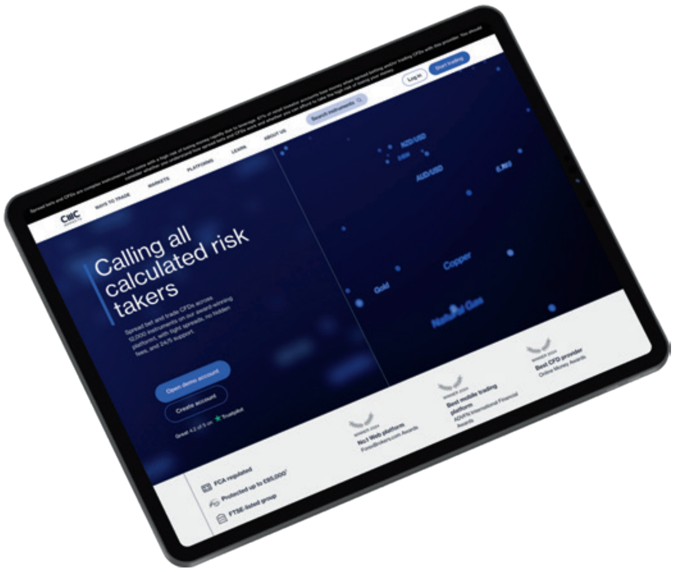
CMC Markets plc

Annual Report and Financial Statements 2024

CMC is a leading global provider of online trading and investing, with a comprehensive retail, B2B and institutional offering.

The business was started in 1989 with a simple ethos: to make financial markets truly accessible for investors. This fundamental belief remains at the heart of everything we do at CMC Markets and staying true to that has been pivotal to our success.



See more at www.cmcmarkets.com

Strategic report

Governance

Financial statements

Shareholder information

Our strategic roadmap

Our vision

To create an environment for your financial needs

Our purpose

To constantly maintain a superior and unrivalled technology experience for our clients

Our strategic pillars

01

Trading platform product diversification

See more on page 18

02

Investment in business-to-business ("B2B") technology capability

See more on page 19

03

Expansion of Invest platforms and institutional offering

See more on page 19

Our sustainability pillars

01

Client Positive

See more on page 33

02

Change Positive

See more on page 33

03

Platform Positive

See more on page 34

04

People Positive

See more on page 35

05

Planet Positive

See more on page 38

The things we live by

– We stand with our clients
– We are human
– We take ownership
– We are bold
– We work as a team
– We keep it simple
– We focus on impact

At a glance

Our client base

Total active clients[1]

266,870

CMC attracts a diverse range of institutional and retail clients across both our trading and investing platforms. Regardless of client type, we uphold our high standards of protection and suitability, to ensure every client receives the same level of service excellence.

Our new investing platforms provide the Group with access to a cohort of clients in new geographies, with the aim of providing clients with opportunities for long-term investment as another avenue to building financial security.

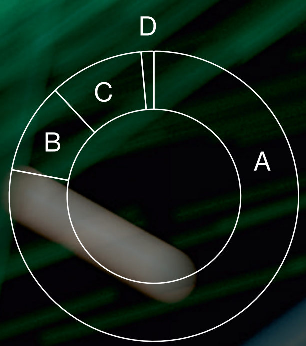
Our geographical reach

Continents	Countries	Offices
4	12	14

With a presence in 14 offices located in major financial centres around the world, CMC Markets operates on a hub-and-spoke model.

The Company's headquarters are based in London, while Germany serves as the hub for our European operations, and Sydney acts as the hub to support the Asia Pacific & Canada ("APAC & Canada") region.

Breakdown of NOI



A Trading net revenue – £259.1m
B Investing net revenue – £34.0m
C Interest income – £35.0m
D Other income – £4.7m

Refer to net revenue on Page 53

B2B/B2C split of active clients

B2C:
A Trading – 51,250
B Investing – 168,760

B2B:
A Trading – 4,044
B Investing – 42,816

Totals:
A Trading – 55,294
B Investing – 211,576

1 Active clients represent those individual clients which have traded with or held CFD or spread bet positions or which traded on the Invest platform on at least one occasion during the financial year.

Our business

Trading

We are committed to expanding our product range in order to improve functionality for our clients. With over 10,000 products currently available through our trading platforms, we aim to provide the most efficient pricing structure possible. Our pricing system undergoes continuous evolution to ensure sophistication and minimise latency. We use high precision clock time-stamping at multiple points throughout the system to measure latency in microseconds and monitor it in real time. Our focus on best execution enables us to set high standards for execution quality.

We prioritise internal risk management by storing trade and risk data in a high frequency tick database. This enables us to record all stages of the risk management system, ensuring that client order flow is managed efficiently.

To achieve this, we have large quantitative analytics and data science teams that develop the hardware and software components of our analytics environment. Data science and machine learning models also play a crucial role in our real-time and offline decision-making processes.

Our ultimate goal is to offer our clients market-leading access to liquidity, alongside a best-in-class and resilient platform across all aspects of our offering.

See more on page 12

Products utilised

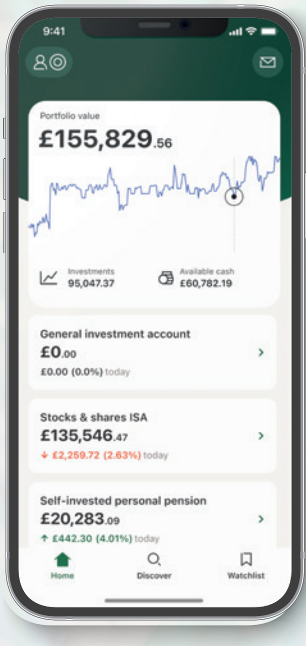
A B C D F

See page 4

Investing

We see significant growth potential across global investment platforms due to secular shifts in investment trends, and we are expanding our investing businesses to capitalise on these opportunities.

See more on page 12



Products utilised

C E F

Institutional/B2B

Our institutional clients are served by both the trading and investing businesses. Through our CMC Connect brand we offer technology-powered solutions to mid-sized and large financial institutions. CMC is already a trusted service provider for execution, clearing, and settlement services to several major Australian financial service businesses.

Our B2B partnerships are at the core of our growth strategy and our offering to this important segment will be bolstered by our product diversification which will expand to all our existing and new geographies over the next 24 months. With growth from our investing operations, we are strategically positioning our business to leverage some of the fastest growing trends in trading and investing.

Our continued development work to connect to multiple Electronic Crossing Networks ("ECNs") and the deployment of a competitive FX Spot product now allow for significant growth in this asset class.

See more on page 12

Products utilised

A B C D E F

Products

- A Contracts for difference ("CFDs")
- B Spread betting
- C Technology-driven liquidity solution
- D Outsourced trading platform technology
- E Stockbroking
- F Options

Sustainability

Our Tomorrow: taking a positive position

Our goal at CMC Markets is to align with the global capital markets' movement towards a sustainable future. We aim to achieve this by offering responsible and innovative technological solutions that prioritise the protection, education, and inspiration of both our people and clients to invest for the future.

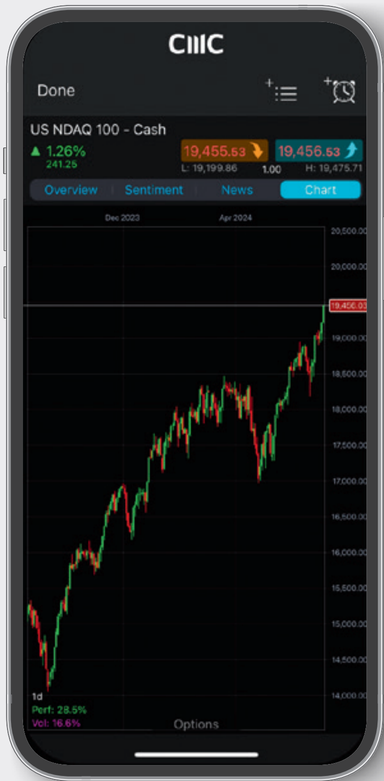
See more on page 32

Our product offering

A

Contracts for difference (“CFDs”)

A derivative product which allows clients to trade using leverage in an underlying financial asset, without certain costs and limitations associated with ownership of the underlying asset.



C

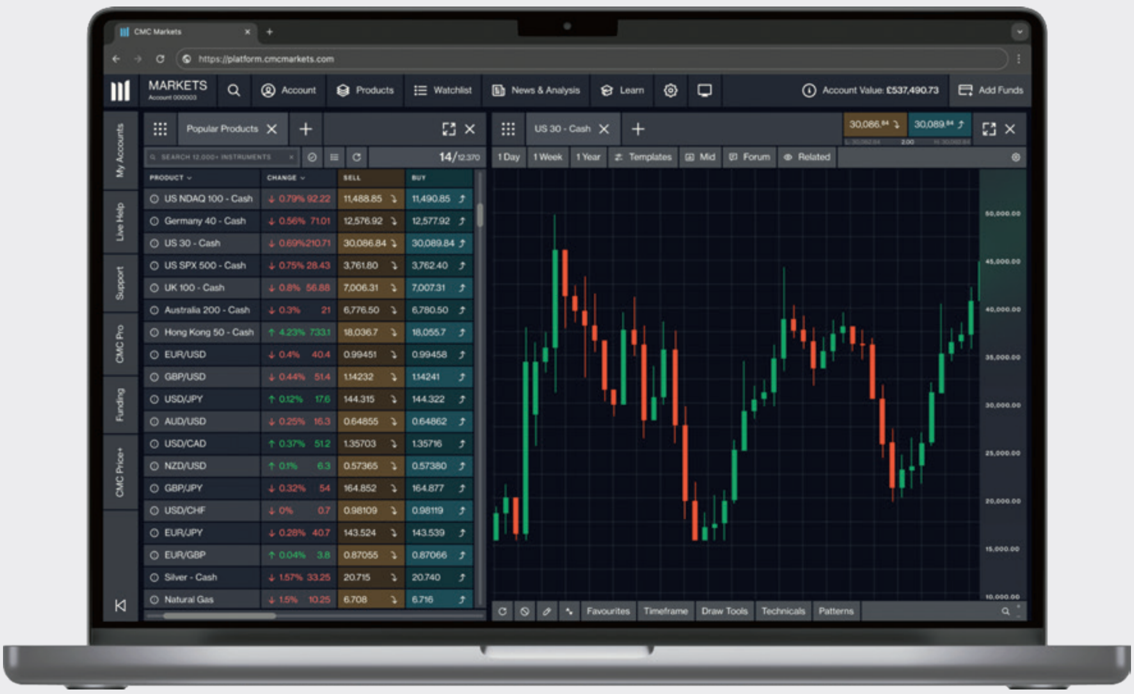
Technology-driven liquidity solution

Our institutional arm, CMC Connect acts as a non-bank liquidity provider offering access to a wide range of asset classes including Spot FX, Indices, Commodities and cash equities. For larger institutions, we are able to offer bespoke solutions to help facilitate access across multiple asset classes.

B

Spread betting

A product available exclusively to residents in the UK and Ireland enabling clients to speculate on price movements in an underlying financial asset.



D

Trading platform technology solution

We offer outsourced platform technology to clients also under the CMC Connect brand, where our award-winning CMC trading platform can be fully customised under a white label partnership or branded platform for regulated entities looking to offer our products to their clients.

E

Stockbroking

Our Australian stockbroking business offers our clients the ability to trade Australian shares and international shares from over 35 stock exchanges in over 16 countries. This has been supported through the launch of a fully native mobile application offering a variety of instruments including shares, options, managed funds, warrants and ETFs.

Our UK business currently offers General Investment Accounts ("GIAs") and Stocks and Shares ISAs with access to a range of US and UK stocks. SIPPs and mutual funds went live in April 2024. The Group has also launched CMC Invest in Singapore.

F

Options

The addition of options on CMC's trading platforms will bring added benefits to our clients. New derivative products will provide more flexibility to manage risks and volatility compared to traditional CFD and stock trading. Options have the ability to enhance portfolio diversification and manage risk. Options are a universally popular product and their addition has the potential to be a significant revenue generator for CMC in years to come.

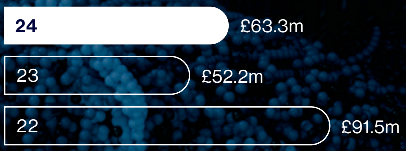
Operational and financial highlights

- Trading revenue per active client up £717 (18%) to £4,685.
- B2B represents 33% of Group turnover[1] (2023: 30%).
- Continued investment in our ‘Invest’ branded stockbroking propositions through enhancements to the CMC Invest Australia platform including the release of crypto trading, development of the CMC Invest UK platform and the release of CMC Invest Singapore.
- The institutional offering continues to grow with the release of cash equities trading, with further product releases planned in 2024.
- Ongoing operational resilience demonstrated by the Group-wide platform uptime of 99.95%.

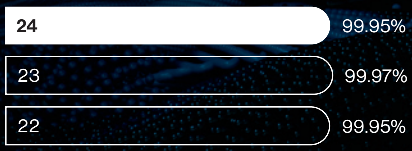
Read more about net revenue and our financial measures on page 53

Net operating income[2]
£332.8m

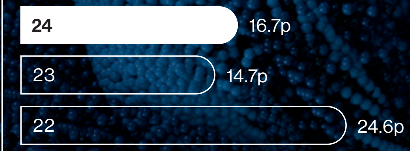
Statutory profit before tax
£63.3m



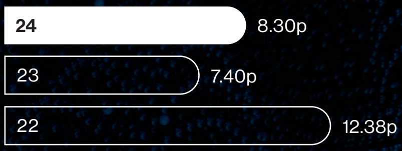
Group-wide platform uptime
99.95%



Basic earnings per share
16.7p



Ordinary dividend per share[3]
8.30p



1 Turnover reflects the notional value of client trades
2 Net operating income represents total revenue net of introducing partner commissions and spread betting levies.
3 Ordinary dividends paid/proposed relating to the financial year.

Investment case

Award-winning platforms

See more on pages 28 to 31

12,000+

financial instruments traded across the Next Generation platform and over 40,000 instruments within Invest Australia

The demands of our clients continue to evolve. Our goal is to constantly maintain a superior and unrivalled trading experience for our clients. Continuous investment in our proprietary technology across both our trading and investing platforms allows us to offer a wide suite of products. Our web-based and mobile applications are continuously ranked amongst the best in class by our clients.

Our diverse product offering

See more on pages 4 and 5

16%

share of Australian stockbroking market[1]

Launch of the Invest Singapore business, providing clients access to 15 markets and over 40,000 listed securities

We are investing to diversify our new products and functionality across both our trading and investing platforms. CFD trading remains at the core of what we do. This is balanced with a world-class investing business in Australia. Similarly, the launch of CMC Invest Singapore, along with the release of CMC Invest UK in FY23, underpins our expansion into the high growth opportunities.

Our geographical reach

See more on page 2

56%

of net revenue generated outside the UK and Europe regions

Our global technology platforms allow access for retail, professional and institutional clients through regulated offices and branches in 12 countries, with a significant presence in the UK, Australia, Germany and Singapore.

Our client focus

See more on page 25

266,870

active clients across our trading and investing businesses

Our clients are at the heart of what we do, and their input drives us to improve our business processes across product development, marketing and client services as we tailor new developments and target improvements. We employ and develop high quality client services staff to ensure best-in-class client service. Platform resilience and user experience are at the core of all developments and upgrades we deploy.

Our Tomorrow

See more on pages 32 to 41

5

core sustainability pillars

Last year we introduced the Group's Our Tomorrow sustainability strategy and its five core pillars structured to focus delivery on our material environmental, social and governance ("ESG") risks. Through this year we have continued to follow the five sustainability pillar approach, further details of which can be found in our 'Sustainability' section.

1 ASX and Chi-X combined trading statistics – IRESS.

Chairman's statement

Our long-term investments and focus on institutional clients and the business-to-business market segment are beginning to deliver for the Group

Our focus on diversification and enhancing our B2B offering continues to build momentum with clients and positions us to deliver on our strategic vision.

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.

"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."

James Richards
Chairman

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

James Richards
Chairman
20 June 2024

Market overview

Leading the market through technology and diversification

Whilst the Group currently generates the majority of its revenue from retail trading products, our strategy to diversify has accelerated during the year with a range of new product offerings within both our investing and trading businesses. Group revenues are split between our three regions, the UK, Europe and APAC & Canada.

Group

Key market driver

Global interest rate environment

Interest rates have remained high across the Group's primary markets after the aggressive hikes seen in the previous financial year.

Our response

Despite higher rates, revenue from our core business has remained strong, coupled with a significant increase in interest income as the Group continues to benefit from a robust cash position that is actively optimised to enhance returns.

The Group pays interest to clients on cash balances held in GIAs and ISAs and continues to invest in its offerings to help clients navigate the markets in all environments.

Key market driver

Inflation

The period saw a reduction in inflation to the lowest levels since February 2022; however, prices for our inputs remain elevated.

Our response

As outlined previously, the firm has implemented a company wide cost review programme. As part of this program we are reviewing all supplier relationships and purchasing practices to find efficiencies and deliver sustainable costs savings.

Suppliers are also passing on inflationary costs but we remain diligent in challenging and driving efficiencies within the Group.

Key market driver

Scale

Operating at scale has significant benefits to the Group, providing further opportunities for risk management enhancements in the trading business and improved operational leverage across our business.

Our response

Along with continued investment in our core infrastructure, the diversification strategy ensures the group can obtain greater share of wallet, by broadening the product range offered to our clients. Our ability to leverage our existing technology platforms and operational strength allows us to introduce new products and services to our client base efficiently thereby enhancing our return on investments made.

Investing

Key market driver

Volatility

Unfavourable equity markets and the high cost of living dampened demand for our Invest business in the first half of the the year, however the turnaround in equity markets in H2 saw a corresponding pick up in our Invest business.

Our response

Thematic investing continues to be a key interest for our clients and with the growth in AI stocks and strong gains seen in the US markets, clients were able to utilise our platform, products and features to manage their portfolio. We continue to enrich the tools and contents within our Invest offering to empower clients to build wealth through all types of markets.

Key market driver

Market size and share

An independent report in Australia showed 1.2 million individuals placed a trade online in the 12 months to November 2023 (previously 1.5 million). Singapore had 264,000 active online investors in the 12 months to September 2023 and the addressable market within the UK is attractive with 3.9 million Stocks and Shares ISA holders.

Our response

During the year, we enabled cash crypto trading for our customers in Australia, coinciding with the wider investing community's growing interest in this asset class. This enhancement within both our platform and award-winning mobile app has further elevated our product offering and differentiated us from our peers. Additionally, by deploying strategies to boost brand awareness, we have consolidated our position as Australia's second-largest retail broker, holding 16% market share.

We launched our Invest offering in Singapore earlier this year, a gateway into the Southeast Asia markets where we aim to replicate our Australian success in the retail and white label space. In the UK Invest business, we continued to add new assets to the platform, which included mutual funds and SIPPs.

Trading

Key market driver

Regulatory environment

In 2024 we have seen restrictions on the marketing of CFDs in Spain and the first year of consumer duty in the UK.

Our response

The group maintains an open and transparent dialogue with regulators to meet their expectations and that issues arising are dealt with promptly. We consistently strive to ensure our approach meets those regulatory expectations, whilst also allowing the Group to be involved in shaping future regulations within the sector.

The Group continues to be supportive of regulatory change that strengthens a globally consistent regulatory environment.

Key market driver

Volatility

The year saw volatility continue to decline, reaching the lowest level since 2019. However, the directional bias in the equities market, bullion and commodity markets attracted interest from clients.

Our response

Higher volatility results in increased trading activity from both existing clients trading more frequently and new or previously inactive clients starting to trade. The inverse is true in periods of lower volatility, which can lead to a reduction in client trading activity. However, short bursts of market activity which result in high velocity movements in the products that we offer are not necessarily beneficial to our clients or the Group. Aside from notifying clients of changing levels of market activity in a timely manner through a flexible marketing strategy, the Group can have little influence on capitalising more or less than competitors during short-term periods of raised market volatility.

The best trading and investing experience

Our business enablers

Technology and product

Technology and product have always been key to the success of CMC Markets and this has won the business recognition as a leader in our industry for innovation and service. Recognising that innovation is key to retaining this reputation, the Group has continued to invest significantly across the business to deliver new products and offerings to our clients.

See more on pages 28 to 31

Financial strength

We aim to maintain our secure capital and liquidity structure, ensuring that it is appropriate for the future growth and success of the Group. This includes maintaining sufficient levels of capital to withstand fluctuations in the financial markets and access to a healthy level of surplus liquid resources to capitalise on the growth opportunities.

See more on pages 52 to 58

Risk management

The Group's business activities naturally expose it to strategic, financial and operational risks inherent in the nature of the business it undertakes and the financial, market and regulatory environments in which it operates. The Group recognises the importance of understanding and managing these risks and that it cannot place a cap or limit on all of the risks to which it is exposed. However, effective risk management ensures that risks are mitigated to an acceptable level.

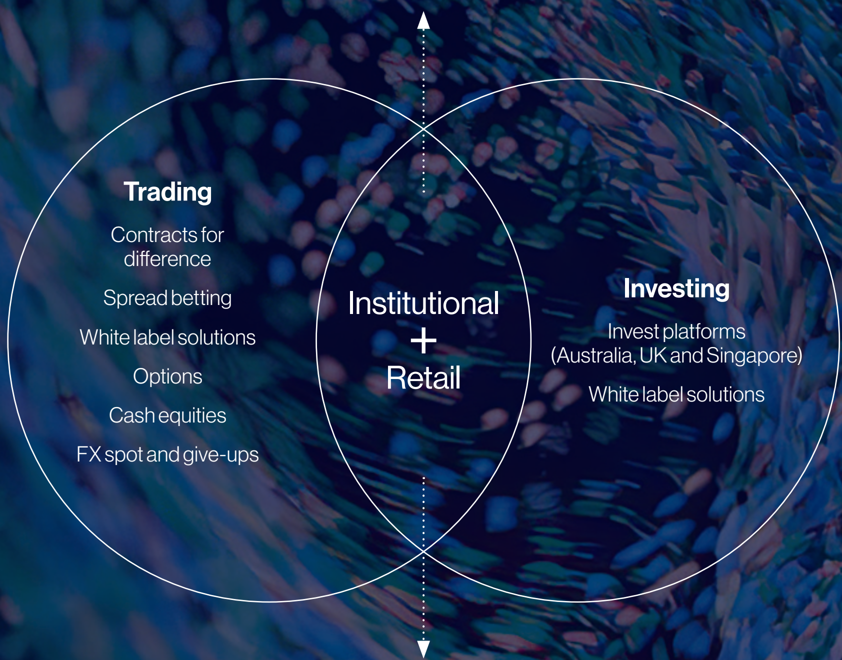
See more on pages 59 to 68

Our client offering

Our clients are at the heart of everything that we do.

Institutional (business to business)

CMC Connect acts as a non-bank liquidity provider offering access to a wide range of asset classes.



Retail (business to consumer)

CMC Markets provides clients access to a wide range of products across both trading and investing platforms

Our technology platforms

Our superior platforms and technology, combined with our risk management, deliver a best-in-class experience for our clients and partners.

Who our clients are:

- Sophisticated
- High value
- Experienced

What we offer them:

- Cutting-edge technology
- Competitive pricing
- Excellent client services
- Diverse product suite

How we make money

Trading net revenue

£259.1m

Spreads
Revenue earned through maintaining a transactional spread (the difference between the buy and sell price) on CFD and spread bet products.

Commissions
These are charged on both CFD equity trades and institutional DMA trades. Clients are either charged a minimum commission or a percentage based on the value of the trade.

Financing
Positions held by clients overnight may be subject to financing costs, which can be positive or negative depending on the direction of their holding and the applicable financing rate.

Rebates and levies
Volume-based rebates paid to professional, high value retail and institutional clients and introducing brokers on selected asset classes.

Risk management gains/(losses)
Revenue or losses from management of client positions that the Group inherits. This consists of gains or losses which accrue to the Group through client positions and, secondly, the gains or losses which accrue to the Group through the hedge positions entered into by the Group, including hedge transaction costs.

Investing

£34.0m

Net revenue in Australia predominantly earned through brokerage charged for the execution of exchange traded products, options, warrants, ETFs, managed funds, interest rate securities and bonds. Further, we earn fees including FX revenue on international shares and equity capital markets ("ECM") income.

Interest income

£35.0m

Interest income from the Group's own funds and income on client funds.

Other income

£4.7m

How we add value

Shareholders

Dividend per share
8.30 pence
up 0.90 pence from 2023

Earnings per share
16.7 pence
up 2 pence from 2023

People

24%
permanent employees with us for over five years

Clients

61%
turnover[1] generated from trading clients of tenure greater than two years

18
awards for service platform and technology in 2023[2]

1 Turnover reflects the notional value of client trades.

2 https://www.cmcmarkets.com/group/about-us

Chief Executive Officer's statement

Witnessing our long-term investments come to fruitition

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

> A central focus for the management team and me over 2024 has been cost management as we look to better optimise our performance and grow profit margins."

Lord Cruddas
Chief Executive Officer

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.

Chief Executive Officer's statement continued

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

Underpinning our continued product development is our unwavering commitment to being a world leader in financial markets technology. Our API ecosystem is the foundation for our growth and expansion and the power of our technology has proven critical in securing a number of large B2B partnership wins in the year.”

Lord Cruddas
Chief Executive Officer

Our focus for 2025

Over the preceding year, we have made considerable progress in implementing our strategic vision. 2024 saw CMC Markets achieve record levels of net operating income outside of the COVID-19 impacted 2021 financial year as our diversification strategy opened up new opportunities around the world.

Going forward, our strategy is predicated on our "institutional first" approach and the delivery of sustained profit margin expansion.

Having reached the peak of our investment cycle, CMC is committed to driving efficiencies through disciplined cost management and leveraging the Group's scalability to deliver enhanced profitability. As a leader in technology, we also remain committed to a disciplined level of continued investment to support growth opportunities and maintain our competitive advantage, however, following years of strong investment, we are now in a position to leverage our operational strength and grow in a more efficient manner.

Underpinning this efficient growth and expansion is our institutional focus. Our FY25 roadmap will seek to continue to drive the business forward to its diversification goals across products, technology and geographies, but with a particular focus on our B2B and institutional offering. The foundation of this is our CMC Markets Connect platform, which provides white label and API connectivity and is already proving a powerful tool in our B2B and institutional growth.

This strategy for future growth is founded upon three core principles, that include:

– trading platform product diversification;
– investment in B2B technology capability; and
– expansion of invest platforms and institutional offering.

We have made great progress against these throughout the course of FY24 and will continue to prioritise these objectives going forward, with a particular focus on our B2B offering the delivery of enhanced profit margins.

1 Platforum, February 2023.

01

Trading platform product diversification

We continue to diversify our product offerings, by establishing a multi-asset interface within our core trading platform. This approach aims to expand the range of assets available for our clients to trade, thereby enriching their experience and strengthening our engagement, enabling us to secure a larger portion of their trading activity. Our commitment and approach to innovating and leveraging our products has led to the development of our cutting-edge customer offering, enabling us to be the one-stop financial trading and investment services platform for the future.

Achievements in 2024

– Expanded our product range across our platforms to enhance our support for our clients' investment portfolios and increase our share of their wallet. These include cash equities, index options, cryptocurrencies and a wider range of money market investment products.
– In Asia Pacific, the enablement of cash crypto trading for Australian clients has further consolidated the Group's position as Australia's second largest retail stockbroker, holding a 16% market share.
– Continued development of our broader technology platform with transformation of the API layer through the use of cloud and the latest "DevOps" practices to facilitate the faster introduction of new products across our trading front ends.
– High platform availability, continued improvements in platform performance and the addition of new services that better equip our clients by facilitating learning, helping them to take advantage of market opportunities.

02

Investment in B2B technology capability

We continue to drive growth through the expansion of our B2B partnerships. Our technology is our competitive advantage, and the introduction of our comprehensive Open API ecosystem facilitates collaboration across the Group, enabling CMC and our B2B partners to realise cost efficiencies and enhance operational effectiveness. By directly engaging with our clients, we offer them access to our broad range of liquidity, products, and technological resources, fostering long-lasting relationships.

Achievements in 2024

- The power of our technology platform has been central to our ability to expand our offering and provide new products and capabilities for our clients. We have continued to evolve our existing product offering to cater to even larger institutions, resulting in greater revenue returns.
- The power of our technology and API ecosystem is critical in securing a number of large partnership wins, such as that recently announced with Revolut, and building on the extensive network of B2B partnerships we already have.
- Continued to optimise our FX product and technology connecting to more execution venues, ECNs and client types to access a vast electronic market, strengthening our position as the go-to non-bank liquidity provider in the B2B market.
- Delivery of new services and technological upgrades that better equip our clients to manage their performance and take advantage of market opportunities.

03

Expansion of Invest platforms and institutional offering

At the core of what we do is empowering our clients to build long-term wealth using our investment platforms. The self-directed investment platform sector presents significant growth opportunities, and we see additional opportunity within our institutional segment as we continuously boost our volumes as a non-bank liquidity provider and cultivate new trading partnerships worldwide.

Achievements in 2024

- Successful launch of CMC Invest Singapore, demonstrating the transferability of the Invest platform and further diversifying geographic reach.
- Expansion of the Dubai subsidiary in the DIFC, providing us with a strong foothold in the Middle East with focus on targeting institutional clients.
- Institutional grade cash equities platform and API launched for UK clients, with LumeFX connectivity platform driving scalability of pricing and execution.
- Partnered with global financial institutions to deliver complex bespoke builds, cementing us further as the partner of choice and cementing our deep understanding of the financial sector and technical superiority.

Tracking our progress

Group KPIs

Our Group KPIs monitor the delivery of long-term value through a focus on client quality and operating effectiveness.

Net operating income

£332.8m

24	£332.8m
23	£288.4m
22	£281.9m

KPI definition
This is a statutory measure, which represents total revenue net of introducing partner/client commissions and spread betting levies.

Why we measure
Key operating metric.

Link to strategy
1 2 3

Statutory profit before tax

£63.3m

24	£63.3m
23	£52.2m
22	£91.5m

KPI definition
This is a statutory measure, which comprises net operating income less operating expenses and interest expense.

Why we measure
Key operating metric.

Link to strategy
1 2 3

Profit after tax

£46.9m

24	£46.9m
23	£41.4m
22	£71.5m

KPI definition
This is a statutory measure, which comprises statutory profit before tax less tax expense.

Why we measure
Largest driver of shareholder equity and Board-approved metric for calculating dividend payable.

Link to strategy
1 2 3

Basic earnings per share

16.7p

24	16.7p
23	14.7p
22	24.6p

KPI definition
This is a statutory measure, which is calculated as earnings attributed to Ordinary Shareholders divided by weighted average number of shares.

Why we measure
Key shareholder value metric.

Link to strategy
1 2 3

Ordinary dividend per share relating to the financial year

8.30p

24	8.30p
23	7.40p
22	12.38p

KPI definition
Any dividend declared, proposed or paid relating to the financial year.

Why we measure
Key shareholder value metric.

Link to strategy
1 2 3

Trading business KPIs

Trading net revenue
£259.1m

KPI definition
Spread, financing and commission fees charged to CFD and spread bet clients, plus/minus risk management revenue generated by the management of client and hedge positions.

A reconciliation of trading net revenue to the primary statements is provided on page 180.

Why we measure
Used to measure the total revenue generated from Trading segment.

Link to strategy
1 2 3

Trading revenue per active client
£4,685

KPI definition
Net revenue generated from CFD and spread bet active clients, divided by the number of active clients during the year.

Why we measure
High value clients are central to the Group's strategy and the growth in this figure is indicative of the success in attracting and retaining these clients.

Link to strategy
1 2 3

Platform uptime
99.95%

KPI definition
The percentage of trading hours that clients are able to trade on the Next Generation CFD platform.

Why we measure
The platform is at the core of our business – if clients are unable to trade, the Group will be unable to earn revenue. Maintaining a very high uptime is key to the continued success of the Group.

Link to strategy
1 2 3

Key to strategy:

1 Trading platform product diversification 2 Investment in B2B technology capability 3 Expansion of Invest platforms and institutional offering

See more on pages 18 and 19

Key performance indicators continued

Investing business KPIs

Net revenue
£34.0m

KPI definition
Income received from brokerage and FX spread on client trades, less rebates.

Why we measure
Revenue diversification and high value clients are central to the Group's strategy and the growth in this figure is indicative of the success in growing the Invest business and attracting and retaining high value clients.

Link to strategy
1 2 3

Platform uptime
99.95%

KPI definition
The percentage of trading hours that clients are able to trade on the CMC Invest Australia platform.

Why we measure
The CMC Invest platforms are at the core of our business – if clients are unable to trade, the Group will be unable to earn revenue. Maintaining a very high uptime is key to the continued success of the Group.

Link to strategy
1 2 3

Key to strategy:

1 Trading platform product diversification
2 Investment in B2B technology capability
3 Expansion of invest platforms and institutional offering

See more on pages 18 and 19

Section 172 statement

Relationships with stakeholders

At CMC we understand our responsibilities towards all of our stakeholders. The Board continues to take account of the interests of these stakeholders when taking key decisions, recognising the impact of its decisions on different groups.

More information on our engagement with stakeholders and the outcomes over the financial year under review is included on pages 25 to 27.

The Directors are mindful of their duty under Section 172 of the Companies Act 2006 ("Section 172") to act in a way which they consider, in good faith, is most likely to promote the success of the Company and its members as a whole and, in doing so, consider the matters set out in Section 172 at each meeting. This includes, amongst other things, having regard to wider stakeholder interests when making decisions and considering the interests of the various stakeholders.

Our stakeholders:

- Shareholders
- People
- Local community/charities
- Environment
- Suppliers
- Regulators
- Clients

Section 172 considerations:

- Likely long-term consequences
- Employee interests
- Relationships with customers, suppliers and others
- The impact on the community and the environment
- Maintaining reputation for high standards of business conduct
- Acting fairly between members of the Group

Decision making by the Board

Board information → Board strategic discussion → Board decision

Board information	Board strategic discussion	Board decision
– Review key commercial financial performance information and forecasts. – Assess and discuss operational metrics and key performance indicators relating to business outcomes and stakeholder measures. – Evaluate management's risk assessments against the Enterprise Risk Management Framework and associated risk mitigation strategies. – Analyse the customer, market and regulatory trends and the competitor landscape. – Receive updates on regulatory, compliance and legal matters.	– Define the Group: strategy, structure, operational objectives and long-term goals. – Consider growth strategies including expanding the business into new jurisdictions and commercial areas or developing new strategic partnerships. – Allocate Group resources to achieve the designated Group strategic outcomes. – Consider the objectives and desired outcomes of stakeholder groups. – Assess technological developments that arise both internally and externally and how these developments can be leveraged to the benefit of stakeholders.	– Approve material investments, financial plans and budgets, capital expenditure, strategic initiatives and changes in the Group structure or operation. – Review and agree changes to corporate policies, governance arrangements and risk and control structures. – Oversee Group succession plans, key Board and management appointments and Executive remuneration. – Determine dividend payments and other mechanisms to return value to shareholders. – Approve external financial reporting and key announcements to the markets.

Section 172 statement continued

Key decisions

The key matters, and their impact on stakeholder interests, considered by the Board and/or management during the year are set out below:

Investment in new business opportunities	The Board continued to oversee and support investment in new business opportunities. During the period the Invest product was launched in Singapore and the Board approved the continued expansion and development of the Opto product in the US. In early 2024 we launched the Options platform to clients providing access to a fast growing market which will benefit from CMC's technology investment. In April 2024 the Invest SIPP product was launched in the UK.	Our stakeholders: Section 172 considerations:
Review of the Enterprise Risk Management ("ERM") framework	The Group Risk Committee and the Board reviewed and agreed enhancements to the ERM that followed the review of our risk management systems by Independent Audit Limited. The ERM framework was reviewed and a series of updates agreed during the year to further strengthen our risk management systems. Further information can be found in the Risk Management section on page 59.	Our stakeholders: Section 172 considerations:
Business to business	During the period the Board reviewed a new business-to-business opportunity and the development required to support the new partnership. Accordingly, it was announced on 18 June 2024 that CMC had launched a new fintech partnership with Revolut. This announcement supports the strategy of growing our business-to-business offering and provides Revolut customers with access to CMC's proprietary technology and cutting-edge customer offering.	Our stakeholders: Section 172 considerations:
Dividend	The Board considered appropriateness of the current dividend policy and no changes were recommended to the existing policy. The Board therefore proposed the final dividend for the year, subject to approval by shareholders, of 7.3 pence per Ordinary share.	Our stakeholders: Section 172 considerations:
Sustainability strategy and targets	The Board continues to support management's evolving approach to sustainable business. During the year the Board reviewed developments in the Our Tomorrow sustainability strategy and approved the approach to charitable donations and employee volunteering through our Community Impact 121 strategy.	Our stakeholders: Section 172 considerations:
Consumer Duty	The Board approved the approach to the new Consumer Duty regime and the work to embed Consumer Duty in the UK business. Oversight of the Consumer Duty workstream was led by Clare Francis, Consumer Duty Champion and Chair of the Group Risk Committee.	Our stakeholders: Section 172 considerations:

Please also refer to the Group's strategy and business model which are described throughout our Strategic report, our Risk management section (pages 59 to 68), our Sustainability section (pages 32 to 41) and our Corporate governance report (pages 70 and 71 and 75 to 82) for further information.

Stakeholder engagement

Clients

Why we engage
Meeting our clients' needs is crucial for our business. Understanding what our clients needs are, be they institutional or individual clients, continues to drive our investment in and development of new products and services.

How we engage
CMC actively engages with clients to seek feedback across a range of channels, including our client service, sales and product teams. The focus on clients has further increased with the introduction in the UK of the new Consumer Duty regime.

Appropriate marketing and the provision of educational material continues to be a key feature, particularly in relation to leveraged products, to allow clients to understand which products align best with their individual risk appetite.

Board oversight
The Board receives regular updates from management on client feedback. Key issues are discussed with the Executives with a view seeking to improve customer outcomes. Clare Francis is the Group's Consumer Duty Champion.

Outcomes
With the support and oversight from the Board during the year, CMC Invest in Singapore launched in September 2023, further expanding our invest business. Launched in April 2024, the new UK SIPP product supports our customers to achieve their long-term savings goal.

Our engagement with clients allowed us to continue to develop our Invest app.

People

Why we engage
Our employees define our culture and values. Having an engaged workforce is central to our strategy and delivering great outcomes for our clients and supporting our other stakeholders.

During the year we moved to a policy of full-time office working as this strengthens collaboration and innovation to the benefit of our clients. We also announced two restructuring programmes that resulted in some reductions in roles across the Group. During these times of change it is even more important to engage with our people.

How we engage
Our employee engagement is driven through numerous channels. This includes team meetings or one on ones and more formally through the designated Non-Executive Director with responsibility for workforce engagement. We undertake a global employee engagement survey with follow-up focus groups to better understand the results and hold "town hall" style forums to enable communication and engagement between management and employees.

Further information on how we engage with our people is described within the Our Tomorrow section on pages 32 to 39.

Board oversight
The Nomination Committee ("NomCo") receives regular updates from the Group Head of HR on various people metrics and employee issues and the outcome of employee surveys. The designated Non-Executive Director with responsibility for workforce engagement joins sessions with employees and reports back to the NomCo with the feedback from these sessions. More information on the key focus of the engagement via this route is included on page 80.

The NomCo continues to monitor risks relating to employee and people matters and their potential impact on the business.

Outcomes
The NomCo discusses the feedback from all the engagement channels and provides input to senior management. Further information on our current HR initiatives is described in the Our Tomorrow section on pages 32 to 39.

Stakeholder engagement continued

Regulators

Why we engage
Engagement with regulators is key to ensuring that we have in place appropriate frameworks and controls to meet their expectations and requirements in each jurisdiction in which we operate. As we expand our operational footprint into new jurisdictions this continues to be an area of focus for the Board.

How we engage
We engage in open and active dialogue with regulators, to assist their understanding of our business and how we protect our clients and deliver good customer outcomes. We seek to meet the expectations of our regulators through upholding high standards of regulatory compliance and aligning our interests with those of our clients. Our intention is to establish strong relationships with our regulators as a responsible participant in the markets in which we operate.

Board oversight
The Board and/or the relevant Board Committee receives regular updates from management on the Group's compliance with its regulatory obligations and certain communications with the regulators in each region in which we operate. As reported on page 86, a number of structural governance and audit issues were identified in an operating subsidiary during the year that required engagement with the local regulator to agree the appropriate resolution.

Outcomes
During the year, we have monitored the progress of a number of regulatory consultations and guidance documents and put in place project teams to update or adapt our procedures and practices where appropriate in response. The Board agreed the additional resources to resolve the matters identified in the operating subsidiary, will provide oversight of the communication with the local regulator and will monitor the closure of the audit issues.

Suppliers

Why we engage
We expect all our suppliers to demonstrate the same integrity and accountability as we do to our clients. Engagement with suppliers which perform any critical or material outsourced service also ensures that we remain compliant with European Banking Authority ("EBA") requirements. We take a zero tolerance approach to modern slavery and human trafficking, as reflected in our Modern Slavery Statement (available at www.cmcmarkets.com/group/about-us/governance), and are committed to acting ethically and with integrity in all our business relationships. A working group of relevant individuals from across the business reviews controls and procedures and assesses their effectiveness.

How we engage
All business partners follow a mandatory procurement process to review the external market and complete a robust evaluation of all available options. Once a supplier is appointed, regular direct engagement between the business owner and supplier is maintained through our Supplier Management Programme (which sets out how we interact with our suppliers and vendor management). As part of the procurement process, all suppliers are categorised within our OneTrust tool, according to how critical the service or goods provided are to the Group's ability to service its clients. This categorisation determines the frequency of interaction and level of engagement between CMC relationship owners and the suppliers. We are continually enhancing this framework to ensure we are always abreast of all relevant supplier issues or concerns and over the next year there will be a focus on a roadmap to determine the scope and frequency of our risk assessments and monitoring activities for suppliers.

Board oversight
The Board relies on the Executives to manage the relationship with suppliers on a day-to-day basis. Any significant new relationships will be approved by the Board, which will also receive information on any issues with current material outsourced services suppliers.

Outcomes
Our robust governance process allows the Group to select the best supplier for the business and ultimately our clients. Our considered approach also allows us to treat vendors with respect and prioritise collaboration and value generation to mutually benefit all parties, whilst remaining compliant with all relevant regulations. Our average time to pay invoices is in line with our standard supplier payment terms of 30 days. This ensures that all suppliers are treated fairly and receive payment for services or goods provided in a timely manner.

Shareholders

Why we engage
Our shareholders provide long-term support to our business and have expectations on how the business performs.

How we engage
Engagement with current and prospective shareholders continues throughout the year. Our Executive Board members communicate the Group's strategy and performance and receive feedback on both these and other matters. We provide regular trading updates, half and full-year presentations, the Annual Report and Financial Statements, our Annual General Meeting and investor-related content on our website. The Chairs of the Board and its Committees are also available to meet with major shareholders.

Board oversight
Shareholder feedback and details of any major movements in our shareholders are embedded within our regular Board meetings and are integral to our decision-making process.

Outcomes
The Board takes into account feedback from shareholders that is obtained after major announcements. The Chair of the Remuneration Committee wrote to a number of our shareholders to set out the proposals for the updates to our Remuneration Policy to be presented at the 2024 Annual General Meeting and spoke with a shareholder that requested direct engagement. More information is set out in the Governance section of this report on pages 94 to 114.

Local community/charities

Why we engage
We recognise the importance of supporting our communities through initiatives with our charity partners.

How we engage
We maintain relationships through both financial and volunteering support with charity partners that we have committed to support.

Board oversight
The Board promotes the support of local charities in all our global offices.

Outcomes
The Group and its staff have been involved in various charitable initiatives, examples of which are provided in the Our Tomorrow section on pages 32 to 39.

Environment

Why we engage
CMC recognises that the Group has a duty to support the environment in the areas that we operate. Our approach to our sustainability strategy can be found in the Our Tomorrow section on pages 32 to 39.

How we engage
We continue to review the Group's Scope 1, 2 and 3 emissions and how we will seek to reduce our impact on the environment. More information is included in the Our Tomorrow section.

Board oversight
The Board has considered the appropriate sustainability targets during the year under review and emissions data in order to better understand the Group's carbon footprint. The Our Tomorrow section sets out details of the data on our greenhouse gas emissions.

Outcomes
We have reported against the Task Force on Climate-Related Financial Disclosures requirements and have provided further information in the Our Tomorrow section of this report.

New product development and operational efficiency continue to be underpinned by CMC's digital transformation and technology strategy

10%
reduction in 99th percentile execution time

99.95%
consistent uptime – Group wide above 99.95%

4x
increase in trade execution at our low latency colocation site

As CMC continues on its digital transformation journey the ongoing investment in technology, underpinned by a global technology strategy, is accelerating new product development and ensuring CMC's technology remains cutting edge and able to deliver innovative and robust trading technology to its retail and institutional customers.

Global teams, global standards

CMC delivers financial technology solutions to the consistently high standard CMC and its customers expect based on a set of foundational technology principles that underpin every new area of development. These principles ensure that all individuals are aligned and can work unhindered towards CMC's overarching Group strategy. Our principles ensure alignment but foster autonomy, never stifling innovation. Quality, security, and reliability are paramount in every output.

Continued expansion of cloud technology

This year the technology teams have again further expanded CMC's cloud technology footprint. The platform components for both CMC's new Options product and its Cash Equities product have all been built fully cloud native within CMC's Open API architecture. Ongoing cloud adoption and modern cloud engineering practices continue to underpin CMC's product development roadmap across all business areas. CMC fully commits to its hybrid-cloud model, recognising the value in on-premises self-managed systems augmented with cloud-native technology solutions. This is a powerful and strongly favoured model, rather than a pure and sometimes headline grabbing "race to the cloud" approach.

Operational efficiency through technology

While CMC's investment in product diversification and innovation is very visible to its clients and shareholders, what is far less visible from the outside is CMC's continued commitment to using technology to strive for the highest level of operational efficiency. Through continuously investing in the automation of internal processes and procedures CMC reduces operational costs as well as manual error. CMC technology allows its operational staff to focus on the thing that matters: servicing its clients.

Talented, focused people

Great technology is nothing without talented and committed people to continually evolve and operate it. The most sought-after technology staff want to work on fast-moving and progressive technology platforms. CMC's proprietary systems, exciting change programme and strong underpinning technology strategy have allowed CMC to attract and retain some of the most talented tech staff in the industry. A model of smaller, highly talented teams brings continuous innovation to CMC's platforms.

Case study:
CMC's new Options product

CMC's new Options product has been seamlessly integrated into its proprietary desktop and mobile trading platforms, all built on top of CMC's strategic cloud-native "Open API" architecture running in the AWS cloud.

Options products, pricing and execution are fully integrated into CMC's proprietary core systems, and powered by a third-party pricing and matching engine.

The world of options trading brings many challenges from a technology perspective, with a vast universe of underlying options contracts having the potential to flood existing systems with data.

Coupled with this, the complex mechanics of an Options product can take a huge amount of time and investment to bring a product to market.

CMC's use of cloud technology, investing in existing proprietary systems, and integrating third-party vendor platforms are key pillars of CMC's technology strategy and all helped greatly accelerate CMC's Options product delivery and reduce time to market.

See more at www.cmcmarkets.com

Technological and business teams working as one

While it's interesting for technology teams to deliver innovative technology solutions and then present them to the commercial and operational teams, true value has been unlocked through CMC's digital transformation programme where the technology, product development and operational teams now work hand in hand throughout the software development process. This is CMC's approach. IT staff can leverage the expertise of business teams at every stage of a build to ensure technology deliverables meet product objectives and embed themselves smoothly into the operational running of our business.

Operational excellence supporting leading-edge innovation

We have continued to maintain the high levels of resilience expected by clients, regulators and investors in the financial services industry. The Group's focus on the importance of operational resilience is reflected in the consistently high uptimes for each of the core platforms. The trading platform saw uptime in line with previous years at 99.96%, Invest UK continued its strong performance at 99.98% while Invest Australia saw improved uptime at 99.95%, and the new institutional offering under CMC Connect saw uptime at 99.94%.

In addition, execution performance improved with a further 11% reduction in the 99th percentile execution times, showing the continual improvement and also consistently fast execution clients demand. CMC Connect and our low latency connectivity are continuing to grow at pace with four times as many trades executed through that site when compared to the previous year. As always we continue to invest in core infrastructure and technology to support the business ambition and technology strategy.

Options

CMC continues to invest in products and technology, with the launch in early 2024 of our new Options platforms. We will continue to invest and expand our offering over the coming months when we plan to launch further Options products.

In due course the Options platform will be available to our full suite of clients, including CMC Invest clients, institutional clients and our B2B business platforms, through white/grey label and API connectivity. We will also roll the platform out to our offices globally over the coming months.

Options are one of the fastest growing financial instruments globally and the most requested by our clients and we see Options as a major growth opportunity for the Group.

APAC CMC Invest – technology

> We designed Invest to be "radical" – radically customer focused, radically transparent pricing, and radically simple to use. But don't let simplicity fool you. After all, some of the best investing in the world is as simple as consistent regular investing that compounds over time. It helps to have a low cost, transparent partner on your growth journey. That's why we built Invest. Your compounding friend."

Chris Forbes
Head of CMC Invest Singapore

Cryptocurrencies (AU only)

CMC Invest Australia partnered with blockchain infrastructure and custody provider Paxos to power our new digital asset offering. Launching in late 2023, clients can trade eight well-known cryptocurrencies, 24/7, on our award-winning platforms from as little as $25. There is no need to pre-load a virtual wallet with foreign currency as all trades are placed directly from their available AUD account balance.

New trading features

In addition to platform redesign and enhanced UX, we unveiled an array of exciting trading features throughout the year, benefiting all CMC Invest clients. These included sought-after TradingView charts, thematic stock and ETF watchlists, ESG risk ratings, mobile push notifications, new international order types (market to limit, GTC and GTD), Salesforce Chat integration, and the introduction of cryptocurrencies to our Australian clientele.

Global expansion

CMC Markets' strategic initiative to expand its Invest business globally prompted a comprehensive overhaul of both the back and front ends of our trading platforms in FY24. Collaborating with top industry vendors, we seamlessly integrated new electronic ID and KYC services to streamline our onboarding process. Teaming up with Forgerock bolstered identity management and security through multi-factor authentication ("MFA"). We also upgraded our back office systems to support multiple trade currencies and integrated a JPMorgan Wallet for convenient local payments all powered by our cloud-first strategy on AWS.

Singapore launch

CMC Invest Singapore provides access to 15 markets without any minimum order size and offers commission-free trading in five key markets, including Singapore, the UK, the US, Canada, and Hong Kong, spanning shares, ETFs, and REITs. Investors can explore over 40,000 listed securities accompanied by fundamental screening tools, TradingView charts for in-depth technical analysis, and ESG risk ratings. Crucially, there are no platform, settlement, custody, or withdrawal fees. With access to our analysts, conferences, brokerage rebates, a comprehensive trading toolkit, and a dedicated 24/5 client service team, the Invest platform serves as a one-stop super app to fulfil all our clients' needs.

Pricing model

Constructed on a foundation of three tiers (with a fourth slated for launch soon), our pricing model revolves around a monthly subscription that incorporates zero brokerage fees, with additional considerations for tiered FX settlement and AUM per customer pricing: the more assets with CMC, the better value for your savings and investments – we grow with you. This approach is detailed on our website and offers clients transparency on fees and offers flexibility depending on a client's trading frequency and strategy. Visit www.cmcinvest.com/en-sg/ for more information.

Client engagement

Thus far, CMC has hosted three roadshows, organised five conferences, and delivered over 162 research pieces tailored for retail customers, aiding in the digestion of information, generating trade ideas, and enhancing their awareness of opportunities – all of this in four months since launch. Paired with our active presence on various social media platforms such as Instagram, Facebook, Telegram, LinkedIn, and TikTok, we are empowering investors to engage with others in fostering a more informed and inclusive investment community.

Brand ambassador

Our brand ambassador, Shanti Pereira, serves as an exemplary model of success, both in her athletic achievements and beyond. Holding a CMC Invest account herself, she maintains a diversified portfolio comprising single securities and ETFs across various sectors, including yield (bonds), semiconductor ETFs, S&P ETF, emerging markets ETF, and exposure to AI via Microsoft, and sports apparel companies.

Looking to the future

Invest is looking to offer options and wealth management services in the future, featuring a Robo Advisory solution and a regular savings plan tailored for investors aiming to achieve diverse financial goals, ranging from purchasing a car to funding education, retirement, or even a family wedding. Options represent on the largest and most rapidly expanding markets globally. OTC Options offer unparalleled customisation in terms of size and expiry to align with individual preferences. Unlike Exchange Options, which are dictated by contract size or multiplier, OTC Options maintain a one-to-one relationship, empowering users to determine both size and premium according to their needs. This unparalleled flexibility will position our product at the forefront of the industry.

Investing in the user experience

Central to this transformation was prioritising user experience ("UX"). Adopting a UX/UI-first approach, we developed a robust design system tailored for our new web platform. This scalable solution, ingrained into our codebase, ensures long-term efficiency gains in feature development, prioritises accessibility, and effortlessly accommodates our extensive white label offerings, facilitating swift expansion into new markets in the future. Leveraging this design system, we launched our inaugural cloud-based trading platform for the Singapore market in August 2023 and expect to roll this out to Australian clients in mid-2024.

Redesigned platform

The revamped web platform introduced a user-friendly dashboard summarising client positions, a streamlined main menu for intuitive navigation, and a responsive design optimised for mobile devices. Simultaneously, our highly rated native mobile apps were updated to seamlessly integrate with Singaporean functionalities, including robust MFA support and SGD account currency compatibility.

Our Tomorrow: taking a positive position

Last year we introduced the Group's Our Tomorrow sustainability strategy and its five core pillars structured to focus delivery on our material environmental, social and governance ("ESG") risks.

We remain focused on equipping both our clients and employees with the necessary tools to invest in a better future and strive to achieve this by offering cutting-edge technological solutions that protect, educate, and motivate our clients and employees to invest in a way that has positive impacts now and for the future. Our commitment to responsible practices and values ensures that we are aligned with the worldwide shift towards a sustainable future within capital markets. We have updated the work we completed in FY23 on the materiality of the ESG risks across our business. Through FY24 we have continued to follow the five sustainability pillar approach to sustainability detailed in last year's report.

> "Our commitment to responsible practices and values ensures that we are aligned with the worldwide shift towards a sustainable future within capital markets."

Client Positive

The Group acknowledges the presence of risks and potential financial losses associated with our products and their potential impact on our clients. We always aim to enhance client experience while ensuring that the Group maintains alignment with global regulatory bodies. We continue to monitor our overall commitment to our client base experience.

A key indicator of client experience are satisfaction metrics such as Qualtrics and Net Promoter scores. In FY23 we had an upper quartile Net Promoter Score ("NPS") for the UK and Singapore. In FY24 we are pleased to confirm we have maintained that position.

In 2023 we confirmed we were fully committed to understanding how to best cater to the needs of these diverse and less experienced investors, with a central focus on education. To support this commitment, we established a freely accessible Learning Hub on our website for all investors. This resource aimed to assist new clients in navigating the distinctions between our product suite and FX trading, as well as providing insights into key thematic trends in the market. Through this initiative, we aim to empower investors with knowledge and help them make informed decisions.

Consumer Duty

The FCA's Consumer Duty Regulation gave CMC the chance to analyse and review the retail client journey to determine whether our clients are receiving good outcomes. This involves providing evidence that we are acting in good faith, avoiding causing foreseeable harm and enabling clients to pursue their financial objectives. CMC's Consumer Duty programme is anchored across the culture of the organisation. The programme implemented and embedded at CMC received a positive report when audited by Grant Thornton our internal auditors, in FY24.

Change Positive

We have always held ourselves to the highest standards when conducting our business and strive to be industry leaders through our commitment to business ethics and professional integrity.

Delivery of sustainable outcomes should be embedded as part of our everyday business practices, so we have made all functions responsible for delivering in the sustainable way. To further embed sustainability into the everyday management of our business we have changed the terms of reference for our Sustainability Committee to be a senior level oversight function responsible for ensuring sustainability is delivered in a commercially appropriate way. In FY23 we were compliant with 9 of 11 of the recommendations of TCFD's 2021 guidance in accordance with Listing Rule 9.8.6. 11. In addition:

- In FY23 all Executive Directors were set objectives relating to DEI across the business. For FY24 this has been broadened to include wider ESG measures with a direct link to annual reward.
- Female representation on our Board remains at 33% and for our Non-Executive Directors 66%. Furthermore, in FY24 we appointed a new CFO who is of North African heritage.
- To support gender growth in senior roles we now track the diversity of succession candidates through our succession planning processes.
- The Board training plan for FY25 includes sustainability themes where relevant.
- Through our Modern Slavery Steering Committee, we have now improved the monitoring of modern slavery practices in our supply chain through a risk-based questionnaire in the tendering process.

Whilst we acknowledge that we do not comply with the diversity targets set out by the Listing Rules at present, as disclosed in the Nomination Committee report on page 93, we will continue to ensure that full and proper consideration is given to gender and ethnic diversity as part of the process for making appointments to the Board and keep our position in relation to appropriate targets under review.

Platform Positive

During FY24 we have continued to actively explore opportunities in sustainable investment and expanding our range of investment products and platforms to provide our clients with more options to direct their investment capital to assets that prioritise ESG and sustainability.

We are committed to offering our clients an investment product suite that enables them to invest responsibly and understand the growing trends towards sustainable investments. Last year we integrated Sustainalytics data into our CMC Invest UK platform. This enables clients to obtain sustainability data on assets they are considering making investments in. We have also integrated tools for clients to set preferences and screen assets according to their own sustainability preferences and values.

In FY23 89% of assets on the CMC Invest platform were supported by ESG data from Sustainalytics which has increased to 90% in FY24. In addition:

- ESG risk ratings have been available on both our web and mobile platforms since early 2023 and cover over 3,000 domestic and international instruments.
- We released Opto thematic watchlists onto the mobile apps in late 2023. These group instruments into 44 themes including "Clean Energy", "Recycling", "Solar", "Wind", "Biotechnology" and "Carbon Transition". Approximately 60% of the Opto themes offered on the Invest app currently have an ESG exposure.
- We released our ESG preferences feature which allows users to select their ESG preferences. When the user views an asset on the app they are then informed that it does or does not meet those preferences. This feature was awarded the "best ESG feature" award by finder.com.
- We continued to strive to ensure the products we provide and the platforms on which we provide them are accessible to all. In FY24 our platforms were actively used by 13% females compared to 10% in FY23.

"We are committed to offering our clients an investment product suite that enables them to invest responsibly and understand the growing trends towards sustainable investments."

Case study: Platform Positive

Empowering sustainable investing: Opto's commitment to ESG

Opto is revolutionising thematic investing with a strong focus on environmental, social, and governance ("ESG") principles. Our app offers a diverse range of investment themes, including wind energy, clean energy, solar power, hydrogen, uranium, and electric vehicles. Each theme is designed to provide investors with opportunities that align with their commitment to sustainability and positive impact.

In addition to these investment options, Opto provides exclusive content that offers in-depth analyses of each theme. This includes market trends, emerging technologies, and detailed Company insights, enabling users to make informed investment decisions. By highlighting the leaders in innovation and sustainability, Opto empowers investors to build portfolios that support both their financial goals and their ethical values.

People Positive

People remain core to all that CMC achieves and ensuring we attract, develop, and motivate the best in our industry remains critical to our future success.

FY24 has, however, proved a challenging year for the firm and its employees and we have had to take difficult steps to ensure we have a profitable long-term future and adapt to an ever-changing business landscape.

As our investment cycle moves into another phase, underwent two significant restructures resulting in redundancies for approximately 15% of our employees. In addition, in July we took the decision to move from a hybrid working organisation to one that was office based five days per week. Whilst voluntary turnover has only been partially impacted at 23% (20% in FY23) the uncertainty this created has impacted our full engagement score which has reduced from 72% to 37% globally. The firm remains committed to providing an environment where employees can grow their careers and prosper economically and looking to take action to improve engagement in the coming financial year.

Whilst overall we have reduced our headcount, we continue to hire in all markets to ensure we have skill sets that reflect the diverse business we are now developing. The majority of our hires are delivered through our internal talent team and employee referral program, significantly reducing cost whilst improving the quality of the candidates we hire. We continue to focus on providing quality career development for our employees with 75 being promoted internally or making a developmental role change.

Our diverse workforce brings together individuals with different backgrounds, experiences, and perspectives. By working to improve our data collection processes and trust from our employees we have improved the reporting of diversity-related data across the business. For example in FY24 47% of our employees provided ethnicity data compared to 17% in FY23. CMC is proud to have employees of may different ethnicities across its 14 offices. Our global gender balance has remained at 29% female this year, with Females in senior management roles (using the FTSE 250 Women Leadership Framework) at 19% in March 2024 (20% in March 2023). We also delivered inclusivity training to all our global senior managers and plan to deliver this to all employees in FY25. We actively support colleagues and applicants with disabilities through our Equal Opportunities and Flexible Working Policies and our training, development and career paths are accessible to all.

We have continued to invest in early careers, delivering paid internships, apprenticeships and graduate trainees through a range of channels, ensuring we provide opportunities to those whose access to financial services careers would be limited. We have maintained our long-term partnership with Making the Leap, sponsoring its careers fair and providing mentors for its young people and permanent roles where appropriate.

Case study: People Positive

Improving our Diversity Data

Our "Count Me In" campaign reviewed our processes for collecting diversity data and took proactive measures to build employee trust. This has resulted in CMC more than doubling the amount of employees entrusting the business with their diversity-related data. We are now able to better reflect that data in the way we do business, so ensuring we continue to hire, retain and motivate the best talent in our industry.

People Positive continued

In talent development we have continued our commitment to employees' professional growth and advancement and giving employees opportunities to learn new skills, acquire knowledge, and develop their talents. Despite the market challenges faced by the organisation we maintained our investment in learning at FY23 levels and we enhanced our ability to support employees' development by recruiting Learning Managers in our London and Sydney offices.

Community engagement remains a core commitment for CMC with regionally led programmes of activity supporting a range of causes:

- Our European offices initiated their inaugural charity programme this year, with charity partners that closely align with our sustainability goals. We identified a team of "Charity Champions" to support the delivery of the programme, led by our Head of Europe.
- Our UK offices completed their three-year partnership with three charity partners focused on social mobility from school age to young adults making their first steps into the professional world. We have continued to support our employees' charity fundraising through pound for pound matching and other fundraising initiatives. Looking forward, we have renewed our long-term commitment to support Making the Leap, a leading charity driving social economic change for young people from all backgrounds. We are also realigning our charitable programme to support teams of employees looking to take part in group-based fundraising challenges and introduce charitable grants to support employees' own work in the community.
- Our APAC & Canada offices have a dedicated team of "Charity Champions" that develop and implement a yearly plan of initiatives which include many volunteering opportunities such as providing a food service for women who have experienced domestic abuse and supporting their independence and economic empowerment. Our partners also provide support with numeracy through education and learning of young children.

"Our UK offices completed their three-year partnership with three charity partners focused on social mobility from school age to young adults making their first steps into the professional world."

Case study: People Positive

Charitable giving and volunteering

Below: In April 2023, CMC Markets hosted an impactful networking event in collaboration with our charity partner, Making the Leap. The event featured mock interviews and career guidance for 22 young participants, who had the opportunity to engage with various CMC Markets staff members working in the fields they aspire to pursue. This initiative aimed to equip these young individuals with valuable insights and practical experience to help them advance in their career journeys.

22

young participants took part in an impactful networking event

Left: In September 2023, we held a raffle and bake sale to raise funds for our Boycott Your Bed event, supporting CMC's Dream Team as they braved the cold and slept out in Paternoster Square.

The sleep out, supporting activities and CMC matched funding raised £21,037 for Action for Children.

£21,037
raised for Action for Children

Right: 30 employees from our Sydney office took part in the Balmoral Run in aid of the Humpty Dumpty Foundation which provides support for sick children in hospitals. CMC was also the main sponsor of the event.

Planet Positive

Throughout 2024 we continued to improve our understanding of our impacts on the environment within the context of being an office-based service provider.

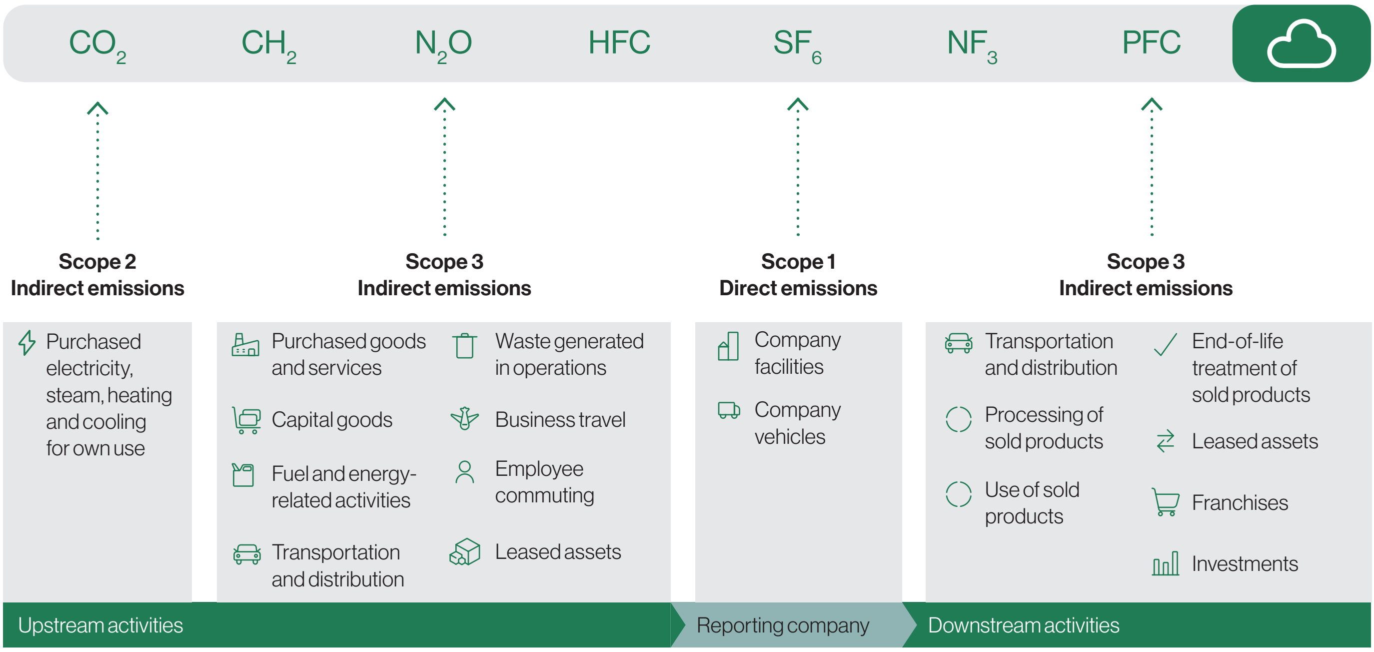
We have continued to improve our office spaces throughout 2024 including a major refurbishment of our London head office at 133 Houndsditch and the relocation of our main data centre to a third-party venue. In specifying these developments, we have emphasised on the need for green credentials and utilised data provided by BREEAM ratings, or local equivalents. The data centre relocation and works to improve the heating and lighting in the London office are already delivering electrical energy savings. All our energy supplies to our buildings where CMC has direct control over the supplier relationship are now sourced from renewable sources with the exception of one location where the supply is 80% renewable.

We have worked with suppliers, contractors, and partners to encourage sustainable practices, reduce emissions, and promote responsible sourcing. We have now adopted a risk-based approach to assessing potential suppliers for their sustainable practices.

We continue to work with Normative to support our climate strategy and helps us to calculate our carbon emissions. Normative uses the Greenhouse Gas ("GHG") Protocol and a database of emissions factors to bring scientific accuracy to emissions accounting.

We also successfully launched electric vehicle leasing schemes in London and Australia as a benefit to our employees.

The table below defines the three scopes of corporate emissions according to the GHG Protocol as adopted by CMC.



Source: Normative Emissions Calculation Methodology Version 1.1 – Jan 2023: The three scopes of corporate emissions according to the GHG Protocol.

Our FY24 emissions performance

- Scope 1 emissions at CMC only relate to the cars provided to employees through the salary sacrifice car benefit arrangement in the UK and Australia. These schemes only provide electric vehicles with zero emissions. As we have no operational control of energy consumption in our buildings emissions relating to premises are included under Scope 2.
- Scope 2 decreased from 281.2 tCO_2e in 2023 to 168.3 tCO_2e due to improved data quality and reduced consumption primarily in the UK due to the relocation of the data centre.
- Scope 3 decreased slightly from 12,219.7 tCO_2e in 2023 to 12,153.4 tCO_2e in 2024.
- Emission intensity ratio decreased from 43.3 tCO_2e/£m in 2023 to 37.0 tCO_2e/£m in 2024.

Our calculation methodology:

GHG emissions are calculated in alignment with records used to produce the consolidated Financial Statements for the relevant accounting period. CMC's GHG footprint follows the operational control approach and if we operate and control an area, the associated emissions will fall into Scope 1 & 2 and all other emissions fall into Scope 3. Our gas consumption is categorised as Scope 2 due to the fact we do not have operational control over the boilers in our multi-tenanted buildings, for example, we do have a contract with the gas supplier for our London office and the energy is paid for though the service fees to the landlord.

Our approach for any errors, updates or restatements involves applying a threshold of 5%. In the event of an error or update identified in the prior period or the baseline, we will restate our GHG emissions if the error exceeds this threshold. Furthermore, we recognise the significance of acquisitions, disposals, and changes withing the Group from both a size and operating perspective. The figures below include emissions data from all our global offices where data is available. In some cases, estimates or extrapolation methods are used to calculate emissions where actual consumption figures are not available.

For Scope 2 to determine the carbon impacts for the electricity use we used emissions factors from the Association of Issuing Bodies ("AIB"). Cooling is regional/district-specific and is otherwise covered by electricity databases. Gas emissions are included on a net CV basis.

For Scope 3 we used emission factors from the Department of Business and Trade ("DBT"), for fuel and energy related activities, business travel and waste generated, coupled with the Exiobase, which is an environmentally- extended input-output model ("EEIO"), for capital goods, purchased goods and services, and upstream transportation.

Case study: Planet Positive

Refurbishment of our London head office space and the relocation of our data centres

During FY24 CMC extended the lease for its head office at 133 Houndsditch in the City of London until 2029. This also included a significant refurbishment of the space to provide a more modern environment better suited to office-based working in 2024. As part of the refurbishment all aspects of sustainability were considered including upgrading all the office lighting to LED and improvements to the heating and air conditioning systems. Our technology production team also completed the relocation of the majority of our data centre from 133 Houndsditch to a specialist third-party provider. Despite these projects only completing during the year we are already seeing tangible net reductions in our Scope 2 energy use in the United Kingdom.

Sustainability continued

Greenhouse gas emissions by scope

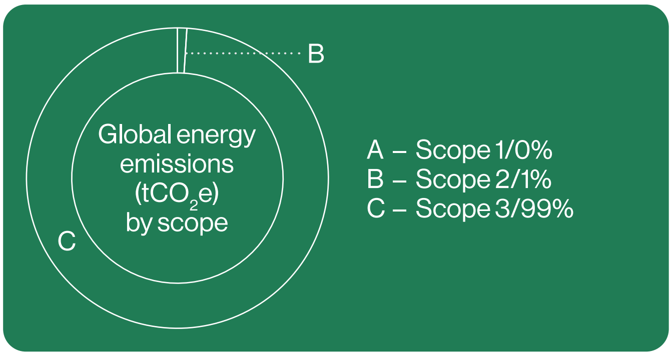
	Unit	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2015 (base year)
Scope 1: direct greenhouse emissions that occur from sources that are controlled or owned by an organisation	tCO_2e kWh	**0.0** **0.0**	0.0 0.0	— —
Scope 2: indirect market-based emissions from utility companies, such as electricity, heat, cooling and suppliers of steam[2]	tCO_2e kWh	**168.3** **3,531,068.0**	281.2 4,051,055.5	3,560.4 5,940,440.0
Scope 3 indirect value chain greenhouse gas emissions except Scope 2 categories, upstream and downstream	tCO_2e	**12,153.5**	12,219.7	—
Total global emissions: sum of emissions of various gases	tCO_2e kWh	**12,321.8** **3,531,068.0**	12,500.9 4,051,055.5	3,560.4 5,940,440.0
Net operating income	£m	**332.8**	288.4	143.6
Headcount	number	**1,175.0**	1,087.0	473.0
Intensity ratio (total global emissions/net operating income)	tCO_2e/£m	**37.0**	43.3	24.8
Intensity ratio (total global emissions/employee)	tCO_2e/HC	**10.4**	11.5	7.5
Renewable % for electricity		**95%**	95%	—

Global energy consumption by location in kWh

	Year ended 31 March 2024	Year ended 31 March 2024 (%)	Year ended 31 March 2023	Year ended 31 March 2023 (%)
UK	**2,990,245.0**	**85%**	3,406,794.0	86%
Rest of the World	**540,823.0**	**15%**	644,261.5	14%
Total	**3,531,068.0**	**100%**	4,051,055.5	100%

Global energy emissions by location in tCO_2e

	Year ended 31 March 2024	Year ended 31 March 2024 (%)	Year ended 31 March 2023	Year ended 31 March 2023 (%)
UK	**4,714.9**	**38%**	4,901.6	36%
Rest of the World	**7,606.9**	**62%**	7,599.3	64%
Total	**12,321.8**	**100%**	12,500.9	100%



Group non-financial information and sustainability statement

Set out below is the information required by Sections 414CA and 414CB of the Companies Act 2006 (the "Act") necessary for an understanding of the Group's development, performance and position in relation to the matters set out in the table below. Group policies can also be found at www.cmcmarkets.com/group/about-us/governance/policies-and-documents.

Reporting requirement	Group policies and statements	Commentary, outcomes and KPIs
Environmental matters		Our Tomorrow and Climate-Related Financial Disclosures section pages 32 to 51
Employees	– Equal Opportunity Policy – Anti-Harassment and Bullying Policy – Diversity and Inclusion Statement and Policy – Board Diversity Policy – Group Health and Safety Policy – Group Grievance Procedure – Whistleblowing Policy	Our Tomorrow section pages 32 to 39 Nomination Committee section pages 90 to 93
Social matters	– Equal Opportunity Policy – Accessibility Statement – Diversity and Inclusion Statement and Policy – Board Diversity Policy	Our Tomorrow section pages 32 to 39 Nomination Committee section pages 90 to 93
Human rights	– Group Anti-Slavery Policy – Modern Slavery Statement	Our Tomorrow section pages 32 to 39 Nomination Committee section pages 90 to 93
Anti-corruption and anti-bribery matters	– Group Anti-Bribery and Corruption Policy – Group AML Policy – Group Financial Sanctions Policy – Group Politically Exposed Persons Policy	Principal risks section pages 61 to 68
Principal risks		Principal risks section pages 61 to 68
Business model		Our business model section pages 12 and 13
Non-financial key performance indicators		Key performance indicators section pages 20 to 22

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

CMC acknowledges the systemic challenges posed by the climate crisis to business and society. We also know that we have a role to play in mitigating our own impacts on the climate whilst ensuring the resilience of its business. CMC reported against the recommendations of the TCFD for the first time in its 2022 Annual Report and Financial Statements and built on that with the launch of the "Our Tomorrow" strategy in 2023.

In 2024 we have consolidated our approach to delivering sustainability at CMC, rationalising the governance structure to ensure delivery is embedded in the relevant functions and the Executives are closely involved to a level that reflects the nature and size of the business.

In accordance with Listing Rule 9.8.6 R, the climate-related financial disclosures are consistent with 8 out of 11 of the TCFD recommended disclosures. Where we are not yet compliant (recommendations 9 and 11 relating to metrics and targets and 4 relating to climate strategy), we explain our position and forward-looking plan in the relevant sections. Our TCFD disclosures are also in accordance with the climate-related financial disclosure requirements contained in section 414CB of the Companies Act 2006 (referred to as 'UK CFD') We will continue to refine our approach to build resilience against the potential physical and transition risks of climate change whilst also identifying ways to reduce the Group's impacts on the planet. We have not applied requirements g & h of the UK CFD this year due to the lack of availability of suitable Metrics and Targets (See section on Page 48).

Governance

The Board oversees the Group's Our Tomorrow sustainability strategy, which encompasses oversight of the risks and opportunities of the climate crisis. The Board receives updates on the Our Tomorrow strategy at least three times each year and approves relevant KPIs and targets, including those related to climate change.

In 2024 the Board considered sustainability matters at five meetings, receiving updates on the Group's progress to implement its sustainability strategy and establish the Sustainability Committee and discussing or approving the KPIs against which progress of the strategy will be measured and reported. Specific climate risk and opportunity metrics and targets have not been established.

Following a review of the structure of the business the opportunity was taken to review the governance and delivery approach underpinning the "Our Tomorrow" strategy. As a result, the newly appointed Chief Financial Officer now has overall responsibility for sustainability. The Group Head of HR will chair the Sustainability Committee for which climate-related risk management is a key component.

The Sustainability Committee reports up to the Board at least three times annually in accordance with its terms of reference. The Sustainability Committee includes three Board members, the Chief Financial Officer, the Deputy CEO and the Head of Asia Pacific & Canada, who represent the Board's position on climate-related topics and in turn act as advocates for the priorities of the Committee at the Board level. In addition, key senior managers sit on the Committee including the Group Head of HR, whose responsibility not only includes our people agenda but also covers our facilities footprint, and the Head of Technology Development, who is also responsible for procurement. A key focus for the sub-committee during FY25 is to consider risk metrics and targets , the potential impact of chronic climate-related risks on the business and to develop plans to transition CMC to a lower carbon business in line with the UK's Net Zero 2050 target.

The Committee not only provides a process through which climate-related matters are governed but also a forum through which senior management is able to debate climate-related change that will impact CMC in the medium and long term. It will also oversee the review and updating of the climate-related risk register and scenario analysis which will happen at least every three years or earlier if there is a fundamental change in the nature, strategy or physical footprint of the Group. To provide subject matter expertise and input to the assessment of future climate and sustainability centred risks the Committee is supported by retained consultants who are considered subject matter experts in the field.

Given the business had made no material changes to its strategy and geographic footprint in FY24 no changes were considered necessary to the climate risk assessment exercise completed in FY23. A full review of the assessment will be undertaken in FY25.

The Board and relevant Committees consider climate-related issues when considering its decisions and guiding major plans of action that could affect our climate impact aspirations in the Our Tomorrow sustainability strategy. It also considers the risks and opportunities that climate change impacts have on its operations.

CMC's governance of climate risks and opportunities

The Board

Provides oversight of the Group's Our Tomorrow sustainability strategy, which encompasses monitoring KPIs and targets for climate-related risks and opportunities and approving the contents of this TCFD statement.

Group Audit Committee

The Committee ensures an independent review of reporting on climate change risks within this TCFD statement as part of its consideration of the Annual Report and Financial Statements.

Group Risk Committee

The Committee receives reports from the Executives on the principal risks to the business and reviews the TCFD statement in order to make a recommendation on its approval to the Board.

Nomination Committee

The Committee considers the balance of skills on the Board and ensures that any gaps are identified and considered when new Board members are appointed and when any training needs for existing Non-Executive Directors are discussed. This will include consideration of the knowledge required by the Board in relation to sustainability matters.

Remuneration Committee

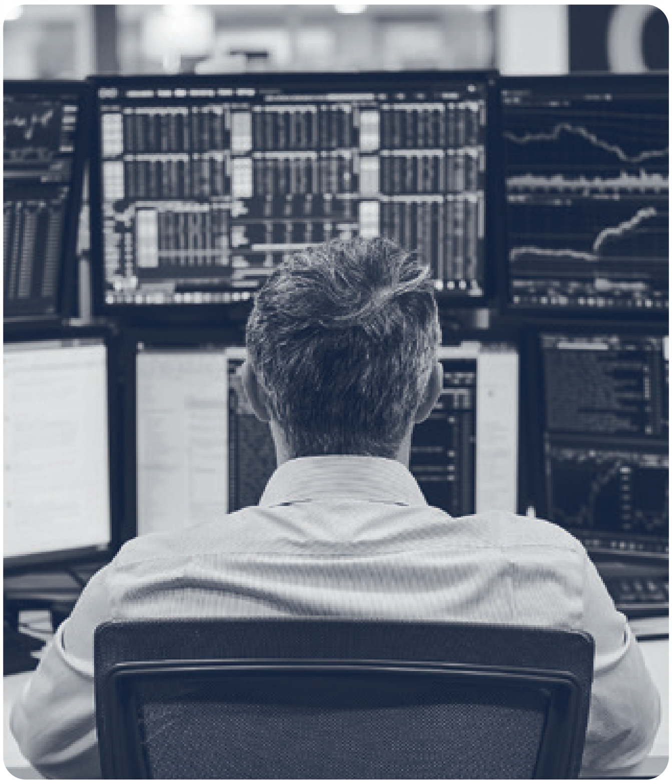
The Committee considers the performance of the Executive Directors against performance objectives which are linked to remuneration packages. including a sustainability objective.

Please see the Group governance structure diagram on page 79.

Management

Sustainability Committee

The Committee ensures robust governance of the Our Tomorrow strategy and provides the Board with updates on sustainability considerations and developments focused on the alignment to regulatory requirements, and managing risk including identifying climate-related risks and opportunities and overseeing the mitigation of and resilience to those risks.



Risk management

On pages 46 to 49 in our summarised risk register, we provide further detail on how we manage each identified risk.

Risk identification and assessment

In 2023 the Group conducted a review of our register of identified climate risks and the Group's approach to climate risk assessment. This review was conducted at a Group level. The review was supported by external consultants from Ever Sustainable, and the exercise included:

- research to enhance existing intelligence on industry and geographical considerations;
- mapping climate risks to our identified principal risks to better understand the interplay with our core business risks; and
- conducting internal interviews with stakeholders from departments and subsidiaries across the business.

Additionally, we defined time horizons to assess climate-related risks and identified potential metrics to support the monitoring of risks in accordance with the TCFD's guidance on cross-sector metrics. We undertook this exercise in order to:

- enhance our understanding of the climate risks facing our business;
- determine whether any changes to the materiality of identified risks had occurred;
- uncover whether new climate-related risks had been identified;
- devise stronger monitoring capabilities for the identified risks;
- review and enhance our approach to integrating climate-related risks into the Group's enterprise risk management systems; and
- enhance our understanding of the key risks to be assessed in climate scenario analysis.

The risk review led to several changes to our climate risk assessment methodology. We streamlined the overarching risk identification taxonomy used to assess CMC's climate-related risks from four categories (physical, transition, liability and transboundary) to two (physical and transition), which achieves greater consistency with the climate disclosure standards adopted by our industry. We also elected to consolidate our twelve identified risks to nine risks, which further supports alignment to recognised climate risks impacting our industry and improves consistency with CMC's internal risk language. We disclose these risks and their potential impacts on pages 46 to 49.

Given there are no material changes to the business that would impact the risk assessment, along with no developments in the climate science, we are comfortable that the approach is appropriate for this reporting period. We have, however recategorised the risks to align to the UK CFD requirements.

Risk assessment and prioritisation

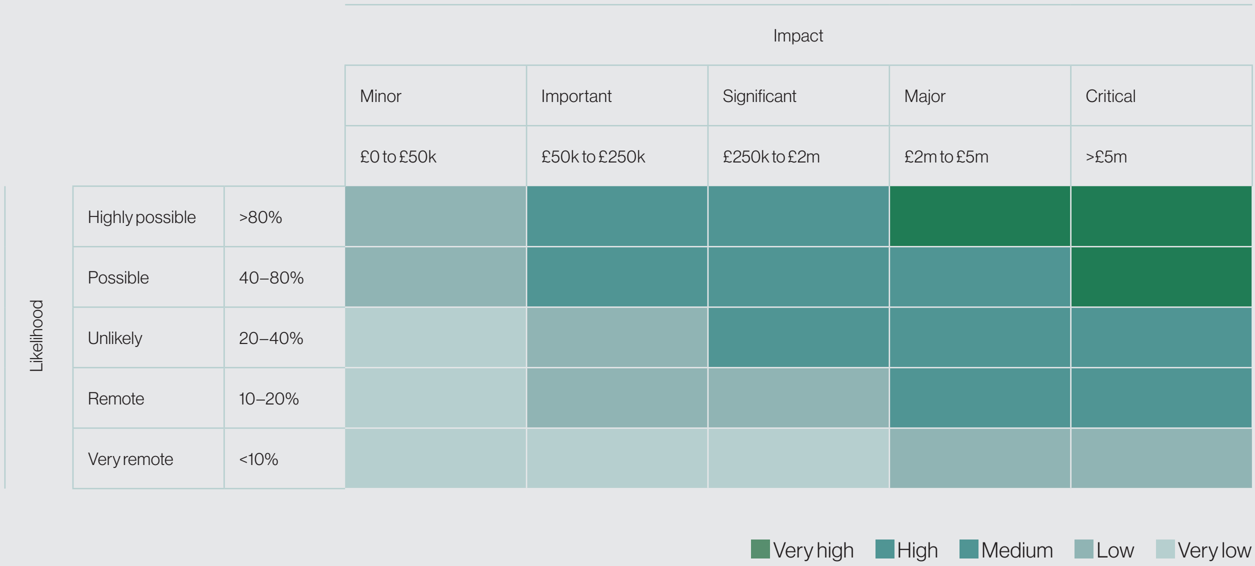
The risk assessment criteria align closely to the Group's risk evaluation matrices in order to enhance integration with the Group's overarching risk management systems and the judgements and estimates applied in our Financial Statements. The likelihood assessment reflects the probability of the risk crystallising over the assessed time period, taking into account industry and geographical considerations. The impact assessment reflects the potential financial losses incurred if the risk were to be realised.

We acknowledged the novelty of climate-related risks, which makes it challenging to define precise financial impacts for the business and continue to iterate its assessment criteria as greater understanding of financial implications at the entity level become known. For FY24 we have continued to use the threshold defined for a critical financial impact as greater than £5 million, which aligns approximately to Group risk appetite as at year end.

At that time, the Group deemed that the potential impacts of climate-related risks did not surpass this threshold and are not expected to over the next three years, the period over which we provide a viability statement. We have therefore determined that no action currently needs be taken to adjust our Financial Statements and regard these disclosures to be consistent with the information contained herein. Additionally, we have determined that climate change will remain categorised as an emerging risk rather than a principal risk due to the result of the current assessment which concluded that critical thresholds are not expected to be breached.

We will continue to monitor this designation closely as we enhance the Enterprise Risk Management ("ERM") framework. See page 59 for more details on emerging risks. Should climate risk assessed as no longer an emerging risk additional resources will be allocated as required.

Group risk assessment criteria



Strategy

The Group identified and assessed climate risks and opportunities to understand their potential impact on different areas of our business and the Group's strategy over the short, medium and long term. These time horizons align with our business and financial planning timelines, including our viability assessment period as noted above, as well as the timelines defined by others in our industry. These time horizons are defined as short term (2024–2025), medium term (2026–2035) and long term (2036+).

Different areas of the business including HR, facilities, technology, procurement, finance and operations were all considered as part of the risk assessment process. Our assessment of the potential consequences to different business units is captured through our mapping of each climate risk to the Group's principal risks. Over the short, medium and long term, the Group's technology department represents the portion of the business with the greatest exposure to both physical and transition risks. The Group's HR and facilities departments are limited in their exposure in the short term, although in the medium to long term, physical risk exposure is likely to increase.

Additionally, the Group monitors variations in the potential climate risks across the geographic locations of the Group's operations and markets, including the UK, Europe, and APAC & Canada. The Group has determined that its exposure to physical risk is most critical in the APAC & Canada region over the medium and long term. We will continue to monitor our exposure carefully and consider more granular assessment of our business units and geographical exposure as appropriate. The results of our assessment of the potential impact and likelihood of our identified climate risks across three climate scenarios are disclosed in the tables on pages 50 and 51.

TCFD continued

Strategy continued

Summary of CMC's climate risk and opportunity register

Physical risks – Acute - Floods and storms

Risk/opportunity description: the risk of floods, storms, and other extreme weather events causing damage to premises/other physical assets and/or wider infrastructure on which we are reliant and disrupting operations. Time horizon - long term.

Mapping to principal risks	Potential financial impacts
– Business continuity and disaster recovery risk – Information technology and infrastructure risk – Procurement and outsourcing risk	– **Revenue losses** linked to outages or loss of technical services that affect client relationships and trust in CMC's platforms and products. – **Increased costs** through damage repair, asset replacement or data service provision if providers are forced to invest more in adaptation and resilience measures.

CMC's response: we will continue to monitor the exposure of its assets and geographies to extreme weather events. As new facilities and data service providers are introduced to the business, climate considerations will be increasingly embedded into decision-making processes.

Physical risks – Acute - Heatwaves

Risk/opportunity description: the risk of extreme heat disrupting operations through damage to premises/other physical assets and/or wider infrastructure on which we are reliant, or affecting the physical safety and security of our people. Time horizon - medium to long term.

Mapping to principal risks	Potential financial impacts
– Business continuity and disaster recovery risk – Information technology and infrastructure risk – People risk – Procurement and outsourcing risk	– **Revenue losses** linked to outages or loss of technical services that affect client relationships and trust in our platforms and products. – **Increased costs** for energy (including outsourced services) to keep key equipment and premises cool and employee absences or productivity losses.

CMC's response: the Group will continue to monitor the exposure of its assets and geographies to heat stress. In particular, we will look to embed consideration of the exposure of our digital infrastructure and location of data centres as we make procurement decisions in the medium to long term.

Transition risks – Technology - Energy price and supply

Risk/opportunity description: the risk of rising energy prices and unstable energy supplies increasing our costs and disrupting our services. Time horizon - short to medium term.

Mapping to principal risks	Potential financial impacts
– Information technology and infrastructure risk – Procurement and outsourcing risk	– **Revenue losses** linked to disruption to energy supply could result in the loss of technical services affecting client relationships and trust in CMC's platforms and products. – **Increased costs** for running business operations and outsourced data services.

CMC's response: the business continuity team held an incident response exercise to prepare for a real-life major incident, in response to the energy crisis. These learnings will inform our ongoing approach to preparing for potential energy insecurity.

Transition risks – Policy - Regulatory and compliance

Risk/opportunity description: the risk that climate-related policy may affect business expansion, current product or service offerings and business operations. Time horizon - short to long term.

Mapping to principal risks	Potential financial impacts
– Preparedness for regulatory change – Regulatory and compliance risk – Tax and financial reporting	**Increased costs** and/or **reduced revenues** through: – additional resources to meet new regulatory requirements or disclosures; – fines in the event of non-compliance; – restrictions to product offerings; and – taxes to fund national climate policies.

CMC's response: we continue to monitor the evolving regulatory environment closely.

Transition risks – Legal and Reputational - Reputational damage

Risk/opportunity description: the risk that stakeholders perceive that our response to climate change is insufficient or inaccurate, leading to reputational damage. Time horizon - short to medium term.

Mapping to principal risks	Potential financial impacts
– Reputational risk – People risk – Procurement and outsourcing risk	– **Decreasing revenues** as customers leave for more climate-friendly competitors. – **Increased costs** and/or **reduced access to capital** through damaged relationships with investors and banks. – **Increased costs** through heightened employee recruitment and retention challenges.

CMC's response: through the Our Tomorrow sustainability strategy, we are increasing our engagement with key stakeholders to better understand their priorities and ensure we are addressing any concerns.

Transition risks – Market

Risk/opportunity description: the risk that product/service offerings don't align with evolving customer preferences or that climate-related factors negatively affect the value of assets on our platform, impacting revenues and profits. Time horizon - short to medium term.

Mapping to principal risks	Potential financial impacts
– Strategic/business model risk	– **Reduced revenues** and **profitability** linked to declining customer demand for products and services. – **Increased costs** of R&D into products or services that support the low carbon transition.

CMC's response: ongoing diversification of our product offering and client base helps to de-risk our exposure. The Group is investing in the integration of ESG considerations into its products and platforms to ensure our offering is aligned with the trajectory of consumer demand.

Strategy continued

Summary of CMC's climate risk register continued

Transition risks – Legal and Reputational - Litigation

Risk/opportunity description: the risk that a perceived failure on behalf of the Group to consider, mitigate or adapt to the risks associated with climate change results in litigation. Time horizon - medium term.

Mapping to principal risks	Potential financial impacts
– Legal risk – Reputational risk	– **Increased costs** through legal fees and settlements to cover the costs of litigation. – **Reduced revenues** as reputation and brand equity are damaged.

CMC's response: we monitor our regulatory requirements closely to ensure our exposure to litigation remains minimal.

Transition risks – Market - Investment

Risk/opportunity description: the risk that our business becomes less attractive to investors as a result of our approach to managing climate risks or that climate risks affect the value of our investments. Time horizon - medium term.

Mapping to principal risks	Potential financial impacts
– Market risk	– **Reduced capital inflows** as a result of impacts on investment attractiveness. – **Reduced investment returns** as climate factors impact the value of investments.

CMC's response: the Group has a holistic strategy for addressing sustainability topics including climate change to better address the concerns of investors and to bolster our risk management systems to account for climate risk.

Transition risks – Market - Cost of capital

Risk/opportunity description: the risk of rising costs to the business as a result of increasing borrowing rates and/or insurance premiums due to climate-related factors. Time horizon - medium to long term.

Mapping to principal risks	Potential financial impacts
– Insurance risk	– **Increased cost of borrowing** affecting investment in the business and its development. – **Rising cost of insurance premiums** and/or **losses** resulting from unpaid insurance claims will increase the running costs of operations.

CMC's response: we are a low debt business and regularly engage with banking counterparties to understand their expectations and forward-looking plans.

Opportunities – Climate-related products and services

Risk/opportunity description: the opportunity to provide financial products that help our client base to invest in the energy transition and climate-friendly investments.

Mapping to principal risks	Potential financial impacts
– Reputational risk – Strategic/business model risk	– **Increased revenue** from new clients that are attracted to the platform due to its ESG capabilities.

CMC's response: we have introduced ESG filters within our investment platforms that allow clients to access climate-friendly investments.

Opportunities – Enhanced stakeholder relationships	
Risk/opportunity description: through proactive action on climate-related issues, we can enjoy reputational benefits with our employees, customers and investors as leaders on climate action in the financial services sector.	
Mapping to principal risks – Reputational risk – Strategic/business model risk	**Potential financial impacts** – **Enhanced access to capital** through positive investor relationships. – **Increased revenue** through improved productivity and innovation through engagement with employees. – **Increased revenue** from new clients attracted to the platform for its positive climate reputation.
CMC's response: we are taking proactive action to improve our climate-related credentials and we proactively engage with employees, investors and other stakeholders.	

Evaluating resilience with climate scenario analysis

To enhance the Group's understanding of our exposure to identified climate risks and to assess our strategic resilience, we conducted a climate scenario analysis exercise facilitated by external consultants for three distinct scenarios. The parameters used to define the scenarios are summarised in the table.

Parameter	Selection	Rationale
Scenario source	Network for Greening the Financial System ("NGFS") Climate Scenarios for central banks and supervisors (Phase III) 2022	– The NGFS has the most comprehensive coverage of risks and opportunities for the financial sector. – It brings together the complex dynamics of the energy, economy and climate systems – including a strong focus on policy and technology variables – and so has strong alignment with CMC's driving forces. – Phase III scenarios were published in late 2022 and take account of the latest trends, data and developments.
Base scenarios	1.5ºC – Net Zero 2050 Scenario ("NZ") – transition risk	– The NZ Scenario is the most ambitious scenario and closely aligned with the Paris Agreement.
	1.6ºC – Delayed Transition Scenario ("DTS") – transition risk	– DTS provides a middle ground to test higher transition and physical risks than NZ.
	3ºC+ – Current Policies ("CP") – physical risk	– CP is the least ambitious scenario, assuming warming in line with current policy measures, giving a sense of what "business as usual" would mean for CMC.
Timeframe	**Short term:** 2024–2025 **Medium term:** 2026–2035 **Long term:** 2036–2050	– The world needs to halve emissions by 2030 in order to reach net zero by 2050 and therefore limit the global rise in temperature by 1.5ºC above pre-industrial levels by 2100.
Geographies	Global with basic focus on Australasia and Europe/UK as benchmark markets	– As this was the first time the Group has conducted a rigorous scenario analysis exercise, the focus has been kept broad to identify significant areas of risk and inform whether more tailored geographical focus is necessary moving forward.

Strategy continued

Evaluating resilience with climate scenario analysis continued

These dimensions were mapped in 2023 to our climate risk register to help focus the content of the scenarios to risks with higher ongoing risk ratings; however, the focus of this exercise was kept broad to encompass the full register of risks. Given there have been no significant changes to our locations and products we are comfortable the mapping remains accurate.

In doing so, we aimed to further enhance our understanding of the identified risks. Using the revised climate risk assessment criteria and as part of the climate scenario exercise, we assessed each of our identified climate risks across the short, medium and long term for each of the assessed scenarios, as shown in the tables below.

Net Zero 2050

Key characteristics

- Temperature: below 2°C
- GDP: -3% by 2030 and -4% by 2050
- Risk level: physical risks are relatively low, but transition risks are higher
- Policy implementation level: immediate and stringent but orderly with low regional variation

Strategic impact

Considering higher carbon prices, clients in the APAC & Canada region may reduce trading on our investment platform as the economy adjusts given the region's emphasis on heavy industry. High inflation may also lead to increased staff overheads, and high interest rates may initially reduce trading activities if cash is preferred as a more stable alternative to markets initially. Initial periods of high volatility and market instability would likely have a positive impact on the Group's trading business.

Risk category	Risk	Short	Medium	Long
Physical risk	Floods and storms			
	Heatwaves			
Transitional risk	Technology risk (energy)			
	Regulatory and compliance risk			
	Reputation risk			
	Market risk			
	Litigation risk			
	Investment risk			
	Cost of capital risk			

Delayed Transition

Key characteristics

- Temperature: below 2°C
- GDP: -2% by 2030 and -6% by 2050
- Risk level: higher physical and transition risks over the medium and long term
- Policy implementation level: delayed until 2030, then sudden, with high regional variation

Strategic impact

We would expect to increase our need for liquidity in the medium term for our institutional businesses in anticipation of customers sitting on cash to ride out a period of market volatility and uncertainty. Our trading business would likely benefit from increased volatility in the marketplace.

Risk category	Risk	Short	Medium	Long
Physical risk	Floods and storms			
	Heatwaves			
Transitional risk	Technology risk (energy)			
	Regulatory and compliance risk			
	Reputation risk			
	Market risk			
	Litigation risk			
	Investment risk			
	Cost of capital risk			

Current Policies

Key characteristics

- Temperature: +3°C
- GDP: -3% by 2030 and -8% by 2050 (up to -20% by 2100)
- Risk level: substantial physical risks over the medium and long term
- Policy implementation level: low; assumes that only currently implemented policies are preserved

Strategic impact

Short-term impact is likely to be limited. As physical climate stress increases in the medium and longer term, the Group's technology infrastructure could be increasingly exposed to heat-related stress in particular. The Australian market would likely be exposed as dampening GDP prospects decrease the appeal of the Group's investing platform.

Risk category	Risk	Short	Medium	Long
Physical risk	Floods and storms			
	Heatwaves			
Transitional risk	Technology risk (energy)			
	Regulatory and compliance risk			
	Reputation risk			
	Market risk			
	Litigation risk			
	Investment risk			
	Cost of capital risk			

A workshop was held comprised of the TCFD working group, a cross-functional group of individuals representing senior team members. Each scenario was presented and interrogated to assess the potential impacts on the Group's strategic resilience. Based on the resulting risk heat map, additional exercises were devised for each of the three scenarios and tailored to the time periods where our climate risk exposure was greatest for each scenario.

The Group's trading business is unlikely to be negatively impacted and may in fact benefit from periods of volatility across the different scenarios. The investing platform may experience more duress if sluggish markets and real economy growth translate into less disposable income among our client base in geographies that are hit harder by physical and transition risks. APAC & Canada has been identified as the region most likely to be impacted, according to our desktop assessment of core geographies, and future scenario analysis exercises will be tailored to this region to explore how these challenges may unfold. Diversification of geographical exposure and client base was identified as the fundamental mitigating action that can be taken to increase climate resilience, a strategy already in place. Overall, we believe our strategy remains resilient in all three scenarios, with impacts likely to be negligible.

Metrics and targets

We have made progress to improve our data capabilities when it comes to climate change and its impact on the environment. This year, we began to define our Scope 3 emissions working towards setting net zero goals and will be reviewing our options to align with the Science Based Targets initiative ("SBTi") in 2024. Our first step to setting goals has been to obtain a better understanding of the Group's carbon profile. Information on our Scope 1, 2 and 3 data definition, our carbon accounting methodology and current carbon profile can be found on page 40.

While we have made progress this year in assessing our climate risks through the updates to our climate risk register and scenario analysis, we are not yet ready to disclose metrics and targets related to these risks. We are quickly progressing our understanding of the nature of these risks and their potential impacts to our business; however, this process remains ongoing. Our focus over FY25 is to improve the processes in place to collect data and so provide a meaningful basis for setting targets aligned to the level of risk this poses to our business.

Driving efficiencies by leveraging our scale to deliver growth and margin expansion

The significant investment made across our platforms over recent years, along with our institutional first approach and focus on high value retail clients, has resulted in strong financial performance across our businesses. Having reached the peak of our investment cycle, our cost efficiency programme and continued robust levels of growth will support an expansion in profit margins in the years ahead.

"I am delighted to announce another year of strong financial performance for CMC Markets. Our net operating income has reached a record level for the Group, excluding the exceptional circumstances of the COVID-19 affected 2021, and this achievement is a testament to the dedication and hard work of our team, as well as the successful execution of our strategic vision, which continue to drive our progress. We are very enthusiastic about the future prospects of our business as we go into 2025."

Albert Soleiman
Chief Financial Officer

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. Adjusted operating expenses is an alternative performance measure that includes impairment of intangible assets, a reconciliation to the primary statements is provided on page 180.

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.

Summary income statement

	2024 £m	2023 £m	Change £m	Change %
Net operating income	**332.8**	288.4	44.4	15%
Adjusted operating expenses	**(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[1]	**19.0%**	18.1%	0.9%pts	—
Profit after tax	**46.9**	41.4	5.5	13%

	2024 Pence	2023 Pence	Change Pence	Change %
Basic EPS	**16.7**	14.7	2.0	14%
Ordinary dividend per share[2]	**8.3**	7.4	0.9	12%

1 Statutory profit before tax as a percentage of net operating income.

2 Ordinary dividends paid/proposed relating to the financial year, based on issued share capital as at 31 March of each financial year.

Net operating income overview

	2024 £m	2023 £m	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.

The components of the presentation above are alternative performance measures, a reconciliation to the primary statements is provided on page 180.

Financial review continued

Trading performance overview

	2024 £m	2023 £m	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

	2024		2023		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 cash 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 by elevated base rates and higher cash balances for both own funds and clien funds.

The majority of the Group's interest income is earned through our segregated client deposits in our UK, Australia and New Zealand business. 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.

	2024 £m	2023 £m	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 remuneration	**249.5**	217.2	(15%)
Variable remuneration	**17.7**	16.7	(6%)
Adjusted operating expenses including variable remuneration	**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 assets

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 benefits resulting from the reduction in global headcount.

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

	2024 £m	2023 £m	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 UK 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 targeted 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 project related 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.

Financial review continued

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

	2024 £m	2023 £m
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 receivable / (payable)	**(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. For the relevant line names, 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 charges.

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 receivable and payables arising from clients trading 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.

	2024 £m	2023 £m
CET1 capital[1]	**383.1**	363.1
Less: intangibles and net deferred tax assets[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 which is available to fund margins required to be posted at brokers to support the trading business. 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).

	2024 £m	2023 £m
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 clients which have entered a TTCA with the firm. This is in accordance with, 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 client money bank accounts with major banks that meet strict internal criteria and are held separately from the Group's own money.

The Group has comprehensive client money processes and procedures in place to ensure client money is identified and protected at the earliest possible point after receipt as well as governance structures which ensure such activities are effective in protecting client money. The Group's governance structure is explained further on pages 75 to 82 of the 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 will support profit margin expansion in the medium term. On this basis, the Group maintains its belief that it will continue to generate sufficient cash to support operations.

Financial review continued

Viability statement continued

Long-term prospects continued

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 investment required to support growth. 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.

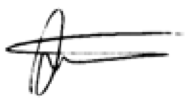
In addition to considering the above, the Group also monitors performance against pre-defined budget expectations and risk indicator, which provide early warning to the Board, allowing management action to be taken where required including the assessment of new opportunities.

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 page 59 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

Risk management

Our Risk Management Framework enables a consistent approach to the identification, mitigation and management of risks, which is essential to achieve our strategic objectives.

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.

01 Board

Ultimately responsible for defining risk appetite, risk strategy and the evaluation of the adequacy of our risk framework. Achieved through Board sub-committees.

02 Executive Committees

Responsible for execution of Board's risk strategy including risk appetite and management of our key risks.

03 Second line and control functions

The second line is responsible, with support from certain control functions, for oversight and advice. The second line comprises the risk management function (including financial, liquidity and operational risk), compliance and financial crime. Legal, finance, data privacy and security functions are also considered to provide control function activities within the Group.

04 First line business functions

Responsible for identification, assessment and management of risks. Includes the design, implementation and monitoring of suitable controls, issue management, KRIs and risk appetite reporting.

Risk management continued

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.

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; their management is set out in the principal risks, 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 findings 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.

Principal risks

Business and strategic risks

Strategic Risk

Key risk description

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.

Risk exposure and appetite

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.

Key mitigations and controls

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

Key risk description

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.

Risk exposure and appetite

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.

Key mitigations and controls

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-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

Principal risks continued

Financial risks continued

Liquidity Risk

Key risk description

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.

Risk exposure and appetite

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.

Key mitigations and controls

We minimise our exposure to and impacts of liquidity risk by:

Principal:

- 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

Matched Principal 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)

Credit and Counterparty Risk

Key risk description

The risk of losses arising from a counterparty failing to meet its obligations as they fall due.

Risk exposure and appetite

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.

Key mitigations and controls

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

Insurance Risk

Key risk description
Risk of failure in insurance for risks and perils that the insurance company has agreed to provide indemnity for.

Risk exposure and appetite
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.

Key mitigations and controls
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

Operational risks

Operational Risk is an expected consequence of normal business operations. It is not possible, or effective, to eliminate all risks that are inherent in our activities, so we minimise our exposure to these risks through implementation of robust controls. We strive to always comply with applicable regulations and legislation.

Business Disruption and Resilience

Key risk description
Risk of inability to maintain and restore essential functions of the business.

Risk exposure and appetite
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 cyber attacks 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.

Key mitigations and controls
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 risks continued

Operational risks continued

Internal Fraud

Key risk description
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.

Risk exposure and appetite
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.

Key mitigations and controls
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

External Fraud

Key risk description
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.

Risk exposure and appetite
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.

Key mitigations and controls
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

Physical Security and Safety

Key risk description
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.

Risk exposure and appetite
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.

Key mitigations and controls
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

Financial Crime

Key risk description
The risk of money laundering, terrorist financing, sanctions violations, bribery and corruption, and KYC failure.

Risk exposure and appetite
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 .

Key mitigations and controls
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

Information Security and Data Privacy

Key risk description
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.

Risk exposure and appetite
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.

Key mitigations and 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

Technology Risk

Key risk description
The risk associated with the failure or outage of systems, including hardware, software and networks.

Risk exposure and appetite
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.

Key mitigations and 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 risks continued

Operational risks continued

Legal Risk

Key risk description
The risk of errors in legal procedures and processes and breaches of CMC's legal obligations.

Risk exposure and appetite
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.

Key mitigations and controls
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

Third-Party Risk

Key risk description
Risk of failure to implement effective oversight over outsourced arrangements and other third-party relationships.

Risk exposure and appetite
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.

Key mitigations and controls
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:

- Documented intra- group agreements with appropriate service level agreements
- Adequate oversight arrangements, including monitoring and reporting against service levels

People

Key risk description
The risk of breaching employment legislation, mismanaging employee relations, and failing to ensure a safe work environment.

Risk exposure and appetite
At CMC, we align our people plan to our business strategy which results in expansion and contraction in line with delivery of strategic initiatives.

Key mitigations and controls
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

Transaction processing and execution

Key risk description
Failure to process, manage and execute transactions and/or processes (such as change programme) correctly and/ or appropriately.

Risk exposure and appetite
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.

Key mitigations 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
- Performing root cause analysis on any incidents for continuous improvement

Compliance with Regulation and Legislation

Key risk description
Failure to manage and comply with any legal or regulatory obligations.

Risk exposure and appetite
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.

Key mitigations and controls
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

Conduct and Improper business practices

Key risk description
Failure to act in accordance with customers' best interests, fair market practices, and codes of conduct to deliver good outcomes.

Risk exposure and appetite
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 support the integrity of the markets in which we operate.

Key mitigations and controls
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 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

Principal risks continued

Operational risks continued

Statutory Reporting and Tax

Key risk description
Risk of failing to meet statutory and regulatory reporting and tax payments/ filing requirements.

Risk exposure and appetite
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.

Key mitigations and controls
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

Data Management

Key risk description
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).

Risk exposure and appetite
CMC is exposed to data management risk across the data lifecycle through the creation, consumption and recording of extensive data within our platforms, systems and accounting ledgers.

We have low appetite of losses resulting from poor data management.

Key mitigations and controls
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 data is, the source and data quality characteristics

– Establishing documented procedures for the appropriate storing, management and disposing of data

Model Risk

Key risk description
The risk of incorrect model design, improper implementation of a correct model, or inappropriate application of a correct model.

Risk exposure and appetite
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.

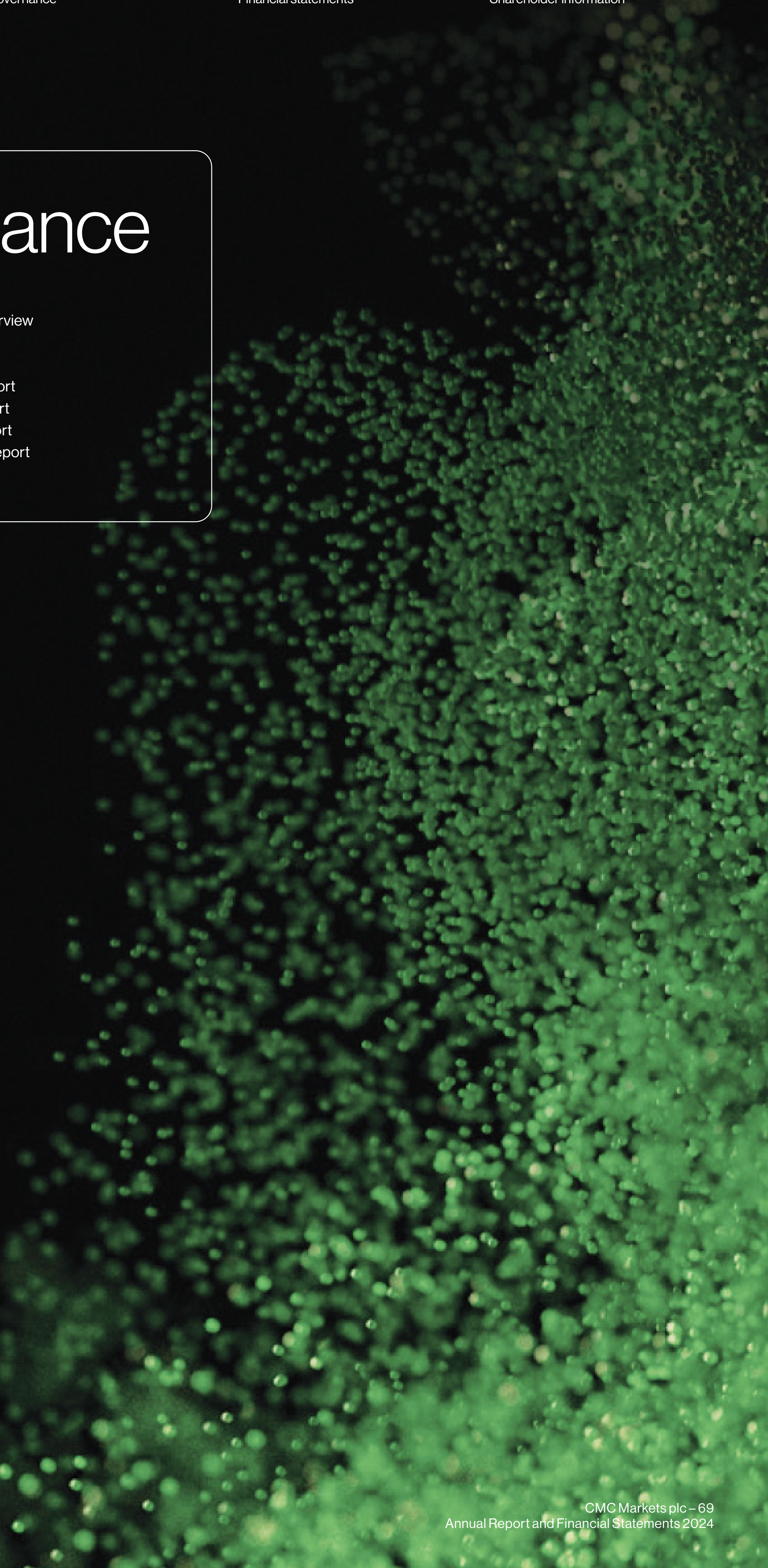
Key mitigations and controls
We minimise our exposure to model risk by:

– 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

Governance



Chairman's governance overview

The Board has remained focused on delivery of the Group's strategy and long-term sustainable success

Dear shareholder,

On behalf of the Board, I am pleased to present the Group's Governance report for the year ended 31 March 2024.

In my Chairman's statement on page 8, I refer to some of the key strategic decisions and challenges for the Group during the year. In an uncertain economic and geopolitical environment, the Board has remained focused on delivery of the Group's strategy and long-term sustainable success and in ensuring value for our shareholders and stakeholders. The Board continues to recognise that effective governance is key to the Group's success and our governance framework enables decisions to be taken which are most appropriate for the business. During the year the Board has overseen, supported and challenged management to execute our strategy for the benefit of all our stakeholders.

During the year the Group continued to enhance its Enterprise Risk Management ("ERM") framework and governance practices to monitor risk in response to recommendations arising from the recent governance review undertaken by Independent Audit Ltd, and last year's external review of our ERM framework.

The Board, supported by the Group Risk Committee, assessed and approved plans for our implementation of the FCA's Consumer Duty and the embedding of processes to ensure we deliver good outcomes for our retail customers.

We have also continued our programme of internal controls improvements, both in relation to areas previously identified and to ensure we are well placed to comply with new reporting requirements being introduced.

"During the year, the Board has continued to review its own composition to ensure it remains appropriate to oversee the delivery of the Group's strategy."

James Richards
Chairman

UK Corporate Governance Code

As a company listed on the Main Market of the London Stock Exchange, CMC Markets plc is subject to the Principles and Provisions of the UK Corporate Governance Code 2018 (the "Code") published by the Financial Reporting Council ("FRC") and available at www.frc.org.uk.

For the financial year ended 31 March 2024, the Board considers that the Company complied with the Principles and Provisions of the Code throughout the period. Details of our corporate governance framework are available on page 79.

The Governance report and individual Committee reports on pages 75 to 114 each set out the ways in which the Company has applied the Principles and complied with the Provisions of the Code and describe the activities of the Board and its Committees and the matters they have considered during the financial year.

The 2024 UK Corporate Governance Code (the "2024 Code") was published by the FRC in January 2024. The 2024 Code will begin to apply to CMC Markets from 1 April 2025. We are already considering the changes introduced in the 2024 Code and will report on progress at the appropriate time.

Leadership

It is critical that the Board has the right composition so it can provide balanced leadership for the Group and the independent discharge of its duties to shareholders. This relies on the Board having the right balance of skills, experience and objectivity, as well as a good working knowledge of the Group's business.

During the year, the Board has continued to review its own composition to ensure it remains appropriate to oversee the delivery of the Group's strategy. Further details of the Board's skills and experience are available on pages 72 to 74.

The Board and its Committees have continued to perform effectively during the year, as confirmed by our Board performance review. Further details of the review are set out on page 92.

During the year the Board was pleased to approve the appointment of Albert Soleiman as Chief Financial Officer and Executive Director with effect from 1 September 2023, following the resignation of Euan Marshall. Euan retired from the Board on the same date but remained with the Group for the next few months to support the orderly transition of the CFO role. Albert first joined CMC in 2005, having qualified as a chartered accountant with KPMG. He has extensive knowledge of the Group and prior to his appointment as CFO, he led the launch of our CMC Invest UK business, which is a key part of our diversification strategy and enables our clients to generate long-term wealth through its investing platforms.

His appointment has added to the diversity of the Board in terms of experience and viewpoint and also means that at least one member of the Board is from a minority ethnic background. 60% of the Non-Executive Directors are female.

Susanne Chishti has advised she is not putting herself up for re-election at this year's AGM. I would like to thank Susanne for her dedication to the role as a Non-Executive Director at CMC and the insights she brought to Board discussions particularly in relation to people matters. We wish her well in her future endeavours.

Board biographies can be found on pages 72 to 74. More details on Board changes, our assessment of the balance of leadership skills and experience, and our talent and succession planning processes can be found in the Nomination Committee report on pages 90 to 93.

The balance of skills, experience and independence of the Board and individual Directors is subject to ongoing review by the Nomination Committee.

ESG and sustainability

The Board continues to support the Group's focus on sustainable business. Last year the Group introduced the Our Tomorrow sustainability strategy with its five core pillars, focused on the delivery of our material environmental, social and governance ("ESG") risks. This year, we have continued to follow the five sustainability pillar approach. More information is included in the Our Tomorrow section on pages 32 to 39.

Stakeholder engagement

Our stakeholders are essential to the success of the Group and the Board recognises the importance of engagement with them. The Section 172 statement, our summary of engagement with stakeholders on pages 23 to 27 and the statements on pages 81 and 83 of the Governance report provide more details in relation to how the Group has managed stakeholder engagement in the year under review.

As Chairman, I am responsible for the effective communication between shareholders and the Company and for ensuring the Board understands the views of major shareholders and I will also always make myself available to meet any of our shareholders who wish to discuss matters regarding the Company. To that end I have, with the Senior Independent Director, met with a number of shareholders over the course of the last 12 months. The principal communication with private shareholders is through our full-year and interim results announcements, ad hoc updates, the Annual Report and our Annual General Meeting ("AGM"). We are holding our AGM on Thursday 25 July 2024 and hope that our shareholders will attend. My fellow Directors and I will be available to answer any questions that shareholders may have about the Company.

Priorities for the year ahead

In the year ahead, the Group will continue its strategy of growth and of product and geographical diversification, with a particular focus on institutional clients and the business-to-business sector. The Board will remain focused on delivering for our stakeholders and ensuring that the Group's governance framework supports the requirements of the Group as it develops. This will include consideration of Board succession and my succession as Chairman as the year progresses.

James Richards

James Richards
Chairman
20 June 2024

Board of Directors

James Richards
Independent Chairman

Appointment
1 April 2015

Committee membership
G R N

Skills and experience
James joined the Group as a Non-Executive Director in April 2015 and was appointed as Chairman with effect from 1 January 2018 and Chair of the Nomination Committee from 31 January 2018.

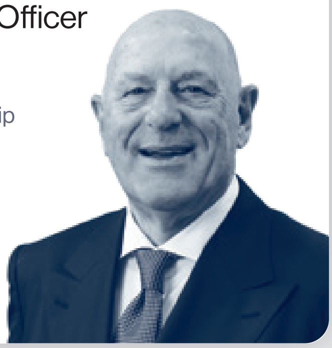
He has previously held positions as Chair of the Remuneration Committee and interim Chair of the Group Risk Committee and Audit Committee, and been a member of the Nomination Committee and Group Audit Committee. James was admitted to the roll of solicitors in England and Wales in 1984 and in the Republic of Ireland in 2012. James was a partner at Dillon Eustace, a law firm specialising in financial services in Ireland (2012 to 2016). Prior to this he was a finance partner at Travers Smith LLP for 14 years. Having occupied various senior positions within leading law firms, James has extensive experience in derivatives, debt capital markets and structured finance and his leadership skills are key to the long-term sustainability of the Group.

Current external appointments
None

Lord Peter Cruddas
Chief Executive Officer

Appointment
3 June 2004

Committee membership
E



Skills and experience
Peter founded the Group and became its Chief Executive Officer in 1989. Peter held this role until October 2007 and again between July 2009 and June 2010. Between 2003 and March 2013, he also served as the Group's Executive Chairman. In March 2013, he once again became the Group's Chief Executive Officer and is responsible for running the Group on a day-to-day basis. Prior to founding the Group, Peter was chief dealer and global group treasury adviser at S.C.F. Equity Services, where he was responsible for all the activities of a dealing room whose principal activities were trading in futures and options in currencies, precious metals, commodities and spot forwards on foreign exchange and bullion. His continued entrepreneurial leadership is important to the long-term growth and sustainability of the Group.

Current external appointments
- The Peter Cruddas Foundation – director
- Finada Limited – director
- UK House of Lords – member

Paul Wainscott
Senior Independent Director

Appointment
19 October 2017

Committee membership
A G R N

Skills and experience
Paul joined the Group as an independent Non-Executive Director in October 2017 and acts as the Group's Senior Independent Director. Paul served as finance director at the Peel Group for 27 years until March 2018. During his time at the Peel Group, Paul gained wide experience at board level and in several different business sectors, including real estate, transport, media and utilities. Paul's financial experience, gained via a variety of sectors, is key to his contributions and to the long-term sustainability of the Group.

Current external appointments
None

Committee membership

A Group Audit Committee
R Remuneration Committee
G Group Risk Committee
M Executive Risk Committee
N Nomination Committee
E Executive Committee
Chairman

Sarah Ing
Independent Non-Executive Director

Appointment
14 September 2017

Committee membership
A G R N

Skills and experience

Sarah joined the Group as a Non-Executive Director in September 2017. She has over 30 years' experience in accountancy, investment banking and fund management, including time with HSBC and UBS. She is a chartered accountant and was a top-rated equity research analyst covering the general financials sector. Sarah also founded and ran a hedge fund investment management business.

Sarah's investment and financial knowledge and the experience she brings from her other plc appointments add value to the ongoing sustainability of the Group.

Current external appointments

- Marex Group plc – non-executive director, chair of the audit and compliance committee and member of the remuneration, nomination and risk committees
- XPS Pensions Group plc – non-executive director, chair of the sustainability committee and audit and risk committees and member of the remuneration and nomination committees
- City of London Investment Group PLC - non-executive director, member of the audit, nomination and remuneration committees

Clare Francis
Independent Non-Executive Director

Appointment
19 December 2022

Committee membership
A G R N

Other responsibilities:
Consumer Duty Champion

Skills and experience

Clare joined the Group as a Non-Executive Director in December 2022. Having started her career at NatWest, she has over 25 years' experience operating at board level in large companies in the UK and overseas and has spent over 25 years in banking and markets. She has experience in driving emerging markets across Asia, Africa and the Americas. She is an honorary fellow of the Association of Corporate Treasurers and has sat on the boards of AFME and BAB.

Clare was most recently the global banking head of Europe, chief executive of Standard Chartered Bank UK and global head of investors and insurance at Standard Chartered Bank. Clare has also held roles as head of global corporates/ international and global head of financial market sales at Lloyds Banking Group and was head of European financial market advisory at HSBC. She is also a senior adviser to Provenance Blockchain, which provides insight into fintech and the disruption of financial services, and a non-voting member of the investment management company, Baillie Gifford. Clare is also a non-executive at Bank of America (MLI). Clare's extensive global experience and her input into the ongoing improvements to the Group's risk and internal controls management are key to the long-term sustainability of the Group.

Current external appointments

- Department of International Trade TAG – board member
- Infrastructure Exports: UK – board member
- Baillie Gifford – voting member of the risk committee
- Bank of America (MLI) – non-executive

Susanne Chishti
Independent Non-Executive Director

Appointment
1 June 2022

Committee membership
A G R N

Other responsibilities:
Non-Executive Director for workforce engagement

Skills and experience

Susanne joined the Group as a Non-Executive Director in June 2022.

She started her career working for a financial technology ("fintech") company in Silicon Valley. She has 25 years' experience in fintech, banking, investment management and consulting, including time with Deutsche Bank, Lloyds Banking Group, Morgan Stanley Investment Management and Accenture.

Susanne is the co-author of seven fintech books published by Wiley. She is often invited to share her fintech thought leadership at international fintech conferences and as a judge at fintech competitions. Her extensive knowledge of the fintech sector and experience of advising on leadership and engagement matters are invaluable to the long-term sustainability of the Group.

Current external appointments

- FINTECH Circle – chair
- Crown Agents Bank Limited – non-executive director
- CAB Payments Holdings PLC – non-executive director

Board of Directors continued

Albert Soleiman
Chief Financial Officer

Appointment
1 September 2023

Committee membership
E M

Skills and experience
Albert joined the Group in 2005 and became Group Head of Tax in 2008. After a short period working with a fintech company, Albert became CEO of our CMC Invest UK business, where he built a deep understanding of the strategic fit for the business within the CMC Group and its position in the market. Albert was appointed Group CFO on 1 September 2023, with responsibility for the management of all finance functions globally and investor relations. Albert has extensive tax and commercial experience, having operated in tax consultancy roles with KPMG and William Buck (an Australian accounting firm) before joining CMC. Albert holds a Bachelor of Business (Accountancy) from the Royal Melbourne Institute of Technology and completed the Chartered Accountant programme with the Institute of Chartered Accountants in Australia.

Albert's extensive knowledge of the Group will support the execution of its diversification strategy.

Current external appointments
None

Matthew Lewis
Head of Asia Pacific & Canada

Appointment
1 November 2019

Committee membership
E M

Skills and experience
Matthew joined the Group in September 2005 and has held a variety of roles including Senior Dealer, Head of Eastern Equities, Head of Sales Trading ANZ, Head of Trading Eastern Region and Director of Asia. In his current role as the Head of Asia Pacific & Canada, he is responsible for implementing the Group's business strategies across the APAC & Canada region for both the retail and wholesale CFD and foreign exchange business. He is also responsible for the Group's Invest Australia business. Prior to joining the Group, Matthew worked for Commonwealth Securities, Australia's largest provider of financial services, dealing in equities before moving into derivatives as an options trader and warrants representative. Matthew has over 20 years' experience in financial services and holds a Bachelor of Economics from the University of Sydney.

Matthew's understanding of the APAC business and its growth and development is important to the long-term sustainability of the Group.

Current external appointments
None

David Fineberg
Deputy Chief Executive Officer

Appointment
1 January 2014

Committee membership
E M

Skills and experience
David joined the Group in November 1997, working on the trading desk and developing the Group's multi-asset CFD and spread bet dealing desk. As a Senior Dealer he was responsible for managing the UK and US equity books. Between April 2007 and September 2012, he was the Group's Western Head of Trading, covering all asset classes for the western region. In September 2012 David was appointed to the role of Group Head of Trading and in January 2014 was appointed as the Group Director of Trading, with overall responsibility for the trading and pricing strategies and activities across the Group.

In June 2017 his role further expanded when he became Group Commercial Director, and then in April 2019 he was promoted to the position of Deputy Chief Executive Officer.

David's in-depth knowledge of the business and the opportunities for growth and evolving strategy is important to the long-term sustainability of the Group.

Current external appointments
None

Committee membership

A Group Audit Committee
R Remuneration Committee
G Group Risk Committee
M Executive Risk Committee
N Nomination Committee
E Executive Committee
Chairman

Corporate governance

The Board

The role of the Board

The Board provides entrepreneurial leadership and strategic oversight in relation to the long-term, sustainable success of the Company.

The Board, taking account of relevant stakeholder interests, is responsible for the establishment of the Group's purpose, values and strategy and has oversight of implementation within necessary financial, human resources and cultural frameworks.

The Board has ultimate responsibility to prepare the Annual Report and Financial Statements and to ensure that appropriate internal controls and risk management systems are in place in order to assess, manage and mitigate risk.

The Board delegates the in-depth review and monitoring of internal controls and risk management to the Group Audit Committee and Group Risk Committee respectively.

The terms of reference of these Board Committees (and the Remuneration and Nomination Committees) are available on the CMC Markets plc Group website (www.cmcmarkets.com/group/about-us/governance/committees).

Board leadership and purpose

The Board provides entrepreneurial leadership and oversight of the delivery of strategic objectives and the long-term, sustainable success of the Company, taking into account different stakeholder priorities and employee engagement feedback.

The Board considers any material diversification of the Company's product offerings to ensure a robust range of products designed to be successful within a changing regulatory environment and appeal to changing stakeholder requirements, with the objective of preserving long-term value.

Stakeholder and employee-related matters form part of the Board's decision-making processes, facilitated by the investment in employee engagement surveys, the work of the designated Non-Executive Director for workforce engagement, ongoing shareholder dialogue and market feedback.

Our Section 172 statement on pages 23 and 24 and the separate reports of the various Board Committees provide more detail on how the Board and its Committees have discharged their duties during the year. The Our Tomorrow section on pages 32 to 39 sets out the work being done by the Group in relation to sustainability matters and the Strategic report on pages 1 to 68 provides more detail on some of the activities to continue the investment and diversification of the business. The Board's leadership recognises the importance of a working culture which promotes inclusion and acceptance of differing approaches to facilitate the successful delivery of strategic projects and initiatives. We have a culture that is focused on providing a superior technology experience for our clients which is aligned to our purpose, values and strategy. To support this it is important that our people are engaged with this goal and have the knowledge to ensure they are motivated to provide a good client experience. Our Section 172 statement, Stakeholder engagement section and Our Tomorrow section provide information on some of the initiatives undertaken throughout the year to engage with employees.

The Group has an established process in relation to the reporting and processing of employee-related issues. Within a structure ultimately overseen by the Board, any employee can raise a matter of concern at any time through day-to-day management reports or whistleblower channels as appropriate. The Board receives a whistleblowing report annually which will highlight matters raised and any updates to the whistleblowing procedures and Group policy.

The Board recognises the importance of understanding employee engagement and the prevailing Group culture to enable alignment with delivery on strategy in a way that ensures a commitment to the Group's values.

Board composition

The Directors who held office during the financial year, and their attendance at scheduled meetings, is shown below.

Name	Position	Board meetings	Group Audit Committee	Group Risk Committee	Nomination Committee	Remuneration Committee
Number of meetings		7	7	7	7	8
James Richards[1]	Chairman	7(7)	—	6(7)	6(7)	7(8)
Paul Wainscott[2]	Senior Independent Director	7(7)	7(7)	6(7)	6(7)	8(8)
Sarah Ing	Independent Non-Executive Director	7(7)	7(7)	7(7)	7(7)	8(8)
Clare Francis	Independent Non-Executive Director	7(7)	7(7)	7(7)	7(7)	8(8)
Susanne Chishti	Independent Non-Executive Director	7(7)	7(7)	7(7)	7(7)	8(8)
Lord Cruddas	Chief Executive Officer	7(7)	—	—	—	—
David Fineberg	Deputy Chief Executive Officer	7(7)	—	—	—	—
Matthew Lewis[3]	Head of Asia Pacific & Canada	6(7)	—	—	—	—
Albert Soleiman[4]	Chief Financial Officer	4(4)	—	—	—	—
Euan Marshall[5]	Chief Financial Officer	2(2)	—	—	—	—

The figures in brackets denote the number of meetings the Director was eligible to attend.

1 James Richards missed three Committee meetings due to illness.

2 Paul Wainscott missed two Committee meetings due to illness.

3 Matthew Lewis sent his apologies for one Board meeting which had been called at short notice and took place in the evening in the UK, making it impractical for him to attend due to the time difference.

4 Albert Soleiman was appointed as Chief Financial Officer on 1 September 2023.

5 Euan Marshall retired from his position as Chief Financial Officer on 1 September 2023.

The Board continued

Board composition continued

The Board also met on various occasions on an ad hoc basis throughout the year to discuss matters such as potential investments, final and interim results, dividends and the appointment of the new CFO.

Activities of the Board

The Board has a comprehensive meeting planner that ensures all matters for Board consideration are presented and reviewed in a timely manner.

Key areas of focus during this financial year were:

- consideration and approval of the Annual Report and Financial Statements, half-year results and interim dividend approvals;
- selection and appointment of the Group CFO;
- review of the efficiency and cost reduction proposals for the Group and the impact on employees and of the subsequent employee engagement surveys;
- approval of Group property management issues;
- ongoing review of CMC Markets plc governance arrangements;
- consideration of intra-group outsourcing and service arrangements;
- the development and launch of new products and expansion of our business into new regions;
- risk management and risk appetite including adoption of the Enterprise Risk Management Framework and associated Risk Appetite Statements;
- the review and approval of ICARA and other regulatory documents;
- oversight of CASS reporting and compliance;
- approval of Board policies, e.g. whistleblowing;
- consideration of the sustainability strategy, targets and KPIs;
- assessment of the impact on the Group of the FCA's Consumer Duty regulations; and
- insurance renewal arrangements and approvals.

Some of the key decisions made by the Board impacting stakeholders during the year are described in the Section 172 statement on pages 23 and 24.

Board balance

Provision 10 of the Code considers that a Director may not be regarded as independent after serving for more than nine years on the Board. As noted on page 80, the Chairman joined the Board on 1 April 2015, and after 1 April 2024 had served on the Board for more than nine years. During the year ended 31 March 2024 the Chairman was considered to be independent under the criteria of Provision 10 of the Code but was no longer considered to be independent from 1 April 2024. In line with the Code, over half of the Board members, excluding the Chair, are independent non-executive directors. There is a clear division of responsibilities between the executive leadership and the Board as noted on page 78.

Board support

The Board operates in accordance with the provisions of the Articles of Association and established processes and approved policies, as appropriate, and has access to relevant resources as required.

Each Director has access to the Company Secretary, who is responsible for advising the Board on governance matters and supporting the efficient functioning of the Board and its Committees. The Company Secretary provides meeting papers to Directors in a timely manner to allow for conducive and effective Board and Board Committee meetings and attends all Board and Committee meetings in order to provide appropriate advice on corporate governance and matters of procedure. The appointment and removal of the Company Secretary are matters for the Board.

As stated in each of the Board Committees' terms of reference, the Directors may take independent professional advice at the Company's expense.

Matters reserved for the Board

It is recognised that certain matters cannot, or should not, be delegated and the Board has adopted a schedule of matters reserved for Board consideration and approval. The matters reserved for the Board fall into the following areas:

- strategy and management;
- structure and capital;
- financial reporting and controls;
- internal controls and risk management;
- contracts;
- communications;
- Board membership and other appointments;
- remuneration;
- delegation of authority;
- corporate governance matters;
- policies;
- political and charitable donations;
- appointment of principal professional advisers;
- material litigation;
- whistleblowing;
- Modern Slavery Statement;
- pension schemes; and
- insurance.

The schedule of matters reserved for the Board is available on the CMC Markets plc Group website, www.cmcmarkets.com/group/about-us/governance.

Division of responsibilities

The roles of the Chairman and Chief Executive Officer ("CEO") are separate, clearly defined in writing and agreed by the Board.

Chairman

Responsibilities of the Chairman include:

- leadership of the Board, with responsibility for its overall effectiveness in directing the Company, and ensuring open and effective communication between the Executive and Non-Executive Directors;
- ensuring Directors receive accurate, timely and clear information and that Board meetings are effective by setting appropriate and relevant agenda items, creating an atmosphere whereby all Directors are engaged and free to enter healthy and constructive debate;
- ensuring effective communication between major shareholders and the Board;
- overseeing each Director's induction and ongoing training; and
- leadership of the Board effectiveness process through his role as Chair of the Nomination Committee.

CEO

Responsibilities of the CEO include:

- day-to-day management of the Group's business and implementation of the Board-approved strategy;
- acting as Chair of the Executive Committee and leading the senior management team in devising and reviewing Group development for consideration by the Board;
- responsibility for the operations and results of the Group; and
- promoting the Group's values, culture and standards.

Senior Independent Director

Responsibilities of the Senior Independent Director include:

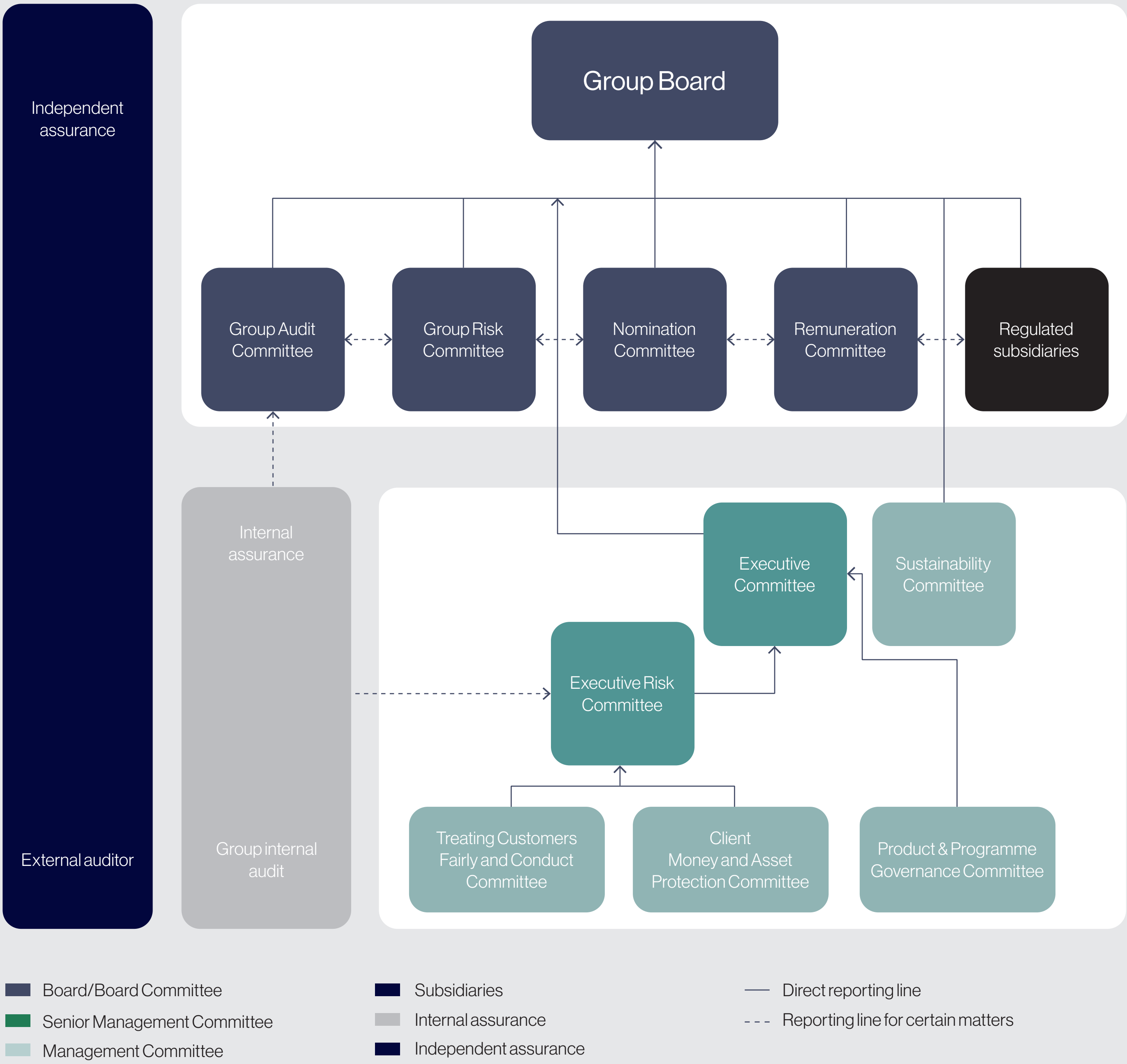
- acting as a sounding board for the Chairman and serving as an intermediary for the other Directors as necessary;
- acting as lead independent Non-Executive Director;
- leading the Non-Executive Directors in the performance evaluation of the Chairman, with input from the Executive Directors; and
- being available to shareholders in the event that the Chairman, Chief Executive Officer or other Executive Directors are unavailable.

Non-Executive Directors

Responsibilities of the Non-Executive Directors include:

- providing strategic guidance and constructively challenging management proposals and providing advice in line with their respective skills and experience;
- helping to develop proposals on strategy;
- reviewing the performance of management and individual Executive Directors against agreed performance objectives;
- having a prime role in appointing and, where necessary, removing Executive Directors; and
- having an integral role in succession planning.

Governance structure as at 31 March 2024



Accountability

Election and re-election of Directors

The 2024 Annual General Meeting ("AGM") will be held at 10:00 a.m. on 25 July 2024 at 133 Houndsditch, London EC3A 7BX.

Directors newly appointed to the Board are required to submit themselves for election by shareholders at the AGM following their appointment. In accordance with the Code all other current Directors, other than Susanne Chishti who is stepping down from the Board at the AGM, will offer themselves for re-election at the forthcoming AGM.

Following recommendations from the Nomination Committee and review by the Chairman, the Board considers that all Directors continue to be effective, remain committed to their roles and have sufficient time available to perform their duties. Biographies for each Director, which set out the reasons why the Board believes each Director's contribution is, and continues to be, important to the Group's long-term, sustainable success, are available on pages 72 to 74.

Chairman's tenure

James Richards was appointed to the Board on 1 April 2015 and had therefore served on the Board for nine years with effect from 1 April 2024. Out of these nine years, he served for two years and nine months as a Non-Executive Director and will have served six years and three months as Chairman.

Having regard to the Provisions of the 2018 UK Corporate Governance Code, the Nomination Committee, led by the Senior Independent Director, met without James present in May 2023 and February and March 2024 to discuss the Chairman's succession.

In line with a recommendation from our major shareholder and CEO, the Committee considered and agreed to recommend to the Board that James' appointment to the Board and as Group Chairman be extended until the close of the AGM in 2025 in order to provide continuity while we navigate through our diversification strategy, increase our product range and expand our institutional business. This proposal was approved by the Board and a resolution in relation to James' re-election will therefore be presented to shareholders for approval at the 2024 AGM.

From 1 April 2024 James was no longer considered to be independent. In line with Provision 11 of the Code, excluding the Chairman, at least half of the Board comprises independent Non-Executive Directors who are considered to be independent.

The Committee will continue to consider succession plans for the Chairman.

After 1 April 2024, James stood down as a member of the Risk and Remuneration Committees but remained a standing invitee of both Committees. James remained the Chair and a member of the Nomination Committee but will not participate in the process to select a successor as Chairman of the Board.

Independence of Non-Executive Directors and time commitment

The Board carries out a review of the independence of its Non-Executive Directors on an annual basis and considers each of the Non-Executive Directors, including the Chairman, to be independent in character and judgement. Each Director is aware of the need to allocate sufficient time to the Company in order to fulfil their responsibilities and is notified of all scheduled Board and Board Committee meetings. Non-Executive Directors are expected to obtain the agreement of the Chairman before accepting additional commitments that might affect the time they are able to devote to their role in the Company.

Directors' induction, training and evaluation

On appointment, new Directors receive a comprehensive and formal induction, which is facilitated by the Company Secretary in consultation with the Chairman.

The Nomination Committee ensures that an annual evaluation of the Board, Board Committees and individual Directors is undertaken. More information is provided in the Nomination Committee report on page 92.

The Board undertook a skills assessment of the Directors which, together with any observations made as part of the Board evaluation process, is used by the Company to tailor induction meetings and training requirements for each Director. One-to-one meetings are arranged between the Director and the management teams in relevant areas of the business as part of the induction. This allows an incoming Director to familiarise themselves with the management team and their respective roles and responsibilities and to gain a greater understanding and awareness of the firm's business and the industry in which it operates. These meetings also provide an opportunity for new Directors to discuss the business strategy and model, risk management, governance and controls, the requirements of the regulatory framework and the culture of the Group. These meetings and training arrangements form a key part of the learning and development plan for any new Director appointed to the Board.

Non-Executive Directors attend internally and externally facilitated training sessions and have access to online and digital platform-based training and information resources including on relevant financial services matters with emphasis on responsibilities with regard to regulation and compliance. They also have access to other knowledge resources and education programmes offered by third-party service providers with which the Group has established relevant links.

Board responsibilities in relation to the Annual Report and Financial Statements

The Board has ultimate responsibility for reviewing and approving the Annual Report and Financial Statements and it has considered and endorsed the arrangements enabling it to confirm that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. With the assistance of the Group Audit Committee, the Board ensured that sufficient time and resources were available to encompass the disclosure requirements to which the Group is subject and that the Annual Report and Financial Statements met all relevant disclosure requirements.

The Board believes in the governance principles of being open, transparent and compliant with the Principles of the Code. Following review by the Group Audit Committee, which considered the processes and controls in place for the preparation and verification of the Annual Report and Financial Statements, the Board concluded that the Annual Report and Financial Statements contained the necessary information for shareholders to assess the Company's performance, strategy and overall business model.

Group Audit Committee

The Group Audit Committee has been delegated responsibility for the monitoring and oversight of the external and internal audit and financial internal controls. The Committee's responsibilities, main activities and priorities for the next reporting cycle are set out on pages 83 to 86.

Group Risk Committee

The Group Risk Committee has been delegated responsibility for the monitoring and oversight of risk management, mitigation and recommendation for and approval of the risk appetite to the Board. The Committee's responsibilities, main activities and priorities for the coming year are set out on pages 87 to 89.

Shareholder engagement

The Board recognises the importance of good communication with shareholders. Board members regularly meet with a cross-section of the Company's shareholders to ensure that the Group strategy takes due consideration of shareholder views.

During the year the Board was regularly apprised of shareholder sentiment and shareholder correspondence was also shared with the Board as appropriate. Investor relations reports are distributed to the Board and considered at each Board meeting.

In addition to meetings held between our Executive Directors during the year we offered major shareholders the opportunity to meet with our Chairman and other Non-Executive Directors. Two shareholders expressed an interest to meet in May 2023 and the feedback from these meetings was discussed with the wider Board.

The principal communication method with private investors is through our final results, half-year report, any ad hoc market announcements and the AGM. At the AGM, separate resolutions are proposed for each item of business presented to shareholders for approval, with voting conducted by a poll. All valid proxy appointment forms are recorded and counted and information regarding votes is published on the Company's website. The notice is posted to shareholders at least 21 days before the date of the AGM.

Scheduled 2024/25 key shareholder events

June 2024
2024 full-year results

July 2024
Q1 2025 trading update and Annual General Meeting 2024

November 2024
H1 2025 interim results

April 2025
Pre-close trading update

Should a significant proportion of the votes cast be against any resolution, the Company is required to explain when announcing the results what action it will take to understand why this has been the result. There were no significant votes against any of the resolutions put to shareholders at the 2023 AGM.

In accordance with the Companies Act 2006, members representing at least 5% of the voting rights, or at least 100 members having a right to vote, can requisition the Board to circulate a resolution or statement in relation to the AGM to members.

Our Stakeholder engagement report on pages 25 to 27 sets out some other engagement methods with shareholders and how their views impact Board discussions and decisions.

Stakeholder engagement

The Board recognises its various legal, fiduciary, statutory and governance obligations and duties in relation to stakeholder engagement, including those specified in the Principles and Provisions of the Code and its duty to promote the success of the Company under Section 172 of the Companies Act 2006. The Board receives updates on stakeholder engagement, including in the Board papers provided to facilitate Board decision making. Please also see the Stakeholder engagement section on pages 25 to 27 for a summary of the Group's stakeholders, the engagement that has taken place during the year and its impact on decision making. The Our Tomorrow section on pages 32 to 39 provides further details of engagement with our key stakeholders regarding responding to stakeholders' needs.

Accountability continued

Employee engagement

Susanne Chishti is our designated Non-Executive Director for workforce engagement with responsibility for engaging with (and overseeing engagement with) the Group's employees to discern the views of the workforce and report back to the Nomination Committee regularly. Susanne also plays an active role in ensuring the views of the workforce are, within the matters reserved for the Board and the Nomination Committee terms of reference, considered as part of Board and Committee discussions and decision making. She brings over 25 years of industry expertise, including at Board level, with a strong focus on governance. As noted earlier in this Report, Susanne is stepping down from the Board at the forthcoming AGM, and an announcement in relation to a successor as the designated Non-Executive for workforce engagement will be provided in due course.

During the year, the workforce engagement activities focused on by Susanne for the Group included:

- being involved in Women@CMC initiatives;
- meeting with employees to seek further feedback on responses to the annual staff engagement survey;
- meeting with new joiners as part of the "Meet the Exec Team" initiative;
- celebrating the success of employees and key initiatives both in private and in public; and
- continuing the "Ask the NED" channel, an anonymous way of engaging with her on any employee matters.

Initiatives to reflect feedback from the workforce engagement processes include a Group-wide mentoring scheme which has been introduced across all regions.

The Board believes this engagement mechanism has worked well during the year and that it continues to be an effective way of ensuring direct and independent Board understanding of the views of the workforce.

The Nomination Committee reviews and considers the results of the various employee engagement and pulse surveys undertaken throughout the year and reports to the Board accordingly.

The Board has considered a number of employee-related initiatives during the year as set out in the Our Tomorrow section on pages 32 to 39.

Internal control and risk management systems over financial reporting

The Board is responsible for the Company's risk management, internal control systems and their effectiveness. It is also involved in the process for identifying, evaluating and managing those principal risks and reviews these systems regularly. The Group has an internal control framework and risk management systems, as set out below, in place to ensure that the financial information produced is accurate, reliable and timely such that it can be used by all stakeholders to monitor performance and aid effective decision making. This framework has been in place during the year and up to date the date of approval of the Report.

- Expertise: The utilisation of appropriately qualified and experienced colleagues and regular knowledge sharing within the team.
- Forecasting and budgeting: The Group has a detailed forecasting and budgeting process in place that is well embedded across the Group.
- Financial accounting and reporting: The finance team produces Group consolidated accounts on a monthly basis. There are full reconciliation and reporting processes in place to ensure that any issues are identified and resolved in a timely manner. Detailed reconciliations are completed between the trading systems and the general ledger to ensure completeness.
- Management reporting: The Group has a detailed suite of management information ("MI") that is prepared daily, weekly, monthly and quarterly. This MI was prepared and improved throughout the year to reflect appropriate measurements as the business has changed.
- Tax: The Group has a formal tax strategy, reviewed and approved annually by the Group Audit Committee, in addition to monthly tax compliance monitoring, quarterly attestations with items raised within the Group's Tax Risk Committee.
- Segregation of duties: Appropriate segregation of duties to ensure that no individual controls the end-to-end process.
- IT environment: The Group is heavily reliant on its IT systems and has procedures and controls to ensure that they are operational and accessible at all times. There have been no significant IT issues in the year without appropriate mitigation that could impact the financial reporting of the Group.

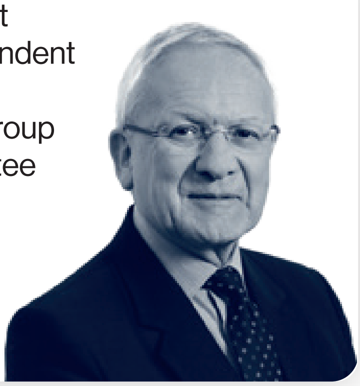
Information on the Group's risk management systems and how the Board oversees risk management is detailed in the Risk management section on pages 59 to 68.

James Richards

James Richards
Chairman
20 June 2024

Group Audit Committee report

Paul Wainscott
Senior Independent Director and Chair of the Group Audit Committee



Members and attendance

Paul Wainscott Committee Chair	●●●●●●●
Susanne Chishti Independent Non-Executive Director	●●●●●●●
Clare Francis Independent Non-Executive Director	●●●●●●●
Sarah Ing Independent Non-Executive Director	●●●●●●●

● Attended meeting

● Did not attend meeting held during tenure

Dear shareholder,

As Chair of the Group Audit Committee (the "Committee"), I am pleased to present the Group Audit Committee report for the year ended 31 March 2024.

The role of the Committee is to assist the Board in discharging its responsibilities for monitoring the integrity of the Financial Statements of the Company, and monitor the effectiveness of the management systems and internal controls relating to financial reporting and the performance and objectivity of the internal and external auditors. This report summarises the activities, key responsibilities and future focus of the Committee.

Principal responsibilities of the Group Audit Committee

The Committee operates within agreed terms of reference, which outline its key responsibilities.

The Committee's terms of reference can be found on the Group's website: www.cmcmarkets.com/group/about-us/governance/committees.

In accordance with its terms of reference, the Committee is required to evaluate its own performance. In the year under review this was done as part of the wider Board and Committee evaluation, as described on page 92.

Areas of focus in 2023/24

The Committee's main responsibilities, in compliance with the requirements of the Code, are as follows:

- to monitor the integrity of the Financial Statements of the Group;
- to consider any material information presented within the Financial Statements insofar as it relates to audit and to review the final and half-year results before making recommendations to the Board on their contents and whether they are fair, balanced and understandable;
- to review and report to the Board on significant financial reporting issues and judgements;
- to assess the adequacy and effectiveness of the Group's internal control systems and identify, assess, manage and monitor financial reporting risks and report to the Board on any key findings;
- to review on an annual basis the procedures for detecting fraud and financial crime;
- to review the tax strategy of the Group;
- to review and approve the internal audit charter and annual internal audit plan;
- to review the findings of all internal audit reports, make recommendations as appropriate and monitor resolution plans;
- to review the performance of the internal audit function and consider the structure of the function;
- to review the effectiveness and independence of the Company's external auditor including the appointment, reappointment, removal and remuneration of the external auditor;
- to review and approve the policy on the provision of non-audit services by the auditor; and
- to review the findings of the external auditor and how any challenges made to management, and responses to such challenges, have been dealt with, including in relation to key judgements.

Group Audit Committee report continued

Composition and advisers

The Committee is chaired by Paul Wainscott with Susanne Chishti, Clare Francis and Sarah Ing as members. The Committee is considered independent of management and the members are all independent Non-Executive Directors.

The Code requires the inclusion on the Committee of at least one member determined by the Board as having recent and relevant financial experience. The Committee Chair is considered to continue to fulfil this requirement. The Committee as a whole has competence in relation to the trading, investing and institutional business sectors in which the Company operates.

The Committee held six meetings during the financial year. The key activities and discussion points are outlined in the relevant section of this Committee report. Committee attendance is presented on page 83.

The Group Chairman, Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Head of Asia Pacific & Canada, Group Head of Finance, Company Secretary and Head of Investment Operations & CASS attend Committee meetings by invitation. Representatives of Deloitte LLP ("Deloitte"), the external auditor, and Grant Thornton LLP, the internal auditor, also attend the Committee meetings by standing invitation.

Internal audit

The Group's internal audit function is externally facilitated by Grant Thornton LLP. The internal audit function has a reporting line to the Committee and has direct access to the Committee Chair and each Committee member. The Committee reviews all internal audit reports, follows up verification reports on any findings identified by internal audit together with management's response, and reviews progress of remediation by management to address audit findings. The Committee annually reviews and approves the internal audit plan and charter.

Representatives of the internal auditor attend each meeting where internal audit reports are presented. The Committee regularly discusses with them progress against the internal audit plan and any open audit actions. This allows the Committee to review the effectiveness of the internal audit function on a continual basis over the course of the year and provides an indication of the maturity of the Group's control framework. The lead internal auditor has confirmed that the necessary resources, skillset and budget are in place to deliver the internal audit plan, including having contingency to ensure that the internal audit function can accommodate adding or bringing forward any specific areas of focus.

External auditor

The Committee is responsible for overseeing the Group's relationship with the external auditor and the effectiveness of the audit process. It considers the reappointment of the external auditor annually and such consideration includes review of the independence of the external auditor and assessment of the auditor's performance.

Deloitte was appointed as the Group's statutory auditor following a formal tender process, commencing with the reporting period ended 31 March 2023. Fiona Walker is the lead audit partner at Deloitte.

The Group confirms that it has complied with the provisions of the CMA Order in respect of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year ended 31 March 2024.

The Committee, in line with Financial Reporting Council ("FRC") guidance, continues to review the qualification, expertise, resources, effectiveness and independence of the external auditor.

The Committee received reports during the year on the preparations made by Deloitte to complete the half-year review and full-year audit in relation to the year ended 31 March 2024. Deloitte challenged management on a number of accounting judgements which were then discussed with the Committee and the accounting judgements were subsequently approved. Following discussion of the final audit report for the year, the level of appropriate challenge, and the interactions with management and the Board, the Committee believes that the audit has been effective for the year under review and has recommended the reappointment of Deloitte as statutory auditor by shareholders at the AGM to be held in July 2024.

During the period, a review was conducted of the effectiveness of the external auditor following the 2023 audit cycle, and the results were presented to the Committee. The views of key stakeholders were sought using a questionnaire, with questions similar to those used in the prior year. The results concluded that Deloitte's performance was satisfactory, with an effective service for the Group overall and a small number of focus areas identified.

The Committee continues to believe that Deloitte is independent by virtue of the level of non-audit fees, procedures in place in relation to the employment of ex-employees of the auditor, the internal processes and policies in place at Deloitte to avoid conflicts and the nature of discussions held between the Committee and Deloitte without representatives of management present.

Non-audit services policy

The Group has a number of relationships with independent advisory and assurance firms which provide alternatives to using the external auditor.

During the year ended 31 March 2024, Deloitte provided non-audit services to the Group. However, all services provided fall under categories explicitly permitted under the FRC 2019 Ethical Standard.

The Group's audit and other audit-related fees are disclosed in note 8 of the Financial Statements. Other audit-related fees include the controls opinion relating to the Group's processes and controls over client money segregation, compliance with The Capital Requirements (Country-by-Country Reporting) Regulations 2013 and the mandatory regulatory audit of the Group's German subsidiary. The fees were well below the 70% non-audit fees cap.

In order to ensure compliance with the Ethical Standard issued by the FRC regarding the requirement for safeguarding independence of the external auditor, the Committee has in place a formal policy governing the engagement of the auditor to provide non-audit services, which was reviewed and reapproved in March 2024. The Committee approves any significant non-audit services and fees and receives details of any other non-audit spend approved by the Chief Financial Officer and/or Committee Chair by way of delegated authority by the Committee.

Priorities for financial year 2025

The Committee will continue to ensure that all relevant accounting practices and disclosures are adhered to and that the work being done to improve controls around these obligations promotes a strong culture of disclosure and transparency.

The Committee will oversee the work being done to ensure the Group can comply with the Provisions of the new 2024 UK Corporate Governance Code (the "2024 Code") in respect of the role of the Group Audit Committee and the additional disclosures relating to the monitoring and effectiveness of the risk management and internal control framework. A number of the new Provisions will take effect from the reporting period starting 1 April 2025 with the updated Provision 29 relating to the risk management and control framework taking effect for the reporting period starting 1 April 2026.

The Group has commenced a project based on the 2024 Code changes, supported by dedicated resource to manage and oversee the project. The Committee approved changes to its terms of reference in March 2024 to reflect some of the revised 2024 Code elements, for example to incorporate key elements of the Audit Committee Minimum Standards which will be further embedded into its activities in FY 2025.

Main activities during the financial year

Agendas for scheduled Committee meetings are based on a pre-agreed annual meeting planner to ensure that the Committee fulfils its responsibilities in line with its terms of reference and regulatory obligations.

At each scheduled meeting, the Committee:

- Receives a report from the Chief Financial Officer on the year-to-date financial performance of the Group.
- Receives an update on current and planned internal audits and any internal audit issues highlighted in completed audit reports.
- Receives a Group tax update.
- Receives an update on significant accounting judgements.

May 2023

- Considered the year-end audit report presented by the external auditor and discussed the audit with the lead audit partner, including relevant significant audit and accounting matters. In line with the Committee terms of reference, the Committee met with the Group auditor without management or the Executive Directors being present.
- Reviewed the Annual Report and Financial Statements, including the specific disclosures such as going concern, viability, risk management disclosures, the fair, balanced and understandable assessment, and internal controls reporting, for recommendation to the Board. The Committee also reviewed and discussed the application of the group accounting policies.
- Reviewed the draft final results announcement.
- Reviewed the proposed final dividend.
- Discussed non-audit services fees.
- Discussed with the auditor the accounting treatment of a number of client trading and hedging positions and the impairment analysis of certain development costs.
- Recommended the reappointment of Deloitte as Group auditor.
- Considered the effectiveness of the internal control framework.
- Received an update on the DBT (BEIS) consultation and internal controls project.

July 2023

- Considered the draft Q1 trading update and recommended to the Board for approval.
- Received a CASS audit update.
- Approved the internal audit plan.
- Discussed the annual evaluation of external auditor effectiveness.
- Reviewed the annual report from the Money Laundering Reporting Officer ("MLRO").
- Received an update on the DBT (BEIS) consultation and internal controls project.

September 2023

- Considered and approved the tax strategy.
- Met with the internal auditor without management or the Executive Directors being present.
- Received an update on the FY23 control point remediation and H1 FY24 judgement areas including commentary from the external auditor.
- Received the annual report on whistleblowing.
- Considered 2023 audit scope changes.
- Received an update on the DBT (BEIS) consultation and internal controls project.

November 2023

- Considered the half-year planning report presented by the external auditor and discussed the report with the lead audit partner.
- Reviewed the half-year report, including consideration of significant accounting issues/judgements, going concern, risk management and internal controls reporting, for recommendation to the Board.
- Reviewed the interim results and recommended to the Board.
- Considered the management representation letter and recommended to the Board for approval.
- Reviewed and recommended the proposed interim dividend to the Board.
- Reviewed the draft half-year analyst presentation.
- Approved the FY24 audit engagement letter and reviewed the remuneration and non-audit services fees.

January 2024

- Received updates from the external auditor regarding the FY24 audit plan and audit fees.
- Received a CASS update.
- Received an update on control observations relating to key subsidiaries.
- Received an update on the DBT (BEIS) consultation and internal controls project.

March 2024

- Received an update on pre-close trading.
- Received an Annual Report status update.
- Received a CASS update.
- Considered an update on the progress of the year-end audit presented by the external auditor.
- Discussed the audit and control reporting with the external auditor.
- Received an update on the DBT (BEIS) consultation and internal controls project.
- Reviewed the non-audit services policy.
- Approved the internal audit charter.
- Reviewed the Committee annual calendar.
- Approved the Committee terms of reference.

Group Audit Committee report continued

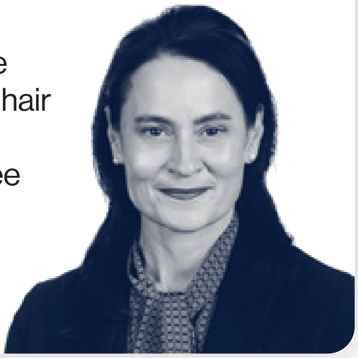
Significant Matters Considered During the Year

Role of the Committee	Responsibilities discharged	Conclusion or action taken
Going concern and long-term viability		
It is required that the Directors make statements in the Annual Report as to the going concern and longer-term viability of the Group.	The Committee reviewed reports from management that assessed the impact of various stress tests and longer-term business risks to determine how the Group would be able to remain viable through periods of liquidity or capital stress.	Following challenge of management on the individual scenarios and impacts thereof, the Committee agreed to recommend the going concern and viability statement to the Board for approval.
Control improvements and remediation		
The Group continued its work to further enhance its internal controls and considered the additional requirements to be imposed on the Group arising from the 2024 Code.	The Committee requested detailed and regular progress updates from management in relation to enhancements to the internal control framework.	The Committee requested to be kept informed on the project to further improve internal controls and continues to monitor progress on the proposed implementation steps required.
Review of audit and control matters in key subsidiaries		
A number of structural governance and audit issues were identified in an operational subsidiary that required engagement with the local regulator and provision of additional resource to address and resolve.	The Committee reviewed the list of audit issues and met with the relevant local external audit partners to ensure appropriate oversight of the audit issues and approach to resolution. The Committee was briefed on the requirements of the local regulator to close the governance structure and audit points to its satisfaction.	The Committee Chair and CFO conducted a site visit to meet with local management to provide support and agree the appropriate resource to resolve the audit matters. The Committee received updates relating to the local regulatory position and will continue to provide oversight of the closure of the audit issues within the deadline specified.
Oversight of CASS reporting		
The appointment of a new Head of Investment Operations and CASS, and the launch of the UK Invest product, provided an opportunity to further strengthen oversight of CASS matters.	The Committee now receives an update on CASS matters at every meeting including developments and improvements in client segregation procedures.	The Committee has requested improvements in CASS procedures.
Review of interim results and Annual Report and Financial Statements		
The Committee is responsible for considering the Annual Report and Financial Statements and providing challenge to management and the external auditor on significant accounting judgements and treatments.	The Committee considered disclosures made in the 2024 Annual Report and Financial Statements and discussed significant areas with management and the external auditor.	The main area of significant judgement considered by the Committee was the capitalisation and impairment assessment of the investment in the cash equities business and investment in a joint venture.

Paul Wainscott
Senior Independent Director and
Chair of the Group Audit Committee
20 June 2024

Group Risk Committee report

Clare Francis
Independent
Non-Executive
Director and Chair
of the Group
Risk Committee



Members and attendance

Member	Attendance
Clare Francis Committee Chair	●●●●●●●
Susanne Chishti Independent Non-Executive Director	●●●●●●●
Sarah Ing Independent Non-Executive Director	●●●●●●●
James Richards Independent Group Chairman	●●●●●○●
Paul Wainscott Independent Non-Executive Director	○●●●●●●

● Attended meeting
○ Did not attend meeting held during tenure

Dear shareholder,

As the Chair of the Group Risk Committee (the "Committee"), I am pleased to present the Committee report for the year ended 31 March 2024, which describes our activities during the year.

The purpose of the Committee is to assist the Board in its oversight of risk, including reviewing and monitoring the risk framework and appetite for the Group, and reviewing the effectiveness of the Group's risk management systems and internal controls. The transition and diversification of the business, both globally and through a product lens, is generating increased risk which is reflected in the principal risks. These risks will continue to be embedded within the course of the next financial year.

The responsibility for the Group's Risk Management Framework and agreeing the appropriate risk appetite sits with the Board. The Committee reviews and advises the Board on changes to the Group's risk appetite, advises on risk strategy and monitors the effectiveness of, and improvements being made to, the Group's Risk Management Framework. The Committee ensures that a robust risk culture continues to be embedded across the business and actively monitors and discusses the latest risk and regulatory developments affecting the Group.

The Group's approach to risk management and how it evaluates and manages the principal risks and uncertainties the Group faces is set out within the Risk management section of the Strategic report as detailed on pages 59 to 68.

During the year the Committee has considered the potential impacts of continuing challenges arising from the external economic environment, including inflationary pressures and higher interest rates and ongoing and emerging geopolitical events. It has provided guidance, support and challenge to management on how risks are managed and mitigated.

Consumer Duty remained a focus for the Committee during the year, while work continued to implement and embed the new duty in the Group's processes. The Committee received regular updates on the Group's Consumer Duty implementation plan and monitored the progress of the project to deliver compliance with obligations.

The Committee has continued to consider the Group's product diversification and its geographical diversification in Dubai and Bermuda, including regulatory requirements. The Committee also oversaw enhancements to the Risk Management Framework and Risk Appetite Statement during the year, continued to review the Group's Enterprise Risk Management ("ERM") framework project, monitored changes in the regulatory landscape and reviewed and made recommendations to the Board in respect of the Group's Internal Capital and Risk Assessment ("ICARA"), Internal Capital and Risk Assessment (Liquidity) ("ICARA(L)") and Contingency Funding Plan ("CFP").

Principal responsibilities of the Group Risk Committee

The key responsibilities of the Committee include:

- monitoring the Group's risk appetite, tolerance and strategy;
- review and recommendation of the Risk Appetite Statement and Risk Management Framework;
- provision of advice and recommendations to the Board to assist in Board decision making in relation to risk appetite and risk management;
- oversight of financial and liquidity risks including the responsibilities of the risk management functions;
- review, challenge and recommendation to the Board with regard to the Group ICARA, ICARA(L) and CFP;
- oversight of, and recommendations to the Board on, current risk exposures and future risk strategy;

Group Risk Committee report continued

Principal responsibilities of the Group Risk Committee continued

- consideration of the Group's principal and emerging risks and related disclosures in the Annual Report and Financial Statements;
- review of the risks associated with proposed strategic initiatives;
- approval of the annual risk plan;
- consideration of the Group's compliance framework;
- review of risk taking by Directors and senior management as it impacts their remuneration incentives; and
- consideration of the Group's compliance with regulations and how management acts on any new obligations.

The Committee's terms of reference can be found on the Group's website (www.cmcmarkets.com/group/about-us/governance/committees).

Composition and attendance

The Committee is chaired by Clare Francis, who is also the Group's Consumer Duty Champion, with James Richards, Susanne Chishti, Sarah Ing and Paul Wainscott as members, all of whom were considered independent during the year. James Richards ceased to be considered independent under the Code from 1 April 2024 and accordingly he stepped down as a Committee member, but remains an attendee, with effect from that date. Details of the skills and experience of the Committee members can be found in their biographies on pages 72 to 74.

The Committee held six scheduled meetings during the year under review and attendance for the members is shown on page 87.

As part of the Board effectiveness review undertaken during the year, the Board has assessed that the skills of the Committee members are appropriate in providing oversight and challenge and that the Committee is operating effectively.

The Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Head of Asia Pacific & Canada and Company Secretary attend Committee meetings by standing invitation. Representatives from other areas of the business attend the Committee meetings by invitation as appropriate to the matter under consideration. The Committee Chair also holds regular individual meetings with the Executive Directors, the Company Secretary and other relevant members of the Executive and senior management teams. During the year the Committee Chair also met with Grant Thornton UK LLP, to which third-line internal audit services are outsourced, and the external auditor, Deloitte LLP.

Operation of the Committee

An annual Committee calendar is maintained, which is aligned with the Committee's terms of reference. The Chair of the Committee is supported in preparing meeting agendas by the Company Secretary.

Following each Committee meeting, the Committee Chair reports to the Board on its proceedings and the matters within its duties and responsibilities, and makes recommendations to the Board and to other Board Committees, as appropriate.

At management level, the Group has established an Executive Risk Committee ("ERC") within the Group's governance framework. Reporting to the Executive Committee, the purpose of the ERC is to assist the Executive Directors in monitoring and assessing risk arising across the business and external risk factors, and discussing appropriate mitigation plans and actions to be taken in relation to significant and emerging risks. The risks discussed at the ERC and the Executive Committee by the Executive Directors, as the first line of defence, are then presented by the SMF4 to the Group Risk Committee.

Main activities during the financial year

During the year, the Committee's key activities included:

May 2023

- Review of the ERM framework project.
- Robust assessment of the Group's principal and emerging risks and TCFD risks and opportunities.
- Annual review of effectiveness of the Group's risk management and internal control systems.
- Review of the Annual Report and Accounts risk disclosures.
- Review of the annual risk plan.
- Annual planning for the Group ICARA and wind down plans.
- Update on the Consumer Duty implementation programme.

July 2023

- Review and approval of the Consumer Duty implementation.
- Review of the ERM framework project.
- Review of the Options project implementation.
- Consideration of the compliance update.

September 2023

- Review and recommendation of Group ICARA and the Contingency Funding Plan.
- Review of the ERM framework project.
- Review of the Consumer Duty implementation programme.
- Approval of the Committee terms of reference.

November 2023

- Update on ERM framework project.
- Review and recommendation of principal risks and uncertainties for the half year.
- Review and recommendation of wind down plans.
- Review of annual non-BAU position limit summary report.
- Compliance update (including Consumer Duty).
- Review and recommendation of wind down plans.

January 2024

- Compliance update (including Consumer Duty).
- Review of the ERM framework project.
- Review and recommendation of the Group ERM Policy, Risk Management Framework and Risk Appetite Statement.

March 2024

- Review of Risk Appetite Statement metrics and escalation.
- Update on ERM framework project.
- Review of proposed Committee annual planner.

During the year, the Chief Risk Officer left the Group and, while it was agreed that she had performed a valuable role, in the context of the current Group-wide restructuring and business simplification, it had been determined that the Group CRO position would not be replaced. However, this would be kept under regular review and monitored as business simplifications measures were embedded. The CRO's responsibilities have been reallocated amongst the Executive team.

Risk Management Framework

During the year, the Committee reviewed enhancements to the Group's risk management systems following recommendations (as reported in the 2023 Group Risk Committee report) arising from the Group governance review undertaken by Independent Audit Limited in 2021, which included a review of the Group's risk management systems, and a separately commissioned external assessment of the Group's ERM framework.

Following the transition to the Investment Firm Prudential Regime, ("IFPR"), the FCA undertook a Supervisory Review and Evaluation Process ("SREP"). As part of this the Committee engaged with the regulator and introduced an enhanced liquidity, credit risk, stress testing and wind-down planning. To support its oversight of the completion of the work, the Committee resourced external consultancy support in addition to the standing internal audit resource. The SREP was completed within the specified timeline.

Further details of these changes and the Group's risk management systems can be found in the Risk management section on pages 59 to 68.

Risk appetite and exposure

As part of its oversight of current risk exposures and future risk appetite and strategy, the Committee reviews the risks associated with proposed strategic transactions and the effectiveness of risk mitigation and monitoring processes.

Throughout the year the Committee has monitored the Group's top risks and emerging risks. The Committee receives detailed management reports throughout the year and routinely invites members of the senior management team to present an overview of the risk management practice and receives updates on key issues. In the financial year ended 31 March 2024 the Committee specifically discussed business resilience, people risk, project delivery risk, IT security risk, financial performance and regulatory risk. The Committee reviewed proposed changes to the Group Risk Appetite Statement and Risk Management Framework and made recommendations for Board approval of both documents. The Committee recommended the Group's ICARA, ICARA(L) and CFP to the Board for approval.

Risk management and internal controls

The Group Risk Committee and Group Audit Committee review internal controls on behalf of the Board and receive reports from management, the external and internal auditor, and functions such as Finance. The Chairs of the Group Risk Committee and Group Audit Committee regularly brief the Board on key matters discussed at these Committees. Throughout the year ended 31 March 2024 and to date, the Group has operated a system of internal control to provide reasonable assurance of effective operations covering all material controls, including financial and operational controls. Processes are in place to identify, evaluate and manage the principal risks facing the Group. The Group Risk Committee received management's assessment of the effectiveness of internal controls, which included areas identified for improvement, and concluded at its June 2024 meeting, acting as a Committee of the Board, that, based on their assessment, the Group's risk management systems and internal controls were appropriate. The Board also considered and supported this assessment.

Regulatory compliance

The Committee receives regular reporting of second-line compliance assurance activity, details of regulatory change both in the UK and in other jurisdictions that will have a significant impact on the Group, the assessment of key financial crime controls and details of correspondence with our regulators. In the year under review, this included the implementation of the FCA Consumer Duty and engagement with local regulators in respect of a licence application to establish an offshore entity, and meetings held with regard to a number of audit issues identified in an operational subsidiary that require additional resource to address and close within agreed timescales.

Priorities for financial year 2024/25

In the year ahead it is anticipated that geopolitical risk will remain heightened and the challenging economic environment volatility will continue. The Committee will pay close regard to impacts of the external environment for our business and customers, and focus on risks related to the Group's delivery of its strategic objectives.

The Committee will continue to constructively challenge management, will ensure that a robust risk culture remains in place across the business and will undertake deep dives on any areas of specific risk to inform its deliberations.

The Committee will maintain its active role in advising the Board on risk matters and monitoring the risks associated with regulatory change and the impact that any changes could have on the Group.

Clare Francis
Independent Non-Executive Director
and Chair of the Group Risk Committee
20 June 2024

Nomination Committee report

James Richards
Chairman and Chair of the Nomination Committee

Members and attendance

James Richards
Committee Chair

Susanne Chishti
Independent Non-Executive Director

Clare Francis
Independent Non-Executive Director

Sarah Ing
Independent Non-Executive Director

Paul Wainscott
Independent Non-Executive Director

● Attended meeting

● Did not attend meeting held during tenure

Dear shareholder,

I am pleased to present the Nomination Committee (the "Committee") report, which summarises the work of the Committee during the year ended 31 March 2024.

Throughout this period the Committee has continued its review of the composition of the Board and succession planning at both Board and senior management level, with changes made which will support the growth of the business and strengthen our controls and risk processes.

Further information on our activities and our priorities for the next year is provided on the following pages.

Principal responsibilities of the Nomination Committee

The Committee is responsible for keeping under review the composition of the Board and senior management, succession planning, appointments to the Board, the Board evaluation process, and the Group's People Strategy.

Key roles and responsibilities of the Committee include:

- evaluating and reviewing the structure, size and composition of the Board including the balance of skills, knowledge, experience and diversity of the Board, and keeping under review the leadership needs of the Company to ensure its continued ability to compete effectively in the marketplace;
- ensuring plans are in place for both an orderly and emergency succession in relation to the Board and senior management and overseeing the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company and the skills and expertise needed in the future;
- identifying and nominating suitable candidates for appointment to the Board including evaluating the balance of skills, knowledge, experience and diversity on the Board and preparing a description of the role required for a particular appointment;
- overseeing the Board evaluation process and, in analysing the results of the evaluation, identifying whether there are any skill gaps or opportunities to strengthen the Board;
- assessing the Board Directors' conflicts of interest;
- assessing and keeping under review the independence, time commitment and engagement of each of the Non-Executive Directors; and
- overseeing the Group's People Strategy including talent management, diversity and inclusion and workforce engagement.

The Committee's full terms of reference are available on the Group's website: www.cmcmarkets.com/group/about-us/governance/committees.

Composition and attendance

The Committee is chaired by James Richards with Susanne Chishti, Clare Francis, Sarah Ing and Paul Wainscott as members. All of the Committee's members, including the Chairman, were considered independent Non-Executive Directors during the financial year. As noted on page 80, from 1 April 2024, the Chairman ceased to be considered independent. The Chairman continued to chair the Committee and remained a member after 1 April 2024 as permitted by the 2018 UK Corporate Governance Code.

The Committee met seven times during the year under review and attendance levels for the members are shown on page 90. In addition to the members of the Committee, the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Company Secretary and Group Head of Human Resources attend by invitation when it is considered appropriate.

Board appointments

The Committee leads the process to consider Board appointments and makes recommendations to the Board once appropriate candidates have been found. The Committee will review the process for recruitment, including whether an external search agency will be used, the role specification and capabilities required for the role (taking into account the current balance of skills and experience on the Board) and potential candidates both inside and outside the organisation, ensuring a diverse pool of candidates are considered. The Committee will also manage the structure of the interview process, referencing requirements and engagement with the Board and other Board Committees as appropriate.

During the year, the Committee recommended and the Board approved the appointment of Albert Soleiman as Chief Financial Officer, following the resignation of Euan Marshall. The Committee set out the skills, knowledge and experience required for the CFO position. The Committee considered the selection process for the CFO and, taking into account the business transformation that the Group was expected to make, expressed a preference for an internal candidate already familiar with the business and organisational structure. The Committee reviewed a number of internal candidates and, after conducting an interview process, identified Albert as the preferred candidate.

The Committee also discussed, without the Chairman present, the succession arrangements for the Chairman once he reached nine-year tenure on 1 April 2024. The Committee recommended to the Board, which in turn has recommended to shareholders, that James be re-elected as Chairman and a Director at the 2024 AGM. As the Chairman would no longer be considered to meet the criteria for independence under the UK Corporate Governance Code, it was agreed that he would step down as a member of the Remuneration and Group Risk Committees but would remain as a standing attendee to ensure continuity of information as Chairman of the Board. While no longer considered to be independent under the Code, the Committee continues to view James as providing independent guidance and insightful and valuable input to the Board debate. Further information is provided on page 92.

Shareholders have the opportunity to annually vote on resolutions proposing each Director for re-election (or election if they have joined the Board since the last AGM) at the AGM. Details of the Directors standing for election/re-election at the 2024 AGM are included in the Notice of AGM and information on each Director's contribution to the Group is included in their biography on pages 72 to 74 of this report. The Committee considers whether to recommend Directors for election or re-election and has done so in relation to all Directors standing at the 2024 AGM, including the Chairman, who will have served on the Board for more than nine years after April 2024 (see page 80 for more information).

Main activities during the financial year

Agendas for scheduled Committee meetings are based on a pre-agreed annual meeting planner to ensure that the Committee fulfils its responsibilities in line with its terms of reference and regulatory obligations.

May 2023
- Received an update from the designated NED for workforce engagement.
- Reviewed updates on people matters and employee engagement.
- Determined Directors' eligibility for re-election.
- Discussed Chairman succession (without the Chairman present).

August 2023
- CFO selection process.

September 2023
- Approved appointment of new CFO.
- Board evaluation update.
- Received an update from the designated NED for workforce engagement.

November 2023
- Received an update from the designated NED for workforce engagement.
- Received an update on diversity and inclusion, including the Group Diversity and Inclusion Policies and the Board Diversity Policy.
- Noted an update on regulated roles.

February 2024
- Received an update from the designated NED for workforce engagement.
- Considered the annual Board and Committee evaluation process.
- Reviewed the Board skills matrix.

March 2024
- Reviewed Board succession planning.
- Reviewed the employee engagement survey results.
- Approved an update to the Board Diversity Policy.
- Reviewed the Board.

Nomination Committee report continued

Board evaluation

The Committee is responsible for agreeing the annual Board and Committee performance evaluation process, reviewing its results and reporting on the conclusions and recommendations to the Board.

The Committee reviewed the outcomes and associated action plans for the internally facilitated 2023 Board and Committee effectiveness evaluation.

The 2023 evaluation was conducted internally and led by the Chairman, supported by the Company Secretary. The format of the process was a questionnaire completed by all Non-Executive Board members seeking narrative answers on a number of specific questions relating to the operation of the Board and its Committees. This was supplemented by a more targeted set of questions answered by the Executive members of the Board.

Based on the responses received, the Company Secretary prepared a report which was discussed with the Chairman before being presented to the Committee. The responses received were insightful and provided useful feedback on the operation of the Board and its Committees, the topics that should be a future focus and how the Board receives information from management. A number of recommendations were made by the Committee which will be taken forward over the remainder of 2024. Notwithstanding these recommendations, it was agreed that the Board and its Committees were operating effectively.

The Committee discussed the performance and time commitment of each Non-Executive Director and agreed that they all continued to make the expected contribution to the Board and its Committees and no concerns were raised in relation to their other commitments.

The Senior Independent Director led the Non-Executive Directors in evaluating the performance of the Chairman at a meeting of the Nomination Committee without James Richards present. The Nomination Committee recommended, and the Board approved, the conclusion that the Chairman continued to provide strong leadership to the Board. This conclusion incorporated the position that James Richards ceased to be considered independent under the 2018 UK Corporate Governance Code from 1 April 2024.

The next externally facilitated evaluation was due to be carried out in 2024. Under Provision 21 of the Code, the annual evaluation exercise should be externally evaluated at least every three years. During the year CMC ceased to be a constituent of the FTSE 350. The Committee will reassess the requirement for the 2024 Board evaluation on rejoining the FTSE 350 and report on this Board evaluation in the next Annual Report. In the interim, the Committee assessed that the outcomes of the 2023 Board evaluation remained relevant and appropriate, and would continue to implement the findings of the 2023 evaluation.

People Strategy

The Committee has worked closely with the Executives to consider the Group's People Strategy, which is designed to align with the Group's overall strategy, purpose and values, and also has due regard to the environmental, social and governance initiatives being undertaken by the Group and matters raised by employees.

The Committee regularly receives updates from Susanne Chishti regarding her activities as the NED for workforce engagement, and discusses the results and key themes arising from the employee engagement survey conducted during the year. The main areas of focus highlighted as a result of employee engagement activities that have taken place across the business are included in the Our Tomorrow section on pages 35 to 37.

The Committee continues to believe that the engagement methods used to ensure that the Board is aware of the views of the wider workforce are effective but does keep these under review and will seek to adapt them and include additional engagement methods if it feels appropriate.

Succession planning

The Board considers succession planning at least annually, including the tenure of Non-Executive Directors, the developing needs of the business and any skills gaps to be filled in both the short and long term .The Committee also considers the senior management team succession plan periodically, taking into account the opportunities and challenges facing the Group and the skills, experience and knowledge that will be needed in the future.

Succession planning will continue to be a focus over the course of the remainder of 2024, with an emphasis on improving diversity in our pipeline.

The Committee met in May 2023 and February and March 2024 without James Richards in attendance to discuss the succession of the Chairman, who has served nine years on the Board in April 2024. Out of those nine years, he served two years and nine months as a Non-Executive Director and will have served six years and three months as Chairman. The Committee recommended to the Board, which in turn has recommended to shareholders, the re-election of James at the 2024 AGM, notwithstanding that his nine-year tenure expires ahead of the 2024 AGM. As disclosed in last year's Annual Report, it is anticipated that James will stand down from the Board at the 2025 AGM. More information on the Company's plans beyond this is included in the Governance section on page 80.

Susanne Chishti announced that she would be stepping down from the Board at the 2024 AGM. The process to identify a successor to Susanne, and the nomination of a new Non-Executive for workforce engagement has commenced, and will be a priority for the Committee in the coming months.

Diversity, equity and inclusion

The Committee recognises the benefits of diversity, equity and inclusion ("DE&I"). The CMC Markets plc Board Diversity Policy recognises the benefits of having a diverse senior management team and sees increasing diversity at a senior level as an essential element in maintaining an effective Board. Our policy is to ensure that there is broad experience and diversity on the Board and the Audit, Nomination and Remuneration Committees. We consider diversity to include age, ethnicity, disability, gender, sexual orientation and socio-economic and geographic backgrounds. Appointments to the Board are made on merit in the context of complementing and expanding the skills, knowledge and experience of the Board as a whole.

The Committee reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. The Nomination Committee also oversees the conduct of the annual review of Board effectiveness.

In order to maintain an appropriate range and balance of skills, experience and background on the Board, the Nomination Committee considers the benefits of all aspects of diversity including, but not limited to, those described above

In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider candidates against objective criteria with due regard for the benefits of the herein mentioned attributes and diversity on the Board.

As part of the annual performance evaluation of the effectiveness of the Board, Committees and individual Directors, the Nomination Committee considers the balance of skills, experience, independence and knowledge of the CMC Group on the Board, and the diversity representation on the Board.

The Committee regularly discusses Board, senior management and workforce diversity and how the Group's position can be improved. More information on our DE&I strategy and initiatives is included in the Our Tomorrow section on page 33.

Our disclosures and statement on the diversity of our Board, senior Board positions and executive management in compliance with Listing Rule 9.8.6R (9) and Listing Rule 14.3.33R (1) are set out on page 93.

The Listing Rules set the following targets:

– at least 40% of the Board are women;
– at least one of the senior Board positions (Chair, Chief Executive Officer ("CEO"), Senior Independent Director ("SID") or Chief Financial Officer ("CFO")) is a woman; and
– at least one member of the Board is from a minority ethnic background (which is defined by reference to the categories recommended by the Office for National Statistics ("ONS") as coming from a non-white ethnic background).

The tables below show the data required to be presented by the Listing Rules. This data shows that progress has been made from last year, reflecting that Albert Soleiman identifies as "Other – Arabic". We continue to recognise the importance of diversity and, whilst ensuring that appointments continue to be based on merit, give full and proper consideration to gender and racial diversity as part of the appointments we make to the Board. In terms of gender diversity, 60% of the Non-Executive representation on the Board is female.

Our overall Board diversity is negatively impacted by the fact that we have four male Executive Directors. We feel we currently have the right people fulfilling these Executive roles and have to accept the impact on our diversity statistics of having a larger Executive team than some of our peers when making comparisons on our progress. Whilst we do not feel it appropriate to set ourselves goals to comply with these targets at present, as Board composition should be driven by the specific needs of the Group and any skill gaps, we continually review our position on this. The Board is committed to seeking to improve diversity and will continue to have regard to these matters as part of our Board and senior management succession planning and recruitment processes.

As referenced in the Our Tomorrow section, we have committed to setting measurable targets to increase the diversity of the wider workforce which will help create a pipeline to improve senior Executive diversity over time. As at 31 March 2024, 321 (29%) of our workforce of 1,071, excluding contractors, were female.

Diversity data

Diversity data based on sex

	Number of Board members	Percentage of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	66.67	4	32	78.00
Women	3	33.33	—	9	22.00
Not specified/prefer not to say	—	—	—	—	—

Diversity data based on ethnic background

	Number of Board members	Percentage of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other white (including minority white groups)	8	88.9	3	14	34.00
Mixed/multiple ethnic groups	—	—	—	2	4.87
Asian/Asian British	—	—	—	2	4.87
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	1	11.1	1	—	—
Not specified/prefer not to say	—	—	—	23	56.26

Notes:

1 All data is at 31 March 2024.

2 Executive management is represented by all direct reports of the Executive Directors in non-administrative roles.

3 Data is collected via self-reporting from employees on joining the Group by the completion of a questionnaire asking them to identify against various gender and ethnicity categories.

Priorities for financial year 2024/25

In the year ahead the Committee will focus on senior management succession and diversity, the People Strategy, ensuring actions arising from the Board evaluation are appropriately implemented and considering the succession of the Chairman and the appointment of a new Non-Executive Director.

James Richards

James Richards
Chairman and Chair of the Nomination Committee
20 June 2024

Remuneration Committee report

Sarah Ing
Independent Non-Executive Director and Chair of the Remuneration Committee

Members and attendance

Sarah Ing	Committee Chair	●●●●●●●●
James Richards	Independent Non-Executive Director	●●●●●○●●
Paul Wainscott	Independent Non-Executive Director	●●●●●●●●
Susanne Chishti	Independent Non-Executive Director	●●●●●●●●
Clare Francis	Independent Non-Executive Director	●●●●●●●●

● Attended meeting

○ Did not attend meeting held during tenure

Note: Since the year end a further meeting was held on 2 May 2024 and all five members attended.

Dear shareholder,

As Chair of the Remuneration Committee, I am pleased to present the Directors' remuneration report for the year ended 31 March 2024. This report comprises three sections: first, my annual statement as Chair of the Remuneration Committee; second, the proposed Remuneration Policy which will be put for approval by shareholders at this year's Annual General Meeting ("AGM"); and third, the Annual report on remuneration which sets out how the current Policy was implemented for the year ended 31 March 2024.

Remuneration in context

The Committee's approach to governing Executive pay at CMC Markets is to ensure a clear and rigorous focus on aligning pay with performance, but equally to give due consideration to all our key stakeholders. The Committee considers both corporate performance from a strategic and financial perspective coupled with stakeholder experience.

Corporate performance

Strategic priorities

During the year the Group took important steps to enhance operational efficiency with global headcount reduction and cost review programme driving synergies across product and business lines.

Our API ecosystem and world-leading financial markets technology was critical in securing large B2B partnership wins in the year, and the trading product suite with the rollout of options and addition of cash equities to our institutional offering. The investing platform saw further development with Invest UK rolling out mutual funds and SIPPs and launch of cryptocurrencies on Invest Australia and continued expansion across new geographies and markets with launch of CMC Invest Singapore, a growing footprint in the Middle East with DIFC hub and renewed focus on European operations as a lever for growth.

Financial performance

Net operating income of £332.8 million, up 15%, marks a new record high outside the COVID-19 pandemic period with profit before tax of £63 .3 million (2023: £52.2 million) and earnings per share up 13.6% to 16.7 pence.

Stakeholder experience

Our shareholders

As described below, the Committee reviewed the Remuneration Policy during the year and carried out a shareholder engagement exercise in relation to this, receiving broadly supportive feedback on the proposals.

Our employees

The Committee is responsible for reviewing the Group's wider employee remuneration policies and how reward aligns to the culture of the Group.

During the year, the Committee discussed the bonus allocation and salary reviews for the wider workforce, reviewed and agreed the Group's approach to long-term incentives beyond the Executive Directors, reviewed the Group's gender pay gap data and the steps that could be taken to close the existing gap, and discussed the operation of and participation in the Group's all-employee share plan.

During the year, all employees have been given the opportunity to participate in our twice-yearly engagement surveys and provide feedback on all topics, including remuneration. In addition, the Committee has received an update on the initiatives we have undertaken to support and develop employees and managers throughout the year. Susanne Chishti is the designated Non-Executive Director with responsibility to engage and oversee engagement with our employees and more detail on her activities is included in the Nomination Committee report on page 92.

Remuneration in relation to the year ended 31 March 2024

Throughout the year, the Committee has given careful consideration to remuneration in the context of the external environment and the Group's performance. The outcomes for the specific reward elements are as follows:

Base salary – The salaries of David Fineberg and Matthew Lewis were increased by 4.5% with effect from 1 June 2023, with these increases just below the average increase of the wider workforce of 4.7%. No adjustment was made to the salary of Peter Cruddas.

A one-off adjustment was made to the base salary of Euan Marshall from £250,000 to £300,000 to reflect his significant development in the role and contribution.

Combined Incentive Plan ("CIP") awards – The financial year ended 31 March 2023 was the fourth year of the implementation of the CIP and the plan was assessed against Group financial, strategic and individual performance targets, as approved by the Committee as follows:

– 60% based on financial performance;
– 30% based on strategic performance; and
– 10% based on achievement of personal and mandatory risk objectives.

For the financial performance element, the Group's EPS of 16.7 pence which was above the Target level of performance of 15.4 pence, resulting in an outcome of 58.6% of maximum for this element. The full detail of the financial targets is set out on page 97.

To determine the overall outcomes under the CIP, the Committee also reviewed individual Executive Directors' performance against their strategic and personal objectives, which were set at the beginning of the year. The Committee assessed each Executive Director against their strategic objectives and determined whether these had been partially met, significantly met, materially met or met. Further details of the objectives and performance against them are set out on page 97.

This resulted in the Committee awarding 67.3% of potential award to the Chief Executive Officer, 65.9% to the Deputy CEO, 67.4% to the Chief Financial Officer and 67.5% to the Head of Asia Pacific & Canada.

The 2024 awards comprise a 40% cash award and a 60% share award in line with the MIFIDPRU Remuneration Code. Share awards will be granted post the release of the Group's results for the year ended 31 March 2024. The share awards will be assessed against a performance underpin after a further three-year period ending 31 March 2027 and, if the underpin is achieved, continue to vest until 2029.

Change in Directors

As announced on 7 July 2023, Euan Marshall resigned as Chief Financial Officer and stepped down from the Board with effect from 1 September 2023. Albert Soleiman was appointed as Chief Financial Officer from this date.

The Committee applied the Directors' Remuneration Policy in determining Euan Marshall's remuneration arrangements. In line with the Policy, his unvested CIP awards lapsed in full on leaving employment.

Remuneration arrangements for Albert Soleiman on appointment were in line with the Remuneration Policy and consistent with those of Euan Marshall.

Review of the Remuneration Policy

The Remuneration Policy was approved by a shareholder vote of 99.65% at the AGM in 2021. Under the relevant legislation, we are required to put a revised Policy to shareholders every three years.

The Remuneration Committee has carefully considered the current Policy and believes that it remains fit for purpose and so is proposing that the revised Policy to be put to shareholders at the 2024 AGM will include only minor tweaks.

The full proposed Policy is set out on pages 96 to 103 but comments on specific points are included below:

– **Combined Incentive Plan ("CIP"):** The Committee is aware that the structure of the CIP is not market typical. When first introduced, the rationale behind this structure was that market volatility meant that the Committee was not able to set three-year performance targets with sufficient certainty that they would remain appropriately stretching yet achievable for the full period. Although still challenging, setting annual performance targets was more achievable and the structure of the CIP aimed to combine the achievement of stretching annual performance with substantial long-term deferral subject to a performance underpin to provide alignment with the long-term experience of shareholders.

  Given current market uncertainty, the Committee believes that this structure continues to provide strong alignment between pay and short and long-term performance and remains the right approach for the Remuneration Policy.

  It is proposed that the maximum opportunity level under the Policy for Executive Directors other than the CEO will be increased from 300% to 350%. No change is proposed to the maximum opportunity level for the CEO. The change will allow the Committee appropriate flexibility over the course of the next Policy period to ensure that Executives are appropriately and competitively incentivised to deliver successful performance outcomes in the coming years. The Committee will decide on an annual basis the opportunity level within the Policy maximum that will be operated in a given financial year. The Committee will continue to ensure that performance targets are set so that they are stretching and the opportunity under the plan will only be realised where significant performance is achieved, aligned with the creation of value for shareholders.

– **ESG and Consumer Duty:** The proposed Policy will allow the Committee flexibility in terms of implementation each year for CIP measures, weightings and targets based on evolving strategic priorities, potentially including a focus on ESG metric(s) aligned to our sustainability strategy. The FCA's Consumer Duty requirements will be incorporated with a formal consideration of this after the one-year performance period and as part of the long-term performance underpin assessment.

Review of the Remuneration Policy continued

- **Management Equity Plan ("MEP"):** The 2015 MEP will come to the end of its ten-year life in 2025 and the Committee believes that it would be prudent to seek shareholder approval of a new plan under broadly similar terms at the same time as the new Policy. For Executive Directors under the current Policy, MEP awards may only be granted by the Committee to facilitate external recruitment. The replacement plan will similarly only be available for recruitment purposes under the proposed new Policy.

The Committee carried out a consultation exercise with our largest shareholders to seek feedback on the proposed Policy. Investors consulted were broadly supportive of the proposals.

Remuneration in relation to 2025

The Committee has decided not to make salary adjustments for the Executive Directors with effect from 1 June 2024.

The Committee proposes to continue to use Group financial, strategic and individual performance against targets for the 2024 financial year as the basis on which the combined incentive will be awarded. The performance measures applied to the CIP will be:

- 60% financial performance;
- 30% strategic performance; and
- 10% personal objectives.

In relation to the financial target, the Committee has ensured that a sufficiently stretching range has been set by taking account of a number of internal and external reference points and the impact of regulatory change. The target range is considered commercially sensitive and so will be disclosed in next year's Annual Report. With regard to the strategic and personal objectives, these will be evaluated based on quantitative measurable objectives in the significant majority of cases. Again, these are considered commercially sensitive so detailed disclosure of these quantitative performance measures and associated outcomes will be included in the 2025 Annual Report and Financial Statements.

In order to comply with the MIFIDPRU Remuneration Code, CIP awards will be made 40% in cash and 60% in shares.

I hope you find this report provides a clear understanding of the Committee's approach to remuneration and that you will be supportive of the resolutions relating to remuneration at the 2024 AGM.

Sarah Ing
Independent Non-Executive Director and Chair of the Remuneration Committee
20 June 2024

Directors' Remuneration Policy

The Committee has undertaken a review of the Remuneration Policy that was approved by shareholders at the AGM held on 29 July 2021 and concluded it remains aligned with CMC Markets' strategy. The new Policy set out below will be put to shareholders for approval at the 2024 AGM, therefore, remains substantially the same as the 2021 Policy. The changes primarily reflect incorporation of the FCA's Consumer Duty requirements and an increase in the Maximum Award to 350% of salary. Further details are available in the Committee Chairs letter on page 95.

Policy table

The below table summarises the key components of the Remuneration Policy for the Executive Directors.

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary To reflect the market value of the role and individual's experience, responsibility and contribution.	The Policy is for base salary to be competitive. In making this assessment the Committee has regard for: – the individual's role, responsibilities and experience; – business performance and the external economic environment; – salary levels for similar roles at relevant comparators; and – salary increases across the Group payable in cash. Salaries are reviewed on an annual basis, with any increase normally taking effect from 1 June.	Executive Director salary increases will normally be in line with those awarded to the wider employee population. Increases may be above this level if: (i) there is an increase in scale, scope or market comparability of the role; and/or (ii) an Executive Director has been promoted or has had a change in responsibilities. Where increases are awarded in excess of the wider employee population, the Committee will provide an explanation in the relevant year's Remuneration report.	Business performance is considered in any adjustment to base salary.
Pension To provide competitive retirement benefits.	Executive Directors participate in a defined contribution pension scheme or may receive a cash allowance in lieu.	Aligned to the all-employee maximum employer contribution level, which is currently 7% in the UK and 11.5% in Australia. This is in alignment with Provision 38 of the UK Corporate Governance Code.	Not applicable.

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Share Incentive Plan ("SIP") To encourage broad employee share ownership.	In line with HMRC rules, Executive Directors are entitled to participate in the SIP on the same terms as other employees.	In line with HMRC permitted limits.	Not applicable.
Benefits To provide market competitive benefits.	Benefits include life insurance, permanent health insurance, private medical insurance, dental insurance, health screening/assessment, critical illness insurance, interest-free season ticket loans, gym membership, eye tests, cycle to work, childcare vouchers, dining card, travel insurance and club membership. Where appropriate, other benefits may be offered including, but not limited to, allowances for relocation and other expatriate benefits to perform their role.	Benefits may vary by role and individual circumstances and are reviewed periodically to ensure they remain competitive. The maximum value of the benefits is unlikely to exceed 10% of salary.	Not applicable.
Combined Incentive Plan ("CIP") To ensure that incentives are fully aligned to the Group's strategy.	The value of an award will be determined based on performance achieved in the previous financial year against defined financial and strategic targets. Performance conditions and targets are reviewed prior to the start of the year to ensure they are appropriate and stretching and reinforce the business strategy. At the end of the year the Committee determines the extent to which these were achieved. The award will be delivered as follows: Cash award: 40% of the award will be settled in cash as soon as practicable following the financial year. Deferred Shares: 60% of the award will be deferred into shares for up to five years following the financial year. This portion of the award will vest subject to the achievement of a three-year performance underpin to ensure the deferred portion of the award is warranted based on sustained success. Subject to the achievement of the performance underpin and continued service, the Deferred Share portion of the award will vest over a period of at least five years. For 2024/25, it is anticipated this will be as follows, although the Committee will continue to monitor both market and regulatory developments in respect of vesting and holding periods and may for future awards adjust the vesting schedule: – 40% after three years[1]; – 30% after four years[1]; and – 30% after five years[1]. The combined incentive awards are discretionary. Dividend equivalents may accrue on the Deferred Share portion of the award and be paid on those shares that vest. Awards under the CIP are non-pensionable and are subject to malus and clawback for a seven-year period from grant in the event of a material financial misstatement, gross misconduct, calculation error, failure of risk management, material reputational damage or any other circumstance the Committee considers appropriate. 1 Four, five and six years in total respectively allowing for the one-year performance period to determine the deferred award amount.	Participants in the CIP will include the Executive Directors. Executive Directors (excluding CEO): Awards may be up to 350% of salary, delivered as follows: – cash award: 140% of salary (120% of salary from 2023); and – Deferred Shares: 210% of salary (180% of salary from 2023). Current CEO: In respect of the current CEO, Peter Cruddas, awards may be made only up to 135% of salary. From 2023 40% of the award has been made in cash and 60% deferred into shares.	Performance is assessed against Group and individual performance measures as considered appropriate by the Committee. Financial performance will account for at least 60% of an award. For this portion, 25% of the maximum would be payable for performance at threshold level and 50% for target performance. It is anticipated that the performance measures applied in 2024/25 will be: – 60% financial: based on achievement of absolute earnings per share targets; – 30% strategic: based on the achievement of measurable objectives against targets relating to strategic business development milestones; and – 10% personal objectives. The Deferred Share portion will vest subject to a performance underpin measured over a period of at least three years starting from the end of the year used to determine the amount of the award. The Committee will review Group performance over the relevant period, taking into account factors such as: a) the Company's TSR performance; b) aggregate profit levels; and c) any regulatory breaches during the period or any other such factor that the Committee considers appropriate, which may include personal performance of the relevant Executive Director.

Directors' Remuneration Policy continued
Policy table continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
2024 Management Equity Plan ("MEP") To reinforce delivery of sustained long-term success and align the interests of participants with those of shareholders.	In respect of Executive Directors, LTIP awards may only be granted by the Remuneration Committee to facilitate external recruitment, i.e. to be used as the vehicle for buying out incentive awards forfeited on leaving a previous employer as per the recruitment policy set out below. Awards may consist of performance shares (nil cost options or conditional rights to receive shares) or market value options or a combination of the two. LTIP awards normally vest after three years. The Committee may extend the LTIP time horizon by introducing a holding period of up to two years or by extending the vesting period, e.g. if regulations require. The number of performance shares and/or options vesting is dependent on the degree to which any performance conditions attached to the LTIP award have been met over the performance period. Dividend equivalents may accrue on performance shares and be paid on those shares which vest. The award levels and performance conditions are reviewed in advance of grant to ensure they are appropriate. Awards under the LTIP are non-pensionable and are subject to malus and clawback provisions for a seven-year period from grant in the event of a material financial misstatement, gross misconduct, calculation error, failure of risk management or in any other circumstance the Committee considers appropriate.	125% of salary in normal circumstances and up to 200% of salary in exceptional circumstances or an equivalent economic value where an award is a combination of shares and options. Vesting for threshold performance in respect of any performance share awards is up to 25% of maximum.	Awards will generally vest subject to the Company's performance and continued employment. The Committee has flexibility to adjust any performance measures and weightings in advance of each future award cycle to ensure they continue to support delivery of the Company's strategy. Over the term of this policy, performance will be predominantly dependent on financial and/or share price-related measures. The Committee has flexibility to adjust downwards the formulaic outcome based on its assessment of underlying performance, and results being achieved within the Company's risk appetite, over the performance period.

Notes to the Policy table
In addition to the elements of remuneration detailed in the Policy table, any historical awards or commitments described in this report which were made prior to, but due to be fulfilled after the approval and implementation of, the Remuneration Policy detailed in this report will be honoured.

Shareholding guidelines
Executive Directors are required to build up a holding of 200% of base annual salary. Executive Directors will be required to build up to this level over a period of five years, starting from the date of our listing in 2016 for the Executive Directors who were in role at the time the 2018 Remuneration Policy was approved and from the date of appointment for any recruits since that time or in future. Executive Directors will be expected to retain at least 50% of shares vesting (net of tax) until the guideline level is achieved. For the purposes of satisfying the shareholding requirement, shares held by a connected person (e.g. a spouse) will be considered to be included.

A post-employment shareholding requirement will apply of 200% of base annual salary (or the actual shareholding at date of exit if lower) for a period of two years after leaving employment.

Dividend equivalents
Dividend equivalents are payable on the Deferred Share portion of the combined incentive.

Clawback and malus provisions
Awards under the CIP and LTIP will be subject to provisions that allow the Committee to withhold, reduce or require the repayment of awards after vesting if there is found to have been: (a) material misstatement of the Company's financial results; (b) gross misconduct on the part of the award holder; or (c) any other material event as the Committee considers appropriate.

Risk considerations

The Remuneration Policy is also designed to promote sound and effective risk management. The Remuneration Committee reviews and approves the Remuneration Policy for all employees, including for Material Risk Takers and senior risk and compliance employees, to help ensure pay arrangements encourage appropriate behaviour and compliance with the Company's risk appetite. For example, all employees receive a salary which reflects their market value, responsibilities and experience. An individual may only receive an annual incentive award if they operate within the risk appetite of the Company and have demonstrated appropriate behaviour. Key senior managers are eligible for consideration of LTIP awards, with any vesting based on performance over at least two years. The Committee has flexibility to adjust the formulaic outcome if the Company's recorded performance is not a genuine reflection of underlying business performance or if results were not achieved within the Company's risk appetite. CIP awards are subject to malus and clawback for all participants in various circumstances, including a failure of risk management. The Chief Financial Officer is closely involved in the remuneration process to ensure that both Remuneration Policy and outcomes reinforce compliance with the Company's risk appetite, including reporting independently to the Committee at least annually on compliance with the risk appetite, on any notable risk events and on the behaviour of the Material Risk Takers.

Incentive plan discretions

The Committee will operate the Company's incentive plans according to their respective rules and the Policy set out above, and in accordance with relevant financial services regulations, the Listing Rules and HMRC rules where relevant.

Following amendments in 2019 the CIP specifically includes relevant clauses to ensure the Remuneration Committee is able to use its discretion to reduce the value of a cash award or the number of shares to a share award or the extent to which a share award will vest, to avoid an otherwise formulaic outcome.

In line with common market practice, the Committee retains discretion as to the operation and administration of these incentive plans, including:

- who participates;
- the timing of grant and/or payment;
- the size of an award and/or payment (within the plan limits approved by shareholders);
- the manner in which awards are settled;
- the choice of (and adjustment of) performance measures and targets in accordance with the Remuneration Policy set out above and the rules of each plan;
- in exceptional circumstances, amendment of any performance conditions applying to an award, provided the new performance conditions are considered fair and reasonable, and are neither materially more nor materially less challenging than the original performance targets when set;
- discretion relating to the measurement of performance in the event of a variation of share capital, change of control, special dividend, distribution or any other corporate event which may affect the current or future value of an award;
- determination of a good leaver (in addition to any specified categories) for incentive plan purposes, based on the rules of each plan and the appropriate treatment under the plan rules; and
- adjustments required in certain circumstances (e.g. rights issues, share buybacks, special dividends, other corporate events, etc.).

Any use of the above discretions would, where relevant, be explained in the Annual report on remuneration. As appropriate, it might also be the subject of consultation with the Company's major shareholders.

Performance measurement selection

The Company's incentive plans are designed to incentivise the achievement of demanding financial and business-related objectives, using a balance of measures which could include absolute and relative performance measures, as appropriate, selected to support the Group's key strategic priorities.

The CIP is designed to align the interests of our participants with the longer-term interests of the Company's shareholders by rewarding them for delivering sustained increases in shareholder value within the Group's risk appetite. CIP performance measures selected reinforce the Group's strategy over the medium to long term, and provide a balance of internal and external perspectives. The Committee has selected EPS as the primary measure as this is a widely accepted measure of bottom-line financial performance and is well aligned with shareholder interests. Performance measures and targets are reviewed by the Committee ahead of each performance period to ensure they are appropriately stretching and achievable over the performance period.

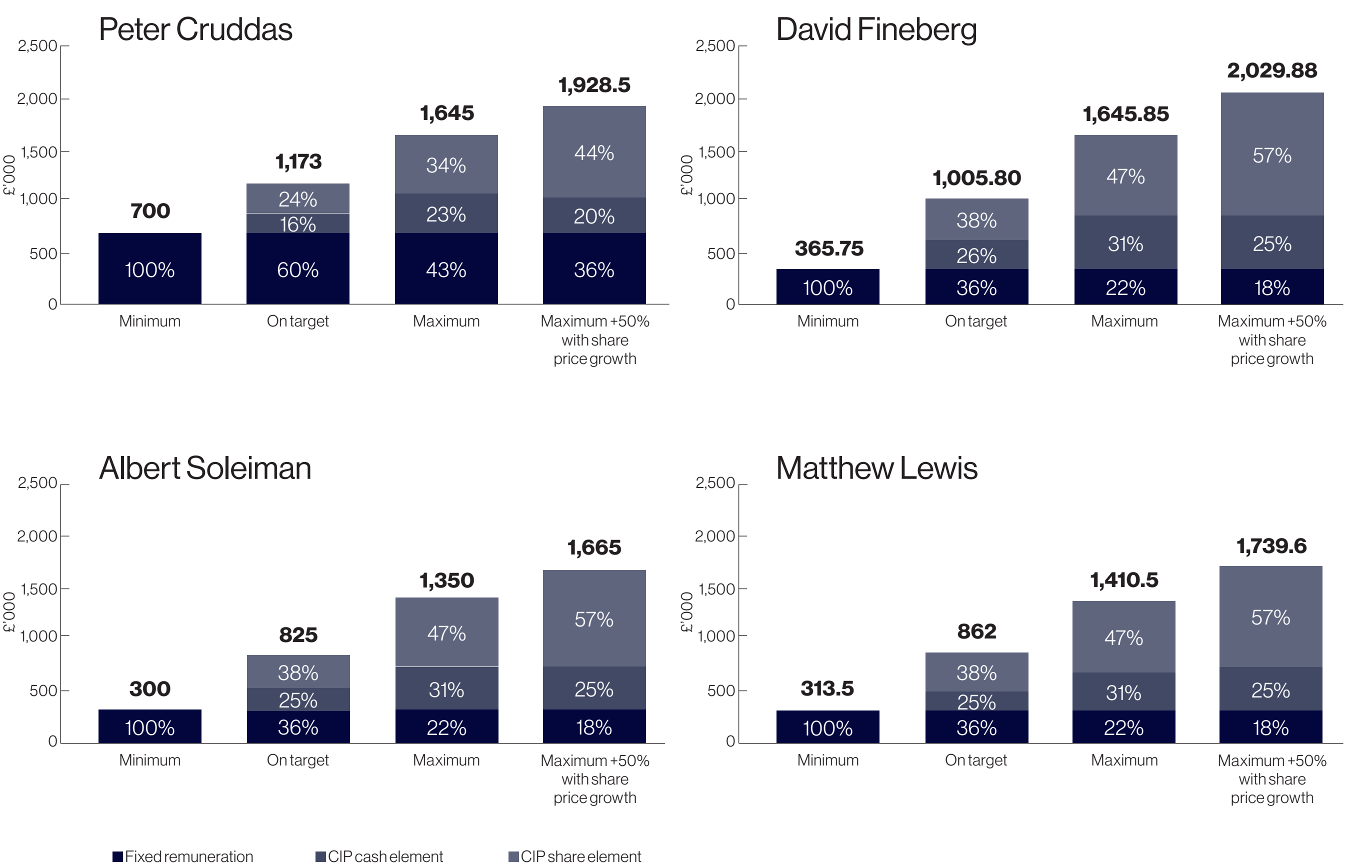
The CIP strengthens the alignment of pay with the measures of performance that are important in creating value for shareholders and also forms a strong retention and motivation mechanism for Executives. The performance measures selected are a combination of financial performance, strategic performance and individual objectives. The achievement of these performance measures will be reviewed by the Committee ahead of any award and the vesting of share awards will be subject to the achievement of a performance underpin over the vesting period.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Executive Directors' remuneration scenarios

The charts below provide estimates of the potential future reward opportunity for each of the four Executive Directors and the implied split between the different elements of remuneration under three different performance scenarios: "Minimum", "On target" and "Maximum".



Assumptions underlying each element of remuneration are provided in the table below.

Component		Minimum	On target	Maximum	Maximum with share price growth
Fixed	Base salary	Latest salary	n/a	n/a	n/a
	Pension	Contribution applies to latest salary	n/a	n/a	n/a
	Other benefits	As presented as a single figure on page 106	n/a	n/a	n/a
Combined incentive		No payment	50% of maximum	100% of maximum	100% of maximum with 50% growth in share price

The column headed "Maximum with share price growth" is the maximum figure but includes share price growth of 50% for any part of the CIP paid in shares. Otherwise, the projected value of the deferred element of the combined incentive excludes the impact of share price growth and any potential dividend accrual. Actual remuneration delivered, however, will be influenced by these factors. Deferred awards are subject to continuing employment.

Remuneration Policy for new hires

In the case of hiring or appointing a new Executive Director, the Committee may make use of all the existing components of remuneration.

The salaries of new appointees will be determined by reference to their role and responsibilities, experience and skills, relevant market data, internal relativities and their current salaries. New appointees will be eligible to receive a pension contribution or allowance and benefits and participate in the Company's HMRC approved all-employee Share Incentive Plan, in line with the Remuneration Policy.

New appointees will be entitled to participate in the CIP, as described in the Policy table, with the relevant maximum being pro-rated to reflect the period served. The Deferred Share portion of a new appointee's combined incentive award will normally vest on the same terms as other Executive Directors, as described in the Policy table. Individual objectives will be tailored to the individual's role.

In determining appropriate remuneration for a new Executive Director, the Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that the remuneration arrangements are appropriate and in the interests of the Company and its shareholders. The Committee may consider it appropriate to "buy out" incentive arrangements forfeited by an Executive on leaving a previous employer and may exercise the discretion available under Listing Rule 9.4.2 if necessary. In doing so, the Committee will ensure that the value of any buyout will as closely as possible mirror the expected value of awards forgone (taking into account progress against any performance conditions attached), and take into consideration the timeframe, performance conditions attached and type of award forgone when constructing a buyout award. Buyout awards will be subject to continued employment over the performance period.

In cases of appointing a new Executive Director by way of internal promotion, the Remuneration Committee will be consistent with the Policy for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honour these arrangements.

In the case of hiring or appointing a new Non-Executive Director, the Committee will follow the Policy as set out in the table on page 103.

Service contracts

The Executive Directors are employed under contracts of employment with CMC Markets UK plc. The principal terms of the Executive Directors' service contracts are as follows:

Executive Director	Position	Effective date of contract	Notice period from Company	Notice period from Director
Peter Cruddas	Chief Executive Officer	1 February 2016	12 months	12 months
Albert Soleiman	Chief Financial Officer	1 September 2023	6 months	6 months
David Fineberg	Deputy Chief Executive Officer	1 February 2016	6 months	6 months
Matthew Lewis	Head of Asia Pacific & Canada	1 November 2019	6 months	6 months

The terms shown in the table above are in line with the Company policy of operating notice periods of up to nine months in the case of Executive Directors, except for the CEO service contract which can have a notice period of up to 12 months. All employees including Executive Directors are subject to a six-month probation period. The contracts have no fixed duration.

Executive Directors' contracts are available to view at the Company's registered office.

Letters of appointment are provided to the Chairman and Non-Executive Directors. Non-Executive Directors have letters of appointment, which means that they retire at each AGM and are put up for re-election at the AGM. Non-Executive Directors' letters of appointment are available to view at the Company's registered office.

Non-Executive Directors are all on a three-month notice period. Details of the effective date of Non-Executive Directors' letters of appointment are set out below:

Non-Executive Director	Date of initial letter	Date of latest letter	Date of appointment
James Richards	20 October 2014	16 February 2018	1 April 2015
Sarah Ing	7 July 2017	7 July 2017	14 September 2017
Paul Wainscott	11 July 2017	11 July 2017	19 October 2017
Susanne Chishti	1 June 2022	1 June 2022	1 June 2022
Clare Francis	14 December 2022	14 December 2022	19 December 2022

Directors' Remuneration Policy continued

Exit payment policy

The Company considers termination payments on a case-by-case basis, taking into account relevant contractual terms, the circumstances of the termination and any applicable duty to mitigate. In such an event, the remuneration commitments in respect of Executive Directors' contracts could amount to salary, benefits in kind and pension rights during the notice period, together with payment in lieu of any accrued but untaken holiday leave, if applicable.

The Committee would apply general principles of mitigation to any payment made to a departing Executive Director and would honour previous commitments as appropriate, considering each case on an individual basis.

The table below summarises how the awards under the Combined Incentive Plan and LTIP are typically treated in different leaver scenarios and on a change of control. The Committee retains discretion on determining "good leaver" status, but it typically defines a "good leaver" in circumstances such as retirement with agreement of the Board, ill health, injury or disability, death, statutory redundancy, or part of the business in which the individual is employed or engaged ceases to be a member of the Group. Final treatment is subject to the Committee's discretion.

Event		Timing of vesting/award	Calculation of vesting/payment
CIP	"Good leaver"	On normal vesting date (or earlier at the Committee's discretion).	Unvested awards vest to the extent that any performance conditions have been satisfied and are pro-rated to reflect the proportion of the vesting period served.
	"Bad leaver"	Unvested awards lapse.	Unvested awards lapse on cessation of employment.
	Change of control[1]	On the date of the event.	The Committee will determine the level of vesting, taking account of the extent to which performance conditions have been or are likely to be satisfied and, unless the Committee decides otherwise, the proportion of the vesting period served.
LTIP	"Good leaver"	On normal vesting date (or earlier at the Committee's discretion).	Unvested awards vest to the extent that any performance conditions have been satisfied and are pro-rated to reflect the proportion of the vesting period served.
	"Bad leaver"	Unvested awards lapse.	Unvested awards lapse on cessation of employment.
	Change of control[1]	On the date of the event.	The Committee will determine the level of vesting, taking account of the extent to which performance conditions have been or are likely to be satisfied and, unless the Committee decides otherwise, the proportion of the vesting period served.

1 In certain circumstances, the Committee may determine that any Deferred Share awards under the annual incentive and both unvested and any deferred awards under the LTIP and CIP will not vest on a change of control and instead be replaced by an equivalent grant of a new award, as determined by the Committee, in the new company.

Upon exit or change of control, SIP awards will be treated in line with the approved plan rules.

If employment is terminated by the Company, the departing Executive Director may have a legal entitlement (under statute or otherwise) to additional amounts, which would need to be met. In addition, the Committee retains discretion to settle other amounts reasonably due to the Executive Director, for example to meet the legal fees incurred by the Executive Director in connection with the termination of employment, where the Company wishes to enter into a settlement agreement (as provided for below) and, in which case, the individual is required to seek independent legal advice.

In certain circumstances, the Committee may approve new contractual arrangements with departing Executive Directors including (but not limited to) settlement, confidentiality, restrictive covenants and/or consultancy arrangements. These will be used sparingly and only entered into where the Committee believes that it is in the best interests of the Company and its shareholders to do so.

Consideration of conditions elsewhere in the Group

In making remuneration decisions, the Committee takes into account the pay and employment conditions of employees across the Group. In particular, the Committee considers the range of base pay increases across the Company as a factor in determining the base salary increases for Executive Directors. The Committee does not consult with employees on the Executive Directors' Remuneration Policy nor does it use any remuneration comparison measurements.

Remuneration Policy for other employees

CMC Markets' approach to annual salary reviews is consistent across the Group. All employees are eligible to participate in the annual incentive award scheme or an equivalent scheme, with targets appropriate to their organisational level and business area. Key senior managers are also eligible for LTIP awards to further support long-term alignment with shareholder interests.

Consideration of shareholder views

The Committee is committed to an ongoing dialogue on Directors' remuneration. It is the Remuneration Committee's intention to consult with major shareholders prior to any major changes to its Remuneration Policy. As part of the renewal process we correspond with all significant shareholders to seek their views on proposed changes.

Group's Remuneration Policy for Chairman and Non-Executive Directors

The Board determines the Remuneration Policy and level of fees for the Non-Executive Directors, within the limits set out in the Articles of Association. The Remuneration Committee recommends the Remuneration Policy and level of fees for the Chairman of the Board. Full details of the current fees paid can be found on Page 113. The Group's policy is:

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Fees are set to attract suitable individuals with a broad range of experience and skills to oversee shareholders' interests and Company strategy. Furthermore fees are set to reflect market value of the role and the individual's time commitment, responsibility, performance and contribution.	Annual base fee for the Chairman . Annual base fee for the Non-Executive Directors. Additional fees are paid to Non-Executive Directors for additional services such as chairing a Board Committee, performing the role of Senior Independent Director, etc. Fees are reviewed from time to time taking into account time commitment, responsibilities and fees paid by companies of a similar size and complexity. Fee increases are then applied in line with the outcome of the review. **Expenses** The Company may reimburse NEDs in cash for reasonable expenses (including any tax due thereon) incurred in carrying out their role.	Fee increases are applied in line with the outcome of the review. Aggregate fees will not exceed the limit approved by shareholders in the Articles of Association, which is currently £750,000.	Not applicable.

Minor changes

The Committee may make minor amendments to the Policy set out above (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without requiring prior shareholder approval for that amendment.

Annual report on remuneration

Principal responsibilities of the Remuneration Committee

The Committee is responsible for determining the Remuneration Policy for the Executive Directors and ensuring that incentive payments are aligned to the Company's purpose, values and strategy in order to promote long-term sustainable success. The Committee is also responsible for setting the remuneration of the Chairman of the Board and members of the senior leadership team, including the Company Secretary, and overseeing the remuneration framework and practices for the wider workforce.

The main role and responsibilities of the Remuneration Committee are:

- reviewing and agreeing appropriate Remuneration Policies which comply with all relevant regulations;
- reviewing and determining the remuneration of the Executive Directors and the senior management team, having regard to remuneration of the wider CMC workforce;
- reviewing and ensuring that incentive payments to Executive Directors are linked to the achievement of stretching financial performance and both strategic and individual agreed objectives;
- ensuring that remuneration incentivises and aims to retains key employees including the Executive Directors and senior management;
- ensuring that Executive remuneration is linked to the delivery of the long-term success of the Company;
- having oversight of the operation of remuneration arrangements across the CMC Group through regular review of "management" information including gender-related data;
- reviewing any major changes to employee benefit structures, including new share schemes, and ensuring that shareholders are consulted and the required approval processes are followed;
- reviewing the appropriateness of remuneration against the risk management strategy following advice from the Group Risk Committee; and
- oversees the adherence of all relevant regulations relating to Executive Director remuneration.

Remuneration Committee report continued

Annual report on remuneration continued

Committee composition, attendance and advisers

The Committee is chaired by Sarah Ing with James Richards, Paul Wainscott, Susanne Chishti (from 1 June 2022) and Clare Francis (from 19 December 2022) as members, all of whom are considered independent.

The Committee held seven scheduled meetings in the financial year, and attendance by Committee members is shown on page 94.

During the year, the Committee was advised by independent remuneration consultants Willis Towers Watson ("WTW") on various remuneration matters including providing advice on all elements of remuneration for the Executive Directors, the Remuneration Policy and best-practice and market updates. WTW is a member of the Remuneration Consultants Group ("RCG") and is a signatory to the RCG's Code of Conduct. It was confirmed that none of the Committee members had any connection or conflicts of interest in regard to this appointment. Additional legal advice was sought from Tapestry Compliance Limited in respect of the Group's share-based plans.

The Chief Executive Officer, Deputy CEO, Chief Financial Officer and Head of Asia Pacific & Canada attend Committee meetings by invitation but do not attend to take part in any discussions relating to their own remuneration. The Head of HR attends Committee meetings where appropriate to the matters being considered including both Executive and wider workforce remuneration. No Director or employee is involved in discussions regarding their own pay.

Main activities during the financial year

May 2023
- Overview of corporate salary review and bonus allocation for 2023.
- Consideration of CIP and MEP performance conditions.
- Senior management performance and consideration of LTIP awards.
- Reviewing the draft Directors' remuneration report.
- Consideration of Executive Director performance and CIP awards.
- Indicative vesting of 2021 MEP awards.
- Confirmation of the appointment of the Company Secretary.

July 2023
- Approving the grant and vesting of incentive schemes.
- Approving 2024/25 Executive Director performance objectives.

November 2023
- Initial discussions regarding the review of the Executive Directors' Remuneration Policy.
- Considering diversity and inclusion targets.
- Approving 2023/24 performance objectives for the newly appointed CFO.
- Receiving H1 2024 performance management update for Executive Directors.
- Approving the reappointment of remuneration consultants.

January 2024
- Discussion on the FCA letter to RemCo chairs and the EU Pay Transparency Directive.
- Update on renewal of Executive Remuneration Policy and agreement to the letter to shareholders.
- Consideration of the CIP performance underpin.
- Consideration of remuneration matters arising from senior hires and exits.

February 2024
- Discussing indicative performance review ratings for business teams/ senior staff.

March 2024
- Consideration of fair pay analysis and gender pay reporting 2023/24.
- Discussion of the proposed bonus pool for 2024 and corporate salary review.
- Discussion on Executive Director performance.

Compliance with the 2018 UK Corporate Governance Code

The Committee considers the Remuneration Policy and current practices to address the requirements contained within Provision 40 of the Code. As noted in the Committee Chair's statement, Susanne Chishti is the designated Non-Executive Director for engaging with the workforce on a variety of topics including remuneration.

Provision	How addressed
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The Remuneration Policy is clearly disclosed in this report and the Committee has proactively engaged with key institutional shareholders as part of the renewal process. The Committee receives regular updates on market practice and has received updates on pay within the wider workforce.
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The Committee aims for our arrangements to be as simple as possible by, for example, operating a single combined incentive arrangement. Our aim is for disclosure in this report to be easy to understand for our stakeholders.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Company's discretionary incentive plans ensure the Committee has discretion to reduce the size of awards and awards are subject to malus and clawback provisions. The Committee has discretion to adjust formulaic outcomes if it does not consider them appropriate (see Policy pages 96 to 103).
Predictability – the range of possible reward values to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy.	Scenario charts for all Executive Directors are included in the Remuneration Policy and show estimates of potential future reward opportunity and the implied split between the different elements of remuneration under three different performance scenarios. The Policy includes an explanation of the discretions that can be exercised by the Committee.
Proportionality – the range of possible reward outcomes, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	A significant part of an Executive's reward is linked to performance with a clear line of sight between business performance and the delivery of shareholder value.
Alignment to culture – incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	The incentive arrangements and the performance measures used are strongly aligned to those that the Board considers when determining the success of the implementation of the Company's strategy. Please see pages 18 to 22 of this report for more information on the Company's strategy and key performance indicators.

The Remuneration Policy operated as intended in the year ended 31 March 2024 and the following section sets out the remuneration arrangements and outcomes for the year ended 31 March 2024, and how the Committee intends the Remuneration Policy to apply during the year ending 31 March 2025.

The following pages have been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and Rules 9.8.6 and 9.8.8 of the Listing Rules. The Directors' remuneration report, including the Remuneration Policy, will be put to a shareholder vote at the Annual General Meeting on 25 July 2024. The revised Remuneration Policy will also be put to the shareholders for approval at the Annual General Meeting.

Annual report on remuneration continued

Single total figure of Executive Director remuneration (audited)

The table below sets out the single total figure of the remuneration received by each Executive Director who served during the years ended 31 March 2023 and 31 March 2024.

Name	Year ended 31 March	Salary £'000	Benefits[1] £'000	Pension[4] £'000	Other[5] £'000	Total fixed remuneration £'000	Annual incentives[2] £'000	Long-term incentives[3] £'000	Total variable remuneration £'000	Total £'000
Peter Cruddas	**2024**	**700.0**	**3.0**	**—**	**—**	**703.0**	**254.2**	**—**	**254.2**	**957.2**
	2023	700.0	3.0	—	—	703.0	137.6	—	137.6	840.6
David Fineberg	**2024**	**363.1**	**1.5**	**25.4**	**1.8**	**391.8**	**276.8**	**143.8**	**420.6**	**812.4**
	2023	350.0	1.7	30.8	1.8	384.3	148.2	110.0	258.2	642.5
Euan Marshall[7]	**2024**	**216.7**	**1.1**	**18.4**	**0.6**	**236.8**	—	—	—	**236.8**
	2023	250.0	1.7	23.2	1.8	276.7	72.5	—	72.5	349.2
Matthew Lewis[6]	**2024**	**288.6**	**0.4**	**32.0**	**—**	**321.0**	**243.1**	**89.4**	**332.4**	**653.4**
	2023	288.2	0.4	13.3	—	301.9	131.4	34.6	166.0	467.9
Albert Soleiman[8]	**2024**	**175.0**	**0.8**	**0**	**1.1**	**176.9**	**141.6**	**0**	**141.6**	**318.4**
	2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1 Benefits: taxable value of benefits received in the year by Executive Directors comprises private health insurance and club membership for Peter Cruddas, health insurance for David Fineberg, Albert Soleiman and Euan Marshall and life assurance for Matthew Lewis.

2 The total cash element of the CIP award earned in respect of performance during the relevant financial year.

3 The long-term incentive payments in 2023 to David Fineberg, Euan Marshall and Matthew Lewis relate to the vesting of the first tranche of the CIP award granted in 2020. The Remuneration Committee agreed there were no factors prompting the application of the performance underpin; therefore, the first tranche will vest in full. Dividend equivalents are included in the figures. The value of the award was calculated using the average closing share price on the date of vest of £1.54. The value attributable to share price growth is -£116,106, and -£43,126 for David Fineberg and Matthew Lewis respectively. This was calculated using the grant price of £3.49 and the vesting price (share price as at date of award vest) of £1.54.

The long-term incentive payment in 2024 to David Fineberg and Matthew Lewis relates to the vesting of the first tranche of the CIP award granted in 2021 and the second tranche of the CIP award granted in 2020. In relation to the 2020 CIP award the Remuneration Committee agreed there were no factors prompting the application of the performance underpin; therefore, the second tranche will vest in full. Dividend equivalents are not included in the figures. The value of the award was calculated using the average closing share price in the last three months of 2024 of £1.55. The value attributable to share price growth is -£86,275 and -£32,046 for David Fineberg and Matthew Lewis respectively. This was calculated using the grant price of £3.49 and the vesting price (share price as at date of award vest) of £1.55.

In relation to the 2021 CIP award the Remuneration Committee agreed there were no factors prompting the application of the performance underpin; therefore, the tranche will vest in full. Dividend equivalents are not included in the figures. The value of the award was calculated using the average closing share price in the last three months of 2024 of £1.55. The value attributable to share price growth is -£134,710 and -£118,227 for David Fineberg and Matthew Lewis respectively. This was calculated using the grant price of £4.45 and the vesting price (share price as at date of award vest) of £1.55. Euan Marshall received an award in 2021 but this was forfeited upon his resignation from the Board.

Neither Peter Cruddas nor Albert Soleiman received payments relating to the vesting of CIP awards in FY24.

4 Pension: during the year ended 31 March 2024, David Fineberg, Albert Soleiman and Euan Marshall were eligible to receive a Company pension contribution of up to 7% of salary in line with the maximum contribution received by employees across the Group. Matthew Lewis received contributions to the Superannuation plan in Australia. Peter Cruddas opted out of the plan and no compensation was provided. No current or past Executive Directors have a prospective right to a final salary pension or cash balanced benefits by reference to years of qualifying service.

5 Share Incentive Plan: employees, including the Executive Directors, are entitled to participate in the SIP throughout the year; it allows employees and Directors to receive one matching share for every partnership share purchased under the SIP up to the limits defined by HMRC. In 2024, 1,402 matching shares were allocated to David Fineberg , 466 matching shares were allocated to Euan Marshall and 935 matching shares were allocated to Albert Soleiman calculated on the dates of purchase. The free and matching shares will be forfeited if, within three years from the date of grant, the individual leaves employment in certain circumstances. Peter Cruddas and Matthew Lewis do not participate in the plan.

6 The decrease in salary for Matthew Lewis reflects prevailing exchange rates.

7 Figures for Euan Marshall reflect the period 1 April 2023 to 31 December 2023 following his resignation from the Board. Euan Marshall received CIP awards in 2020 and 2021 but these were forfeited upon his resignation from the Board. He only received his contractual six-month notice and no compensation for loss of office.

8 Figures for Albert Soleiman reflect the period from 1 September 2023 to 31 March 2024 following his appointment to the Board.

CIP for the year ended 31 March 2024 (audited)

During the year ended 31 March 2024 the Executive Directors participated in the Combined Incentive Plan with a maximum opportunity of up to 135% of salary for Peter Cruddas, CEO, and up to 300% of salary for David Fineberg, Deputy CEO, Albert Soleiman, CFO, and Matthew Lewis, Head of Asia Pacific & Canada.

In considering the combined incentive cash award and share award, together comprising the award, due to the Executive Directors for the year ended 31 March 2024, the Committee reviewed Group earnings per share ("EPS") against targets over the period.

Financial performance measures account for 60% of the total award.

Measure	Threshold	Target	Maximum	Actual
Group earnings per share ("EPS")	9.3 pence (25%)	15.4 pence (50%)	23.0 pence (100%)	16.7 pence (58.6%)

The Group successfully delivered a diluted EPS of 16.7 pence against a target of 15.4 pence, resulting in a 58.6% award from this element of the Plan.

Group strategic and personal performance measures

Strategic performance measures account for 30% of the total award and personal measures account for 10% of the total award.

Chief Executive Officer strategic objectives (30%)	Score	Assessment
Continue to evolve CMC's strategy to broaden its product range and geographical reach in line with the financial, commercial and risk metrics agreed with the Board.	90%	Strong progress has been made with the delivery of cash equities, initial rollout of options, opening of the Bermuda office and growth of the Middle Eastern business.
Provide strategic oversight to the delivery of the options and equities project to Connect and Prime clients.	90%	Peter has been key to the structure and delivery of this product which is key for CMC's future growth.
Drive CMC's leveraged business to ensure levels of client retention and overall satisfaction are improved and not impacted by the diversification of the business.	90%	CMC remains a market leader across a number of measures for the quality of platform and products it provides.
Continue to evolve and develop the senior leadership team to reflect the increasing complexity and strategic ambition of CMC.	90%	The appointment of the new CFO has provided an opportunity to improve the diversity of the senior team and has brought a different perspective to the Executive Committee.
Jointly sponsor with the wider ED team the development and delivery of a strategy to improve diversity and inclusion and ESG across CMC.	75%	Good progress continues to be made with the exception of the decline in employee engagement.
Award for strategic objectives	**26%**	
Personal and mandatory risk objective (10%):		
Lead CMC Markets to deliver its vision and objectives by demonstrating leadership skills fully aligned with CMC values, ways of working and conduct code.	60%	Peter has continued to lead by example to deliver to the Company's values, ways of working and code of conduct.
Award for personal objective	**6%**	
Total for strategic and personal objectives (40%)	**32%**	

Deputy CEO strategic objectives (30%)	Score	Assessment
Deliver and embed an effective Risk Management Framework.	75%	Good progress has been made in implementing the recommendations of ERM framework review.
Lead the creation of new entities and partnerships to offer trading to US customers.	90%	Strong progress has been made in developing the app and preparing for a Q1 launch.
Lead the dynamic hedging project to tackle concentrated exposures and better withstand market volatilities.	90%	Enhancements to index and FX strategies now in place and producing positive results.
Deliver a viable offering to migrate futures flow to CMC.	75%	Good progress has been made with vendor selection complete and due to be fully operational in H1 FY25.
Implement and embed the Board approved consumer duty plan.	90%	Consumer Duty is now implemented within CMC with some minor areas of enhancement required to ensure it is fully embedded.
Jointly sponsor with the wider ED team the development and delivery of a strategy to improve diversity and inclusion and ESG across CMC.	75%	Good progress continues to be made with the exception of the decline in employee engagement.
Award for strategic objectives	**25%**	
Personal and mandatory risk objective (10%):		
Lead CMC Markets to deliver its vision and objectives by demonstrating leadership skills fully aligned with CMC values, ways of working and conduct code.	60%	David has continued to lead by example to deliver to the Company's values, ways of working and code of conduct.
Award for personal objective	**6%**	
Total for strategic and personal objectives (40%)	**31%**	

Remuneration Committee report continued

Annual report on remuneration continued

CIP for the year ended 31 March 2024 (audited) continued

Group strategic and personal performance measures continued

Based on the outcomes against the performance targets, the Committee recommended the following awards under the Combined Incentive Plan:

Chief Financial Officer strategic objectives (30%)	Score	Assessment
Implement the requirements of the UK BEIS consultation.	100%	Strong progress has been made in understanding the impact of these changes on CMC and we are well positioned to implement to time and budget.
Project delivery tracking – Ongoing evolution of business line P&L reporting to include revenue and cost tracking at a material project level and engendering greater accountability in senior management objectives and remuneration.	75%	Good progress has been made in implementing a more robust approach to project prioritisation.
ERM framework implementation – Support the delivery of the project, with particular focus on the capital and liquidity considerations resulting from the ongoing diversification of the business.	100%	Project is nearing completion and has been delivered to a high standard.
ICARA review – Lead the delivery of FCA requirements resulting from the ICARA review.	75%	Good progress has been made with the final implementation of audit findings nearing completion.
Cost control – Implement a cost-conscious culture through disciplined spend, robust challenge and deeper cost review. Lead the cost reduction programme covering headcount, supplier reviews and efficiency initiatives.	100%	Albert has delivered a significant review of business costs in FY24. This has been supplemented with a drive to build a more cost-conscious culture.
Jointly sponsor with the wider ED team the development and delivery of a strategy to improve diversity and inclusion and ESG across CMC.	75%	Good progress continues to be made with the exception of the decline in employee engagement.
Award for strategic objectives	**26%**	
Personal and mandatory risk objective (10%):		
Lead CMC Markets to deliver its vision and objectives by demonstrating leadership skills fully aligned with CMC values, ways of working and conduct code.	60%	Albert has continued to lead by example to deliver the Company's values, ways of working and code of conduct.
Award for personal objective	**6%**	
Total for strategic and personal objectives (40%)	**32%**	

Head of Asia Pacific & Canada strategic objectives (30%)	Score	Assessment
Singapore Invest launch – Lead the successful phased public launch.	90%	Singapore Invest was successfully launched to the public in September 2023 with revenues slightly under budget.
Bermuda – Lead the successful licence application to establish an offshore entity.	75%	Good progress has been made with the licence application made and the office opened.
MT4 – Lead the commercial improvements including premium offering, enhancements to MT4 active and MT4 spread bet.	100%	MT4 has been delivered to time and budget for all milestones.
NZ Invest – Lead the successful build and launch of the CMC Invest product for New Zealand.	75%	Good progress has been made with the product launch planned for Q1 FY25.
Automation anywhere – Lead the automation rollout of robotics across agreed teams and tasks.	100%	Project progresses to time with several business efficiencies delivered and more identified.
Crypto – Lead the successful public launch of Project Digital Assets across Australia, NZ and SG.	100%	Crypto has exceeded all expectations and, subject to licence approvals, we expect to see further progression on in FY25.
Jointly sponsor with the wider ED team the development and delivery of a strategy to improve diversity and inclusion and ESG across CMC.	75%	Good progress continues to be made with the exception of the decline in employee engagement.
Award for strategic objectives	**26%**	
Personal and mandatory risk objective (10%):		
Lead CMC Markets to deliver its vision and objectives by demonstrating leadership skills fully aligned with CMC values, ways of working and conduct code.	60%	Matthew has continued to lead by example to deliver the Company's values, ways of working and code of conduct.
Award for personal objective	**6%**	
Total for strategic and personal objectives (40%)	**32%**	

Executive Directors' combined incentive outcomes

	Role	Max award % salary	Overall outcome (% of max opportunity)	Award % salary	Total award £'000	Cash award £'000	Cash award % salary	Share award £'000	Share award % salary
Peter Cruddas	Chief Executive Officer	135%	67.3%	91%	635.6	254.2	36%	381.4	54%
David Fineberg	Deputy Chief Executive Officer	300%	65.9%	198%	692.1	276.8	76%	415.2	114%
Albert Soleiman[1]	Chief Financial Officer	300%	67.4%	202%	353.9	141.6	47%	212.3	71%
Matthew Lewis	Head of Asia Pacific & Canada	300%	67.5%	203%	607.7	243.1	78%	364.6	116%

1 The award for Albert Soleiman is pro-rated to reflect his appointment to the role of Chief Financial Officer with effect from 1 September 2023. Euan Marshall forfeited a combined incentive award for 2024 upon resignation from the Board in accordance with the rules of the scheme.

The share element of the 2024 awards will be granted as conditional shares after the announcement of the year-end results. The award share price will be calculated using the three-day average share price prior to the date of grant of the award.

Awards vest at 40%, 30% and 30% after three, four and five years respectively and are subject to a performance underpin assessed at the end of three financial years following the one-year performance period. The performance underpin will consist of a broad review of the performance of the business and will take into account the Company's three-year TSR performance, three-year aggregate profit levels and any regulatory breaches during the period. The Committee has discretion to apply other factors.

Vesting of awards under the CIP in the financial year ended 31 March 2024 (audited)

The first tranche of the 2020 CIP award vested to the following Executive Directors on 20 July 2023:

Director	Total grant in shares	Total dividend equivalent shares	Total shares vested
David Fineberg	59,542	11,904	71,446
Matthew Lewis	22,116	4,419	26,535

Notes:
Euan Marshall forfeited the deferred element of the 2020 CIP award upon his resignation from the Board.

Share awards granted in year (audited)

The table below provides details of the deferred element of the 2023 CIP.

Director	Face value of award (£'000)	No. of shares awarded
Peter Cruddas	206.3	138,144
David Fineberg	222.3	148,795
Matthew Lewis	197.0	131,927

Notes:
The awards were granted as conditional shares. The award share price was £1.495 calculated using the three-day average share price prior to the date of grant of the award.

Awards vest at 40%, 30% and 30% after three, four and five years respectively and are subject to a performance underpin assessed at the end of three financial years following the one-year performance period. The performance underpin will consist of a broad review of the performance of the business and will take into account the Company's three-year TSR performance, three-year aggregate profit levels and any regulatory breaches during the period. The Committee has discretion to apply other factors. For further details please refer to the notes for the single figure table on page 106.

Euan Marshall forfeited the deferred element of the 2023 CIP award upon his resignation from the Board.

Annual report on remuneration continued

Implementation in 2024/25

Salary

The Executive Directors will not receive a pay rise with effect from 1 June 2024. The table below summarises these changes:

Name	Role	Previous salary	Adjusted salary	Percentage change
Peter Cruddas	Chief Executive Officer	£700,000	£700,000	0%
David Fineberg	Deputy Chief Executive Officer	£365,750	£365,750	0%
Albert Soleiman	Chief Financial Officer	£300,000	£300,000	0%
Matthew Lewis	Head of Asia Pacific & Canada	£287,498	£287,498	0%

Combined Incentive Plan

The Committee also proposes to continue to use Group financial, strategic and individual performance against targets for the 2024/25 financial year as the basis on which the combined incentive will be awarded. The performance measures applied to the combined incentive will be:

- 60% financial;
- 30% strategic performance; and
- 10% personal objectives.

In relation to the financial target, the Committee has ensured that a sufficiently stretching range has been set by taking account of a number of internal and external reference points and the impact of regulatory change. The target range will be disclosed in next year's Annual Report and Financial Statements. With regard to the strategic and personal objectives, these will be evaluated based on quantitative measurable objectives in the significant majority of cases.

The Directors believe that these performance measures are commercially sensitive; therefore, detailed disclosure of these outcomes will be included in the 2025 Annual Report and Financial Statements. The maximum awards achievable under the CIP for 2025 will be 350% of salary for the CFO, Deputy CEO and Head of APAC & Canada. For the CEO the maximum award achievable is 135% of salary.

Pension

With the exception of the CEO, who does not currently participate in the scheme, the Executive Directors based in the UK can receive a pension contribution of 7% of salary or cash in lieu of pension (net employer costs). The Head of Asia Pacific & Canada receives Superannuation in Australia.

Share ownership and share interests (audited)

The Committee has adopted guidelines for Executive Directors and other senior Executives to encourage substantial long-term share ownership. Executive Directors are expected to build and hold shares of at least 200% of salary and to retain at least 50% of shares vesting (net of tax) until the guideline is achieved.

The table below shows the interests of the Directors and connected persons in shares and the extent to which CMC Markets' shareholding guidelines are achieved.

	Total share interests at 31 March 2024 Number	**Total share interests at 31 March 2024 % salary**	Requirement met	Unvested awards not subject to performance conditions[1]	Unvested awards subject to performance conditions[2]
Executive Directors					
Peter Cruddas (including shares held by spouse)	**174,149,738**	**54,111%**	Yes	—	205,612
David Fineberg[1] (including shares held by spouse)	**384,319**	**229%**	Yes	3,665	335,011
Albert Soleiman (including shares held by spouse)	**53,704**	**39%**	No	6,514	—
Matthew Lewis[1] (including shares held by spouse)	**304,290**	**230%**	Yes	1,437	273,479
Euan Marshall[3] (including shares held by spouse)	**38,852**	**28%**	No	-	—

1 David Fineberg and Albert Soleiman have interests under the Share Incentive Plan subject to forfeiture for three years. Matthew Lewis has interests in the International Share Incentive Plan.

2 Unvested Deferred Share awards under the CIP are included as unvested awards subject to performance conditions and do not count towards the total share interests.

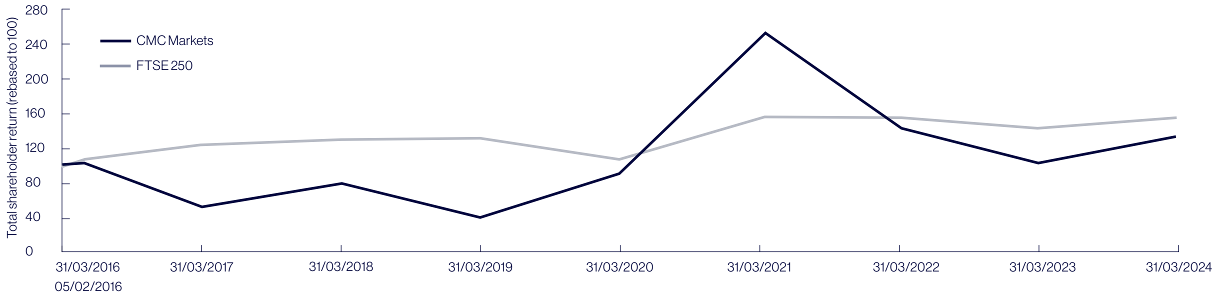
3 Euan Marshall's figure is the balance as at 1 September 2023.

David Fineberg and Albert Soleiman have continued to participate in the Share Incentive Plan, each acquiring 121 matching shares and 121 partnership shares during April and May.

There are no other changes to shareholdings between 31 March 2024 and 30 May 2024.

Total shareholder return ("TSR") performance and CEO single figure

The below chart compares the total shareholder return ("TSR") of the Company against the FTSE 250 index based on £100 invested at listing (5 February 2016). The FTSE 250 is used as the benchmark as CMC Markets is a constituent of this index.



Source: DataStream.

CEO pay history

Name	Year ended 31 March 2016[1]	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2023	**Year ended 31 March 2024**
CEO single figure of remuneration (£'000)	739.9	412.8	845.8	434.4	1,048.5	1,459.4	858.2	840.6	**957.2**
Annual incentive payout (as % of maximum)	100%	0%	83%	0%	100%	91%	37%	36%	**67%**
Long-term incentives (as % of maximum)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**

1 CMC Markets plc listed on the London Stock Exchange on 5 February 2016; however, the full-year single figure has been included here for the year ended 31 March 2016.

Percentage change in remuneration

The table below shows the annual percentage change in salary, taxable benefits and annual incentive for each Director with colleagues employed by the Group who are also not Directors of the Group:

	2021			2022			2023			**2024**		
% change in ED and NED remuneration	Salary/ fees	Taxable benefits	Annual incentive	Salary/ fees	Taxable benefits	Annual incentive	Salary/ fees	Taxable benefits	Annual incentive	**Salary/ fees**	**Taxable benefits**	**Annual incentive**
Executive Directors												
Peter Cruddas	34%	0%	43%	18%	0%	-60%	0%	0%	-11%	**0%**	**0%**	**85%**
David Fineberg	3%	7%	0%	0%	0%	-61%	0%	-3%	-10%	**4%**	**-15%**	**87%**
Euan Marshall[1]	0%	0%	14%	0%	0%	-64%	0%	-3%	5%	**-13%**	**-35%**	**n/a**
Matthew Lewis[2]	24%	0%	18%	7%	0%	-60%	-3%	0%	-10%	**0%**	**0%**	**85%**
Albert Soleiman	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Non-Executive Directors												
James Richards	18%	n/a	n/a	11%	4,692%	n/a	0%	72%	n/a	**0%**	**-48%**	**n/a**
Paul Wainscott	8%	0%	n/a	5%	513%	n/a	6%	448%	n/a	**15%**	**42%**	**n/a**
Sarah Ing	8%	n/a	n/a	5%	n/a	n/a	4%	n/a	n/a	**8%**	**n/a**	**n/a**
Susanne Chishti[3]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**31%**	**n/a**	**n/a**
Clare Francis[4]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**258%**	**221%**	**n/a**
Clare Salmon[6]	8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
All employees[5]	5%	0%	15%	8%	0%	-5%	9%	0%	-9%	**6.6%**	**0%**	**29%**

1 Euan Marshall resigned as a Director on 6 July 2023 and left the Company on 31 December 2023. He did not receive an annual incentive award for FY24.

2 The salary decrease for Matthew Lewis is as a result of exchange rate movements.

3 Susanne Chishti was appointed on 1 June 2022.

4 Clare Francis was appointed on 19 December 2022.

5 The employee figure relates to those "same store" employees, i.e. those employed on 1 April 2023, and compares their salary then to 31 March 2024. Annual incentive figure is based on the corporate bonus awards and does not reflect stock awarded to employees.

6 Clare Salmon resigned as a Non-Executive Director on 28 July 2022.

7 The increase in taxable benefits reflects the limited travel allowed in 2021 due to the pandemic.

Remuneration Committee report continued

Annual report on remuneration continued

Pay ratio reporting

The Company is required to publish information on the pay ratio of the Group Chief Executive to UK employees. The table below sets out the ratio of the pay and benefits of the median UK employee (P50) and those at the 25th (P25) and 75th (P75) percentile to the remuneration received by the Group Chief Executive Officer. We have used "method A" as we believe it provides the most consistent and comparable outcomes. The ratios reflect all remuneration received by an individual in respect of the relevant years, and includes salary, benefits, pension and value received from incentive plans. Employee pay and benefits were determined on 31 March 2024 using the same approach as used for the single total figure.

		Total remuneration		
Financial year	Methodology	P25 (lower quartile) pay ratio	P50 (median) pay ratio	P75 (upper quartile) pay ratio
2024	A	19:1	12:1	8:6
2023	A	17:1	11:1	8:1
2022	A	18:1	11:1	8:1
2021	A	33:1	21:1	15:1
2020	A	26:1	17:1	12:1

The slight change in ratio in 2023 and 2024 reflects the achievements against the financial objective under the CIP scheme in FY24. The change from 2022 to 2023 also reflects the reduction in the cash element of the award from 45% to 40%. Comparative employee reward elements are detailed below:

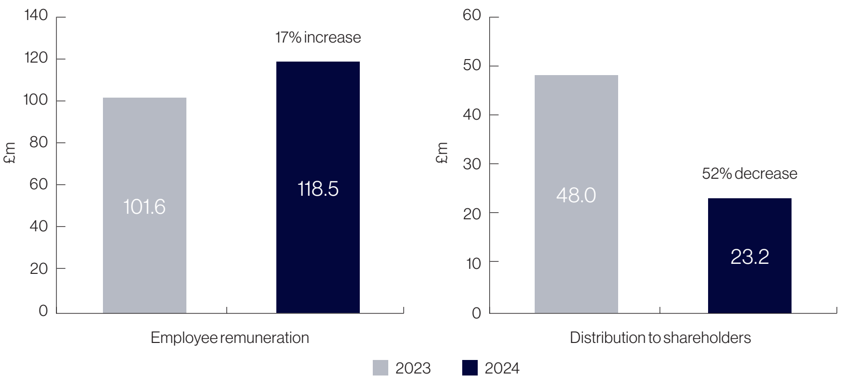
	CEO £'000	P25 (lower quartile) £'000	P50 (median) £'000	P75 (upper quartile) £'000
Total salary	703.0	45.6	70.8	96.7
Total remuneration	957.2	50.1	80.0	110.7

Our principles for pay setting and progression in our wider workforce are the same as for our Executives, with total reward being sufficiently competitive to attract and retain high calibre individuals without over-paying and providing the opportunity for individual development and career progression. The pay ratios reflect how remuneration arrangements differ as accountability increases for more senior roles within the organisation, and in particular the ratios reflect the weighting towards long-term value creation and alignment with shareholder interests for the CEO. Our employees will receive a presentation on how Executive remuneration aligns to that of the wider Company in March 2022. This presentation will be given again in July 2024 to reflect our 2024 reward outcomes.

We are satisfied that the median pay ratio reported this year is consistent with our wider pay, reward and progression policies for employees. The median reference employee has the opportunity for annual pay increases, annual performance payments and career progression.

Relative importance of spend on pay

The chart below illustrates the Group's actual expenditure on shareholder distributions (including dividends and share buybacks) and total employee pay expenditure for the financial years ended 31 March 2023 and 31 March 2024.



Dilution

The Company's share schemes are funded through a combination of shares purchased in the market and new issue shares, as appropriate. The Company monitors the number of shares issued under these schemes compared to the relevant dilution limits set by the Investment Association in respect of all share plans (10% in any rolling ten-year period) and Executive share plans (5% in any rolling ten-year period).

Payments to past Directors and for loss of office (audited)

There were no payments to past Directors for loss of office during the year. Euan Marshall resigned as a Director on the 6 July 2023 and only received on his contractual notice. By mutual agreement he left CMC Markets on 31 December 2023 without payment in lieu of notice for the remaining notice period.

Non-Executive Director remuneration

The table below sets out the remuneration for the Non-Executive Directors for the year ended 31 March 2024. The fees for the Chairman have not changed this year. The Non-Executive Director fee has increased from £70,000 to £75,000, the Committee Chair and SID fees increased from £10,000 to £15,000, and the Workforce Engagement Non-Executive Director fee has increased from £7,500 to £10,000 to reflect the increased time commitment in fulfilling these roles for CMC Markets. During the year an additional fee of £10,000 was approved for the new position of Non-Executive Director responsible for Consumer Duty.

Role	£'000
Chairman fee	210.0
Non-Executive Director fee	75.0
Committee Chair additional fee	15.0
Workforce Engagement Non-Executive Director fee	10.0
Consumer Duty Non-Executive Director fee	10.0
Senior Independent Director additional fee	15.0

The fees detailed above for 2024 will be unchanged for the year ending 31 March 2025.

External appointments

It is the Board's policy to allow Executive Directors to take up external non-executive positions, subject to the prior approval of the Board. Any fee earned in relation to outside appointments is retained by the Executive Director. Peter Cruddas was a director of The Peter Cruddas Foundation, Finada Limited and Crudd Investments Limited during the year ended 31 March 2024 and received no fees in relation to these appointments. No other Executive Director held any outside appointments.

Single total figure of Non-Executive Director remuneration (audited)

The table below sets out the single total figure of the remuneration received by each Non-Executive Director who served during the year ended 31 March 2024. The fees set out in the table below reflect the actual amounts paid during the year. The Non-Executive Directors do not receive any variable remuneration.

Remuneration comprises an annual fee for acting as a Chairman or Non-Executive Director of the Company. Additional fees are paid to Non-Executive Directors in respect of service as Chair of the Group Audit, Group Risk or Remuneration Committees, Senior Independent Director, Workforce Engagement Non-Executive Director and Consumer Duty Non-Executive Director.

Name	Year ended 31 March	Base fee £'000	Committee fee £'000	SID fee £'000	Stakeholder/client NED fee £'000	Benefits[1] £'000	Total[2] £'000
James Richards	**2024**	**210.0**	**—**	**—**	**—**	**10.6**	**220.6**
	2023	210.0	—	—	—	20.6	230.6
Paul Wainscott	**2024**	**75.0**	**15.0**	**15.0**	**—**	**11.9**	**116.9**
	2023	71.7	11.7	8.3	—	8.4	100.1
Sarah Ing	**2024**	**75.0**	**15.0**	**—**	**—**	**—**	**90.0**
	2023	71.7	11.7	—	—	—	83.4
Susanne Chishti[3]	**2024**	**75.0**	**—**	**—**	**10.0**	**—**	**85.0**
	2023	60.0	—	—	4.6	—	64.6
Clare Francis[4]	**2024**	**75.0**	**15.0**	**—**	**10.0**	**1.8**	**101.8**
	2023	21.6	3.8	—	2.5	0.5	28.4

1 Non-Executive Directors are not entitled to benefits. Benefits (and any tax due thereon) relate to reimbursed travel expenses.

2 Non-Executive Directors are not entitled to receive share-based payments and no award of shares was granted to any NEDs during the period.

3 Susanne Chishti was appointed on 1 June 2022.

4 Clare Francis was appointed on 19 December 2022.

Remuneration Committee report continued

Annual report on remuneration continued

Non-Executive Director share ownership and share interests (audited)

The table below shows the interests of the Non-Executive Directors and connected persons in shares.

Name	Ordinary Shares held at 31 March 2023	**Ordinary Shares held at 31 March 2024**
James Richards	—	**—**
Paul Wainscott	—	**—**
Sarah Ing	—	**—**
Susanne Chishti	—	**—**
Clare Francis	—	**—**

There are no other changes to shareholding between 31 March 2024 and 30 May 2024.

The Remuneration Committee

During the year, the Committee sought internal support from the Executive Directors, who attended Committee meetings by invitation from the Chair. Advice was sought on specific questions raised by the Committee and on matters relating to the performance and remuneration of senior managers. No Director was present for any discussions that related directly to their own remuneration. The Company Secretary, or their deputy, attends each meeting as Secretary to the Committee.

Advisers to the Remuneration Committee

In undertaking its responsibilities, the Committee seeks independent external advice as necessary. Willis Towers Watson ("WTW") has continued to act as adviser to the Committee throughout the year. WTW was appointed in 2017 by the Committee following a review of advisers. WTW is a voluntary signatory to the Code of Conduct for Remuneration Consultants, which assures clients of independence and objectivity. Details of the Code can be found at www.remunerationconsultantsgroup.com. During the year, WTW provided independent advice on a range of remuneration matters including current market practice, benchmarking of Executive pay and incentive design. The fees paid to WTW in respect of work carried out, on a time and expenses basis, for the Committee for the year under review total £51,920. The Committee is comfortable that the advice it has received has been objective and independent. In addition to advising on Executive Director and senior management remuneration, WTW is also the principle provider of market data for the wider employee population in London and Sydney.

Statement of voting at the AGM

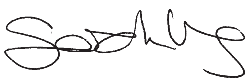
The Company AGM was held on 27 July 2023, where the Directors' remuneration report was tabled. The result of the vote on these resolutions is set out below:

	Remuneration Policy (at 2021 AGM)		**Remuneration report (at 2023 AGM)**	
	% of votes (excluding withheld)	Number of votes	**% of votes (excluding withheld)**	**Number of votes**
For	97.25	249,427,646	**93.55**	**239,033,843**
Against	2.75	7,043,454	**6.45**	**16,474,742**
Total votes cast		256,471,100		**255,508,585**
Withheld[1]		8,310		**17,822**

1 A vote withheld is not a vote in law and so is not counted for the purposes of the calculation of the proportion of votes "for" and "against" a resolution.

This report will be submitted to shareholders for approval at the AGM to be held on 25 July 2024.

Approved by the Board on 12 June 2024 and signed on its behalf by:



Sarah Ing
Independent Non-Executive Director
and Chair of the Remuneration Committee
20 June 2024

Directors' report

CMC Markets plc is a public limited company incorporated in England and Wales under the Companies Act 2006 with registered number 05145017.

The Directors present their report, together with the consolidated Financial Statements for the year ended 31 March 2024. For the purpose of the FRC's Disclosure Guidance and Transparency Rule ("DTR") 4.1.8R, the Strategic report is also the Management report for the year ended 31 March 2024.

The Corporate governance sections that appear on pages 70 to 82, together with this report of which they form part, fulfil the requirements of the Corporate governance statement for the purpose of the DTRs.

Directors

With the exception of Albert Soleiman and Susanne Chishti, all Directors will seek re-election at the 2024 Annual General Meeting ("AGM") on Thursday 25 July 2024. Following recommendation by the Nomination Committee, a Director may be appointed to the Board by the Board of Directors and will then be put forward at the following AGM for election by the shareholders. The Company's Articles of Association, available on the CMC Markets plc Group website, detail the appointment and removal process for Directors. The Board approved the appointment of Albert Soleiman with effect from 1 September 2023 and Albert will seek election at the 2024 AGM. Euan Marshall retired from the Board on 1 September 2023. On 20 June 2024 it was announced that Susanne Chishti will step down from the Board at the 2024 AGM. The Company has not adopted any special rules regarding the appointment and replacement of Directors other than as provided for under UK company law.

Details of Directors' interests and conflicts

The Directors have a statutory duty to avoid conflicts of interest. The Board has established a procedure to deal with any potential or actual conflicts of interest and to ensure that all such interests are disclosed and, where appropriate, authorised by the Board (with any limits or conditions imposed as applicable) in accordance with the Articles of Association and the Companies Act 2006. Details of all Directors' conflicts of interest are recorded in a register of conflicts which is maintained by the Company Secretary and all approvals are formally minuted. Upon appointment, new Directors are advised of the procedure for managing conflicts, which includes the notification of any actual or potential conflicts or changes to the circumstances of any such conflicts.

Any decision of the Board to authorise a conflict of interest is only effective if it is agreed without the conflicted Director(s) voting or without their votes being counted. In making such a decision, the Directors must act in a way they consider in good faith will be most likely to promote the success of the Group. The management of potential conflicts has been operating in accordance with the procedure throughout the year in review and subsequently. Details of the current Directors' interests in the Company's shares and securities can be found in the Directors' remuneration report on pages 103 and 114 and their biographies, including details of other directorships, are disclosed on pages 72 to 74.

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were:

James Richards	Chairman
Susanne Chishti	Non-Executive Director
Lord Cruddas	Chief Executive Officer
David Fineberg	Deputy Chief Executive Officer
Clare Francis	Non-Executive Director
Sarah Ing	Non-Executive Director
Matthew Lewis	Head of Asia Pacific & Canada
Albert Soleiman	Chief Financial Officer (appointed 1 September 2023)
Paul Wainscott	Senior Independent Director

Euan Marshall retired from the Board on 1 September 2023.

Directors' indemnities

As permitted by the Articles of Association, the Company has granted indemnities to each of its Directors and the Company Secretary to the extent permitted by law.

A qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006 was in force throughout the last financial year and remains in place in relation to certain losses and liabilities which the Directors or Company Secretary may incur to third parties in connection with their position in the Company or any associated company. The Company also maintains appropriate insurance to cover Directors' and Officers' liability, which is assessed annually and approved by the Board. No amount was paid under the Directors' and Officers' liability insurance during the year.

Branch offices

CMC Markets plc does not have any overseas branches. Various subsidiaries in the Group have overseas branches, as detailed on pages 178 to 179.

Strategic report

The Companies Act 2006 requires the Group to prepare a Strategic report, which commences at the start of this Annual Report and Financial Statements up to page 68. As permitted by Section 414C(11) of the Companies Act 2006, some matters required to be included in the Directors' report have instead been included in the Strategic report. These disclosures are incorporated by reference in the Directors' report. The Strategic report includes information on the Group's operations and business model, going concern and viability, review of the business throughout the year, anticipated future developments, key performance indicators, principal risks and uncertainties, information on stakeholder and employee engagement and the Board's statement in accordance with Section 172 of the Companies Act 2006. The use of financial instruments is included in the report and further covered under note 29 to the consolidated Financial Statements.

The Group's vision is to be a global provider of online retail financial services and to maintain its status as a pioneer of platform technology. Its strategic objective is to provide long-term value to shareholders by ensuring superior returns. This long-term success is generated through the consistent and sustainable delivery of growth in revenue and improvement to operating margins through operational excellence including product innovation, geographical diversification, technology and services. The strategic objectives to achieve this are also set out in the Strategic report on pages 18 and 19.

Dividends

On 19 June 2024, the Board recommended a final dividend of 7.3 pence per Ordinary Share in respect of the full financial year ended 31 March 2024, subject to shareholder approval at the 2024 AGM. If approved, the dividend will be paid on 9 August 2024 to shareholders on the register of members at the close of business on 12 July 2024. The shares will go ex-dividend on 11 July 2024. An interim dividend of 1.0 pence per Ordinary Share was paid on 11 January 2024, bringing the total dividend for the year ended 31 March 2024 to 8.3 pence per Ordinary Share.

Further information on dividends is shown in note 11 of the Financial Statements and is incorporated into this report by reference.

Directors' report continued

Share capital

The Company's share capital comprises Ordinary Shares of 25 pence each and Deferred Shares of 25 pence each. At 31 March 2024, there were 279,815,463 Ordinary Shares (99.12% of the overall share capital) and 2,478,086 Deferred Shares (0.88% of the overall share capital) in issue.

Further information about share capital can be found in note 25 of the Financial Statements.

Ordinary Shares

The holders of Ordinary Shares are entitled to one vote per share at meetings of the Company. All Ordinary Shares in issue in the Company rank equally and carry the same voting rights and the same rights to receive dividends and other distributions declared or paid by the Company. Throughout the year, the Ordinary Shares were publicly listed on the London Stock Exchange and they remain so as at the date of this report. There are no specific restrictions on the size of a shareholding nor on the transfer of shares, which are both governed by the Articles of Association and prevailing law. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of shares or on voting rights. No person has special rights of control over the Company's share capital and all issued shares are fully paid.

Shares held by the Employee Benefit Trust rank pari passu with the Ordinary Shares and have no special rights. Voting rights and rights of acceptance of any offer relating to the shares held in this trust rest with the trustees, who may take account of any recommendation from the Company. Voting rights are not exercisable by the employees on whose behalf the shares are held in trust.

Deferred Shares

The holders of Deferred Shares do not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting. The Deferred Shares have no rights to dividends and, on a return of assets in a winding-up, entitle the holder only to the repayment of the amounts paid upon such shares. The Deferred Shares may be purchased at nominal value at the option of the Company by notice in writing served on the holder of the Deferred Shares. No application has been made or is currently intended to be made for the Deferred Shares to be admitted to the Official List or to trade on the London Stock Exchange or any other investment exchange.

Share capital and Directors' powers

The powers of the Directors, including in relation to the issue or buyback of the Company's shares, are set out in the Companies Act 2006 and the Company's constitution.

Shareholders will be asked to renew these authorities in line with the latest institutional shareholder guidelines at the 2024 AGM.

Controlling Shareholder disclosure

The Company entered into a Relationship Agreement with Lord Peter and Fiona Cruddas (the "Controlling Shareholders") on 26 January 2016, the terms of which came into force on listing the Company to trade on the Main Market of the London Stock Exchange. The principal purpose of the Relationship Agreement is to ensure that the Company is capable at all times of carrying on its business independently of the Controlling Shareholders and their associates, that transactions and relationships with the Controlling Shareholders and their associates are at arm's length and on normal commercial terms (subject to the rules on related party transactions in the Listing Rules) and that the Controlling Shareholders do not take any action that would prevent the Company from complying with or circumventing the Listing Rules. The Relationship Agreement will stay in effect until the earlier of: (i) the Controlling Shareholders ceasing to own in aggregate an interest in at least 10% or more of the Ordinary Shares in the Company (or an interest which carries 10% or more of the aggregate voting rights in the Company from time to time); or (ii) the Ordinary Shares ceasing to be listed on the premium listing segment of the Official List and admitted to trading on the London Stock Exchange's Main Market for listed securities. The Company has complied with the independence provisions included in the Relationship Agreement and, so far as the Company is aware, such provisions have been complied with during the period under review by the Controlling Shareholders and their associates.

Significant contracts and change of control

The Company has a large number of contractual arrangements which it believes are essential to the business of the Company. These can be split into three main categories, which are a committed bank facility, prime broker arrangements, and market data and technology contracts. The committed bank facility includes provisions which may, on a change of control, require any outstanding borrowings to be repaid or result in termination of the facilities.

The Group's share and incentive plans include usual provisions relating to change of control. There are no agreements providing for compensation for the Directors or employees on a change of control.

Statutory information contained elsewhere in the report

Information required to be part of this Directors' report can be found elsewhere in the Annual Report as indicated below. These sections are deemed to be incorporated by reference into the Directors' report:

Information	Location in Annual Report
Section 172 statement and stakeholder engagement (including clients and suppliers)	Pages 23 to 27
Employees (employment of disabled persons and employee engagement)	Pages 35 to 38
Employee share schemes	Note 31, pages 171 to 173
Financial risk management, objectives and policies	Note 30, pages 165 to 170
Future developments	Page 16
Internal controls over financial reporting	Page 82
Directors' interests in shares of the Company	Pages 110 and 114
Related party transactions	Note 33, page 173
Greenhouse gas emissions, energy consumption and energy efficiency action	Page 40
TCFD/SECR disclosures	Pages 42 to 51

Disclosure table pursuant to Listing Rule LR 9.8.4C

Listing Rule	Information to be included	Disclosure
9.8.4(1)	Interest capitalised by Group.	None.
9.8.4(2)	Unaudited financial information (LR 9.2.18R).	None.
9.8.4(4)	Long-term incentive scheme information involving Board Directors (LR 9.4.3R).	Details can be found on pages 106 to 110 of the Directors' remuneration report.
9.8.4(5)	Waiver of emoluments by a Director.	None.
9.8.4(6)	Waiver of future emoluments by a Director.	None.
9.8.4(7)	Non-pre-emptive issues of equity for cash.	None.
9.8.4(8)	Non-pre-emptive issues of equity for cash in relation to major subsidiary undertakings.	None.
9.8.4(9)	Listed company is a subsidiary of another company.	Not applicable.
9.8.4(10)	Contracts of significance involving a Director or a Controlling Shareholder.	None, except for Lord Cruddas' service contract.
9.8.4(11)	Contracts for the provision of services by a Controlling Shareholder.	None, except for Lord Cruddas' service contract.
9.8.4(12)	Shareholder waiver of dividends.	The trustees of the CMC Markets plc Employee Share Trust have a dividend waiver in place in respect of Ordinary Shares which are its beneficial property.
9.8.4(13)	Shareholder waiver of future dividends.	The trustees of the CMC Markets plc Employee Share Trust have a dividend waiver in place in respect of Ordinary Shares which are its beneficial property.
9.8.4(14)	Agreement with Controlling Shareholder.	See Controlling Shareholder disclosure on page 116 of the Directors' report.

Substantial shareholdings

Information provided to the Company by substantial shareholders pursuant to the DTRs is published via a Regulatory Information Service and on the Company's website. The table below sets out details of the shareholdings of Lord Peter Andrew Cruddas and Mrs Fiona Cruddas and further provides details of the interests in the voting rights of the Company's Ordinary issued share capital as at 31 March 2024, notified to the Company under DTR 5. Holdings may have changed since being notified to the Company as notification of any change is not required until the next applicable threshold is crossed.

Shareholder As at 31 March 2024	Number of voting rights	% of voting rights
Lord Peter Andrew Cruddas	165,155,374	59.02
Aberforth Partners LLP	14,741,475	5.27
Schroders plc	14,167,409	5.06
Mrs Fiona Cruddas	8,994,364	3.21

Between the year end and 13 June 2024 (being the latest practicable date) there have been no changes notified to us in respect of these holdings.

The shareholdings of CMC Markets plc Directors are listed within the Directors' remuneration report on pages 110.

Directors' report continued

Articles of Association

Any amendments to the Company's Articles of Association may only be made by passing a special resolution at a general meeting of the shareholders of the Company.

Research and development

The Group continues to invest in the development of the trading and investing platforms in addition to maintaining existing infrastructure, with considerable effort applied by the technical and software development teams. In addition, the Group has capitalised development costs relating to new product and functionality development. During the year development expenditure amounting to £11.7 million has been capitalised (2023: £11.3 million).

Directors' statement as to disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they each are aware, there is no relevant audit information (being information needed by the external auditor in connection with preparing its audit report) of which the Company's external auditor is unaware, and each Director has taken all the steps that he or she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to Section 418 of the Companies Act 2006.

Independent auditor

In accordance with Section 489 and Section 492 of the Companies Act 2006, resolutions to reappoint Deloitte LLP as the Company's auditor and authorise the Group Audit Committee to determine the auditor's remuneration will be put to the 2024 AGM.

Political donations

No political donations were made by the Company during the year.

Annual General Meeting

The 2024 AGM is to be held at 10:00 a.m. on Thursday 25 July 2024 at 133 Houndsditch, London EC3A 7BX.

Due to the Controlling Shareholder disclosure on page 116, the independent shareholders' voting results on the re-election of independent Non-Executive Directors (excluding the Chairman) will be disclosed when the voting results are published. Should the required percentage of the independent shareholders' vote to approve re-election not be achieved, then a further vote will be held at a subsequent general meeting within the prescribed time period.

Events after the reporting period

Details of events occurring subsequent to the year end are made in note 36.

Statement of Directors' responsibilities in respect of the Financial Statements

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and the parent company Financial Statements in accordance with UK-adopted International Accounting Standards.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

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

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

The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and parent company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 72 to 74, confirm that, to the best of their knowledge:

- the Group and parent company Financial Statements, which have been prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities and financial position of the Group and parent company and of the profit of the Group; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that it faces.

The Annual Report and Financial Statements were approved by the Board on 20 June 2024.

By order of the Board

Roy Tooley
Company Secretary
20 June 2024

CMC Markets plc
Registered number: 05145017

Financial statements

Financial statements

Shareholder information

Independent auditor's report
To the members of CMC Markets plc

Report on the audit of the Financial Statements

1. Opinion
In our opinion:

- the Financial Statements of CMC Markets plc (the "parent company") and its subsidiaries (the "Group") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company Financial Statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Parent Company Statement of Financial Position;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated and Parent Company Statements of Cash Flows;
- the related notes 1 to 36.

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company Financial Statements is applicable law and United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and parent company for the year are disclosed in note 8 to the Financial Statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the audit of the Financial Statements continued

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the year ending 31 March 2024 ("FY24") were: – capitalisation and impairment of internally developed software; and – IT access management and controls over service organisations. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group Financial Statements was £2.80 million (FY23: £2.6 million), which was determined on the basis of 0.70% of Net Assets (FY23: 5.0% of Profit before Tax from Continuing Operations ("PBT")). We revised the benchmark applied in our determination of materiality in FY24 due to the stability of Net Assets, relative to PBT, whilst maintaining appropriate regard to the Financial Statements as a whole.
Scoping	We have identified five entities which are subject to full-scope audit procedures and thirteen entities which are subject to audit procedures on specified account balances. Our Group audit achieved a coverage of 99.5% of Group Total Assets, 99.6% of Group Revenue, and 99.0% of Group PBT across management's business segments.
Significant changes in our approach	Key audit matters in FY23 related to: – *"the carrying value of intangible assets under development relating to CMC Invest"; and* – *"presentation of positions with hedging counterparties".* We did not consider the *"Presentation of positions with hedging counterparties"* to continue as a key audit matter into FY24, due to enhancements in the control environment, and considerations previously made as regards the accounting and presentation of these relationships. The FY23 key audit matter, *"Carrying value of intangible assets under development relating to CMC Invest"*, has been expanded in FY24 to comprise a broader scope of internally developed software intangible assets capitalised, and evaluated for impairment, as of 31 March 2024. The key audit matter is revised in FY24 as: *"Capitalisation and development of internally developed software"*. This is predominantly due to the implementation of a number of strategic initiatives across the Group, including new business lines, as well as the unobservability of revenue and cost projections in respect of these projects, exacerbated by recent profitability challenges. We have introduced a new key audit matter in FY24: "IT access management and controls over service organisations", due to the criticality of the IT infrastructure to the Group's operations, IT deficiencies in these areas which were observed in FY23 and which persist into FY24, as well as management's ongoing programme of remediation which requires significant validation work in support of our audit.

4. Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of management's process to arrive at their conclusion to prepare the Financial Statements on a going concern basis;
- with the involvement of our regulatory specialists, challenging the liquidity and capital stress testing assumptions used by management, including consideration of regulatory enquiries/observations, management actions and whether applied stresses were reasonable in the context of the Group's and parent company's operating environment;
- with the involvement of our regulatory specialists, where relevant, assessing emerging operational, regulatory and market risks facing entities within the Group, and the parent company, including the impact of volatility in global financial markets and management's strategic initiatives;
- evaluated the underlying causes and impact of adverse trading updates issued by the Group throughout FY24, and considered the ongoing viability of the Group, its business model and operations;
- assessing the key assumptions supporting the Group's and parent company's latest budget forecasts;
- assessing the historical accuracy of forecasts prepared by management; and
- assessing the appropriateness of going concern disclosures made in the notes to the Financial Statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least 12 months from when the Financial Statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Report on the audit of the Financial Statements continued

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Capitalisation and impairment of internally developed software

Key audit matter description	The Group, as part of its strategic initiatives, is extending a number of product offerings and continues to capitalise costs associated with internally developed software supporting these initiatives. As of 31 March 2024, the Group has capitalised a total of £12.2 million of intangible assets, of which £11.7 million relates to internally generated software. Further details are included in note 12 to the financial statements. Capitalisation of expenditure on internally generated intangible assets is subjective and involves judgement on the part of management in respect of whether such expenditure qualifies for recognition in accordance with *International Accounting Standard 38: Intangible Assets* ("IAS 38"). Capitalised expenditure comprises the time spent on the development of the intangible asset, by both internal staff and external contractors. A high degree of management judgement is required to assess capitalised expenditure for impairment, particularly given management's focus on cost control. This is due to subjectivity in developing accurate forecasts to support value-in-use ("VIU") assessments, particularly where the business is at a nascent stage and where the operating environment is not easily predictable. Given the subjective nature of the key assumptions underpinning these forecasts and their unobservability with reference to available, external market data; we have deemed this to be a key audit matter. Discount rates, useful economic life, nominal cash flows from other business lines, and business-to-business ("B2B") revenues represent significant sources of estimation uncertainty, as disclosed in Note 1 on page 137. This matter is also discussed in the Group Audit Committee Report on pages 83 to 86.
How the scope of our audit responded to the key audit matter	We obtained a detailed understanding of the relevant controls established by the Group over the capitalisation of expenses, as well as the associated controls and financial reporting processes supporting the determination of CGUs and impairment. Our audit procedures in respect of capitalisation and impairment included the following: – an identification of projects and the associated capitalised costs across the Group; – an evaluation of whether costs were eligible for capitalisation, in accordance with IAS 38; – an assessment of the appropriateness of the basis of measurement model supporting the VIU assessment; – an evaluation of management's valuation methodologies with reference to standard valuation practices; – the development of independent key valuation assumptions to the value-in-use calculation, which were compared against the inputs used by management; – involving our corporate finance specialists to apply specialist knowledge and audit procedures tailored for inherent valuation risk as described above; – obtaining an understanding of the methodology applied in management's assessment of whether objective evidence of an impairment loss exists; and – an evaluation of the appropriateness of associated disclosures.
Key observations	Through our procedures we concluded that the carrying value of the intangible assets are based on reasonable, supportable assumptions, and that key assumptions, impairment charges recognised during the year and sensitivities have been appropriately disclosed in note 12. However, there are a number of control enhancements that Group management are in the process of implementing . These include key controls over the capitalisation of staff costs, and the ongoing assessment of impairment triggers and conclusions on assets.

Report on the audit of the Financial Statements continued

5. Key audit matters continued

5.2. IT access management and controls over service organisations

Key audit matter description	The processing and recording of transactions across the Group, in particular revenue, cash and hedging transactions, is supported by a complex information technology ("IT") environment. Alongside its proprietary IT systems, the Group relies on a number of service organisations to facilitate key operational and financial reporting processes, including externally facing reconciliation controls. As part of our FY23 audit, we identified control deficiencies in respect of logical access management (including privileged access and segregation of duties), as well as controls over service organisations (the "Deficiencies"). Management continue to undertake a programme of remediation of the Deficiencies, therefore a number of these persisted into FY24. Our IT audit scoping of relevant applications and underlying infrastructure is determined by the identification of significant accounts, disclosures and relevant flows of transactions, which translates to system-generated information or automated controls on which we seek to rely. Our approach is further informed by a risk assessment of the IT environment; considering factors such as the existing Deficiencies, system changes and implementations, data migrations, and operational or cyber incidents. Our planned audit approach sought to place reliance on the effectiveness of internal controls, and therefore key IT controls, across relevant transaction flows. As mentioned above, management has been undertaking a remediation programme to address the Deficiencies, with the objective of ensuring controls across the IT control environment operate consistently and effectively. However, a number of elements of management's remediation programme remained outstanding for most, or at the close, of the financial year, in particular those deficiencies pertaining to logical access management. As a result, this required increased audit effort to either identify mitigating controls, or to perform supplementary substantive testing - including exploitation testing - in a number of areas.
How the scope of our audit responded to the key audit matter	We involved our IT specialists to test access management controls over key applications, operating systems and databases relied upon by management for operational and financial reporting processes. We also involved our IT specialists to test controls over service organisations. Specifically, the procedures included: – obtaining an understanding, including through walkthrough meetings with application, infrastructure and key report owners, to support our evaluation of General IT Controls ("GITCs") and, where relevant, key automated controls; – evaluated the appropriateness of privileged access granted across the full year; – where relevant, testing key controls to determine whether these operated consistently and as designed across the full year; and – evaluating management's remedial activity throughout the audit period and, where relevant, evaluating risk mitigation procedures, including through reviews of the management's risk and impact assessments. Our audit procedures in respect of accounts, classes of transactions and disclosures and where we planned, but were ultimately unable, to rely on internal controls - including IT controls - were predominantly substantive in nature.
Key observations	Although we observed an improvement in respect of privileged access and segregation of duties controls over systems determined as relevant to our FY24 audit, a number of planned remedial actions had not been implemented for the full year, or remained outstanding as at year-end. This led to increased audit effort to identify and test mitigating controls, where possible; or perform substantive procedures throughout the year.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

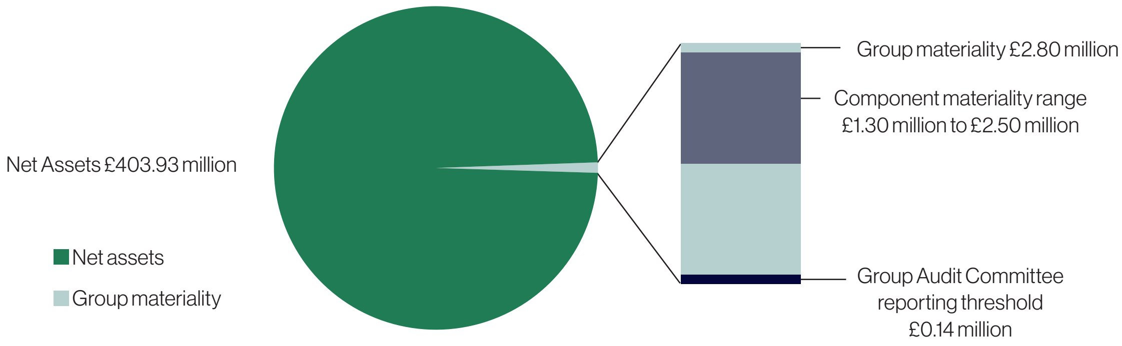
Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

	Group Financial Statements	Parent company Financial Statements
Materiality	£2.80 million (FY23: £2.60 million)	£1.69 million (FY23: £1.68 million)
Basis for determining materiality	0.70% of Net Assets (FY23: 5.00% of Profit before Tax)	1.00% of Net Assets (FY23: 1.00% of Net Assets)
Rationale for the benchmark applied	We revised the benchmark applied in our determination of materiality in FY24 due to the stability of Net Assets, relative to PBT. We maintained appropriate regard to the Financial Statements as a whole by comparing our materiality to acceptable ranges derived using other applicable benchmarks, including PBT.	We have used 1% of Net Assets as the materiality benchmark as the parent company of the Group primarily holds investments in underlying subsidiaries. Net Assets is an appropriate basis for materiality as CMC Markets plc is a holding company for the Group, therefore this measure would be significant to the users of the Financial Statements. This is consistent with the benchmark and threshold used in the prior year.

Report on the audit of the Financial Statements continued

6. Our application of materiality continued

6.1. Materiality continued



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole.

	Group Financial Statements	Parent company Financial Statements
Performance materiality	65% (FY23: 70%) of Group materiality	70% (FY23: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: – the quality of the control environment and our ability to rely on controls; – control observations identified by Deloitte and internal audit; – high turnover of operational and accounting personnel; and – the nature, volume and size of misstatements identified in the prior year audit.	

6.3. Error reporting threshold

We agreed with the Group Audit Committee that we would report to the Committee all audit differences in excess of £140,000 (FY23: £130,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Group Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The scope of our Group audit was determined by obtaining an understanding of the Group and its environment, including Group-wide controls and our assessment of the risks of material misstatement at the level of the Group Financial Statements. The Group comprises several entities globally and has operations in over ten countries. As such, a portion of our audit planning effort was dedicated to ensuring that the scope of work performed is appropriate in order to address the identified risks of material misstatement.

The factors that we considered when assessing the scope of the CMC Markets plc audit, and the level of work to be performed at the entities that are in scope for Group reporting purposes, include the following:

- the nature of the Group and the parent company, how entities are organised, and the significant extent of centralisation of the control environment and the processing of transactions across the Group;
- the financial significance of an entity to the Group's PBT, Revenue and Total Assets, including consideration of the financial significance of specific account balances or transactions;
- the effectiveness of the control environment and monitoring activities, including entity-level controls; and
- findings, observations and audit differences that we noted during the prior year audit.

Report on the audit of the Financial Statements continued

7. An overview of the scope of our audit continued

7.1. Identification and scoping of components continued

As a result, we identified five entities which are significant to the Group (FY23: three entities). Three of these entities are financially significant (FY23: three entities) and two entities are significant due to their nature or specific circumstances. All five entities are subject to full scope audit procedures. Our audit procedures in respect of these entities were performed to a materiality in the range of £1.3 million - £2.5 million (FY23: £1.3 million - £2.5 million).

In addition, audit procedures on specified account balances were performed across 13 entities (FY23: six entities) which were not considered to be financially significant.

The remaining entities are not individually significant to the Group, and include a number of small, low risk entities and balances. On aggregate, these represent 1.0% of Group PBT (FY23: 2%), 0.4% of Group Revenue (FY23: 1%) and 0.5% of Group Total Assets (FY23: 1%). For these entities, we performed analytical reviews and undertook additional risk assessment procedures. We also tested management's Group-wide controls across these entities. We concluded that through these additional procedures, we have reduced the audit risk of the detection of a material misstatement to a sufficiently low level.

Audit procedures were performed for entities subject to full-scope audit and audit of specified account balances by audit teams based in both the UK (Group audit team) and Australia. The performance of certain specified procedures was requested of our audit team in Germany, in respect of regulatory matters and the completeness of provisions and contingent liabilities.

The audit of the Group consolidation is performed by the Group audit team. In addition, the Group audit team performed audit procedures over the Group's global trading revenue (CFD), and the corresponding Trade Receivables.

7.2. Our consideration of the control environment

Our planned audit approach was to place reliance on management's relevant controls where we found the controls to be designed and operating effectively. We scoped in certain controls – considered to be relevant controls – for further testing procedures. For each relevant control, our testing procedures comprised gaining an understanding of the control and, where possible, the testing of a sample of control iterations across the year to determine the operating effectiveness. These procedures consisted of a combination of enquiry, observation, inspection and reperformance. Specifically with regards to announced redundancies in force, our testing procedures considered whether the wider control environment was compromised.

In certain situations, we were not able to rely on controls due to identified deficiencies in internal control, including IT controls, and where insufficient mitigating or alternative controls could instead be relied upon. In such situations, we adopted a fully substantive approach. All control deficiencies which we considered to be significant were communicated to the Group Audit Committee. Please refer to the Group Audit Committee Report on pages 83 to 86. All other deficiencies were communicated to management. For all deficiencies identified, we considered the impact on our audit plan and the need to adjust our audit approach accordingly. Please see our Key Audit Matters section on page 123 above for further considerations in respect of our work over the Group's IT environment.

7.3 Our consideration of climate-related risks

In planning our audit, we have considered the impact of climate change on the Group's operations and subsequent impact on its Financial Statements. The Group sets out its assessment of the potential impact on pages 42 to 51 of the Strategic Report of the Annual Report.

We have held discussions with management to understand their:

- process for identifying affected operations, including governance and controls over this process, and the subsequent effect on the Group's financial reporting; and
- long-term strategy to respond to climate change risks as they evolve, including the impact on the Group's forecasts.

Our audit work involved:

- obtaining an understanding of management's analysis, used to inform the Group's climate risk assessment; and
- assessing the sufficiency and extent of disclosures in the Annual Report and the consistency between the Financial Statements and the remainder of the Annual Report.

Our audit procedures require us to read and consider these disclosures, and to evaluate whether they are materially inconsistent with the Financial Statements or knowledge obtained in the performance of our audit. We did not identify any such material inconsistencies as a result of these procedures.

7.4. Working with other auditors

The Group audit team are responsible for the scope and direction of the audit process, and provide direct oversight, review, and coordination of our global audit teams. We interacted regularly with these teams during each stage of the audit and reviewed key working papers. We maintained continuous and open dialogue with them, in addition to holding formal meetings, such that we were fully aware of their progress and the results of their procedures.

The Group audit team conducted in-person visits, in addition to remote communication, to exercise engagement and oversight with our audit teams based in Australia and Germany. These visits included discussions of the audit approach - including risk assessments – and of any issues arising from the audit team's work, meetings with local management, and reviews of key audit documentation on higher and significant risk areas in the interests of driving a consistent and high-quality audit.

In addition, a global planning meeting was held virtually in September 2023, led by the Group audit team, partners and staff from full-scope entity audit teams, as well as a global audit teams responsible for testing in support of local, statutory audits.

Report on the audit of the Financial Statements continued

8. Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

10. Auditor's responsibilities for the audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance, including the design of the Group's remuneration policies, key drivers for Directors' remuneration and bonus levels;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Board on 31 May 2023;
- results of our enquiries of management, internal audit, Directors, and the Group Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team, including financially significant component audit teams, and relevant internal specialists, including tax, IT, valuations (corporate finance) and regulatory specialists regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud. These discussions also involved fraud specialists with whom the engagement team discussed fraud schemes that had arisen in similar sectors and industries.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud relating to Capitalisation and impairment of internally developed software.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Report on the audit of the Financial Statements continued

11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.1. Identifying and assessing potential risks related to irregularities continued

We also obtained an understanding of the legal and regulatory frameworks of the jurisdictions in which the Group operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act, as well as those laws and regulations prevailing in each country in which identified a full-scope entity, including taxation legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's obligations under jurisdictional regulatory regimes, including consumer duty, transaction reporting, and prudential regulation.

11.2. Audit response to risks identified

As a result of performing the above, we identified the capitalisation and impairment of internally developed software as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the Group Audit Committee, in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax authorities and regulatory bodies;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists and global audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 58;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 57 and 58;
- the Directors' statement on fair, balanced and understandable set out on page 81;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 59;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 82; and
- the section describing the work of the Group Audit Committee set out on pages 83 to 86.

Report on other legal and regulatory requirements continued

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

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

– we have not received all the information and explanations we require for our audit; or

– adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

– the parent company Financial Statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Group Audit Committee, we were appointed by the members on 28 July 2022 to audit the Financial Statements for the year ending 31 March 2023 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ending 31 March 2023 to 31 March 2024.

15.2. Consistency of the audit report with the additional report to the Group Audit Committee

Our audit opinion is consistent with the additional report to the Group Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rule ("DTR") 4.1.15R – DTR 4.1.18R, these Financial Statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This Auditor's Report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Fiona Walker, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20 June 2024

Consolidated income statement

For the year ended 31 March 2024

GROUP	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Revenue		**324,702**	311,210
Interest income on own funds		**11,246**	4,761
Income on client funds		**23,797**	9,166
Total revenue	4	**359,745**	325,137
Introducing partner commissions and betting levies		**(26,962)**	(36,714)
Net operating income	3	**332,783**	288,423
Operating expenses	5	**(254,894)**	(233,513)
Impairment of intangible assets*		**(12,322)**	(432)
Operating profit		**65,567**	54,478
Share of results of associates and joint ventures		**(283)**	—
Finance costs	7	**(1,951)**	(2,315)
Profit before taxation	8	**63,333**	52,163
Taxation	9	**(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	10	**16.7p**	14.7p
Diluted earnings per share	10	**16.7p**	14.6p

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own income statement or statement of comprehensive income. The Company had no other comprehensive income.

* For the year ended 31 March 2023, impairment of intangible assets has been presented separately from Operating Expenses to align with the presentation for the year ended 31 March 2024.

Consolidated statement of comprehensive income

For the year ended 31 March 2024

GROUP	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Profit for the year		**46,886**	41,439
Other comprehensive (expense)/income:			
Items that may be subsequently reclassified to income statement			
Loss on net investment hedges, net of tax	27	**—**	(86)
Gains recycled from equity to the income statement	27	**237**	237
Currency translation differences	27	**(5,285)**	(1,760)
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax	27	**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
At 31 March 2024

GROUP	Note	31 March 2024 £'000	31 March 2023 £'000
ASSETS			
Non-current assets			
Intangible assets	12	**28,906**	35,342
Property, plant and equipment	13	**28,546**	22,771
Deferred tax assets	14	**6,177**	4,768
Financial investments	19	**32**	34
Trade and other receivables	16	**2,753**	2,666
Investments in associates	15	**2,517**	—
Total non-current assets		**68,931**	65,581
Current assets			
Trade and other receivables	16	**162,056**	130,616
Derivative financial instruments	17	**31,627**	14,231
Current tax recoverable		**1,917**	9,066
Other assets	18	**12,258**	1,984
Financial investments	19	**50,889**	30,572
Amounts due from brokers		**228,882**	188,154
Cash and cash equivalents	20	**160,300**	146,218
Total current assets		**647,929**	520,841
Total assets		**716,860**	586,422
LIABILITIES			
Current liabilities			
Trade and other payables	21	**272,811**	182,284
Amounts due to brokers		**6,982**	8,927
Derivative financial instruments	17	**7,074**	2,033
Lease liabilities	23	**4,915**	5,590
Current tax payable		**2,147**	431
Provisions	24	**3,937**	815
Total current liabilities		**297,866**	200,080
Non-current liabilities			
Lease liabilities	23	**12,000**	6,228
Deferred tax liabilities	14	**3,244**	4,012
Provisions	24	**257**	2,087
Total non-current liabilities		**15,501**	12,327
Total liabilities		**313,367**	212,407
EQUITY			
Equity attributable to owners of the Company			
Share capital	25	**70,573**	70,573
Share premium	25	**46,236**	46,236
Capital redemption reserve	25	**2,901**	2,901
Own shares held in trust	26	**(2,589)**	(1,509)
Other reserves	27	**(55,439)**	(50,535)
Retained earnings		**341,811**	306,349
Total equity		**403,493**	374,015
Total equity and liabilities		**716,860**	586,422

The Financial Statements on pages 129 to 173 were approved by the Board of Directors on 20 June 2024 and signed on its behalf by:

Lord Cruddas
Chief Executive Officer

Albert Soleiman
Chief Financial Officer

Parent company statement of financial position

At 31 March 2024

Company registration number: 05145017

COMPANY	Note	31 March 2024 £'000	31 March 2023 £'000
ASSETS			
Non-current assets			
Investment in subsidiary undertakings	15	**168,448**	167,090
Total non-current assets		**168,448**	167,090
Current assets			
Trade and other receivables	16	**5,547**	1,932
Cash and cash equivalents	20	**93**	586
Total current assets		**5,640**	2,518
Total assets		**174,088**	169,608
LIABILITIES			
Current liabilities			
Trade and other payables	21	**4,643**	122
Share buyback liability		**—**	—
Total current liabilities		**4,643**	122
Total liabilities		**4,643**	122
EQUITY			
Equity attributable to owners of the Company			
Share capital	25	**70,573**	70,573
Share premium	25	**46,236**	46,236
Capital redemption reserve	25	**2,901**	2,901
Share buyback reserve	27	**—**	—
Own shares held in trust	26	**(2,589)**	(1,509)
Retained earnings at 1 April		**51,285**	78,396
Profit for the year attributable to the owners		**13,072**	33,763
Other changes in retained earnings		**(12,033)**	(60,874)
Retained earnings at 31 March		**52,324**	51,285
Total equity		**169,445**	169,486
Total equity and liabilities		**174,088**	169,608

The Financial Statements on pages 129 to 173 were approved by the Board of Directors on 20 June 2024 and signed on its behalf by:

Lord Cruddas
Chief Executive Officer

Albert Soleiman
Chief Financial Officer

Consolidated statement of changes in equity
For the year ended 31 March 2024

GROUP	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own shares held in trust £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 April 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	26	—	—	—	(1,106)	—	—	(1,106)
Utilisation of own shares held in trust	26	—	—	—	691	—	—	691
Share buyback	25	(2,620)	—	2,620	—	27,264	(27,264)	—
Share-based payments		—	—	—	—	—	972	972
Dividends	11	—	—	—	—	—	(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	26	**—**	**—**	**—**	**(1,788)**	**—**	**—**	**(1,788)**
Utilisation of own shares held in trust	26	**—**	**—**	**—**	**708**	**—**	**—**	**708**
Share-based payments		**—**	**—**	**—**	**—**	**—**	**1,388**	**1,388**
Tax on share-based payments		**—**	**—**	**—**	**—**	**—**	**876**	**876**
Dividends	11	**—**	**—**	**—**	**—**	**—**	**(13,688)**	**(13,688)**
At 31 March 2024		**70,573**	**46,236**	**2,901**	**(2,589)**	**(55,439)**	**341,811**	**403,493**

Parent company statement of changes in equity

For the year ended 31 March 2024

COMPANY	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share buyback reserve £'000	Own shares held in trust £'000	Retained earnings £'000	Total equity £'000
At 1 April 2022		73,193	46,236	281	(27,264)	(1,094)	78,396	169,748
Profit and total comprehensive income for the year		—	—	—	—	—	33,763	33,763
Acquisition of own shares held in trust	26	—	—	—	—	(1,106)	—	(1,106)
Utilisation of own shares held in trust	26	—	—	—	—	691	—	691
Share-based payments		—	—	—	—	—	1,430	1,430
Share buyback	25	(2,620)	—	2,620	27,264	—	(27,264)	—
Dividends	11	—	—	—	—	—	(35,040)	(35,040)
At 31 March 2023		**70,573**	**46,236**	**2,901**	**—**	**(1,509)**	**51,285**	**169,486**
Profit and total comprehensive income for the year		**—**	**—**	**—**	**—**	**—**	**13,072**	**13,072**
Acquisition of own shares held in trust	26	**—**	**—**	**—**	**—**	**(1,788)**	**—**	**(1,788)**
Utilisation of own shares held in trust	26	**—**	**—**	**—**	**—**	**708**	**—**	**708**
Share-based payments		**—**	**—**	**—**	**—**	**—**	**1,656**	**1,656**
Share buyback	25	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Dividends	11	**—**	**—**	**—**	**—**	**—**	**(13,689)**	**(13,689)**
At 31 March 2024		**70,573**	**46,236**	**2,901**	**—**	**(2,589)**	**52,324**	**169,445**

Consolidated and parent company statements of cash flows

For the year ended 31 March 2024

	Note	GROUP Year ended 31 March 2024 £'000	GROUP Year ended 31 March 2023 £'000	COMPANY Year ended 31 March 2024 £'000	COMPANY Year ended 31 March 2023 £'000
Cash flows from operating activities					
Cash generated from operations	28	**57,139**	76,584	**1,032**	607
Interest income		**9,702**	4,784	**14**	—
Income on client funds		**23,797**	9,166		
Finance costs		**(1,951)**	(2,315)	**(42)**	(318)
Tax paid		**(8,602)**	(17,060)	**—**	—
Net cash generated from operating activities		**80,085**	71,159	**1,004**	289
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 and disposal of financial investments		**76,516**	14,415	**—**	—
Outflow on net investment hedges		**—**	(8)	**—**	—
Investment in associates		**(2,800)**	—	**—**	—
Amounts contributed by subsidiaries in relation to share-based payments		**—**	—	**281**	1,001
Dividends received		**—**	—	**13,698**	34,260
Net cash (used in)/generated from investing activities		**(41,572)**	(31,159)	**13,979**	35,261
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)	**(1,788)**	(1,106)
Payments for share buyback		**—**	(27,264)	**—**	(27,264)
Dividends paid		**(13,688)**	(35,040)	**(13,688)**	(35,040)
Net cash used in financing activities		**(21,007)**	(69,058)	**(15,476)**	(63,410)
Net increase/(decrease) in cash and cash equivalents		**17,506**	(29,058)	**(493)**	(27,860)
Cash and cash equivalents at the beginning of the year	20	**146,218**	176,578	**586**	28,446
Effect of foreign exchange rate changes		**(3,424)**	(1,302)	**—**	—
Cash and cash equivalents at the end of the year	20	**160,300**	146,218	**93**	586

1. General information and basis of preparation

Corporate information

CMC Markets plc (the "Company") is a public company limited by shares incorporated in the United Kingdom and domiciled in England and Wales under the Companies Act 2006. The nature of the operations and principal activities of CMC Markets plc and its subsidiaries (collectively the "Group") are set out in note 3.

Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's Financial Statements are presented in sterling ("GBP"), which is the Company's functional and the Group's presentation currency. Foreign operations are included in accordance with the policies set out in note 2.

Going concern

The Directors have prepared the Financial Statements on a going concern basis, which requires the Directors to have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements.

The Group has considerable financial resources, a broad range of products and a geographically diversified business. Consequently, the Directors believe that the Group is well placed to manage its business risks in the context of the current economic outlook.

Accordingly, the Directors have reasonable expectation that the Group has adequate resources for that period of at least 12 months from the date of approval of the Financial Statements and believe it is appropriate to adopt the going concern basis in preparing the Financial Statements. Further details are set out in the viability statement on pages 57 and 58.

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 below. 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.

Application of new and revised accounting standards

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

Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgements" – Disclosure of Accounting Policies

Amendments to IAS 12 "Income Taxes" – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IAS 12 "Income Taxes" – International Tax Reform – Pillar Two Model Rules

Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – Definition of Accounting Estimates

IFRS 17 "Insurance Contracts" (including the June 2020 and December 2021 Amendments to IFRS 17)

New accounting standards in issue but not yet effective

At the date of authorisation of the Financial Statements, the following new standards and interpretations relevant to the Company and the Group were in issue but not yet effective and have not been applied to the Financial Statements:

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Application date yet to be confirmed)

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (Applicable from 1 January 2024, The Group will adopt this for the year ended 31 March 2025)

Amendments to IAS 1 – Non-current Liabilities with Covenants (Applicable from 1 January 2024, The Group will adopt this for the year ended 31 March 2025)

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (Applicable from 1 January 2024, The Group will adopt this for the year ended 31 March 2025)

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (Applicable from 1 January 2024, The Group will adopt this for the year ended 31 March 2025)

The Directors do not expect that the adoption of the standards listed above will have a material impact on the Financial Statements of the Company and the Group in future periods.

1. General information and basis of preparation continued

Basis of consolidation

The Financial Statements incorporate the financial information of the Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

CMC Markets plc became the ultimate holding company of the Group under a Group reorganisation in 2006. The pooling of interests method of accounting was applied to the Group reorganisation as it fell outside the scope of IFRS 3 "Business Combinations". The Directors adopted the pooling of interests method as they believed it best reflected the true nature of the Group. All other business combinations have been accounted for by the acquisition method of accounting.

Under the acquisition method of accounting, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured initially at their fair values at the date of acquisition, irrespective of the extent of any minority interest. The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Acquisition-related costs are expensed as incurred.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those adopted by the Group.

All inter-company transactions and balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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), 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 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.

2. Material accounting policy information

Total revenue

Revenue

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

The Group generates revenue principally from commissions, spreads and financing income associated with stockbroking and acting as a spread bet and contracts for difference market maker to its clients, and the transactions undertaken to hedge the resulting risks.

Trading – contracts for difference ("CFD") and spread bet

Revenue from CFD and spread bet represents:

– fees paid by clients for commission and funding charges in respect of the opening, holding and closing of financial spread bets and contracts for difference, together with the spread and fair value gains and losses for the Group arising on client trading activity; less

– fees paid by the Group in commissions and funding charges arising in respect of hedging the risk associated with the client trading activity and the Group's currency exposures, together with the spread and fair value gains and losses incurred by the Group arising on hedging activity.

Spread and fair value gains and losses, commission and funding charges are accounted for in accordance with IFRS 9 "Financial Instruments" and IFRS 13 "Fair Value Measurement". Commission income is earned and recognised when the trade is placed, and funding charges when an open position is held by a customer at 5:00pm New York time. Open client and hedging positions are fair valued on a daily basis and the unrealised gains and losses arising on this valuation are recognised in revenue, alongside realised gains and losses on positions that have closed.

2. Material accounting policy information continued

Total revenue continued

Revenue continued

Investing – stockbroking revenue from contracts with customers

Revenue from the provision of financial information and stockbroking services to third parties represents fee and commission income. These are accounted for in accordance with IFRS 15 "Revenue from Contracts with Customers". The Group recognises this revenue when the amount for the service can be determined and the performance obligation has been satisfied, which leads to the revenue being recognised on the date of the Group provides the service to the client.

Other revenue from contracts with customers

Other revenue from the provision of financial information, dormancy fees and balance conversions are accounted for in accordance with IFRS 15 "Revenue from Contracts with Customers".

Interest income

Total revenue also includes interest earned on the Group's own funds, money market funds and net broker trading deposits. Interest income is accrued based on the effective interest rate method, by reference to the principal outstanding/free cash held and at the interest rate applicable. In addition, the Group earns interest income on UK government securities and corporate bonds held as financial investments, calculated using the effective interest method.

Income on client funds

Income on client funds includes interest income generated from segregated client funds net of interest paid to clients on their free cash balance.

Introducing partner commissions and betting levies

Commissions payable to introducing partners and spread betting levies are charged to the income statement when the associated revenue is recognised and are disclosed as a deduction from total revenue in deriving net operating income. Betting levy is payable on net gains generated from clients on spread betting and the Countdowns products.

Segmental reporting

The Group's segmental information is disclosed in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the CMC Markets plc Board. Operating segments that do not meet the quantitative thresholds required by IFRS 8 are aggregated. The segments are subject to annual review and the comparatives restated to reflect any reclassifications within the segmental reporting.

Share-based payment

The Group issues equity settled and cash settled share-based payments to certain employees.

Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at date of grant. The fair value determined at the grant date of the equity settled share-based payment is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the retained earnings.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Cash settled share-based payments are measured at expected value at vesting date at least once per year, along with the likelihood of meeting non-market-based vesting conditions and the number of shares that are expected to vest. The cost is recognised in the income statement with a corresponding liability recorded.

Retirement benefit costs

A defined contribution plan is a post-employment benefit plan into which the Group pays fixed contributions to a third-party pension provider and has no legal or constructive obligation to pay further amounts. Contributions are recognised as staff expenses in profit or loss in the years during which related employee services are fulfilled.

The Group operates defined contribution pension schemes for its Directors and employees. The assets of the schemes are held separately from those of the Group in independently administered funds.

Taxation

The tax expense represents the sum of tax currently payable and movements in deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences may be utilised. Deferred tax is calculated using tax rates and laws enacted or substantively enacted by the balance sheet date and are expected to apply when the asset or liability is settled.

Such assets and liabilities are not recognised if the temporary difference arises from the goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

2. Material accounting policy information continued

Taxation continued

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is charged or credited in the Consolidated Income Statement, except when it relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

Foreign currencies

Transactions denominated in currencies, other than the functional currency, are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates applicable to the relevant year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve.

Such translation differences are recognised as income or expense in the year in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is included within "intangible assets" at cost less accumulated impairment losses.

Goodwill is tested for impairment annually. Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed. On disposal of a subsidiary, the attributed amount of goodwill, which has not been subject to impairment, is included in the determination of the profit or loss on disposal.

Goodwill is allocated to cash-generating units for purposes of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination, identified according to business segment.

Computer software (purchased and developed)

Purchased software is recognised as an intangible asset at cost when acquired. Costs associated with maintaining computer software are recognised as an expense as incurred. Costs directly attributable to internally developed software are recognised as an intangible asset only if all of the following conditions are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- there is an ability to use the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Where the above conditions are not met, costs are expensed as incurred. Directly attributable costs that are capitalised include contractor costs associated with the development of software. Costs which have been recognised as an asset are amortised on a straight-line basis over the asset's estimated useful life from the point at which the asset is ready to use.

Trademarks and trading licences

Trademarks and trading licences that are separately acquired are capitalised at cost and those acquired from a business combination are capitalised at the fair value at the date of acquisition. Amortisation is charged to the income statement on a straight-line basis over their estimated useful lives.

2. Material accounting policy information continued

Intangible assets continued

Client relationships

The fair value attributable to client relationships acquired through a business combination is included as an intangible asset and amortised over the estimated useful life on a straight-line basis. The fair value of client relationships is calculated at the date of acquisition on the basis of the expected future cash flows to be generated from that asset. Separate values are not attributed to internally generated client relationships. Following initial recognition, computer software, trademarks and trading licences and client relationships are carried at cost or initial fair value less accumulated amortisation. Amortisation is provided on all intangible assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the balance sheet date, of each asset on a straight-line basis over its expected useful life as follows:

Item	Amortisation policy
Computer software (purchased and developed)	3–10 years or life of licence
Trademarks and trading licences	10–20 years
Client relationships	10–14 years

Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Assets under development are transferred to the relevant intangible asset class and amortised over their useful life from the point at which the asset is ready to use. Assets under development are tested for impairment annually.

Cryptocurrency assets held as intangible assets

The Group holds cryptocurrency assets that are not held for sale in the ordinary course of business and therefore are measured in accordance with IAS 38 “Intangible Assets”. The assets are originally recognised at cost and are subsequently remeasured at cost under the cost method. These cryptocurrency assets, subject to periodic review, are considered to have indefinite lives and as such are not subject to amortisation. The assets are tested for impairment on a periodic basis with any impairment being recognised in the Consolidated Income Statement.

Property, plant and equipment

Property, plant and equipment (“PPE”) is stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all PPE at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the balance sheet date, of each asset on a straight-line basis over its expected useful life as follows:

Item	Depreciation policy
Furniture, fixtures and equipment	5 years
Computer hardware	5 years
Leasehold improvements	Life of lease

The useful lives and residual values of the assets are assessed annually and may be adjusted depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

Investment in subsidiary undertakings

In the Parent Company Statement of Financial Position, investment in subsidiary undertakings is stated at cost less any provision for impairment.

Investments in associates

An associate is an undertaking in which the Group has a long-term equity interest and over which it has the power to exercise significant influence. The Group’s interest in the net assets of associates is reported in investments in the Consolidated Statement of Financial Position and its interest in their results is included in the Consolidated Income Statement. Investments in associates are initially recorded at cost. Investments in associates are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Further details are provided in note 15.

Impairment of assets

Assets subject to amortisation or depreciation are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is the estimated discounted future cash flows generated from the asset’s continued use, including those from its ultimate disposal. Net realisable value is the estimated amount at which an asset can be disposed of, less any direct selling costs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated and previously recognised impairment losses are reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

2. Material accounting policy information continued

Financial instruments

Classification

The Group classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and

– those to be measured at amortised cost.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset measured through other comprehensive income or at amortised cost, transaction costs that are both incremental and directly attributable to the acquisition of the financial asset. Regular way transactions are recognised on trade date.

The Group subsequently measures cash and cash equivalents, amounts due from brokers and trade and other receivables at amortised cost. The Group subsequently measures derivative financial instruments at fair value through profit or loss, unless designated as an instrument in an effective hedge accounting relationship, and financial investments at fair value through other comprehensive income.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expired.

Cash and cash equivalents

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.

Amounts due from/due to brokers

Amounts due from/due to brokers represent funds placed with hedging counterparties, a proportion of which are posted to meet broker margin requirements. All financial instruments used as hedges held for trading are margin traded. Assets or liabilities resulting from profits or losses on open positions are recognised separately as derivative financial instruments where IAS 32 offsetting criteria is not met.

Other assets

Other assets represent cryptocurrencies controlled by the Group. The Group offers CFDs on cryptocurrencies as a product that can be traded on its platform. As part of a wider hedging strategy, the Group purchases and sells cryptocurrencies to hedge the clients' positions.

The Group holds cryptocurrency assets for trading in the ordinary course of its business, effectively acting as a commodity broker-dealer in respect of the underlying cryptocurrency asset. The assets are recognised on trade date and measured at fair value with changes in valuation being recorded in the income statement in the period in which they arise. Cryptocurrency assets are not financial instruments and they are categorised as non-financial assets.

Trade and other receivables

Trade receivables primarily comprise amounts due from clients and stockbroking settlement balances. They are short term in nature and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit losses.

Trade receivables are short term and do not contain a significant financing element and therefore expected credit losses are measured using the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. Amounts are written off when there is no reasonable expectation of recovery of the amount.

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

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within net impairment gains/(losses) on financial assets. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against net impairment gains/(losses) in the income statement.

Financial investments

Under IFRS 9, financial assets that are debt instruments held in a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") are measured at FVOCI.

Financial investments in UK government securities and Corporate bonds are non-derivative financial assets and are recognised on a trade date basis. These financial investments are initially measured at fair value plus directly related transactions cost. They are remeasured at fair value. Interest calculated using the effective interest method is recognised in the income statement. All other net gains and losses are recognised directly in other comprehensive income until the assets are sold or disposed of. On derecognition, gains and losses accumulated in OCI are reclassified to the income statement.

Financial investments in equity securities are non-derivative financial assets and are recognised on a trade date basis and are measured at FVPL.

The Group recognises a charge for expected credit losses in the income statement. As financial investments are measured at fair value, the charge does not adjust the carrying value of the asset, and this is reflected in other comprehensive income.

2. Material accounting policy information continued

Derivative financial instruments

Derivative financial instruments, comprising index, commodities, foreign exchange and treasury futures and forward foreign exchange contracts, are classified as "fair value through profit or loss" under IFRS 9 unless designated as accounting hedges. Derivatives are initially recognised at fair value. Subsequent to initial recognition, changes in fair value of derivatives that are not designated as accounting hedges, and gains or losses on their settlement, are recognised in the income statement.

For accounting hedges, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group categorises certain derivatives as either:

Held for trading

The Group uses derivative financial instruments in order to economically hedge derivative exposures arising from open client positions, which are classified as held for trading. All derivatives held for trading are carried in the Consolidated Statement of Financial Position at fair value with gains or losses recognised in revenue in the income statement.

Economic hedges (held as hedges of monetary assets and liabilities, financial commitments or forecast transactions)

These are derivatives held to mitigate the foreign exchange risk on monetary assets and liabilities, financial commitments or forecast transactions. Where a derivative financial instrument is used as an economic hedge of the foreign exchange exposure of a recognised monetary asset or liability, financial commitment or forecast transaction but does not meet the criteria to qualify for hedge accounting under IFRS, no hedge accounting is applied and any gain or loss resulting from changes in fair value of the hedging instrument is recognised in operating costs in the income statement.

Trade and other payables

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

Leases

Under IFRS 16, when the Group is the lessee, it is required to recognise both:

– a lease liability, measured at the present value of remaining cash flows on the lease; and

– a right-of-use ("ROU") asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Subsequently, the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when the payments are made. The right-of-use asset will amortise to the income statement over the life of the lease. The lease liability is remeasured when there is a change in one of the following:

– future lease payments arising from a change in an index or rate;

– the Group's estimate of the amount expected to be payable under a residual value guarantee; or

– the Group's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in the income statement if the carrying amount of the ROU asset has been reduced to £nil.

On the Consolidated Statement of Financial Position, the ROU assets are included within property, plant and equipment.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Extension and termination options are included in a number of property leases in the Group. Management considers the facts and circumstances that may create an economic incentive to exercise an extension or termination option in order to determine whether the lease term should include or exclude such options. Extension or termination options are only included within the lease term if they are reasonably certain to be exercised in the case of extension options and not exercised in the case of termination options.

The Group enters into lease agreements as a lessor with respect to some of its vehicles that it leases under head leases. When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease of vehicles is classified as a finance lease. Amounts due from the lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

2. Material accounting policy information continued

Provisions

A provision is a liability of uncertain timing or amount that is recognised when the Group has a present obligation (legal or constructive) as a result of a past event where it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material. The increase in the provision due to the unwind of the discount to present value over time is recognised as an interest expense.

Share capital

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

Own shares held in trusts

Shares held in trust by the Company for the purposes of employee share schemes are classified as a deduction from shareholders' equity and are recognised at cost. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of equity shares.

Capital redemption reserve

The capital redemption reserve was created for capital maintenance purposes as a result of the share buyback programme. When shares are repurchased out of the Company's profits, the amount by which the Company's issued share capital is diminished must be transferred to the capital redemption reserve. This amount is the nominal value of the shares bought back. See note 25.

Share buyback reserve

The share buyback reserve was created as a result of the share buyback programme and on inception of the contract amounted to the full value of the share buyback programme plus directly attributed costs. As shares are repurchased, the share buyback reserve amount is reduced by the consideration paid for the repurchased shares with a corresponding transaction recorded within retained earnings to reflect the consumption of distributable profits. See note 27.

Employee benefit trusts

Assets held in employee benefit trusts ("EBT") are recognised as assets of the Group until these vest unconditionally to identified employees. A full provision is made in respect of assets held by the trust as there is an obligation to distribute these assets to the beneficiaries of the employee benefit trust.

The employee benefit trusts own equity shares in the Company. These investments in the Company's own shares are held at cost and are included as a deduction from equity attributable to the Company's equity owners until such time as the shares are cancelled or transferred. Where such shares are subsequently transferred, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity owners.

Client money

The Group holds money on behalf of clients in accordance with the Client Asset ("CASS") rules of the FCA and other financial markets regulators in the countries in which the Group operates. Segregated client funds comprise individual client balances which are pooled in segregated client money bank accounts. Segregated client money bank accounts hold statutory trust status restricting the Group's ability to use the monies and accordingly such amounts and are not recognised on the Group's Statement of Financial Position.

3. 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; and

– 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.

3. Segmental reporting continued

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

GROUP	Year ended 31 March 2024 Trading £'000	Investing £'000	Total £'000
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

GROUP	Year ended 31 March 2023 Trading £'000	Investing £'000	Total £'000
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

* For the year ended 31 March 2023, impairment of intangible assets has been presented separately from Operating Expenses to align with the presentation for the year ended 31 March 2024.

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.

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

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

3. Segmental reporting continued

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:

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

4. Total revenue

Revenue

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

Trading revenue (previously presented as leveraged revenue) represents CFD and spread bet revenue (net of hedging costs) accounted for in accordance with IFRS 9 "Financial Instruments". Investing revenue (previously presented as non-leveraged revenue) represents stockbroking revenue accounted for in accordance with IFRS 15 "Revenue from Contracts with Customers".

Interest income on own funds

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

* For better presentation, Income on client funds have been presented separately for the years ended 31 March 2024 and 31 March 2023, as below.

Income on client funds

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

5. Operating expenses

GROUP	**Year ended 31 March 2024 £'000**	Year ended 31 March 2023 £'000
Net staff costs (note 6)	**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.

6. Employee information

The aggregate employment costs of staff and Directors were:

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Wages and salaries	108,291	92,758
Social security costs	13,950	11,850
Other pension costs	3,439	2,743
Share-based payments	2,757	2,229
Total Director and employee costs	128,437	109,580
Contract staff costs	1,703	3,101
	130,140	112,681
Capitalised internal software development costs	(11,671)	(11,121)
Net staff costs	118,469	101,560

Compensation of key management personnel is disclosed in note 33.

The monthly average number of Directors and employees of the Group during the year is set out below:

GROUP	Year ended 31 March 2024 Number	Year ended 31 March 2023 Number
By activity:		
Key management	10	9
Client acquisition and maintenance	523	489
IT development and support	348	315
Global support functions	284	254
Total Directors and employees	1,165	1,067
Contract staff	16	20
Total staff	1,181	1,087

The Company had no employees during the current year or prior year.

7. Finance costs

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Interest and fees on bank borrowings	985	1,657
Interest on lease liabilities	966	658
Total	1,951	2,315

8. Profit before taxation

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Profit before tax is stated after charging:		
Depreciation	9,658	9,962
Amortisation and impairment of intangible assets	17,765	5,675
Net foreign exchange gain	1,134	1,044
Auditor's remuneration for audit and other services (see below)	3,234	2,490

8. Profit before taxation continued

Fees payable to the Company's auditor, Deloitte LLP (year ended 31 March 2023: Deloitte LLP), were as follows:

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Audit services		
Audit of CMC Markets plc's Financial Statements	**1,069**	814
Audit of CMC Markets plc's subsidiaries	**1,340**	978
Total audit fees	**2,409**	1,792
Non-audit services		
Audit-related services	**825**	698
Total non-audit fees	**825**	698
Total fees	**3,234**	2,490

9. Taxation

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
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:

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Profit before taxation	**63,333**	52,163
Profit multiplied by the standard rate of corporation tax in the UK of 25% (year ended 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

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

10. 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.

GROUP	**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	**16.7p**	14.7p
Diluted EPS	**16.7p**	14.6p

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 and options in issue, 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.

11. Dividends

GROUP AND COMPANY	**Year ended 31 March 2024 £'000**	Year ended 31 March 2023 £'000
Declared and paid in each year		
Final dividend for 2023 at 3.90p 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:

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

12. Intangible assets

GROUP	Goodwill £'000	Computer software £'000	Trademarks and trading licences £'000	Client relationships £'000	Cryptocurrency assets £'000	Assets under development £'000	Total £'000
Cost							
At 1 April 2022	11,500	132,187	1,052	3,095	—	23,608	171,442
Additions	—	291	23	—	—	11,316	11,630
Transfers	—	12,803	—	14,103	—	(26,906)	—
Foreign currency translation	—	(1,290)	(29)	(703)	—	(311)	(2,333)
At 31 March 2023	**11,500**	**143,991**	**1,046**	**16,495**	**—**	**7,707**	**180,739**
Additions	**—**	**338**	**—**	**—**	**200**	**11,706**	**12,244**
Transfers	**—**	**9,671**	**—**	**—**	**—**	**(9,671)**	**—**
Disposals	**—**	**(1,730)**	**—**	**—**	**—**	**—**	**(1,730)**
Foreign currency translation	**—**	**(1,222)**	**(27)**	**(790)**	**—**	**(235)**	**(2,274)**
At 31 March 2024	**11,500**	**151,048**	**1,019**	**15,705**	**200**	**9,507**	**188,979**
Accumulated amortisation and impairment							
At 1 April 2022	(11,500)	(125,612)	(907)	(3,095)	—	—	(141,114)
Charge for the year	—	(4,441)	(34)	(768)	—	—	(5,243)
Impairment	—	(432)	—	—	—	—	(432)
Foreign currency translation	—	1,181	27	184	—	—	1,392
At 31 March 2023	**(11,500)**	**(129,304)**	**(914)**	**(3,679)**	**—**	**—**	**(145,397)**
Charge for the year	**—**	**(3,953)**	**(34)**	**(1,456)**	**—**	**—**	**(5,443)**
Impairment	**—**	**(9,161)**	**—**	**—**	**—**	**(3,161)**	**(12,322)**
Disposals	**—**	**1,730**	**—**	**—**	**—**	**—**	**1,730**
Foreign currency translation	**—**	**1,137**	**25**	**197**	**—**	**—**	**1,359**
At 31 March 2024	**(11,500)**	**(139,551)**	**(923)**	**(4,938)**	**—**	**(3,161)**	**(160,073)**
Carrying amount							
At 1 April 2022	—	6,575	145	—	—	23,608	30,328
At 31 March 2023	—	14,687	132	12,816	—	7,707	35,342
At 31 March 2024	**—**	**11,497**	**96**	**10,767**	**200**	**6,346**	**28,906**

Computer software includes capitalised development costs of £26,487,000 relating to the Group's Next Generation trading platform which has been fully amortised. Estimated research and development expenditure recognised as expense during the year amounted to £886,532 (31 March 2023: £893,344). Client relationships include the transaction with ANZ to transition its portfolio of Share Investing clients to CMC for AUD$25 million, which has a remaining amortisation period of 7.5 years.

Impairment

Intangible assets are tested for impairment if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Assets under development are tested annually, with additional testing being carried out when impairment triggers for an asset or CGU could adversely impact the valuation of the asset or CGU.

The Group has recognised impairment losses totalling £12,322,000 during the 12-month period ended 31 March 2024 through the profit and loss. These charges have been recognised through the "Impairment of intangible assets" line in the Financial Statements. Of the impairment losses, £2,298,000 relates to assets in the Trading segment and £10,024,000 to assets in the Investing segment. No impairment losses have been recognised or reversed through other comprehensive income.

The cash equities CGU includes assets developed in the UK that provide functionality for clients to buy and sell cash equities products. The CGU consists of assets relating to the UK Invest platform, as well as assets developed to offer cash equities on the Next Generation platform. Due to the shared infrastructure used across these assets it was deemed appropriate to assess them in aggregate as one CGU. Prior to the current assessment, the CGU was tested for impairment during the six-month period ending 30 September 2023 which resulted in a £5,275,000 impairment to be recognised.

As a result of the unfavourable equity market conditions and operational delays in development of products, management revised forecasts downwards for the assets, triggering an impairment review.

The recoverable amount of the CGU is measured by its value in use ("VIU"). The key assumptions used in the projections relate to B2B revenue, cost of acquisition of D2C clients and average portfolio sizes of the UK Invest business, and client trading volumes and the number of relationships onboarded in the cash equities offering through the Next Generation platform. The most recent five-year Board-approved forecast results were used in projecting the VIU of the CGU, with a discount rate of 9.7% (2023: 9.3%) and a long-term growth rate (beyond the forecasting period) of 0%. The resulting recoverable amount is £5,665,000. As this is below the carrying value of the CGU of £11,367,000, an impairment loss of £5,701,000 was recognised during the six-month period ended 31 March 2024. This resulted in a charge for the financial year of £10,976,000.

12. Intangible assets continued

Impairment continued

Given the inherent uncertainty in forecasting cashflows for new business lines, there is a risk that the expected levels of income from the new initiatives are not achieved, and as a result the recoverable amount of the CGU may reduce. A 12% reduction in projected revenues, or a 12% increase in projected costs, would result in the full impairment of the assets.

The Opto brand is an existing content marketing channel for CMC, providing financial content to a worldwide user base via emails, articles, a podcast, magazine and regular video interviews. The Group plans to develop this content further, and have internally developed a mobile app to access this content and enable clients to act on this information by executing trades within the same app. This asset sits within the Group's Investing segment.

This is the first time the asset has been subject to impairment assessment. As at 31 March 2024 the asset was not yet available for use and therefore is required by IAS 36 paragraph 10(a) to be subject to an impairment assessment.

The recoverable amount of the asset is measured by its value in use ("VIU"). The most recent three-year Board-approved forecast results were used in projecting the VIU of the asset, with a discount rate of 9.7% and a long-term growth rate (beyond the forecasting period) of 0%. The resulting recoverable amount is (£3,282,000). As this is below nil and therefore the carrying value of the asset of £941,000, an impairment loss of the full £941,000 was recognised during the period ended 31 March 2024.

Given the significant deficit between the recoverable amount and £nil, there is no reasonable scenario in which the asset would not be fully impaired; as a result, no sensitivity analysis has been performed.

The Multi-Asset Platform ("MAP") asset was in early stages of development with the aim of creating a new platform to support existing and planned product releases as well as delivering operational efficiencies. The project was discontinued and therefore resulted in the full impairment of asset, amounting to an impairment loss of £404,000. The asset sits within the Group's Trading segment.

During the year ended 31 March 2023 the Group recorded an impairment of £432,000 relating to internally generated computer software assets. The carrying value of the assets impaired at 1 April 2022 was £841,000, amortisation during the year ended 31 March 2023 was £409,000 until the date of decommissioning the asset resulting in an impairment of £432,000. The impaired asset provided an enhanced functionality to the clients but this functionality was removed from the Next Generation platform.

13. Property, plant and equipment

GROUP	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Computer hardware £'000	Right-of-use asset £'000	Construction in progress £'000	Total £'000
Cost						
At 1 April 2022 (Restated)	16,883	8,922	37,375	21,845	—	85,025
Additions	722	479	5,788	2,872	211	10,072
Reclassification	36	18	—	—	(54)	—
Disposals	(887)	(72)	(579)	(1,813)	—	(3,351)
Foreign currency translation	(189)	(26)	(164)	(270)	(5)	(654)
At 31 March 2023	**16,565**	**9,321**	**42,420**	**22,634**	**152**	**91,092**
Additions	**3,006**	**647**	**3,779**	**9,587**	**—**	**17,019**
Reclassification	**—**	**89**	**61**	**—**	**(150)**	**—**
Disposals	**(2,769)**	**(117)**	**(514)**	**(1,306)**	**—**	**(4,706)**
Foreign currency translation	**(260)**	**(111)**	**(244)**	**(595)**	**(2)**	**(1,212)**
At 31 March 2024	**16,542**	**9,829**	**45,502**	**30,320**	**—**	**102,193**
Accumulated depreciation						
At 1 April 2022 (Restated)	(13,521)	(8,280)	(28,360)	(11,694)	—	(61,855)
Charge for the year	(1,585)	(407)	(3,749)	(4,221)	—	(9,962)
Disposals	839	59	340	1,801	—	3,039
Foreign currency translation	175	22	108	152	—	457
At 31 March 2023	**(14,092)**	**(8,606)**	**(31,661)**	**(13,962)**	**—**	**(68,321)**
Charge for the year	**(1,136)**	**(293)**	**(4,163)**	**(4,066)**	**—**	**(9,658)**
Disposals	**2,549**	**116**	**256**	**601**	**—**	**3,522**
Foreign currency translation	**208**	**83**	**174**	**345**	**—**	**810**
At 31 March 2024	**(12,471)**	**(8,700)**	**(35,394)**	**(17,082)**	**—**	**(73,647)**
Carrying amount						
At 1 April 2022 (Restated)	3,362	642	9,015	10,151	—	23,170
At 31 March 2023	2,473	715	10,759	8,672	152	22,771
At 31 March 2024	**4,071**	**1,129**	**10,108**	**13,238**	**—**	**28,546**

The carrying amount of recognised right-of-use assets relates to leasehold properties.

Refer to note 23 for further details on lease liabilities.

14. Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method at the tax rate expected to apply when the deferred tax will crystallise. The gross movement on deferred tax is as follows:

GROUP	**Year ended 31 March 2024 £'000**	Year ended 31 March 2023 £'000
At 1 April	**756**	2,713
Charge to income for the year	**1,401**	(1,380)
Charge to equity for the year	**876**	—
Change in tax rate	**—**	(462)
Foreign currency translation	**(100)**	(115)
At 31 March	**2,933**	756

The following table details the deferred tax assets and liabilities recognised by the Group and movements thereon during the year:

GROUP	Tax losses £'000	Accelerated capital allowances £'000	Intangible fixed assets £'000	Share based payments £'000	Accruals and provisions £'000	Total £'000
At 1 April 2022	93	(278)	(1,728)	273	4,353	2,713
Charge to income for the year	5	(1,590)	(625)	(52)	882	(1,380)
Change in tax rate	(7)	(192)	(182)	(16)	(65)	(462)
Foreign currency translation	4	(22)	—	—	(97)	(115)
At 31 March 2023	**95**	**(2,082)**	**(2,535)**	**205**	**5,073**	**756**
Charge to income for the year	**79**	**(708)**	**451**	**119**	**1,460**	**1,401**
Charge to equity for the year	**—**	**—**	**—**	**876**	**—**	**876**
Foreign currency translation	**(3)**	**(2)**	**(106)**	**—**	**11**	**(100)**
At 31 March 2024	**171**	**(2,792)**	**(2,190)**	**1,200**	**6,544**	**2,933**

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of the temporary differences can be deducted. The recoverability of the Group's deferred tax asset in respect of carry forward losses is based on an assessment of the future levels of taxable profit expected to arise that can be offset against these losses. The Group's expectations as to the level of future taxable profits take into account the Group's long-term financial and strategic plans and anticipated future tax adjusting items. In making this assessment, account is taken of business plans including the Board-approved Group budget. Key budget assumptions are discussed in the Directors' viability statement.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 March 2024, the Group did not recognise deferred tax assets of £272,000 (year ended 31 March 2023: £298,000) in respect of losses amounting to £1,416,000 (year ended 31 March 2023: £1,540,000). £66,000 (year ended 31 March 2023: £520,000) of the losses relates to the Group's Information Internet Limited subsidiary and £1,416,000 (year ended 31 March 2023: £1,020,000) of the losses relates to CMC Markets Singapore Invest Pte Ltd subsidiary. There is no time limit on their utilisation.

The Group has recognised a deferred tax asset of £171,000 (year ended 31 March 2023: £95,000) in respect of losses of £813,000 (year ended 31 March 2023: £428,000). £548,000 (year ended 31 March 2023: £321,000) of the losses relates to the Group's Information Internet Limited subsidiary, £265,000 (year ended 31 March 2023: £0) of losses relates to CMC Markets Singapore Invest Pte Ltd and £0 (year ended 31 March 2023: £107,000) of the losses relates to the Polish branch of the Group's CMC Markets Germany GmbH subsidiary as at 31 March 2024.

Deferred tax balances are reported at the substantively enacted corporation tax rate of 25%, the substantively enacted tax rate at the balance sheet date.

15. Investment in associates and subsidiary undertakings

Investments in associates

On 6 June 2023, the Group acquired a 33% stake in Strike X Technologies ("Strike X"), a customer centric blockchain solutions business for a cost of £2,800,000. CMC Markets Ventures Ltd holds 3,330,000 A ordinary shares of £0.0001 each in StrikeX, representing 100% of the nominal value of the shares of that class.

This investment presents the Group with further opportunity for growth. The partnership will allow the Group access to the latest blockchain related products and services with the opportunity to leverage these for our customers over the longer term.

The Group's share of loss in Strike X for the year ended 31 March 2024 was £283,000. The investment was adjusted accordingly to £2,517,000 as at 31 March 2024.

Such investments are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. There was no indication of impairment for the year ended 31 March 2024.

15. Investment in associates and subsidiary undertakings continued

Investments in subsidiary undertakings

COMPANY	**Year ended 31 March 2024 £'000**	Year ended 31 March 2023 £'000
At 1 April (Restated)	**167,090**	167,722
Capital contribution relating to share-based payments	**2,364**	2,121
Amounts contributed by subsidiaries in relation to share-based payments	**(1,006)**	(2,753)
At 31 March	**168,448**	167,090

The Company's investments in its subsidiary undertakings are carried at cost less accumulated provision for impairment. In determining the provision for impairment, the carrying value of the investment is compared to the recoverable amount of the investment. The estimated recoverable amount of these investments is determined based on an estimate of the fair value less costs to sell of the subsidiary undertaking or the value in use of the subsidiary undertaking, whichever is higher. Investments in subsidiary undertakings are tested for impairment annually. Total provision for impairment recorded during the year ended 31 March 2024 was £nil (year ended 31 March 2023: £nil).

The list below includes all of the Group's direct and indirect subsidiaries as at 31 March 2024:

	Country of incorporation	Principal activities	Held
CMC Markets Holdings Ltd	England	Holding company	Directly
CMC Markets UK Holdings Ltd	England	Holding company	Indirectly
CMC Markets Investments Limited	England	Online investing	Indirectly
CMC Markets Investments Nominee Limited	England	Nominee entity	Indirectly
CMC Markets UK plc	England	Online trading	Indirectly
Information Internet Ltd	England	IT development	Indirectly
CMC Spreadbet plc	England	Financial spread betting	Indirectly
CMC Markets Overseas Holdings Ltd	England	Holding company	Indirectly
CMC Markets CFD Overseas Holdings Limited	England	Dormant	Indirectly
CMC Markets Holdings Ventures Limited	England	Holding company	Indirectly
CMC Markets Ventures Limited	England	Holding company	Indirectly
Opto Markets Limited	England	Holding company	Indirectly
CMC Markets Asia Pacific Pty Ltd	Australia	Online trading	Indirectly
CMC Markets Group Australia Pty Ltd	Australia	Holding company	Indirectly
CMC Markets Stockbroking Ltd	Australia	Stockbroking	Indirectly
CMC Markets Stockbroking Services Pty Lt	Australia	Employee services	Indirectly
CMC Markets Stockbroking Nominees Pty Ltd	Australia	Nominee entity	Indirectly
CMC Markets Stockbroking Nominees (No. 2 Account) Pty Ltd	Australia	Nominee entity	Indirectly
CMC Markets Canada Inc	Canada	Online trading	Indirectly
CMC Markets NZ Ltd	New Zealand	Online trading	Indirectly
CMC Markets Singapore Pte Ltd	Singapore	Online trading	Indirectly
CMC Markets Singapore Invest Pte Ltd	Singapore	Online investing	Indirectly
CMC Business Services (Shanghai) Limited	China	Training and education	Indirectly
CMC Markets Germany GmbH	Germany	Online trading	Indirectly
CMC Markets Middle East Ltd	UAE	Online trading	Indirectly
CMC Markets Bermuda Holdings Ltd	Bermuda	Holding company	Indirectly
CMC Markets Bermuda Ltd	Bermuda	Online trading	Indirectly
Opto Markets LLC	USA	Online trading	Indirectly

Please refer to pages 178 and 179 for the registered office addresses of the subsidiaries above.

All shareholdings are of Ordinary Shares. The issued share capital of all subsidiary undertakings is 100% owned, which also represents the proportion of the voting rights in the subsidiary undertakings. The Group has taken advantage of the s394A exemption from preparing individual accounts of its dormant subsidiary CMC Markets CFD Overseas Holdings Limited (Company registration number: 14940138)

The list below includes all of the Group's employee benefit trusts as at 31 March 2024:

	Country of incorporation
CMC Markets plc Employee Share Trust	Jersey
CMC Markets plc UK Share Incentive Plan	England
CMC Markets plc (Discretionary Schemes) Employee Share Trust	England

16. Trade and other receivables

	GROUP		COMPANY	
	31 March 2024 £'000	31 March 2023 £'000	**31 March 2024 £'000**	31 March 2023 £'000
Current				
Gross trade receivables	**9,936**	8,721	**—**	—
Less: loss allowance	**(3,964)**	(4,247)	**—**	—
Trade receivables	**5,972**	4,474	**—**	—
Amounts due from Group companies	**—**	—	**—**	1,879
Prepayments	**13,552**	14,985	**52**	51
Accrued income	**3,778**	2,335	**—**	2
Stockbroking debtors	**126,339**	105,103	**—**	—
Other debtors and advances	**12,415**	3,719	**5,495**	—
	162,056	130,616	**5,547**	1,932
Non-current				
Other debtors	**2,753**	2,666	**—**	—
Total	**164,809**	133,282	**5,547**	1,932

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 21).

All amounts due from Group companies in the Company Financial Statements are repayable on demand and are non-interest bearing.

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).

17. Derivative financial instruments

Assets

GROUP	**31 March 2024 Notional amount £m**	**31 March 2024 Carrying amount £'000**	31 March 2023 Notional amount £m	31 March 2023 Carrying amount £'000
Held for trading				
Client trading positions	**394.0**	**31,627**	120.9	13,125
Held for hedging				
Forward foreign exchange contracts – economic hedges	**—**	**—**	73.6	1,106
Total	**394.0**	**31,627**	194.5	14,231

Liabilities

GROUP	**31 March 2024 Notional amount £m**	**31 March 2024 Carrying amount £'000**	31 March 2023 Notional amount £m	31 March 2023 Carrying amount £'000
Held for trading				
Client trading positions	**181.4**	**(7,074)**	35.7	(2,033)
Held for hedging				
Forward foreign exchange contracts – economic hedges	**—**	**—**	—	—
Total	**181.4**	**(7,074)**	35.7	(2,033)

The fair value of derivative contracts is based on the market price of comparable instruments at the balance sheet date. All derivative financial instruments have a maturity date of less than one year.

Held for trading

Derivative financial instruments relating to client trading positions refer to the fair value of open positions held by clients at the end of the year.

17. Derivative financial instruments continued

Held for hedging

The Group's forward foreign exchange contracts are categorised as economic hedges.

Economic hedges are held for the purpose of mitigating currency risk relating to transactional currency flows arising from earnings in foreign currencies but do not meet the criteria for designation in a hedge accounting relationship. During the year ended 31 March 2024, £1,033,000 of net loss relating to economic hedges was recognised in the Consolidated Income Statement (year ended 31 March 2023: loss of £845,000).

The maximum exposure to credit risk at the reporting date is the carrying value of the derivative assets at the balance sheet date.

The Group's derivative positions are reported gross on the Consolidated Statement of Financial Position, as required by IAS 32 where the criteria for offset are not met.

18. Other assets

GROUP	31 March 2024 £'000	31 March 2023 £'000
Exchange	10,382	1,178
Vaults	1,876	806
Total	**12,258**	1,984

Other assets are cryptocurrencies, which are owned and controlled by the Group for the purpose of hedging the Group's exposure to clients' cryptocurrency trading positions. The fair value of cryptocurrencies is based on the market price of these instruments as at the balance sheet date.

As presented above, the Group holds cryptocurrencies on exchange and in vault. Cryptocurrencies held on vaults are held in a wallet that has additional security features. Other assets are measured at fair value less costs to sell.

19. Financial investments

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
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

The effective interest rates of UK government securities held at the year-end range from 2.43% to 2.61% (31 March 2023: -1.72% to 4.05%). The effective interest rates of Corporate bonds held at the year-end range from 0.76% to 5.37%.

GROUP	31 March 2024 £'000	31 March 2023 £'000
Analysis of financial investments		
Non-current	32	34
Current	50,889	30,572
Total	**50,921**	30,606

Financial investments are shown as current assets when they have a maturity of less than one year and as non-current when they have a maturity of more than one year. The majority of these UK government securities are held to meet the Group's regulatory threshold requirements under IFPR. These UK government securities are in Stage 1 and ECL is immaterial for the year ended 31 March 2024 (year ended 31 March 2023: £nil).

20. Cash and cash equivalents

	GROUP		COMPANY	
	31 March 2024 £'000	31 March 2023 £'000	**31 March 2024 £'000**	31 March 2023 £'000
Cash and cash equivalents	**160,300**	146,218	**93**	586
Analysed as:				
Cash at bank	**160,300**	146,218	**93**	586

Cash and cash equivalents comprise cash on hand and short-term deposits. 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).

Analysis of net cash

GROUP	**31 March 2024 £'000**	31 March 2023 £'000
Cash and cash equivalents	**160,300**	146,218
Borrowings	**—**	—
Share buyback liability	**—**	—
Lease liabilities	**(16,915)**	(11,818)
Net cash	**143,385**	134,400

GROUP	Borrowings £'000	Lease liabilities £'000	Share buyback liability £'000	Changes in liabilities arising from financing £'000	Cash and cash equivalents £'000	Total £'000
At 1 April 2022 (Restated)	(194)	(14,251)	(27,264)	(41,709)	176,578	134,869
Cash flows	—	—	—	—	(29,058)	(29,058)
Financing cash flows	194	5,454	27,264	32,912	—	32,912
Inception/modification of leases	—	(3,223)	—	(3,223)	—	(3,223)
Foreign exchange adjustments	—	202	—	202	(1,302)	(1,100)
At 31 March 2023	**—**	**(11,818)**	**—**	**(11,818)**	**146,218**	**134,400**
Cash flows	**—**	**—**	**—**	**—**	**17,506**	**17,506**
Financing cash flows	**—**	**5,531**	**—**	**5,531**	**—**	**5,531**
Inception/modification of leases	**—**	**(10,960)**	**—**	**(10,960)**	**—**	**(10,960)**
Foreign exchange adjustments	**—**	**332**	**—**	**332**	**(3,424)**	**(3,092)**
At 31 March 2024	**—**	**(16,915)**	**—**	**(16,915)**	**160,300**	**143,385**

21. Trade and other payables

	GROUP		COMPANY	
	31 March 2024 £'000	31 March 2023 £'000	**31 March 2024 £'000**	31 March 2023 £'000
Client payables	**119,591**	49,409	**—**	—
Tax and social security	**759**	1,272	**—**	—
Stockbroking creditors	**116,029**	98,428	**—**	—
Amount due to Group companies	**—**	—	**4,426**	—
Accruals and other creditors	**36,432**	33,175	**217**	122
Total	**272,811**	182,284	**4,643**	122

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 16).

22. Borrowings

Bank loans

In March 2024, the syndicated revolving credit facility was renewed at a level of £55,000,000 (31 March 2023: £55,000,000) where £27,500,000 had a maturity date of March 2025 and £27,500,000 had a maturity date of March 2027. This facility can only be used to meet broker margin requirements of the Group. The rate of interest payable on any loans is the aggregate of the applicable margin and SONIA. Other fees such as commitment fees, legal fees and arrangement fees are also payable on this facility (note 7).

No amount was outstanding on this facility at 31 March 2024 (31 March 2023: £nil).

All amounts due to Group companies in the Company Financial Statements are repayable on demand and are non-interest bearing.

23. Leases 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.

ROU asset balances relate to both leasehold properties and computer hardware. Refer to note 13 for a breakdown of the carrying amount of ROU assets.

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

GROUP	**Year ended 31 March 2024 £'000**	Year ended 31 March 2023 £'000
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

GROUP	**31 March 2024 £'000**	31 March 2023 £'000
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 for maturity analysis of lease liabilities.

24. Provisions

GROUP	Restructuring costs £'000	Property related £'000	Other £'000	Total £'000
At 1 April 2022	—	2,416	70	2,486
Additional provision	—	82	856	938
Utilisation of provision	—	(143)	(370)	(513)
Currency translation	—	(9)	—	(9)
At 31 March 2023	**—**	**2,346**	**556**	**2,902**
Additional provision	**2,186**	**16**	**1,646**	**3,848**
Utilisation of provision	**—**	**—**	**(407)**	**(407)**
Unutilised provisions reversed	**—**	**(1,955)**	**(157)**	**(2,112)**
Currency translation	**—**	**(21)**	**(16)**	**(37)**
At 31 March 2024	**2,186**	**386**	**1,622**	**4,194**

The restructuring provision is for costs relating to redundancies announced within the year ended 31 March 2024.

The property-related provisions include dilapidation provisions. Dilapidation provisions have been capitalised as part of cost of ROU assets and are amortised over the term of the lease. These dilapidation provisions are utilised as and when the Group vacates a property and expenditure is incurred to restore the property to its original condition.

24. Provisions continued

The other provisions balance as at 31 March 2024 and 31 March 2023 relates to provisions made for potential litigation associated with client complaints.

GROUP	31 March 2024 £'000	31 March 2023 £'000
Analysis of total provisions		
Current	**3,937**	815
Non-current	**257**	2,087
Total	**4,194**	2,902

25. Share capital, share premium and capital redemption reserve

	Number		£'000	
GROUP AND COMPANY	**31 March 2024**	31 March 2023	**31 March 2024**	31 March 2023
Authorised				
Ordinary Shares of 25p	**400,000,000**	400,000,000	**100,000**	100,000
Allotted, issued and fully paid				
Ordinary Shares of 25p	**279,815,463**	279,815,463	**69,953**	69,953
Deferred Shares of 25p	**2,478,086**	2,478,086	**620**	620
Total	**282,293,549**	282,293,549	**70,573**	70,573

Share class rights

The Company has two classes of shares, Ordinary and Deferred, neither of which carries a right to fixed income. Deferred Shares have no voting or dividend rights. In the event of a winding-up, Ordinary Shares shall be repaid at nominal value plus £500,000 each in priority to Deferred Shares.

GROUP AND COMPANY	Ordinary Shares Number	Deferred Shares Number	Total Number
At 1 April 2022	290,293,919	2,478,086	292,772,005
New shares issued	—	—	—
Shares cancelled	(10,478,456)	—	(10,478,456)
At 31 March 2023	**279,815,463**	**2,478,086**	**282,293,549**
New shares issued	**—**	**—**	**—**
Shares cancelled	**—**	**—**	**—**
At 31 March 2024	**279,815,463**	**2,478,086**	**282,293,549**

GROUP AND COMPANY	Ordinary Shares £'000	Deferred Shares £'000	Share premium £'000	Capital redemption reserve £'000	Total £'000
At 1 April 2022	72,573	620	46,236	281	119,710
New shares issued	—	—	—	—	—
Shares cancelled	(2,620)	—	—	2,620	—
At 31 March 2023	**69,953**	**620**	**46,236**	**2,901**	**119,710**
New shares issued	**—**	**—**	**—**	**—**	**—**
Shares cancelled	**—**	**—**	**—**	**—**	**—**
At 31 March 2024	**69,953**	**620**	**46,236**	**2,901**	**119,710**

Movements in share capital and premium

During the year ended 31 March 2024, no (year ended 31 March 2023: nil) shares with nominal value of 25 pence were issued to employee benefit trusts ("EBTs").

During the year ended 31 March 2024, no shares (year ended 31 March 2023: 10,478,456) with nominal value of 25 pence were cancelled pursuant to the share buyback programme.

During the year ended 31 March 2024, no Ordinary Shares were converted to Deferred Shares in accordance with the terms of grant to employees who have now left the Group (year ended 31 March 2023: nil).

25. Share capital, share premium and capital redemption reserve continued

Capital redemption reserve

On 14 March 2022, the Board approved a share buyback programme with up to £30.0 million to be returned to shareholders.

During the period starting 17 March 2022 and up to 19 October 2022, the Company repurchased and cancelled 11,602,010 Ordinary Shares with nominal value of 25 pence. The amount by which the Company's share capital is diminished on the cancellation of the purchased shares is transferred to the capital redemption reserve. This amounted to £2,619,614 for the year ended 31 March 2023. No shares were repurchased and cancelled during the year ended 31 March 2024.

26. Own shares held in trust

GROUP AND COMPANY	Number	£'000
Ordinary Shares of 25p		
At 1 April 2022	653,615	1,094
Acquisition	460,840	1,106
Utilisation	(408,688)	(691)
At 31 March 2023	**705,767**	**1,509**
Acquisition	**1,046,565**	**1,788**
Utilisation	**(328,336)**	**(708)**
At 31 March 2024	**1,423,996**	**2,589**

At the AGM held on 27 July 2023, the shareholders authorised the Company to purchase its own shares up to a maximum number of 27,981,546. The authority is due to expire at the end of the next annual general meeting of the Company or at the close of business on 26 September 2024, whichever is the earlier.

The shares are held by various EBTs for the purpose of encouraging or facilitating the holding of shares in the Company for the benefit of employees and the trustees will apply the whole or part of the trust's funds to facilitate dealing in shares by such beneficiaries. The maximum number of own shares held at any time by the Group was 1,423,996 (year ended 31 March 2023:705,767). At 31 March 2024, Ordinary Shares held in trust represent 0.51% (At 31 March 2023:0.25%) of the called up share capital of the Company.

27. Other reserves

GROUP	Translation reserve £'000	Net investment hedging reserve £'000	FVOCI reserve £'000	Merger reserve £'000	Share buyback reserve £'000	Total £'000
At 1 April 2022	7,827	(8,662)	(81)	(47,800)	(27,264)	(75,980)
Currency translation differences	(1,760)	—	—	—	—	(1,760)
Share buyback	—	—	—	—	27,264	27,264
Gains recycled from equity to income statement	237	—	—	—	—	237
Losses on net investment hedges	—	(86)	—	—	—	(86)
Losses on financial investments at FVOCI	—	—	(210)	—	—	(210)
At 31 March 2023	**6,304**	**(8,748)**	**(291)**	**(47,800)**	**—**	**(50,535)**
Currency translation differences	**(5,285)**	**—**	**—**	**—**	**—**	**(5,285)**
Share buyback	**—**	**—**	**—**	**—**	**—**	**—**
Gains recycled from equity to income statement	**237**	**—**	**—**	**—**	**—**	**237**
Losses on net investment hedges	**—**	**—**	**—**	**—**	**—**	**—**
Losses on financial investments at FVOCI	**—**	**—**	**144**	**—**	**—**	**144**
At 31 March 2024	**1,256**	**(8,748)**	**(147)**	**(47,800)**	**—**	**(55,439)**

Translation reserve

The translation reserve is comprised of translation differences on foreign currency net investments held by the Group.

Net investment hedging reserve

The net investment hedge programme closed at the end of April 2022. Overseas net investments are hedged using forward foreign exchange contracts. Gains and losses on instruments used to hedge these overseas net investments are shown in the net investment hedging reserve. These instruments hedge balance sheet translation risk, which is the risk of changes in reserves due to fluctuations in currency exchange rates. All changes in the fair value of these hedging instruments were treated as being effective under IFRS 9 "Financial Instruments".

FVOCI reserve

The Group holds certain UK government securities measured at FVOCI. Unrealised gains and losses arising from changes in the fair value of these financial assets are recognised in the FVOCI reserve.

Merger reserve

The merger reserve arose following a corporate restructure in 2006 when a new holding company, CMC Markets plc, was created to bring all CMC companies into the same corporate structure. The merger reserve represents the difference between the nominal value of the holding company's share capital and that of the acquired companies.

27. Other reserves continued

Share buyback reserve

On 14 March 2022, the Board approved a share buyback programme with up to £30.0 million to be returned to shareholders. On inception of the contract, a financial liability of £30,239,000 was established representing the financial liability for the full value of the share buyback programme plus directly attributable costs.

The share buyback reserve amount is reduced by the consideration paid for the repurchased shares with a corresponding transaction recorded within retained earnings to reflect the consumption of distributable profits. The share buyback reserve is presented in both the Consolidated and Parent Company Statements of Changes in Equity. No shares were purchased during the year ended 31 March 2024.

The shares purchased and the average price paid per share for the year ended 31 March 2023 were as follows:

Year ended 31 March	Number of shares purchased	Aggregate purchase amount	Average price of shares purchased
2023	10,478,456	£27,236,000	£2.60

28. Cash generated from/(used in) operations

	GROUP		COMPANY	
	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000	**Year ended 31 March 2024 £'000**	Year ended 31 March 2023 £'000
Cash flows from operating activities				
Profit before taxation	**63,333**	52,163	**13,072**	33,763
Adjustments for:				
Interest income	**(11,246)**	(4,761)	**(14)**	—
Income on client funds	**(23,797)**	(9,166)	—	—
Dividends received	—	—	**(13,698)**	(34,260)
Finance costs	**1,951**	2,315	**42**	318
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**	—	**—**	—
Loss/(profit) 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				
(Increase)/decrease in trade and other receivables	**(31,181)**	17,222	**(2,891)**	840
(Increase)/decrease in amounts due from/due to brokers	**(42,673)**	17,261	**—**	—
(Increase)/decrease in other assets	**(10,274)**	11,459	**—**	—
Increase/(decrease) in trade and other payables[1]	**90,520**	(20,792)	**4,521**	(54)
Increase in net derivative financial instrument liabilities	**(12,355)**	(7,167)	**—**	—
Increase in provisions	**3,268**	460	**—**	—
Cash generated from operations	**57,139**	76,584	**1,032**	607

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 Australia and New Zealand Banking Group Limited in relation to the portfolio of share investing clients acquired during the year ended 31 March 2022.

29. Financial instruments

Analysis of financial instruments by category

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

	31 March 2024			
GROUP	**Assets at FVOCI £'000**	**Assets at FVPL £'000**	**Assets at amortised cost £'000**	**Total £'000**
Financial assets				
Cash and cash equivalents	**—**	**—**	**160,300**	**160,300**
Financial investments	**50,511**	**410**	**—**	**50,921**
Amounts due from brokers	**—**	**—**	**228,882**	**228,882**
Derivative financial instruments	**—**	**31,627**	**—**	**31,627**
Trade and other receivables excluding non-financial assets	**—**	**—**	**150,709**	**150,709**
	50,511	**32,037**	**539,891**	**622,439**

	31 March 2024			
GROUP	**Liabilities at FVOCI £'000**	**Liabilities at FVPL £'000**	**Liabilities at amortised cost £'000**	**Total £'000**
Financial liabilities				
Trade and other payables excluding non-financial liabilities	**—**	**—**	**(272,052)**	**(272,052)**
Amounts due to brokers	**—**	**—**	**(6,982)**	**(6,982)**
Derivative financial instruments	**—**	**(7,074)**	**—**	**(7,074)**
Lease liabilities	**—**	**—**	**(16,915)**	**(16,915)**
	—	**(7,074)**	**(295,949)**	**(303,023)**

	31 March 2023			
GROUP	Assets at FVOCI £'000	Assets at FVPL £'000	Assets at amortised cost £'000	Total £'000
Financial assets				
Cash and cash equivalents	—	—	146,218	146,218
Financial investments	30,572	34	—	30,606
Amounts due from brokers	—	—	188,154	188,154
Derivative financial instruments	—	14,231	—	14,231
Trade and other receivables excluding non-financial assets	—	—	117,905	117,905
	30,572	14,265	452,277	497,114

	31 March 2023			
GROUP	Liabilities at FVOCI £'000	Liabilities at FVPL £'000	Liabilities at amortised cost £'000	Total £'000
Financial liabilities				
Trade and other payables excluding non-financial liabilities	—	—	(181,012)	(181,012)
Amounts due to brokers	—	—	(8,927)	(8,927)
Derivative financial instruments	—	(2,033)	—	(2,033)
Lease liabilities	—	—	(11,818)	(11,818)
	—	(2,033)	(201,757)	(203,790)

29. Financial instruments continued

Analysis of financial instruments by category continued

The maximum exposure to credit risk at the reporting date is the fair value of the financial assets at the balance sheet date.

COMPANY	31 March 2024 Assets at FVOCI £'000	Assets at FVPL £'000	Assets at amortised cost £'000	Total £'000
Financial assets				
Cash and cash equivalents	**—**	**—**	**93**	**93**
Trade and other receivables excluding non-financial assets	**—**	**—**	**5,495**	**5,495**
	—	**—**	**5,588**	**5,588**

COMPANY	31 March 2024 Liabilities at FVOCI £'000	Liabilities at FVPL £'000	Liabilities at amortised cost £'000	Total £'000
Financial liabilities				
Trade and other payables excluding non-financial liabilities	**—**	**—**	**(4,643)**	**(4,643)**
	—	**—**	**(4,643)**	**(4,643)**

COMPANY	31 March 2023 Assets at FVOCI £'000	Assets at FVPL £'000	Assets at amortised cost £'000	Total £'000
Financial assets				
Cash and cash equivalents	—	—	586	586
Trade and other receivables excluding non-financial assets	—	—	1,879	1,879
	—	—	2,465	2,465

COMPANY	31 March 2023 Liabilities at FVOCI £'000	Liabilities at FVPL £'000	Liabilities at amortised cost £'000	Total £'000
Financial liabilities				
Trade and other payables excluding non-financial liabilities	—	—	(122)	(122)
	—	—	(122)	(122)

Maturity analysis

GROUP	31 March 2024 On demand £'000	Less than three months £'000	Three months to one year £'000	After one year £'000	Total £'000
Financial assets					
Cash and cash equivalents	**160,300**	**—**	**—**	**—**	**160,300**
Financial investments	**410**	**18,633**	**32,966**	**—**	**52,009**
Amounts due from brokers	**228,882**	**—**	**—**	**—**	**228,882**
Derivative financial instruments	**31,627**	**—**	**—**	**—**	**31,627**
Trade and other receivables excluding non-financial assets	**140,785**	**2,466**	**456**	**1,508**	**145,214**
	562,004	**21,099**	**33,422**	**1,508**	**618,032**
Financial liabilities					
Trade and other payables excluding non-financial liabilities	**(272,052)**	**—**	**—**	**—**	**(272,052)**
Amounts due to brokers	**(6,982)**	**—**	**—**	**—**	**(6,982)**
Derivative financial instruments	**(7,074)**	**—**	**—**	**—**	**(7,074)**
Lease liabilities	**—**	**(1,612)**	**(4,162)**	**(14,776)**	**(20,550)**
	(286,108)	**(1,612)**	**(4,162)**	**(14,776)**	**(306,658)**
Net liquidity gap	**275,896**	**19,487**	**29,260**	**(13,268)**	**311,374**

29. Financial instruments continued

Maturity analysis continued

GROUP	31 March 2023 On demand £'000	Less than three months £'000	Three months to one year £'000	After one year £'000	Total £'000
Financial assets					
Cash and cash equivalents	146,218	—	—	—	146,218
Financial investments	34	—	15,330	16,007	31,371
Amounts due from brokers	188,154	—	—	—	188,154
Derivative financial instruments	13,125	1,106	—	—	14,231
Trade and other receivables excluding non-financial assets	113,283	2,465	495	1,662	117,905
	460,814	3,571	15,825	17,669	497,879
Financial liabilities					
Trade and other payables excluding non-financial liabilities	(181,012)	—	—	—	(181,012)
Amounts due to brokers	(8,927)	—	—	—	(8,927)
Derivative financial instruments	(2,033)	—	—	—	(2,033)
Lease liabilities	—	(1,525)	(4,412)	(8,041)	(13,978)
	(191,972)	(1,525)	(4,412)	(8,041)	(205,950)
Net liquidity gap	268,842	2,046	11,413	9,628	291,929

The amounts disclosed in the table are the contractual undiscounted cash flows, including principal and interest payments; these amounts will not reconcile to the amounts disclosed in the Consolidated Statement of Financial Position.

Given that 91% of the Group's financial assets are available on demand, there is no significant maturity risk as at 31 March 2024 (31 March 2023: 93%).

COMPANY	**31 March 2024** **On demand** **£'000**	**Less than three months** **£'000**	**Three months to one year** **£'000**	**After one year** **£'000**	**Total** **£'000**
Financial assets					
Cash and cash equivalents	**93**	**—**	**—**	**—**	**93**
	93	**—**	**—**	**—**	**93**
Financial liabilities					
Trade and other payables excluding non-financial liabilities	**(4,643)**	**—**	**—**	**—**	**(4,643)**
	(4,643)	**—**	**—**	**—**	**(4,643)**
Net liquidity gap	**(4,550)**	**—**	**—**	**—**	**(4,550)**

COMPANY	31 March 2023 On demand £'000	Less than three months £'000	Three months to one year £'000	After one year £'000	Total £'000
Financial assets					
Cash and cash equivalents	586	—	—	—	586
Trade and other receivables excluding non-financial assets	1,879	—	—	—	1,879
	2,465	—	—	—	2,465
Financial liabilities					
Trade and other payables excluding non-financial liabilities	(122)	—	—	—	(122)
	(122)	—	—	—	(122)
Net liquidity gap	2,343	—	—	—	2,343

29. Financial instruments continued

Offsetting financial instruments

The Group enters into various collateral arrangements with its counterparties. These agreements provide the Group with the right, in the ordinary course of business and/or in the event of a counterparty default (such as bankruptcy or a counterparty's failure to pay or perform), to net a counterparty's rights and obligations under such agreement and, in the event of counterparty default, set off collateral held by the Group against the net amount owed by the counterparty.

The following financial assets and liabilities have been offset and are subject to enforceable netting agreements:

GROUP	Note	31 March 2024 Gross amounts of recognised financial instruments £'000	Gross amounts of recognised financial instruments offset £'000	Net amounts subject to offsetting arrangements £'000
Financial assets				
Trade and other receivables	16	1,400	(337)	1,063
Amounts due from brokers		261,335	(32,453)	228,882
		262,735	(32,790)	229,945
Financial liabilities				
Trade and other payables	21	(303,296)	183,705	(119,591)
Amounts due to brokers		(7,986)	1,004	(6,982)
		(311,282)	184,709	(126,573)

GROUP	Note	31 March 2023 Gross amounts of recognised financial instruments £'000	Gross amounts of recognised financial instruments offset £'000	Net amounts subject to offsetting arrangements £'000
Financial assets				
Amounts due from brokers		193,558	(5,404)	188,154
		193,558	(5,404)	188,154
Financial assets				
Trade and other payables	21	(51,041)	1,632	(49,409)
Amounts due to brokers		(8,931)	4	(8,927)
		(59,972)	1,636	(58,336)

Fair value estimation

IFRS 13 "Fair Value Measurement" requires the Group to classify its financial assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below:

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

Valuation techniques

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- for foreign currency forwards – forward exchange rates at the balance sheet date.

There have been no changes to the fair value hierarchy or valuation techniques for any of the Group's financial instruments held at fair value in the year (31 March 2023: none).

29. Financial instruments continued

Valuation techniques continued

The fair value of the Group's financial assets and liabilities measured at amortised cost approximates their carrying amount.

	31 March 2024			
GROUP	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial investments	**50,889**	**—**	**32**	**50,921**
Derivative financial instruments (current assets)	**—**	**31,627**	**—**	**31,627**
Derivative financial instruments (current liabilities)	**—**	**(7,074)**	**—**	**(7,074)**
	50,889	**24,553**	**32**	**75,474**

	31 March 2023			
GROUP	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial investments	30,572	—	34	30,606
Derivative financial instruments (current assets)	—	14,231	—	14,231
Derivative financial instruments (current liabilities)	—	(2,033)	—	(2,033)
	30,572	12,198	34	42,804

30. Financial risk management

The Group's day-to-day business activities naturally expose it to strategic, financial (including credit, counterparty, market and liquidity) and operational risks. The Board accepts that it cannot place a cap or limit on all of the risks to which the Group is exposed to; however, effective risk management ensures that risks are managed to an acceptable level. The Board is ultimately responsible for the implementation of an appropriate risk strategy, defining and communicating the Group's risk appetite, the establishment and maintenance of effective systems and controls, and continued monitoring of the adherence to Group policies. The Group has adopted a standard risk process, through a five-step approach to risk management: risk identification; risk assessment; risk management; risk reporting; and risk monitoring. The approach to managing risk within the business is governed by the Board-approved Risk Appetite Statement and Risk Management Framework.

The Board sets the strategy and the policies for managing these risks and delegates the monitoring and management of these risks to various Committees including the Executive Risk Committee, which in turn reports to the Group Risk Committee.

The Group's ICARA review document is prepared in accordance with the Investment Firm Prudential Regime ("IFPR") that is articulated in the Financial Conduct Authority's ("FCA") MIFIDPRU Prudential sourcebook. The ICARA process is designed to cover the identification, monitoring and mitigation of harms, business model planning and forecasting, recovery and wind-down planning, and assessing the adequacy of financial resources.

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

Market risk

Market risk is defined as the risk that the value of our residual portfolio will decrease due to the change in market risk factors. The three standard market risk factors are price moves, interest rates and foreign exchange rates.

Mitigation of market risk

The Group benefits from a number of factors which also reduce the volatility of its revenue and protect it from market shocks as follows:

- **Natural mitigation of concentration**
  The Group acts as a market maker in over 10,000 cross-asset class instruments, specifically equities, equity indices, commodities, treasuries, foreign exchange and cryptocurrencies. Due to the high level of notional turnover there is a high level of internal risk crossing and natural aggregation across instruments and asset classes to mitigate significant single instrument concentration risk within the portfolio.
- **Natural aggregation**
  In the year ended 31 March 2024, the Group had over 55,000 trading active clients. This large international client base has a diverse range of trading strategies resulting in the Group enjoying a high degree of natural aggregation between clients. This "portfolio effect" leads to a significant reduction in the Group's net market risk exposure.
- **Ease of hedging**
  The Group predominantly acts as a market maker in linear, highly liquid financial instruments in which it can easily neutralise market risk exposure through its prime broker ("PB") arrangements. In order to avoid over-reliance on one arrangement the Group aims to have at least two PBs per asset class. For instruments where there is no equivalent underlying market (e.g. Countdowns) the Group controls its risk through setting prudent position/exposure limits. This is further augmented by dealer monitoring and intervention, which can take the form of restricting the size offered or, if deemed necessary, restricting the clients' ability to take a position in an instrument.

Market risk limits

Market risk exposures are managed in accordance with the Group's Risk Appetite Statement and Group Risk Management Framework to ensure that the Group has sufficient capital resources to support the calculated market risk capital requirement as well as staying within its risk appetite. The Group manages this component under notional position limits that are set on an instrument and asset class level with overarching capital-based limits.

30. Financial risk management continued

Market risk continued

Client exposures can vary significantly over a short period of time and are highly dependent on underlying market conditions. The Group's own funds requirements ("OFR") are calculated in accordance with the IFPR. The market risk OFR has increased compared to the prior year and remains within the Board-approved risk appetite.

GROUP OFR	31 March 2024 £'000	31 March 2023 £'000
Asset class		
Consolidated equities	**41,367**	38,872
Commodities	**10,545**	6,562
Fixed income and interest rates	**2,613**	677
Foreign exchange	**26,182**	21,806
Cryptocurrencies	**699**	589
	81,406	68,506

Market price risk – stress testing

Group Financial Risk conducts market price risk stress testing on a daily basis to quantify the potential losses to which the Group is exposed from adverse market moves to its residual exposure. The residual exposure is derived by all products offered to clients, after taking into account the hedging performed by the Group in accordance with the hedging strategy.

A range of risk measurement techniques are used including Value at Risk ("VaR"), Expected Shortfall ("ES") and Stress Testing models. The models are performed for both likely and probable scenarios as well as an extreme stress scenario, where the stress factors simulate low probability high severity events to assess potential losses from tail events.

The end-of-day market risk VaR model is performed using a one-day holding period with a 99% confidence interval with a 12-month lookback. A more severe stress is also performed, based on maximum daily moves in the same lookback period.

In addition, for asset classes where the Group sees high intraday client turnover, stress testing is performed on intraday exposures by stressing the largest positions during the trading session.

The VaR holding period is one day; therefore the model assumes exposure is maintained and does not take into account potential risk mitigation actions which the desk can take by hedging the net exposure intraday. The stress factors are reviewed and updated periodically ensuring recent volatility is captured in the model.

The table below shows the end-of-day market risk VaR model results:

	31 March 2024 £'000	31 March 2023 £'000
Market risk	**(10,778)**	(18,284)

Non-trading book interest rate risk

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

The Group is exposed to interest rate risk through a limited number of channels: income on segregated client and own funds; debits on client balances that are over a pre- defined threshold; an exposure to the credit market through fixed income investments and liquidity money market funds; and changes to the value of fixed rate UK government securities held. The Group benefits from a robust cash position that is actively optimised to manage exposure to interest rates and enhance return.

The sensitivity analysis performed is based on a reasonable and possible move in the floating rate by 1.00% upwards (31 March 2023: 1.00%) and 1.00% downwards (31 March 2023: 0.50%).

This is summarised in the below table and reflects the Group's view that in the current economic environment, interest rate volatility is unlikely to have a significant impact on the profits of the Group.

Changes in interest rate variables result in a decrease/increase in the fair value of fixed rate financial assets classified as fair value through OCI. This has no material impact on the Group's equity.

	31 March 2024	
GROUP	Absolute increase £'000	Absolute decrease £'000
Impact of	**1.00% change**	**1.00% change**
Profit after tax	**4,232**	**(5,287)**
Equity	**4,232**	**(5,287)**

30. Financial risk management continued

Non-trading book interest rate risk continued

	31 March 2023	
GROUP	Absolute increase £'000	Absolute decrease £'000
Impact of	1.00% change	0.50% change
Profit after tax	4,274	(2,572)
Equity	4,274	(2,572)

Non-trading book foreign exchange risk

Foreign exchange risk is the risk that the Group's results are impacted by movements in foreign exchange rates. CMC is exposed to foreign exchange risk in the form of transaction and translation exposure.

Transaction exposure is from holdings of cash and other current assets and liabilities in a currency other than the base currency of the entity. This risk is hedged each month by the treasury team according to a policy based on a cap and floor model, with gains/losses recognised in the income statement. Any foreign exchange transaction exposures are hedged in accordance with the Group Foreign Exchange Hedging Policy. Given the effectiveness of the hedging programme (income statement impact in year ended 31 March 2024: loss of £1,033,000 (year ended 31 March 2023: loss of £845,000), no sensitivity analysis has been performed. The instruments used for economically hedging foreign exchange risk are derivative financial instruments and are reported as described in note 17.

Translation exposure occurs when the net assets of an entity are denominated in a foreign currency other than GBP, when the Consolidated Statement of Financial Position is prepared.

Credit risk

Credit risk is the risk of losses arising from a counterparty failing to meet its obligations as they fall due. Credit risk is divided into credit, counterparty and settlement risk. Below are the channels of credit risk the Group is exposed through:

- financial institutions ("FIs"); and
- clients.

Financial institution credit risk

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

FI credit risk can materialise in the following ways:

- For FIs used as a bank and those as a broker, the Group does not receive the funds the FIs hold on the Group's account.
- For FIs used as a prime broker, a default will result in a loss of any unrealised profits and could cause the need to re-hedge at a different broker at a different price.
- For FIs used as a cryptocurrency counterparty, the loss of physical assets.

Mitigation of FIs credit risk

To mitigate or avoid a credit loss:

- The Group maintains, where practical, a range of relationships to reduce over-reliance on a single FI – as detailed in the Group Counterparty Concentration Risk Policy.
- The Group regularly monitors the creditworthiness of the FIs that it is exposed to and reviews counterparties at least annually – as detailed in the Group Hedge Counterparty Selection Policy.
- The Group has introduced a new internal stress test model to measure exposure to credit risk, which is based on regulatory adopted methodology for calculating unexpected loss. Inputs to the model include credit ratings which are used to derive a probability of default for each counterparty.

Contractual losses can be reduced by the "close-out netting" conditions in the ISDA and broker agreements. If a specified event of default occurs, all transactions or all of a given type are terminated and netted (i.e. set off against each other) at market value or, if otherwise specified in the contract or if it is not possible to obtain a market value, at an amount equal to the loss suffered by the non-defaulting party in replacing the relevant contract.

In order to manage both credit and counterparty credit risk within appetite the Group sets internal limits. As defined in the Group's policies the limits determine the total balance that can be held with each rated FI, each unrated FI and each cryptocurrency counterparty. These limits are expressed as a maximum percentage of capital, in the case of rated FIs, or a fixed amount for both unrated FIs and cryptocurrency counterparties. Liquidity Risk Management monitors the credit quality of all FIs and cryptocurrency counterparties, by tracking the credit ratings issued by Standard & Poor's, Moody's and Fitch rating agencies, the credit default swap ("CDS") spreads determined in the CDS market, share price, performance against a relevant index, and other relevant metrics.

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

30. Financial risk management continued

Credit risk continued

Mitigation of FIs credit risk continued

The tables below present CMC Markets plc's exposure to credit institutions (or similar) based on their long-term credit rating:

GROUP	31 March 2024 Cash and cash equivalents £'000	Amounts due from brokers £'000	Other assets £'000	Net derivative financial instruments £'000	Total £'000
AA+ to AA-	**32,841**	**3**	**—**	**—**	**32,844**
A+ to A-	**30,535**	**131,631**	**—**	**—**	**162,166**
BBB+ to BBB-	**60,897**	**84,042**	**—**	**—**	**144,939**
Unrated	**36,027**	**13,206**	**12,258**	**24,553**	**86,044**
	160,300	**228,882**	**12,258**	**24,553**	**425,993**

GROUP	31 March 2023 (Restated) Cash and cash equivalents £'000	Amounts due from brokers £'000	Other assets £'000	Net derivative financial instruments £'000	Total £'000
AA+ to AA-	52,744	—	—	—	52,744
A+ to A-	37,138	—	—	—	37,138
BBB+ to BBB-	41,361	182,951	—	1,106	225,418
Unrated	14,975	5,203	1,984	11,092	33,254
	146,218	188,154	1,984	12,198	348,554

Client counterparty risk

The Group's CFD, spread bet and the recently launched OTC options business operates a real-time mark-to-market trading facility where clients are required to lodge collateral against positions, with any profits and losses generated by the client credited and debited automatically to their account. As with any leveraged product offering, there is the potential for a client to lose more than the collateral lodged.

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

"Negative balance protection" accounts do not pose counterparty risk to the Group as the maximum loss for this account type is limited to their account value.

In addition, the Group provides stockbroking services in the UK and Singapore, as well as in Australia where it operates as a designated clearing broker. For the stockbroking business trading is subject to settlement process for financial products. This exposes the Group to settlement risk if a client or counterparty do not fulfil their side of the agreement by failing to deliver the underlying stock or value of the contract. The majority of client orders are fully vetted at the point of execution, which limits the settlement exposure generation. In relation to other counterparties, the Group is exposed to settlement risk from executing brokers for transactions not directly cleared on an exchange.

Mitigation of client counterparty risk

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

- Pre-emptive processes are also in place where a client's free equity (total equity less total margin requirement) becomes negative[1]. At this point the client's account is restricted from increasing their position and a notification is sent inviting them to review their account.

1 Clients in some regions may use limited risk accounts, where it is guaranteed that a client cannot move to a negative equity balance.

- Tiered margin
  Tiered margins were implemented in September 2013 on the Next Generation platform. It enables the Group to set higher margin rates (therefore requiring a client to lodge more collateral) against positions that are deemed to be more risky due to risk profile, which could be due to size relative to the underlying turnover, the Group's risk appetite or volatility of the instrument.

- Position limits
  Position limits can be implemented on an instrument and client level. The instrument level enables the Group to control the total exposure the Group acquires in a single instrument. At a client level this ensures that the client can only reach a pre-defined size in any one instrument or asset class. Additionally, a position limit on an underlying instrument can be applied limiting the overall exposure that can be reached through different futures of the same underlying . For FX the client position limits are based on Net Open Position ("NOP") which limits the currency exposure a client can reach via different FX pairs.

Client counterparty risk stress testing

Group Financial Risk conducts client counterparty risk stress testing on a daily basis based on an internal model developed to assess the potential client counterparty risk exposure. The Group's stress testing is based on scenarios with different severity including stress factors which simulate low probability severe events to assess potential impact.

30. Financial risk management continued

Credit risk continued

Client receivables history

The Group determines expected credit losses for amounts due from clients, based on historical experience and forward-looking considerations. The total loss allowance provided for the year was £190,000 (year ended 31 March 2023: loss allowance reversed : £1,408,000), which amounts to 0.1% of total revenue (year ended 31 March 2023: 0.4%). During the year, trade receivables of £473,000 were written off, which represented 0.1% of revenue (year ended 31 March 2023: £1,615,000, 0.5% of revenue).

The table below details the movement on the Group allowance for expected credit losses of trade receivables under the expected credit loss model:

GROUP	**Year ended 31 March 2024 £'000**	Year ended 31 March 2023 £'000
At the beginning of the year	**4,247**	6,219
Loss allowance on trade receivables (reversed)/provided	**190**	(357)
Trade receivables written off	**(473)**	(1,615)
At the end of the year	**3,964**	4,247

Debt ageing analysis

The Group seeks to minimise the effects of client debts on the Company's profit and loss. Client debts are managed very early in their lifecycle in order to minimise the likelihood of them ageing. Debts that are past due carry an expected credit loss provision as set out in the table below:

	31 March 2024	
GROUP	**Debt £'000**	**Provision £'000**
Less than one month	**5,596**	**1**
One to three months	**42**	**15**
Three to twelve months	**270**	**203**
Over twelve months	**4,028**	**3,745**
	9,936	**3,964**

	31 March 2023	
GROUP	Debt £'000	Provision £'000
Less than one month	936	23
One to three months	3,367	11
Three to twelve months	189	146
Over twelve months	4,229	4,066
	8,721	4,247

The ECL on amounts due from brokers, accrued income and the Company's trade and other receivables balances is immaterial in both current and prior years.

Please refer to note 19 for information on the ECL on UK government securities and note 20 for information on the ECL on cash and cash equivalents.

Liquidity risk

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

Liquidity is managed centrally for the Group by the treasury team, with oversight from a second line provided by the liquidity risk team. The Group utilises a combination of liquidity forecasting and stress testing (formally in the ICARA) to ensure that it retains access to sufficient liquid resources under both normal and stressed conditions to meet its liabilities as they fall due. Liquidity forecasting incorporates the impact of liquidity regulations in force in each jurisdiction that the Group is active in and other impediments to the free movement of liquidity around the Group, including its own protocols on minimum liquidity to be retained by overseas entities. The Group has introduced a revised Liquid Asset Threshold Requirement ("LATR") model in line with the IFPR regulatory requirements, to better estimate the maximum amount of liquid assets required over the course of the next 12 months under business-as-usual and periods of plausible stress. The new model is based on forward-looking estimates and is updated on a daily basis, providing a dynamic management of requirements.

Liquidity stress testing is performed quarterly using a range of firm-specific and market-wide scenarios that represent severe but plausible stress events that the Group could be exposed to over the short and medium term. The firm takes a holistic stress testing approach, using a scenario comprised of multiple stress events occurring simultaneously. The Group ensures that the tests are commensurate to its current and future liquidity risk profile. Output from the quarterly stress testing process is used to calibrate a series of limits and metrics which are monitored and reported to senior management daily. This process seeks to ensure that the Group has appropriate sources of liquidity in place to meet its liabilities as they fall due under both "business as usual" and stressed conditions. Due to the risk management strategy adopted and the changeable scale of the client trading book, the largest and most variable consumer of liquidity is PB margin requirements. The collateral calls are met in cash from own funds and cash received from non-segregated clients who have signed a TTCA agreement but to ensure liquidity is available for extreme spikes, the Group has a committed bank facility of £55.0 million, syndicated by two different banks, to meet short-term liquidity obligations to PBs in the event that it does not have sufficient access to own cash and to leave a sufficient liquidity buffer to cope with a stress event.

The Group does not actively engage in maturity transformation as part of its underlying business model and therefore maturity mismatch of assets and liabilities does not represent a material liquidity risk. The maturity analysis tables are presented in note 29.

30. Financial risk management continued

Liquidity risk continued

Own funds

Own funds is a key measure the Group uses to monitor the overall level of liquidity available to the Group. Own funds includes investments in UK government securities and corporate bonds, the majority of which are held to meet the Group's regulatory threshold requirements under IFPR. The derivation of own funds is shown in the table below:

GROUP	31 March 2024 £'000	31 March 2023 £'000
Cash and cash equivalents (net of bank overdraft)	160,300	146,218
Amount due from brokers	228,882	188,154
Other assets	12,258	1,984
Financial investments	50,921	30,606
Derivative financial instruments (excluding client CFD positions) (current assets)	—	1,106
	452,361	368,068
Less: title transfer funds	(119,591)	(49,409)
Less: amount due to brokers	(6,982)	(8,927)
Less: derivative financial instruments (excluding client CFD positions) (current liabilities)	—	—
Own funds	**325,788**	309,732

The following Own Funds Flow Statement summarises the Group's generation of own funds during each year and excludes all cash flows in relation to monies held on behalf of clients. Additionally, short-term financial investments, amounts due from brokers and amounts receivable/(payable) on the derivative financial instruments have been included within "own funds" in order to provide a clear presentation of the Group's potential cash resources.

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Operating activities		
Profit before tax	63,333	52,163
Adjustments for:		
Depreciation and amortisation	27,423	15,637
Other non-cash adjustments	2,045	1,629
Tax paid	(8,602)	(17,060)
Own funds generated from operating activities	84,199	52,369
Movement in working capital	(21,036)	(13,995)
Outflow from investing activities		
Net purchase of property, plant and equipment and intangible assets	(19,876)	(28,221)
Other outflow from investing activities	(2,800)	(8)
Outflow from financing activities		
Dividends paid	(13,688)	(35,040)
Share buyback	—	(27,264)
Other outflow from financing activities	(7,319)	(6,754)
Total outflow from investing and financing activities	(43,683)	(97,287)
Increase/(decrease) in own funds	19,480	(58,913)
Own funds at the beginning of the year	309,732	369,947
Effect of foreign exchange rate changes	(3,424)	(1,302)
Own funds at the end of the year	325,788	309,732

Capital management

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

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

30. Financial risk management continued

Capital management continued

The capital resources of the Group consist of equity, being share capital reduced by own shares held in trust, share premium, other reserves and retained earnings, which at 31 March 2024 totalled £403,493,000 (31 March 2023: £374,015,000). The Group has been compliant with all applicable prudential regulatory requirements to which it is subject throughout the year.

The Group's ICARA review document, prepared in accordance with FCA requirements, is an ongoing assessment of CMC Markets plc's risks and risk mitigation strategies, to ensure that adequate financial resources are maintained against risks that the Group wishes to take to achieve its business objectives.

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

Disclosure documents have been prepared that contain relevant information regarding the Group's FCA regulated entities' capital adequacy, risk management objectives and policies, governance and remuneration policies and practices. These are available on the CMC Markets plc website (www.cmcmarkets.com/group). The Group's country-by-country reporting disclosure is also available in the same location on the website.

31. Share-based payment

The Group operates both equity and cash settled share based payment schemes for certain employees including Directors.

Current awards have been granted under the terms of the Management Equity Plan 2015 ("2015 MEP"), the Combined Incentive Plan ("2018 CIP"), the UK Share Incentive Plan ("UK SIP") and the International Share Incentive Plan ("Australian SIP"). Equity settled schemes are offered to certain employees, including Executive Directors in the UK and Australia, and automatically vest on the vesting date subject to conditions described below for each scheme. Cash settled schemes are offered to certain employees outside of the UK and Australia. During the year ended 31 March 2024 equity schemes for UK employees were settled net of employee taxes due. The rights of participants in the various employee share schemes are governed by detailed terms, including in relation to arrangements which would apply in the event of a takeover.

Consolidated Income Statement charge for share-based payments

The total costs relating to these schemes for the year ended 31 March 2024 was £2,757,000 (year ended 31 March 2023: £2,229,000).

For the year ended 31 March 2024 the charge relating to equity settled share-based payments was £2,364,000 (year ended 31 March 2023: £2,123,000) and the charge relating to cash settled share-based payments was £393,000 (year ended 31 March 2023: £106,000).

No shares were gifted to employees during the year (year ended 31 March 2023: nil).

Current schemes

2015 MEP

Share awards granted under the 2015 MEP are predominantly equity settled, with the exception of certain participants that are cash settled. The Remuneration Committee approves any awards made under the 2015 MEP. Current schemes are:

- Long Term Incentive Plan: awards to senior management and critical staff, excluding Executive Directors. These are awarded in the form of share awards and Options. The share awards have dividend equivalence where additional shares will be awarded in place of dividends on vesting. The only vesting conditions of the 2020 and 2021 equity settled awards is that employees remain employed by the Group, with the 2022 equity awards having a non-market performance condition of cumulative PBT over a three-year period in addition to remaining employed by the Group. This was revised in May 2023, with the performance condition now being aligned to net operating income over the same period. The vesting conditions of the 2023 Option awards are that employees remain employed by the Group and the price of the CMC Markets plc's shares must be greater than the relevant exercise price at the vesting date.

The fair value of share awards were calculated using the average of the share price three days prior to the grant date. The fair value of the Options granted during the year was calculated using the Black-Scholes model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

2018 CIP

Share awards granted to the Executive Directors under the 2018 CIP have been in the form of conditional awards and are equity settled. The Remuneration Committee approves any awards made under the 2018 CIP. Shares awarded are deferred over a period of at least three years subject to a performance underpin. The Committee will review Group performance over the relevant period, taking into account factors such as: a) the Company's TSR performance; b) aggregate profit levels; and c) any regulatory breaches during the period.

31. Share-based payment continued

Current schemes continued

Share awards

Scheme	Share price at award	Vesting date	Number: At the start of the year	Awarded during the year	Forfeited during the year	Dividend equivalent awarded during the year	Exercised during the year	At the end of the year
Combined Incentive Plan	349.2p	20 July 2023	**107,774**	—	(14,212)	—	(93,562)	—
Combined Incentive Plan	349.2p	20 July 2024	**80,831**	—	(10,640)	1,704	—	71,895
Combined Incentive Plan	349.2p	20 July 2025	**80,828**	—	(10,637)	1,704	—	71,895
Combined Incentive Plan	445.8p	22 July 2024	**117,692**	—	(24,000)	1,772	—	95,464
Combined Incentive Plan	445.8p	21 July 2025	**88,268**	—	(18,000)	1,329	—	71,597
Combined Incentive Plan	445.8p	20 July 2026	**88,268**	—	(18,000)	1,329	—	71,597
Combined Incentive Plan	280.8p	14 July 2025	**96,788**	—	(12,647)	2,129	—	86,270
Combined Incentive Plan	280.8p	13 July 2026	**72,591**	—	(9,482)	1,596	—	64,705
Combined Incentive Plan	280.8p	12 July 2027	**72,591**	—	(9,484)	1,596	—	64,703
Long Term Incentive Plan	445.8p	20 July 2023	**402,093**	—	(10,115)	—	(391,978)	—
Long Term Incentive Plan	280.8p	20 July 2025	**1,473,020**	—	(301,298)	38,498	—	1,210,220
Combined Incentive Plan	149.5p	21 July 2025	—	167,397	—	4,376		171,773
Combined Incentive Plan	149.5p	21 July 2026	—	125,548	—	3,282		128,830
Combined Incentive Plan	149.5p	21 July 2027	—	125,548	—	3,282	—	128,830
Total			**2,680,744**	**418,493**	**(438,515)**	**62,597**	**(485,540)**	**2,237,779**

The weighted average share price at exercise of awards was 154 pence, the weighted average exercise price of exercised awards for UK participants (354,692 shares) was £nil and for Australian participants (130,848 shares) was £nil. The weighted average remaining contractual life of share awards outstanding at 31 March 2024 was 1.5 years and the weighted average share price of share awards granted during the period was 149.5 pence.

Options

Scheme	Exercise price	Vesting date	At the start of the year	Awarded during the year	Forfeited during the year	Exercised during the year	At the end of the year
Long Term Incentive Plan	152.8p	21 July 25	—	2,069,308	(384,718)	—	1,684,590
Long Term Incentive Plan	229.2p	21 July 26	—	5,653,374	(1,051,050)	—	4,602,324
Long Term Incentive Plan	305.6p	21 July 27	—	5,169,124	(961,022)	—	4,208,102
			—	**12,891,806**	**(2,396,790)**	**—**	**10,495,016**

The weighted average remaining contractual life of options outstanding at 31 March 2024 was 2.5 years

In addition, cash settled share awards and options have been granted and vest in periods from July 2025 to July 2027. Balances of 179,551 share awards and 2,153,181 options remained at the end of the period, with a total carrying value of £382,000 as at 31 March 2024 (31 March 2023: £197,000). All of the share awards benefit from dividend equivalence. The value of the share awards is the share price on the date these awards vest. The weighted average remaining contractual life of share awards outstanding at 31 March 2024 was 1.3 years and the weighted average exercise price of exercised awards was £nil.

UK and Australia SIP awards

Shares awarded under the UK SIP scheme are held in trust in accordance with UK tax authority conditions and all shares awarded under the Australian scheme are held in a UK trust. Employees are entitled to receive dividends in the form of additional shares on the shares held in trust as long as they remain employees.

UK employees are invited to subscribe for up to £1,800 of partnership shares relating to each tax year with the Company matching on a one-for-one basis. All matching shares vest after three years should the employee remain employed by the Group for the term of the award.

Australian employees are invited to subscribe for up to the equivalent of £1,800 of investment shares with the Company matching on a one-for-one basis. Matching shares for each scheme vest on the third anniversary after award date should the employee remain employed by the Group for the term of the award.

31. Share-based payment continued

Current schemes continued

UK and Australia SIP awards continued

Country of award	Award date	Share price at award	Vesting period/date	Number: At the start of the year	Awarded during the year	Forfeited during the year	Exercised during the year	At the end of the year
UK	April 2020 to March 2021	194.6p to 425.2p	April 2023 to March 2024	**45,808**	**—**	**(1,689)**	**(44,119)**	**—**
UK	April 2021 to March 2022	225.8p to 518.0p	April 2024 to March 2025	**66,858**	**—**	**(3,958)**	**(5,123)**	**57,777**
UK	April 2022 to March 2023	219.0p to 313.6p	April 2025 to March 2026	**97,839**	**—**	**(9,618)**	**(7,103)**	**81,118**
UK	April 2023 to March 2024	90.8p to 182.0p	April 2026 to March 2027	**—**	**211,025**	**(8,102)**	**(9,425)**	**193,498**
Australia	5 April 2020	201.0p	5 April 2023	**2,314**	**—**	**—**	**(2,314)**	**—**
Australia	6 April 2021	527.0p	6 April 2024	**2,563**	**—**	**—**	**—**	**2,563**
Australia	6 April 2022	270.0p	8 April 2025	**3,174**	**—**	**—**	**—**	**3,174**
Australia	6 April 2023	175.0p	6 April 2026	**—**	**6,950**	**—**	**—**	**6,950**
Total				**218,556**	**217,975**	**(23,367)**	**(68,084)**	**345,080**

The weighted share price at the exercise date of awards exercised during the year ended 31 March 2024 was 133.2 pence (year ended 31 March 2023: 253.5 pence).

The fair value of SIP awards is determined to be the share price at grant date without making adjustments for dividends as awardees are entitled to dividend equivalents over the vesting period.

Movement in share awards and options

12,891,806 Options and 707,597 new share awards were granted in the year ended 31 March 2024 (year ended 31 March 2023: Options: Nil, Share awards: 1,947,449) and these are detailed above in the current schemes section. Movements in the number of share awards outstanding are as follows:

GROUP	Year ended 31 March 2024 Options Number	Year ended 31 March 2024 Share awards Number	Year ended 31 March 2023 Share awards Number
At beginning of year	**—**	**2,899,300**	1,712,119
Awarded (including dividend equivalents)	**12,891,806**	**707,597**	1,947,449
Forfeited	**(2,396,790)**	**(493,413)**	(187,699)
Exercised	**—**	**(531,973)**	(572,569)
At end of year	**10,495,016**	**2,581,511**	2,899,300

32. Retirement benefit plans

A defined contribution plan is a post-employment benefit plan into which the Group pays fixed contributions to a third-party pension provider and has no legal or constructive obligation to pay further amounts. Contributions are recognised as staff expenses in the income statement in the years during which related employee services are fulfilled.

The Group operates defined contribution pension schemes for its Directors and employees. The assets of the schemes are held separately from those of the Group in independently administered funds.

The pension charge for these plans for the year ended 31 March 2024 was £3,439,000 (year ended 31 March 2023: £2,743,000).

33. Related party transactions

Company

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

COMPANY	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Amounts due from subsidiaries	**—**	1,879
Amounts due to subsidiaries	**4,426**	—

All amounts above are repayable on demand and are non-interest bearing.

33. Related party transactions continued

Group

Transactions between the Group and its other related parties are disclosed below:

Compensation of key management personnel

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Key management compensation:		
Short-term employee benefits	**3,280**	2,620
Post-employment benefits	**88**	57
Share-based payments	**632**	609
	4,000	3,286

GROUP	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Aggregate remuneration of highest paid Director	**1,027**	871

Key management comprises the Board of CMC Markets plc only. Compensation of key management personnel is disclosed in the Directors' remuneration report on page 94.

Directors' transactions

A number of the Directors have company credit cards and have, during the course of the year, used the company credit cards for personal expenses. All personal expenses have been reimbursed by the Directors, with the exception of the item above.

There were no other transactions with Directors.

34. Contingent liabilities

The Group's geographical reach exposes it to a high degree of uncertainty regarding the interpretation of local regulatory, tax and legal matters in each territory in which it has operations. In addition, the Group is party to various contractual relationships that could result in non-performance claims and other contractual breaches and from time to time is involved in disputes as part of the ordinary course of business.

In certain instances, legal disputes can pose a have a significant financial exposure, however the Group's manages these risks proactively to resolve disputes and claims are usually resolved without any material loss. The Group makes provision for claims where costs are likely to be incurred.

Where there are uncertainties regarding regulatory, tax and legal matters and a provision has not been made, there are no contingent liabilities where the Group considers any material adverse financial impact to be probable.

Notice of class action lawsuit

The Group received notice of a class action lawsuit being brought against one of its operating entities on 31 May 2022. The scope of the claim is still being defined, and there has been no material progress. As a result an assessment regarding the probability and size of financial outflow cannot be determined.

Brexit approach

There is regulatory uncertainty regarding the Group's historical approach to the use of reverse solicitation provisions allowing EEA clients to trade with UK subsidiaries after 31 December 2020. The risk to the approach has now been mitigated given the majority of EEA clients' activities with the UK subsidiary ceased prior to 31 March 2021. The Group continues to engage with the regulatory authorities in the EEA markets where the UK subsidiary continued to service clients after 31 December 2020. Whilst it is possible that regulatory censure may result from these matters, they are in their early stages and such an outcome is not currently considered probable.

UK banking surcharge

During the year ended 31 March 2024, the Group reached an agreement with the UK tax authority HMRC, in relation to the ability of its UK entities to satisfy the conditions for exemption from the banking surcharge tax. The matter is now closed without any additional costs and with HMRC agreeing to the Group's original position that it was not subject to the banking surcharge tax for the periods in question. The group has therefore concluded that the potential exposure of £23.4 million arising from this matter as at 31 March 2023 is no longer in question and as such no contingent liability exposure exists as at the balance sheet date.

Open tax enquiries

The Group has open tax enquiries in relation to its European operations arising from historical product launches and more routine enquires in its North American entities. The potential outcome of these enquiries is unclear and there is no certainty whether there may be a financial cost to the Group.

35. Ultimate controlling party

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

36. Events after the reporting period

There were no significant events after the reporting period.

Group history

CMC Markets plc began trading in 1989 as a foreign exchange broker, led by founder Lord Peter Cruddas. In 1996, the Group launched the world's first online retail forex trading platform, offering its clients the opportunity to take advantage of markets previously only accessible to institutional traders.

CMC Markets plc has since become a global leader in online trading. There have been a number of significant milestones for the Group over the past 30 years, as it has expanded into new markets around the world and continues to promote innovation and new trading technology.

In 2000, CMC Markets plc expanded its business to become a CFD broker. A year later, the Group launched an online financial spread betting service, becoming the first spread betting company to release the daily Rolling Cash® bet. The groundbreaking daily Rolling Cash® concept was to become an industry benchmark. In 2002, CMC Markets plc opened its first overseas office in Sydney, launching into the Australian market as an online CFD and forex provider. By 2007, the Group had expanded its global footprint with offices in New Zealand, Germany, Canada, Singapore and Sweden. Further global growth followed over the next few years, with offices opened across Europe – and most recently in Poland, in 2015. The Group continued to grow its product offering during the year, following the launch of its fixed-odds Countdowns product in 2015.

The Company successfully listed on the London Stock Exchange in February 2016. In April 2016 CMC Markets plc successfully introduced Digital 100s.

Further cementing its place as one of the industry leaders, the Group was awarded a number of important accolades during the year. In the 2016 Investment Trends UK Leveraged Trading Report, which measures customer satisfaction, CMC Markets plc ranked first across 17 service categories among CFD traders. The Group achieved the highest rating for overall satisfaction, mobile trading, platform features and charting in all three product segments of spread betting, CFD trading and FX. Additional notable recognition came as the Company won Financial Services Provider of the Year for the fourth successive year, an award voted for by the readers of Shares Magazine.

The Company also received Best CFD Broker for its burgeoning institutional offering, in line with one of its core strategic objectives.

The Company successfully completed the white label stockbroking partnership with ANZ Bank in Australia during 2018, representing the largest migration of client accounts in Australian Stock Exchange history and making the Company the second largest retail stockbroker in the country.

In 2021 CMC Markets launched its dedicated institutional brand, CMC Connect, positioning the Company to service the ever-growing number of client types interested in its products.

Timeline

1989
CMC Markets plc begins operations in the UK

1996
Launches the world's first online retail FX trading platform

2000
Starts offering CFDs in the UK

2001
Launches online spread betting service in the UK

2002
Opens first non-UK office in Sydney, Australia

2005
Offices opened in Beijing, Canada and Germany

2007
Singapore and Sweden offices opened; and Goldman Sachs purchases 10% stake

2008
CMC Markets (Australia) starts offering a stockbroking service following the acquisition of local stockbroker Andrew West & Co

2010
Next Generation platform is launched; offices opened in Italy and France; and spread betting iPhone app launched in the UK

2011
CMC Markets plc wins Financial Services Provider of the Year (Shares Magazine)

2012
Spread betting app for Android™ launched

2013
CMC Markets plc wins 33 industry awards globally

2014
CMC Markets plc celebrates 25 years of being a world leader in online trading

2015
Countdowns launched; Poland and Austria offices opened; and Stockbroking Pro platform launched

2016
CMC Markets plc lists on the London Stock Exchange, trading as CMCX; and Digital 100s launched

2018
CMC Markets (Australia) completes the ANZ Bank white label stockbroking transaction

2019
CMC Markets plc celebrates its 30th year and launches exclusive cryptocurrency, forex and commodity indices

2020
CMC Markets plc releases dedicated institutional brand, CMC Connect

2022
CMC Invest launched in the UK, offering stockbroking services to UK clients

Five-year summary

Group income statement

	For the year ended 31 March				
	2024 £m	2023 £m	2022 (Restated) £m	2021 (Restated) £m	2020 £m
Net operating income	**332.8**	288.4	281.9	409.8	252.0
Adjusted operating expenses	**(267.2)**	(233.9)	(188.3)	(184.7)	(151.3)
Operating profit	**65.6**	54.5	93.6	225.1	100.7
Share of results of associates	**(0.3)**	—	—	—	—
Finance costs	**(2.0)**	(2.3)	(2.1)	(1.7)	(2.1)
Profit before tax	**63.3**	52.2	91.5	223.3	98.7
Taxation	**(16.4)**	(10.8)	(20.0)	(45.8)	(11.7)
Profit after tax	**46.9**	41.4	71.5	177.6	86.9

Other metrics

	2024	2023	2022 (Restated)	2021 (Restated)	2020
Own funds generated from operations (£m)	**84.2**	52.4	88.1	199.3	102.0
Profit margin					
PBT margin (%)	**19.0**	18.1	32.5	54.5	39.2
Earnings per share ("EPS")					
Basic EPS (pence)	**16.7**	14.7	24.6	61.3	30.1
Diluted EPS (pence)	**16.7**	14.6	24.5	61.0	29.9
Dividend per share					
Interim dividend per share (pence)	**1.00**	3.50	3.50	9.20	2.85
Final dividend per share (pence)	**7.30**	3.90	8.88	21.43	12.18
Total ordinary dividend per share (pence)	**8.30**	7.40	12.38	30.63	15.03

Client metrics (unaudited)

	2024	2023	2022	2021	2020
Trading revenue per active client (£)	**4,685**	3,968	3,575	4,560	3,750
Trading number of active clients	**55,294**	58,737	64,243	76,591	57,202

Five-year summary continued

Group statement of financial position

	At 31 March				
	2024 £m	2023 £m	2022 (Restated) £m	2021 (Restated) £m	2020 £m
ASSETS					
Non-current assets					
Intangible assets	**28.9**	35.3	30.3	10.3	4.6
Property, plant and equipment	**28.5**	22.8	23.2	25.0	28.1
Deferred tax assets	**6.2**	4.8	6.0	6.4	16.5
Financial investments	**—**	—	13.5	—	—
Trade and other receivables	**2.8**	2.7	1.8	1.8	2.3
Investment in associates	**2.5**	—	—	—	—
Total non-current assets	**68.9**	65.6	74.8	43.5	51.5
Current assets					
Trade and other receivables	**162.0**	130.6	148.2	129.8	186.3
Derivative financial instruments	**31.6**	14.2	8.8	6.2	5.4
Current tax recoverable	**1.9**	9.0	1.6	2.2	0.8
Financial investments	**50.9**	30.6	14.5	28.1	25.4
Other assets	**12.3**	2.0	13.4	—	—
Amounts due from brokers	**228.9**	188.2	208.9	267.8	134.3
Cash and cash equivalents	**160.3**	146.2	176.6	118.9	84.3
Total current assets	**647.9**	520.8	572.0	553.0	436.5
Total assets	**716.8**	586.4	646.8	596.5	488.0
LIABILITIES					
Current liabilities					
Trade and other payables	**272.8**	182.2	212.6	158.3	177.1
Amounts due to brokers	**7.0**	8.9	12.4	13.8	—
Derivative financial instruments	**7.1**	2.0	3.7	2.7	2.4
Share buyback liability	**—**	—	27.3	—	—
Borrowings	**—**	—	0.2	0.9	0.9
Lease liabilities	**4.9**	5.6	4.9	4.6	4.7
Current tax payable	**2.1**	0.4	1.7	0.3	—
Short-term provisions	**3.9**	0.8	0.4	1.9	0.5
Total current liabilities	**297.8**	200.1	263.2	182.5	185.6
Non-current liabilities					
Trade and other payables	**—**	—	—	—	—
Borrowings	**—**	—	—	0.2	0.8
Lease liabilities	**12.0**	6.2	9.3	10.8	14.6
Deferred tax liabilities	**3.2**	4.0	3.3	1.6	2.2
Long-term provisions	**0.3**	2.1	2.1	1.8	1.9
Total non-current liabilities	**15.5**	12.3	14.7	14.4	19.5
Total liabilities	**313.3**	212.4	277.9	196.9	205.1
EQUITY					
Total equity	**403.5**	374.0	368.9	399.5	282.9
Total equity and liabilities	**716.8**	586.4	646.8	596.5	488.0

Proposed final dividend for the year ended 31 March 2024

Ex-dividend date: Thursday 11 July 2024
Record date: Friday 12 July 2024
Dividend payment date: Friday 9 August 2024

Annual General Meeting

The 2024 AGM will be held at 10:00am on Thursday 25 July 2024 at 133 Houndsditch, London EC3A 7BX.

Registrars/shareholder enquiries

Link Group can be contacted to deal with any questions regarding your shareholding using the contact details listed below. Alternatively, you can access www.cmcmarketsshares.co.uk, where you can view and manage all aspects of your shareholding securely.

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Calls to 0371 664 0300 are charged at the standard geographic rate and will vary by provider.

Calls outside the United Kingdom are charged at the applicable international rate.

Phone lines are open between 9:00am and 5:30pm, Monday to Friday excluding public holidays in England and Wales.

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Appendix: Alternative Performance Measures

a. Reconciliation of trading net revenue

GROUP	2024 £m	2023 £m
Trading revenue (note 4)	**274.3**	252.0
Trading introducing partner commission and betting levies (note 3)	**(15.2)**	(18.9)
Trading net revenue	**259.1**	233.1

b. Reconciliation of investing net revenue

GROUP	2024 £m	2023 £m
Investing revenue (note 4)	**45.7**	55.7
Investing introducing partner commissions (note 3)	**(11.7)**	(17.8)
Investing net revenue	**34.0**	37.9

c. Reconciliation of interest income

GROUP	2024 £m	2023 £m
Interest income on own funds	**11.2**	4.7
Income on client funds	**23.8**	9.2
Interest income	**35.0**	13.9

d. Reconciliation of net operating income

GROUP	2024 £m	2023 £m
Trading net revenue (a)	**259.1**	233.1
Investing net revenue (b)	**34.0**	37.9
Interest income (c)	**35.0**	13.9
Other revenue (note 4)	**4.7**	3.5
Net operating income	**332.8**	288.4

Reconciliation of trading revenue per client

GROUP	2024	2023
Trading net revenue - £m (a)	**259.1**	233.1
Trading active clients (e)	**55,294**	58,737
Trading revenue per client - £ (a/e)	**4,685**	3,968

Reconciliation of non-statutory summary Group balance sheet to primary statements

Fixed assets

GROUP	March 2024 £'000	March 2023 £'000
Intangible assets (note 12)	**28,906**	35,342
Property, plant and equipment (note 13)	**28,546**	22,771
Lease liabilities (note 23)	**(16,915)**	(11,818)
Lease debtors presented within other debtors presented (note 16)	**548**	392
Fixed assets	**41,085**	46,687
Fixed assets (rounded to £m)	**41.1**	46.7

Working capital

GROUP	March 2024 £'000	March 2023 £'000
Trade and other receivables (note 16)	**164,809**	133,282
Lease debtors presented within fixed assets above	**(548)**	(392)
Derivative financial instruments – client CFD positions (note 17)	**24,553**	11,092
Trade and other payables (note 21)	**(272,811)**	(182,284)
Provisions (note 24)	**(4,194)**	(2,902)
Title transfer funds[1]	**119,591**	49,409
Working capital	**31,400**	8,205
Working capital (rounded up to £m)	**31.4**	8.2

1 Amounts deducted from "own funds".

Deferred tax net asset

GROUP	March 2024 £'000	March 2023 £'000
Deferred tax assets (note 14)	**6,177**	4,768
Deferred tax liabilities (note 14)	**(3,244)**	(4,012)
Deferred tax net asset	**2,933**	756
Deferred tax net asset (rounded to £m)	**2.9**	0.8

Net tax receivable / (payable)

GROUP	March 2024 £'000	March 2023 £'000
Current tax receivable	**1,917**	9,066
Current tax payable	**(2,147)**	(431)
Net tax receivable / (payable)	**(230)**	8,635
Net tax receivable / (payable) (rounded to £m)	**(0.2)**	8.6

Reconciliation of adjusted operating expenses to primary statements

GROUP	March 2024 £'000	March 2023 £'000
Operating expenses (note 5)	**254.9**	233.5
Impairment of intangible assets (note 12)	**12.3**	0.4
Adjusted operating expenses including variable remuneration	**267.2**	233.9
Less: variable remuneration	**(17.7)**	(16.7)
Adjusted operating expenses excluding variable remuneration	**249.5**	217.2

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