with external third parties for the provision of goods and services. CMC is also exposed to third-party outsourced providers and to internal outsourcing arrangements where our UK entity provides operational services to different legal entities. We have low appetite for failure by our third parties. The Group makes extensive use of intra-group outsourcing, which is an area in which we are investing in processes to drive consistency and clarity.	We maintain inventories of all third-party relationships with vendor classification that informs the level of control and oversight required, and for our critical third parties, we will: • Implement robust onboarding and due diligence processes for third parties with SLAs in place for all critical outsourcing and vendor provisions • Perform quarterly service review meetings and MI to monitor the critical relationships with relevant external vendors • Perform annual due diligence on critical vendors Where we outsource processes, we will do this in line with the outsourcing policy, we ensure that internal outsourcing arrangements deliver on the needs of the affected legal entities through:

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
			• Documented intra- group agreements with appropriate service level agreements • Adequate oversight arrangements, including monitoring and reporting against service levels
Operational Risks	**People**	The risk of breaching employment legislation, mismanaging employee relations, and failing to ensure a safe work environment. At CMC, we align our people plan to our business strategy which results in expansion and contraction in line with delivery of strategic initiatives.	We are proactive in limiting our exposure to people risk by: • Recruiting and retaining the best skilled staff for the job regardless of gender, ethnicity, religion, etc. • Aligning our recruitment process globally where possible, whilst abiding by local market practices, regulatory requirements and legislation • Establishing diversity and inclusion targets within our people plan to strive towards
Operational Risks	**Transaction Processing and Execution**	Failure to process, manage and execute transactions and / or processes (such as change programme) correctly and / or appropriately. CMC is exposed to transaction processing and execution risk throughout the lifecycle of our client service provision and our hedging transactions. Operational errors occur in the normal course of business, and it is not possible or desirable to eliminate them all. However, we have low appetite to incur material loss as a result of failures in our processes and manage our exposure through robust processes and controls.	We limit our exposure to transaction processing and execution risk by: • A high degree of straight through processing • Implementing operational process controls (manual processes and manual intervention) such as four-eyed checks • Training our people on our processes and providing procedural documentation • Immediately rectifying any transaction processing issues as and when they do occur • Implementing a range of reconciliation controls to ensure timely detection of errors • Balancing the requirements of BAU activities and strategic initiatives to maintain the timely delivery of projects

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
			• Performing root cause analysis on any incidents for continuous improvement
Operational Risks	**Compliance with Regulation & Legislation**	Failure to manage and comply with any legal or regulatory obligations. The complex regulatory landscape that CMC operates across exposes CMC to regulatory and compliance risk. We have no appetite for failure to meet our regulatory and legislative obligations and always strive to comply with applicable laws and regulation. To reflect our growing diversified business, we are investing in our European compliance and governance structures. In some instances, remediation has been identified and we are making appropriate investment to ensure we maintain effective relationships and deliver on regulatory expectations.	We minimise our exposure to compliance risk by: • Taking a proportionate risk-based approach interpreting regulatory requirements by considering the financial and legal impact of our decisions • Ensuring adequate resources that are appropriately trained and supervised • Performing regular horizon scanning on new regulations/ legislation, including the assessment of the impact to our business • Performing clear analysis of regulation and legislation across regions, particularly in evaluation of new initiatives • 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
Operational Risks	**Conduct & Improper Business Practices**	Failure to act in accordance with customers' best interests, fair market practices, and codes of conduct to deliver good outcomes. We are exposed to conduct risk where staff do not adhere to our Group code of conduct policy. CMC seek to conduct our business to deliver suitable, fair and clear outcomes for our customers and	We minimise our exposure to conduct risk and improper business practices by: • Setting standards of appropriate behaviour and business practice in our Group code of conduct that staff must adhere to • Monitoring the use of business systems, where permissible by law, for the detection and

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
		support the integrity of the markets in which we operate.	prevention of crime or breaches of our code of conduct • Implementing stringent monitoring over the outcomes of Consumer Duty, including Products and Services, Consumer Support, Price and Value and Consumer Understanding, the standards for which are documented in our Consumer Duty Policy and Best Execution Policy • Establishing policies such as Whistleblowing, Anti-Harassment and Grievance Policies to ensure all employees are treated with dignity and respect and are encouraged to raise concerns wherever they witness unethical behaviours
Operational Risks	**Statutory Reporting & Tax**	Risk of failing to meet statutory and regulatory reporting and tax payments/ filing requirements. CMC is exposed to the statutory reporting and tax laws requirements of the geographies we operate within. We have low appetite for failures to meet our statutory and tax reporting requirements. We ensure that where we have financial exposures they are fully accounted for and disclosed in our annual report and accounts.	We minimise our exposure to statutory reporting and tax risks by: • Performing horizon scanning to establish applicable local taxation laws and accounting rules for all the jurisdictions we operate • Maintaining constructive relationships with regulators and tax authorities • Establishing robust processes for accurate and transparent statutory reporting
Operational Risks	**Data Manage-ment**	The risk of failing to appropriately manage and maintain accurate data, as well as retaining and disposing of data in line with our internal policy and regulatory requirement (data includes client data, employee data and the Group's proprietary data). CMC is exposed to data management risk across the data lifecycle through the creation, consumption and recording of	We minimise our exposure to data management risks by: • Implementing controls on market data, including pricing checks • Ensuring that data is of sufficient quality to meet business, legal and regulatory requirements by deploying data validation techniques, such as accuracy, formatting and consistency checks, e.g. defining what our key

Principal Risk	Risk	Risk Description, Exposure & Appetite	Risk Management and Mitigation
		extensive data within our platforms, systems and accounting ledgers. We have low appetite of losses resulting from poor data management.	data is, the source and data quality characteristics • Establishing documented procedures for the appropriate storing, management and disposing of data
Operational Risks	**Model Risk**	The risk of incorrect model design, improper implementation of a correct model, or inappropriate application of a correct model. CMC is exposed to model risks through the use of models to facilitate our financial risk processes, including liquidity projections, stress testing and capital calculations. Models are also used in our platforms to calculate prices and spreads. We seek to minimise errors resulting from models by implementing strong governance over model design and change.	We minimise our exposure to model risk by: • Maintaining a model inventory for all models that captures model limitations, model lifecycle, key stakeholders, model classification (tiering based on complexity), and validation mark • Validating tier 1 risk models at least annually to evaluate their conceptual soundness and quality of outputs. The validation report is then reviewed by either the Executive Risk Committee or the entity board of directors • Assessing our model risk as part of the yearly risk identification and assessment ("RIA:') as required by the model risk policy **Outside appetite** • This is a new risk with the taxonomy. The group is in the process of implementing the controls outlines in the new Model Risk Policy.

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 2024 Annual Report and Financial Statements have been prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities and financial position and results of the Group and parent company and of the profit of the Group;
- the Strategic Report contained in the 2024 Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the parent company and the Group, together with a description of the principal risks and uncertainties that they face; and
- the 2024 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 (Independent Chairman)

Lord Peter Cruddas (Chief Executive Officer)

Paul Wainscott (Senior Independent Director)

Sarah Ing (Non-Executive Director)

Clare Francis (Non-Executive Director)

Susanne Chishti (Non-Executive Director)

Albert Soleiman (Chief Financial Officer)

Matthew Lewis (Head of Asia Pacific & Canada)

David Fineberg (Deputy Chief Executive Officer)

Consolidated income statement

For the year ended 31 March 2024

£'000	Note	Year ended 31 March 2024	Year ended 31 March 2023
Revenue		324,702	311,210
Interest income on own funds		11,246	4,761
Interest income on client funds		23,797	9,166
Total revenue	3	**359,745**	**325,137**
Introducing partner commissions and betting levies		(26,962)	(36,714)
Net operating income	2	**332,783**	**288,423**
Operating expenses	4	(254,894)	(233,513)
Impairment of intangible assets		(12,322)	(432)
Operating profit		**65,567**	**54,478**
Share of results of associates		(283)	-
Finance costs		(1,951)	(2,315)
Profit before taxation		**63,333**	**52,163**
Taxation	5	(16,447)	(10,724)
Profit for the year attributable to owners of the parent		**46,886**	**41,439**
Earnings per share			
Basic earnings per share (p)	**6**	**16.7**	**14.7**
Diluted earnings per share (p)	6	16.7	14.6

Consolidated statement of comprehensive income

For the year ended 31 March 2024

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Profit for the year	**46,886**	**41,439**
Other comprehensive income / (expense):		
Items that may be subsequently reclassified to income statement		
Loss on net investment hedges, net of tax	-	(86)
Gains recycled from equity to the income statement	237	237
Currency translation differences	(5,285)	(1,760)
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax	144	(210)
Other comprehensive expense for the year	**(4,904)**	**(1,819)**
Total comprehensive income for the year attributable to owners of the parent	**41,982**	**39,620**

Consolidated statement of financial position

Company registration number: 05145017
At 31 March 2024

£'000	Note	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Intangible assets	8	28,906	35,342
Property, plant and equipment	9	28,546	22,771
Deferred tax assets		6,177	4,768
Financial investments		32	34
Trade and other receivables	10	2,753	2,666
Investment in associates		2,517	-
Total non-current assets		**68,931**	**65,581**
Current assets			
Trade and other receivables	10	162,056	130,616
Derivative financial instruments		31,627	14,231
Current tax recoverable		1,917	9,066
Other assets		12,258	1,984
Financial investments	11	50,889	30,572
Amounts due from brokers		228,882	188,154
Cash and cash equivalents	12	160,300	146,218
Total current assets		**647,929**	**520,841**
TOTAL ASSETS		**716,860**	**586,422**
LIABILITIES			
Current liabilities			
Trade and other payables	13	272,811	182,284
Amounts due to brokers		6,982	8,927
Derivative financial instruments		7,074	2,033
Lease liabilities	14	4,915	5,590
Current tax payable		2,147	431
Provisions		3,937	815
Total current liabilities		**297,866**	**200,080**
Non-current liabilities			
Lease liabilities	14	12,000	6,228
Deferred tax liabilities		3,244	4,012
Provisions		257	2,087
Total non-current liabilities		**15,501**	**12,327**
TOTAL LIABILITIES		**313,367**	**212,407**
EQUITY			
Share capital		70,573	70,573
Share premium		46,236	46,236
Capital redemption reserve		2,901	2,901
Own shares held in trust		(2,589)	(1,509)
Other reserves		(55,439)	(50,535)
Retained earnings		341,811	306,349
Total equity		**403,493**	**374,015**
TOTAL EQUITY AND LIABILITIES		**716,860**	**586,422**

£'000	Share capital	Share premium	Capital redemp-tion reserve	Own shares held in trust	Other reserves	Retained earnings	Total equity
At 31 March 2022	**73,193**	**46,236**	**281**	**(1,094)**	**(75,980)**	**326,242**	**368,878**
Profit for the year	—	—	—	—	—	41,439	41,439
Loss on net investment hedges, net of tax	—	—	—	—	(86)	—	(86)
Gains recycled from equity to the income statement	—	—	—	—	237	—	237
Currency translation differences	—	—	—	—	(1,760)	—	(1,760)
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax	—	—	—	—	(210)	—	(210)
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**(1,819)**	**41,439**	**39,620**
Acquisition of own shares held in trust	—	—	—	(1,106)	—	—	(1,106)
Utilisation of own shares held in trust	—	—	—	691	—	—	691
Share buyback	(2,620)	—	2,620	—	27,264	(27,264)	—
Share-based payments	—	—	—	—	—	972	972
Dividends	—	—	—	—	—	(35,040)	(35,040)
At 31 March 2023	**70,573**	**46,236**	**2,901**	**(1,509)**	**(50,535)**	**306,349**	**374,015**
Profit for the year	—	—	—	—	—	46,886	46,886
Gains recycled from equity to the income statement	—	—	—	—	237	—	237
Currency translation differences	—	—	—	—	(5,285)	—	(5,285)
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax	—	—	—	—	144	—	144
Total comprehensive income for the year	—	—	—	—	**(4,904)**	**46,886**	**41,982**
Acquisition of own shares held in trust	—	—	—	(1,788)	—	—	(1,788)
Utilisation of own shares held in trust	—	—	—	708	—	—	708
Share-based payments	—	—	—	—	—	1,388	1,388
Tax on share-based payments	—	—	—	—	—	876	876
Dividends	—	—	—	—	—	(13,688)	(13,688)
At 31 March 2024	**70,573**	**46,236**	**2,901**	**(2,589)**	**(55,439)**	**341,811**	**403,493**

Consolidated statement of cash flows
For the year ended 31 March 2024

£'000	Note	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities			
Cash generated from operations	15	57,139	76,584
Interest income		9,702	4,784
Income on client funds		23,797	9,166
Finance costs		(1,951)	(2,315)
Tax paid		(8,602)	(17,060)
Net cash generated from operating activities		**80,085**	**71,159**
Cash flows from investing activities			
Purchase of property, plant and equipment		(7,632)	(7,091)
Investment in intangible assets		(12,244)	(21,130)
Purchase of financial investments		(95,412)	(17,345)
Proceeds from maturity of financial investments		76,516	14,415
Investment in associates		(2,800)	—
Outflow on net investment hedges		—	(8)
Net cash used in investing activities		**(41,572)**	**(31,159)**
Cash flows from financing activities			
Repayment of borrowings		—	(1,194)
Proceeds from borrowings		—	1,000
Principal elements of lease payments		(5,531)	(5,454)
Acquisition of own shares		(1,788)	(1,106)
Payments for share buyback		—	(27,264)
Dividends paid		(13,688)	(35,040)
Net cash used in financing activities		**(21,007)**	**(69,058)**
Net (decrease)/increase in cash and cash equivalents		**17,506**	**(29,058)**
Cash and cash equivalents at the beginning of the year	12	146,218	176,578
Effect of foreign exchange rate changes		(3,424)	(1,302)
Cash and cash equivalents at the end of the year	**12**	**160,300**	**146,218**

1. Basis of preparation

Basis of accounting

The consolidated Financial Statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The 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 Company and Group's principal accounting policies adopted in the preparation of these Financial Statements are set out in note 2 of the 2024 Annual Report and Financial Statements. These policies have been consistently applied to all years presented, except for the adoption of the new accounting policies relating to investment in associates and cryptocurrency assets held as intangible assets and new and revised standards as set out below. The Financial Statements presented are at and for the years ended 31 March 2024 and 31 March 2023. Financial annual years are referred to as 2024 and 2023 in the Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty

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 areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the Consolidated Financial Statements are:

Contingent liabilities

Judgement has been applied in evaluating the accounting treatment of the specific matters described in note 34 (Contingent Liabilities) of the 2024 Annual Report and Financial Statements, notably the probability of any obligation or future payments arising.

Accounting for cryptocurrencies

The Group has recognised £12,258,000 (31 March 2023: £1,984,000) of cryptocurrency assets and rights to cryptocurrency assets on its Consolidated Statement of Financial Position as at 31 March 2024. 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. Please refer to note 2 of the 2024 Annual Report and Financial Statements for the other assets accounting policy.

Intangible assets

The Group has recognised £12,901,000 (31 March 2023: £13,550,000) of customer relationship intangible on its Consolidated Statement of Financial Position as at 31 March 2024 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$25 million. A judgement has been made to apply the recognition and measurement principles of IAS 38 "Intangible Assets" in accounting for these assets.

Key financial estimates

The Group has recognised £11,706,000 (31 March 2023: £11,316,000) of internally generated software in intangible assets on its Statement of Financial Position as at 31 March 2024, including costs relating to the development of platforms for CMC Invest UK and cash equity offerings (cash equities cash-generating unit ('CGU')). In performing the impairment assessment, which concluded that an impairment of £10,976,000 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 cash equities CGU. We found the recoverable amount of the intangible asset to have been based on reasonable, supportable assumptions. B2B revenue, discount rates, cost per funded customer acquisition, customer retention rates, average portfolio sizes and client trading volumes represent significant source of estimation uncertainty. Relevant disclosure is included in note 12 of the 2024 Annual Report and Financial Statements.

2. Segmental reporting

The Group's principal business is online trading, providing its clients with the ability to trade a variety of financial products for short-term investment and hedging purposes. These products include 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 the UK and Ireland.

In addition to this, the Group provides online stockbroking services to cater for its clients longer term investment needs. These services are provided in Australia, the UK and Singapore.

At the reporting date, management considered the appropriateness of the Group's existing operating segment disclosures and the information which is considered by the Chief Operating Decision Maker ("CODM") in allocating resources and assessing performance. The Group's CODM has been identified as the Board of Directors.

The Group's business is generally managed by product line, given the different economic characteristics and the different purposes for which they are used by clients. As a result, the Group is organised into two segments:

- Trading
- Investing

This presentation is consistent with management information regularly provided to the CODM. Revenues and segment operating expenses are allocated to the segments that originated the transaction, and the Group uses operating profit to assess the financial performance of each segment.

Geographical splits of the Trading business in the prior period have been aggregated into one segment but are not restated.

Year ended 31 March 2024 **£ '000**	**Trading**	**Investing**	**Total**
Revenue	279,018	45,684	324,702
Interest income on own funds	9,630	1,616	11,246
Income on client funds	14,423	9,374	23,797
Total revenue	**303,071**	**56,674**	**359,745**
Introducing partner commissions and betting levies	(15,233)	(11,729)	(26,962)
Net operating income	**287,838**	**44,945**	**332,783**
Operating costs	(200,527)	(54,367)	(254,894)
Impairment of intangible assets	(2,298)	(10,024)	(12,322)
Operating profit / (loss)	**85,013**	**(19,446)**	**65,567**
Share of results of associates	(283)	-	(283)
Finance costs	(1,947)	(4)	(1,951)
Profit / (loss) before taxation	**82,783**	**(19,450)**	**63,333**

Year ended 31 March 2023 £ '000	Trading	Investing	Total
Revenue	255,528	55,682	311,210
Interest income on own funds	4,129	632	4,761
Income on client funds	3,262	5,904	9,166
Total revenue	**262,919**	**62,218**	**325,137**
Introducing partner commissions and betting levies	(18,960)	(17,754)	(36,714)
Net operating income	**243,959**	**44,464**	**288,423**
Operating costs	(188,164)	(45,349)	(233,513)
Impairment of intangible assets	(432)	-	(432)
Operating profit / (loss)	**55,363**	**(885)**	**54,478**
Finance costs	(2,136)	(179)	(2,315)
Profit / (loss) before taxation	**53,227**	**(1,064)**	**52,163**

The measurement of net operating income for segmental analysis is consistent with that in the income statement and is broken down by geographic location below.

£ '000	Year ended 31 March 2024	Year ended 31 March 2023
UK	92,332	94,943
Australia	109,425	91,314
Other countries	131,026	102,166
Total net operating income	**332,783**	**288,423**

The Group does not derive more than 10% of revenue from any one single client.

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

£ '000	Year ended 31 March 2024	Year ended 31 March 2023
UK	32,981	30,996
Australia	23,405	25,348
Other countries	6,368	4,469
Total non-current assets	**62,754**	**60,813**

3. Total revenue

Revenue

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Trading	274,309	252,012
Investing	45,684	55,687
Other	4,709	3,511
Total	**324,702**	**311,210**

Interest income on own funds

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Bank and broker interest[1]	9,661	4,316
Interest on financial investments	1,556	440
Other interest income	29	5
Total	**11,246**	**4,761**

[1] For better presentation, income on client funds have been presented separately at the years ended 31 March 2024 and 31 March 2023, as below.

Income on client funds

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Income on client funds	23,797	9,166
Total	**23,797**	**9,166**

4. Operating expenses

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Net staff costs	118,469	101,560
IT costs	39,697	33,723
Sales and marketing	35,583	38,304
Premises	6,657	5,706
Legal and professional fees	13,937	8,605
Regulatory fees	4,294	9,436
Depreciation and amortisation	15,101	15,205
Bank charges	5,055	7,362
Irrecoverable sales tax	5,546	2,972
Other	10,568	10,810
	254,907	**233,683**
Capitalised internal software development costs	(13)	(170)
Operating expenses	**254,894**	**233,513**

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

5. Taxation

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Analysis of charge for the year:		
Current tax:		
Current tax on profit for the year	18,839	9,873
Adjustments in respect of previous years	(991)	(991)
Total current tax	**17,848**	**8,882**
Deferred tax:		
Origination and reversal of temporary differences	(1,878)	1,180
Adjustments in respect of previous years	477	200
Impact of change in tax rate	-	462
Total deferred tax	**(1,401)**	**1,842**
Total tax	**16,447**	**10,724**

The standard rate of UK corporation tax charged was 25% with effect from 1 April 2023. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The effective tax rate for the year ended 31 March 2024 was 25.97% (year ended 31 March 2023: 20.56%) differs from the standard rate of corporation tax of 25% (year ended 31 March 2023: 19%). The differences are explained below:

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Profit before taxation	**63,333**	**52,163**
Profit multiplied by the standard rate of corp. tax in the UK of 25% (31 March 2023: 19%)	15,833	9,911
Adjustment in respect of foreign tax rates	743	1,205
Adjustments in respect of previous years	(514)	(791)
Impact of change in tax rate	—	462
Expenses not deductible for tax purposes	319	(104)
Unrecognised tax losses	66	41
Total tax	**16,447**	**10,724**

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Tax on items recognised directly in equity		
Tax credit on share-based payments	(876)	—

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 conversion 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 2024	Year ended 31 March 2023
Earnings attributable to Ordinary Shareholders (£ '000)	**46,886**	**41,439**
Weighted average number of shares used in the calculation of basic EPS ('000)	279,962	282,295
Dilutive effect of share options ('000)	—	1,598
Weighted average number of shares used in the calculation of diluted EPS ('000)	**279,962**	**283,893**
Basic EPS (p)	**16.7**	**14.7**
Diluted EPS (p)	16.7	14.6

For the year ended 31 March 2024, there are no (year ended 31 March 2023: 1,598,000) potentially dilutive weighted average Ordinary Shares in respect of share awards in issue were included in the calculation of diluted EPS, as the Group does not expect to issue any new shares to settle these share awards and options.

7. Dividends

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Declared and paid in each year		
Final dividend for 2023 at 3.90 per share (2022: 8.88p)	10,893	25,250
Interim dividend for 2024 at 1.00p per share (2023: 3.50p)	2,795	9,790
Total	**13,688**	**35,040**

The final dividend for 2024 of 7.30 pence per share, amounting to £20,427,000, was proposed by the Board on 19 June 2024 and has not been included as a liability at 31 March 2024. The dividend will be paid on 9 August 2024, following approval at the Company's Annual General Meeting, to those members on the register at the close of business on 12 July 2024. The dividends paid or declared in relation to the financial year are set out below:

pence	Year ended 31 March 2024	Year ended 31 March 2023
Declared per share		
Interim dividend	1.00	3.50
Final dividend	7.30	3.90
Total dividend	**8.30**	**7.40**

8. Intangible assets

£ '000	Goodwill	Computer software	Trade-marks and trading licences	Client relation-ships	Crypto-currency assets	Assets under develop-ment	Total
At 31 March 2023							
Cost	11,500	143,991	1,046	16,495	—	7,707	180,739
Accumulated amortisation	(11,500)	(129,304)	(914)	(3,679)	—	—	(145,397)
Carrying amount at 31 March 2023	**—**	**14,687**	**132**	**12,816**	**—**	**7,707**	**35,342**
Additions	—	338	—	—	200	11,706	12,244
Transfers	—	9,671	—	—	—	(9,671)	—
Amortisation charge	—	(3,953)	(34)	(1,456)	—	—	(5,443)
Impairment	—	(9,161)	—	—	—	(3,161)	(12,322)
Foreign currency translation	—	(85)	(2)	(593)	—	(235)	(915)
Carrying amount at 31 March 2024	**—**	**11,497**	**96**	**10,767**	**200**	**6,346**	**28,906**
At 31 March 2024							
Cost	11,500	151,408	1,019	15,705	200	9,507	188,979
Accumulated amortisation	(11,500)	(139,551)	(923)	(4,938)	—	(3,161)	(160,073)
Carrying amount	**—**	**11,497**	**96**	**10,767**	**200**	**6,346**	**28,906**

9. Property, plant and equipment

£ '000	Leasehold improvements	Furniture, fixtures and equipment	Computer hardware	Right-of-use assets	Construction in progress	Total
At 31 March 2023						
Cost	16,565	9,321	42,420	22,634	152	91,092
Accumulated amortisation	(14,092)	(8,606)	(31,661)	(13,962)	—	(68,321)
Carrying amount at 31 March 2023	**2,473**	**715**	**10,759**	**8,672**	**152**	**22,771**
Additions	3,006	647	3,779	9,587	—	17,019
Reclassification	—	89	61	—	(150)	—
Disposals	(220)	(1)	(258)	(705)	—	(1,184)
Depreciation charge	(1,136)	(293)	(4,163)	(4,066)	—	(9,658)
Foreign currency translation	(52)	(28)	(70)	(250)	(2)	(402)
Carrying amount at 31 March 2024	**4,071**	**1,129**	**10,108**	**13,238**	—	**28,546**
At 31 March 2024						
Cost	16,542	9,829	45,502	30,320	—	102,193
Accumulated amortisation	(12,471)	(8,700)	(35,394)	(17,082)	—	(73,647)
Carrying amount at 31 March 2024	**4,071**	**1,129**	**10,108**	**13,238**	—	**28,546**

10. Trade and other receivables

£'000	31 March 2024	31 March 2023
Current		
Gross trade receivables	9,936	8,721
Less: loss allowance	(3,964)	(4,247)
Trade receivables	5,972	4,474
Prepayments	13,552	14,985
Accrued income	3,778	2,335
Stockbroking debtors	126,339	105,103
Other debtors	12,415	3,719
	162,056	**130,616**
Non-current		
Other debtors	2,753	2,666
Total	**164,809**	**133,282**

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).

At 31 March 2024 the Group has lease receivables amounting to £548,000 (31 March 2023: £384,000). The Group is an intermediate lessor on these leases and has recognised finance income of £29,000 during the year ended 31 March 2024 (year ended 31 March 2023: £5,000).

11. Financial investments

£'000	31 March 2024	31 March 2023
Investment in debt instruments classified at FVOCI		
UK government securities	16,162	30,572
Corporate bonds	34,349	—
Financial assets mandatorily measured at FVPL		
Equity securities	410	34
Total	**50,921**	**30,606**
Analysis of financial investments		
Non-current	32	34
Current	50,889	30,572
Total	**50,921**	**30,606**

12. Cash and cash equivalents

£'000	31 March 2024	31 March 2023
Cash and cash equivalents	**160,300**	**146,218**
Analysed as:		
Cash at bank	**160,300**	**146,218**

Cash and cash equivalents comprise cash on hand and short-term deposits. 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. This includes money market funds. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the ECL is immaterial for the year ended 31 March 2024 (year ended 31 March 2023: £nil).

13. Trade and other payables

£'000	31 March 2024	31 March 2023
Client payables	119,591	49,409
Tax and social security	759	1,272
Stockbroking creditors	116,029	98,428
Accruals and other creditors	36,432	33,175
Total	**272,811**	**182,284**

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

14. Lease liabilities

The Group leases several assets including leasehold properties and computer hardware to meet its operational business requirements. The average lease term is 2.8 years.

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

£'000	31 March 2024	31 March 2023
At 1 April	11,818	14,251
Additions / modifications of new leases during the year	10,960	3,223
Interest expense	966	658
Lease payments made during the year	(6,497)	(6,112)
Foreign currency translation	(332)	(202)
At 31 March	**16,915**	**11,818**

£'000	31 March 2024	31 March 2023
Analysis of lease liabilities		
Non-current	12,000	6,228
Current	4,915	5,590
Total	**16,915**	**11,818**

The lease payments for the year ended 31 March 2024 relating to short-term leases amounted to £732,000 (year ended 31 March 2023: £402,000). As at 31 March 2024 the potential future undiscounted cash outflows that have not been included in the lease liability due to lack of reasonable certainty the lease extension options might be exercised amounted to £nil (31 March 2023: £nil). Refer to note 29 of the 2024 Annual Report and Financial Statements for maturity analysis of lease liabilities.

15. Cash generated from operations

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit before taxation	63,333	52,163
Adjustments for:		
Interest income	(11,246)	(4,761)
Income on client funds	(23,797)	(9,166)
Finance costs	1,951	2,315
Depreciation	9,658	9,962
Amortisation and impairment of intangible assets	17,765	5,675
Research and development tax credit	(497)	(651)
Share of results of associate	283	—
(Profit)/Loss on disposal of property, plant and equipment	479	(27)
Other non-cash movements including exchange rate movements	(187)	980
Share-based payment	2,092	1,651
Changes in working capital		
Decrease/(Increase) in trade and other receivables	(31,181)	17,222
Decrease/(Increase) in amounts due from/due to brokers	(42,673)	17,261
Decrease/(Increase) in other assets	(10,274)	11,459
(Decrease)/Increase in trade and other payables[1]	90,520	(20,792)
Increase in net derivative financial instruments liabilities	(12,355)	(7,167)
Increase in provisions	3,268	460
Cash generated from operations	**57,139**	**76,584**

[1] This change in working capital for the year ended 31 March 2023 is stated after offsetting a payment amounting to £9,500,000 made to the Australia and New Zealand Banking Group Limited in relation to the portfolio of share investing clients acquired during the year ended 31 March 2022.