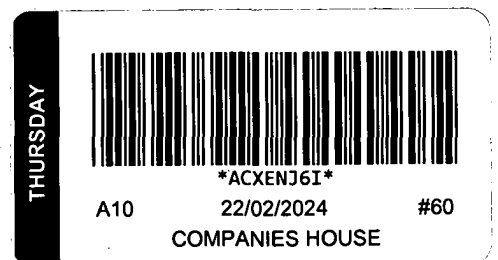


**Gain Capital UK Limited**  
**Annual Report and Financial Statements**  
**30 September 2023**



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## Strategic report

The principal activity of the Company was to operate a representative office in Dubai, which supports other group activities. The Company changed its period end to September 2022 during the prior period. The prepared accounts for the prior period are for the nine month period from 1 January 2022 to 30 September 2022.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA"). The Company's FCA Register Number is 113942, for details see [www.fca.org.uk/register](http://www.fca.org.uk/register). The immediate parent company is Gain Capital Holdings Limited ("GCHL"). The ultimate parent company and controlling party is StoneX Group Inc. ("SXG"). The smallest and largest group into which the Company is consolidated is SXG.

## Results

The profit for the year, after taxation, amounted to £45,000 (2022: profit £4,462,000). During the period the company paid £nil (2022: £nil) dividends.

## Business Review

The Company remains a regulated entity and will look to commence a process to hand back its permissions to the FCA in the fullness of time. This process will commence once the company StoneX Financial Ltd receives a Dubai operating license, which the timing is currently uncertain. The Directors have received confirmation that while the Company continues the group will continue to support the Company. The Dubai operations will continue to operate until the company StoneX Financial Ltd receives a licence to operate in Dubai. The date this is received is currently uncertain and the Company will review its operations once received. Currently no decision has been made by the Directors. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

## Financial Key Performance Indicators

The key performance indicators that management use in evaluating the Company's performance include:

	2023	2022
	£'million	£'million
Administrative Costs	1.6	0.9
Profit before taxation	0.0	3.8
Net Current Assets	16.6	16.6

### Administrative costs

This is viewed by the Board as a measure of profitability, being the fixed overhead costs of the operation. Administrative costs are up in the period from 2022 as a result of twelve months activity in 2023 compared to nine months of activity in 2022. Also staff costs have increased in the current year.

### Profit before taxation

This is viewed by the Board as a key benchmark for overall operational performance. Performance for the current year is \$3.8 million below prior year. This is due to in 2022 having income from shares in undertakings of \$2.9 million and \$0.9 million foreign exchange gains.

### Net Current Assets

The Board recognises the need to ensure that the Company has sufficient liquidity to meet its operational and regulatory objectives. During the year the net current assets of the Company were consistent with the prior year.

## Principal risks and uncertainties

The Company recognises that risk management is fundamental to the Company's business and planning process and seeks to embed a culture of risk management across its operations.

Responsibility of risk management resides at all levels within, and across all functions of the Company with specific roles undertaken within an overall framework and strategy set by management. Risks are considered by management on an ongoing basis recognising that their materiality and nature will change over time.

## **Strategic Report (continued)**

### **Principal risks and uncertainties (continued)**

Ultimate responsibility for the assessment and management of risks lies with the directors but on a day-to-day basis this may be devolved to senior management.

The principal risks to which the Company is exposed are set out below.

#### **Regulatory challenges due to Brexit**

The Company has had no business activities since the transfer of the business. So the Company is not impacted by regulatory changes due to Brexit.

#### **Israel-Hamas and Ukraine-Russia conflicts**

Economic and financial market conditions, including conditions impacted by public health emergencies, such as the recent COVID-19 pandemic, and geopolitical events such as terrorism, the Israel-Hamas conflict and escalating tensions in the Middle East, the ongoing conflict between Ukraine and Russia and related sanctions imposed by the UK government and other governing bodies in countries in which we conduct business, have created significant market volatility, uncertainty and economic disruption. The Company only has a small office located in Dubai with low costs, so the Directors are satisfied that the business will not be significantly impacted by the Israel-Hamas and Ukraine-Russia conflicts.

#### *Treasury operations and financial instruments*

The Company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Company's activities. In accordance with the Company's treasury policy, derivative instruments are not entered into for speculative purposes.

#### *Liquidity Risk*

Client money is held and accounted for in accordance with the FCA client money rules. During the period the Company held no client money. The Company's own money is held almost entirely on demand, as it needs to be readily available to meet short-term funding requirements.

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the businesses.

#### *Foreign currency risk*

The Company has foreign currency intercompany balances with other group companies and is therefore exposed to currency exchange risk.

#### *Interest rate risk*

Short-term interest rates are highly sensitive to factors that are beyond the Company's control, including general economic conditions and the policies of various governmental and regulatory authorities. The Company's cash is held in cash and cash equivalents including cash at banks. The interest rates earned on these deposits and investments affects are interest revenue.

#### *Market Risk*

The Company has not had any customers or traded in the period and this is not expected to change in the future. So the Company is no longer exposed to market risk.

#### *Regulatory capital and regulatory risk*

The Company's activities are regulated in the United Kingdom and are therefore subject to various regulation and legislation relating to conduct of business, technology, the provision of internet services and regulatory capital. These impose extensive reporting requirements and continuing self-assessment and appraisal.

The Company has both a Compliance Department and a Regulatory Reporting Department which are responsible for ensuring that it meets the rules of the regulators of the jurisdiction. The Company maintains close

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

working relationships with its regulators and continually seeks to improve its operating efficiencies and standards. The compliance officers are in regular contact with the Directors and Senior Executive Management.

The regulatory environment is constantly evolving and imposes significant demands on the resources of the Company. The Company continues to provide considerable resources to meet the regulatory requirements.

The Company is subject to prudential supervision by the FCA and has ensured adequate levels of capital have been maintained to support its activities and those of its regulated subsidiary during the period. The regulatory capital structure of the Company largely comprises share capital and reserves. Capital requirements are measured using standardised calculations. The Company performs an Internal Capital and Risk Assessment Process ("ICARA"), as required by the FCA, in order to assess on an on-going basis the amounts, types and levels of distribution of capital that the Company considers adequate to cover the level and nature of the risks to which it is, or might be, exposed to. The ICARA gives consideration to both current and projected financial and capital positions and includes stress testing designed to test the resilience of the Company when faced with adverse economic conditions. The ICARA is updated, at least annually, to reflect changes to the Company's structure and the business environment. Capital adequacy is monitored on an on-going basis by the Directors and Senior Executive Management..

The UK Investment Firm Prudential Regime ("IFPR") for FCA prudentially-regulated investment firms ("FCA investment firms") was introduced on the 1 January 2022. The new regime will streamline and simplify the prudential requirements for solo-regulated investment firms in the UK. The Company has had not had any customers in the period and this is not expected to change in the future. So the Company is not significantly impacted by any changes in the FCA policies.



A Hine  
Director

Registered Office: Devon House  
58 St Katharine's Way  
London, UK, E1W 1JP

Date: 24/01/2024

## Directors' report

The Directors present their annual report on the affairs of Gain Capital UK Limited (the "Company" or "GCUK"), together with the financial statements and auditor's report for the year ended 30 September 2023 (the "Financial Statements").

## Going Concern

The Company's business activities, the key factors likely to affect its future development, profitability, cash flows, principal risks and uncertainties and financial position are outlined in the Strategic Report on page 1. Note 1.2 of the Financial Statements sets out the basis upon which the Directors have made their going concern assessment. The Directors, after making due enquiries, consider there to be reasonable evidence that the Company has sufficient resources to continue in operational existence for the foreseeable future. The Directors have received confirmation that while the Company continues the group will continue to support the Company. The Dubai operations will continue to operate until the company StoneX Financial Ltd receives a licence to operate in Dubai. The date this is received is currently uncertain and the Company will review its operations once received. Currently no decision has been made by the Directors. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

## Directors

The following directors have held office during 2023 and since period end:

Diego Rotsztain  
Alastair Hine

## Directors and officers

The Company has Directors' and Officers' Liability insurance policies which covers all Directors.

## Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

## Donations

During the period the Company made charitable donations of £nil (2022: £nil).

## Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. It is the policy of the Company that the training, career development and promotion of disabled persons should as far as possible be identical to that of other employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that the appropriate training is facilitated.

## Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting current and future interests and developments.

## Pensions

The Company only has staff located in Dubai who do not qualify for the defined contribution scheme.

## Dividends

During the period the Board declared and paid a dividend of £nil (2022 : £nil):

## Directors' report (continued)

### Matters of strategic importance

The company has chosen in accordance with Companies Act 2006 s.414C(11) to set out in the Company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Sch.7 to be contained in the Directors' Report.

### Section 172(1) statement

The Companies (Miscellaneous Reporting) Regulations 2018 requires the directors to demonstrate how they have had regard to matters set out in section 172(1) of the Companies Act 2006 when performing their duty to promote the success of the Company for the benefit of its shareholder as a whole, and in doing so had regard, amongst other matters, to:

1. **The likely consequences of any decisions in the long term:** this is demonstrated through the nature of the strategic decisions made by the Board and the day-to-day decisions made by the business referencing the embedded risk management process of the Company. These decisions focus on the sustainability of the Company in the long term by ensuring liquidity, capital and regulatory compliance are preserved;
2. **The interests of the Company's employees:** this manifests itself through the Board's acknowledgement of the Company's employees being their most valuable asset whom they are committed to develop and retain, ensuring that they share in the success of the business through award programmes including participation in share plans. The Company provides a choice of benefits and rewards that help employees develop their career and maintain well-being. The principal decisions during the period supported the focus on employee well-being included regular contact and interaction (informal and formal) by senior management and leaders. Employee surveys are held covering matters of concern to employees and considered by the board as well as regular updates on remuneration and human resources initiatives. The Company values diversity in its every sense and whole-heartedly rejects any form of prejudice-based actions in the workplace. In particular the Company actively supports the employment of people of disability. Senior management engage with employees through regular communication media and board attendance includes participants from the leaders across the Company. There are frequent communications to all employees regarding the financial and economic performance of the Company. There is also a well understood whistleblowing process. Our people are central to the Company achieving its strategic objectives and the Board is committed to developing a highly motivated workforce that provide excellent customer service through collaboration;
3. **The need to foster the Company's business relationships with supplier and others:**
  - The Company operates closely with many key suppliers in a way that they are aligned with its strategic objectives ensuring that all businesses continue to run optimally – supported by the strategic decisions with key IT providers. The Board operates a risk management framework including Anti-Bribery and Corruption policies and is made aware of any significant supplier issues. Suppliers provide expertise that is not readily available in-house.
  - The Board retains a very transparent and respectful dialogue with its regulators ensuring that they are updated as required on key strategic decisions. The Board receives regular updates on developments in financial services regulation. The regulators require compliance with their rules to ensure the integrity of the financial markets in which the Company operates.
  - The StoneX Group Inc. is represented by membership on the Company's board and many senior managers meet with the Company's directors and senior management team. There are service level agreements in place between group entities including the Company. We share StoneX Group's mission and vision and contribute to their realisation.
4. **The desirability of the Company maintaining a reputation for high standards of business conduct:** this is demonstrated through the 'tone from the top' in how the Directors drive and support the right culture for a client facing regulated business and the how this cascades to all employees. In making board level decisions the impact on culture and the right behaviours are considered and were evidenced in recent integration implementation with StoneX Financial Ltd; and
5. **The need to act fairly as between shareholders of the Company:** the Company is a wholly owned subsidiary and as such has one shareholder, Gain Capital Holdings Ltd, where there is a degree of overlap of board directors. This ensures that the information asymmetry between the shareholder and the Company's board is minimised and that the expectations of the ultimate shareholders of the group are appropriately channelled.

On appointment, new directors receive induction training on their responsibilities which includes s172(1) matters.

**Directors' report (continued)**

**Section 172(1) statement (continued)**

The Board understands the importance of ensuring that the Company's business is undertaken in a way that has regard to stakeholders' interests and seeks to align stakeholder and business interests. This approach has three strands: corporate objectives, stakeholders and culture and values.

The corporate objectives focus on serving the diversified client base and building the offering to create value for clients and shareholder.

For stakeholders the Directors consider their views and interests as a wider set as discussed above.

In terms of culture and values, the Board believes that a strong and positive culture is the bedrock for appropriate conduct which leads to protecting the business, clients and other stakeholders and helps preserve the integrity of the financial markets in which the Company operates.

The Company and its Directors as outlined in the Strategic Report have continued to pursue obtaining a Dubai licence for the company StoneX Financial Ltd. The Company will continue to operate its Dubai operations until the licence is received.

**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 are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.



A Hine  
Director

Registered Office: Devon House  
58 St Katharine's Way  
London, UK, E1W 1JP

Date: 24/01/2024



**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless is inappropriate to presume the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



A Hine  
Director

Registered Office: Devon House  
58 St Katharine's Way  
London, UK, E1W 1JP

Date: 24/01/2024

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAIN CAPITAL UK LIMITED

## Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Gain Capital UK Limited ("the Company") for the year ended 30 September 2023 which comprise the Profit and Loss Account and other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

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

## 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.

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

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

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.

## Other Companies Act 2006 reporting

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 period 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAIN CAPITAL UK LIMITED (continued)**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **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.

### **Extent to which the audit was 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:

#### **Non-compliance with laws and regulations**

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and FCA regulation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Financial Conduct Authority rules.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities and the FCA for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAIN CAPITAL UK LIMITED (continued)

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of internal controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;


We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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.

DocuSigned by:  
  
0F308806BCF046B...

Peter Smith (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK

Date: 24/01/2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Profit and Loss Account and Other Comprehensive Income  
For the period ended 30 September 2023**

	Note	2023 £'000	2022 £'000
Turnover		—	—
Cost of Sales		—	—
<b>Gross profit</b>		<b>—</b>	<b>—</b>
Administrative expenses		(1,558)	(873)
<b>Operating (loss)/profit</b>	3	<b>(1,558)</b>	<b>886</b>
Other income	2	1,567	1,759
Interest receivable and similar income		25	—
Income from shares in group undertakings		—	2,913
<b>Profit before taxation</b>		<b>34</b>	<b>3,799</b>
Tax credit on profit	4	11	663
<b>Profit and total comprehensive income for the period</b>		<b>45</b>	<b>4,462</b>

All financial results are derived from continuing operations in the current and the preceding period.

The notes on pages 14 to 27 form an integral part of these financial statements.

**Balance Sheet  
at 30th September 2023**

	Note	£'000	2023 £'000	£'000	2022 £'000
<b>Fixed assets</b>					
Investments	5	—	—	—	—
<b>Current assets</b>					
Debtors - due within one year	6	13,725		13,364	
Cash at bank and in hand	7	3,255		3,752	
		16,980		17,116	
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	8	(385)		(566)	
<b>Net current assets</b>			<b>16,595</b>		<b>16,550</b>
<b>Net assets</b>			<b>16,595</b>		<b>16,550</b>
<b>Capital and reserves</b>					
Called up share capital	10		1,000		1,000
Retained earnings			12,219		12,174
Special reserve			3,376		3,376
<b>Total Equity</b>			<b>16,595</b>		<b>16,550</b>

All financial results are derived from continuing operations in the current and the preceding period.

The financial statements were approved by the Board of Directors and authorised for issue on 24/01/2024

Signed on behalf of the Board of Directors.



A Hine  
Director

Company registered number: 01761813

## Statement of Changes in Equity

	Called up Share Capital £'000	Share premium £'000	Retained earnings £'000	Special Reserve £'000	Total Equity £'000
Balance at 1 January 2022	1,000	—	7,712	3,376	12,088
Total Comprehensive Income for the year	—	—	4,462	—	4,462
At 30 September 2022	1,000	—	12,174	3,376	16,550
Total Comprehensive income for the year	—	—	45	—	45
At 30 September 2023	1,000	—	12,219	3,376	16,595

The notes on pages 14 to 27 form an integral part of these financial statements.

## NOTES TO THE ACCOUNTS

### 1. Accounting policies

Gain Capital UK Limited (the "Company") is a private company incorporated and domiciled and registered in England and Wales in the UK. The registered number is 01761813 and the registered address is Devon House, 58 St Katharine's Way, London, E1W 1JP

The Company changed its period end from December to September during the prior period. The prepared accounts for the prior period are for the nine month period from 1 January 2022 to 30 September 2022.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's immediate parent undertaking is Gain Capital Holdings Ltd, a company incorporated in the United Kingdom. The Company's ultimate parent undertaking, StoneX Group Inc. (a company incorporated in the United States of America) includes the Company in its consolidated financial statements. The consolidated financial statements of StoneX Group Inc. are prepared in accordance with US Generally Accepted Accounting Principles and these may be obtained at <https://www.stonex.com/> in the section on Investor Relations. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of StoneX Group Inc. include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payment; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

The consequences of the increase in interest rates, increase in inflation, Israel-Hamas conflict and the conflict between Ukraine and Russia have caused a severe disruption to global economies. There has been no material impact on the Company. The Company will continue to be active and will continue to operate the Dubai office. As set out in the Strategic Report, the Company has robust processes to manage its exposures to foreign exchange risk, liquidity risk and market risk.

On the basis of the Directors' assessment of the Company's financial position, its future developments as set out in the Directors' Report and of the enquiries made by them of the ultimate parent company and confirmation it will continue to support the company while a Dubai license is being arranged for the Group, and that no decision has been made on the future of the company post the license being granted. The Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.



## NOTES TO THE ACCOUNTS

### 1. Accounting policies (continued)

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency (GBP) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account under other income.

#### 1.4 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. These balances exclude client monies held by the Company.

##### *Investments in subsidiaries and associates*

Investments in subsidiaries and associates are carried at cost less impairment.

#### 1.5 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

##### *Financial assets and liabilities at fair value through profit or loss*

Financial assets and liabilities comprising open spread trades, contracts for difference and options are classified as derivative financial instruments. These derivatives are:

- acquired or incurred for the purpose of selling or repurchasing in the near term;
- a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; and are
- not designated and effective as a hedging instrument.

These financial assets and liabilities at fair value through profit or loss are stated at fair value with any resulting gains or losses recognised in the Profit and Loss Account.

Balances arising from the above are disclosed as either trade debtors or trade creditors. Trade debtors or trade creditors represent balances with counterparties and clients where the combination of cash held on account and the valuation of financial derivative open positions result in an amount due to or from the Company. A credit valuation adjustment is established where there is objective evidence of non-collectability.

At the end of each reporting period, 'other' financial instruments are measured at fair value and recognised changes in fair value are recognised in the profit and loss account; except investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

## NOTES TO THE ACCOUNTS

### 1. Accounting policies (continued)

#### *Fair value of financial assets and liabilities*

Financial assets and liabilities purchased or sold are recorded on a trade date basis and include:

- spread trading on equities, equity indices, precious and base metals, soft commodities, exchange rates, interest rates, exchange traded futures and options; and
- Contract for difference on equities, equity indices, precious and base metals, soft commodities, exchange rates, interest rates and other financial instruments.

The estimated fair value of financial assets and liabilities is made in accordance with the requirements of FRS 102. Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties on arm's length conditions, other than in a forced sale or liquidation. The fair value of assets or liabilities that are actively traded in organised financial markets is determined by reference to quoted market bid or ask prices, respectively, at the close of business on the balance sheet date.

For assets where there is no active market, fair value is determined using valuation techniques, including valuation pricing models. Valuation pricing models consider time value and volatility factors underlying financial instruments as well as other relevant economic factors. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks and counterparty credit risk. The Company's Management believes that these valuation adjustments are necessary and appropriate to state the values of financial instruments carried at fair value on the Balance Sheet.

#### **1.6 Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### **1.7 Impairment excluding deferred tax assets**

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

## NOTES TO THE ACCOUNTS

### 1. Accounting policies (continued)

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

#### **1.8 Employee benefits**

##### *Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

##### *Holiday Pay*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

##### *Termination benefits*

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

#### **1.9 Other income**

##### *Transfer Pricing*

The Company applies the transfer pricing policy set by the group. To reflect the level and quantity of key entrepreneurial functions performed by the Company. The Company transfer pricing income is a cost plus 7% arrangement with the company StoneX Financial Ltd. This transfer pricing policy and its associated documentation is reviewed at least once a year.

Transfer pricing is recognised in other income when the right to receive payments under the transfer pricing policy is established.

## NOTES TO THE ACCOUNTS

### 1. Accounting policies (continued)

#### 1.10 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Finance lease*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### *Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### 1.11 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE ACCOUNTS**

**2. Other income**

	2023 £'000	2022 £'000
Transfer pricing	1,567	875
Foreign exchange gains	—	884
	<u>1,567</u>	<u>1,759</u>

**3. Operating profit / (loss)**

	2023 £'000	2022 £'000
Operating profit is stated after charging/(crediting):		
Operating leases – land and buildings	132	88
Exchange differences during period	<u>97</u>	<u>(884)</u>

*Auditor's remuneration*

Amounts received or receivable by the Company's auditor and its associates in respect of:

	2023 £'000	2022 £'000
Audit of these financial statements	27	34
Audit related assurance services	—	3
	<u>27</u>	<u>37</u>

**NOTES TO THE ACCOUNTS**

**4. Taxation**

	2023 £'000	2022 £'000
<b>Domestic current period tax</b>		
UK corporation tax	14	(663)
Adjustments to tax charge in respect of prior years	(25)	—
<b>Total tax credit for the period</b>	<u>(11)</u>	<u>(663)</u>

**Domestic current period tax**

**Factors affecting the current tax charge for the period**

Profit before taxation	34	3,799
Profit before taxation multiplied by standard rate of UK corporation tax of 22% (2022: 19%).	7	722
Non deductible expenses	7	3
Adjustment to tax charge in respect of prior years	(25)	(835)
Dividend income	—	(553)
<b>Total tax credit for the period</b>	<u>(11)</u>	<u>(663)</u>

**5. Investments**

	2023 £'000	2022 £'000
Balance at 1 October	—	—
Balance at 30 September	<u>—</u>	<u>—</u>

The Company has a 100% investment in Trade Facts Limited. This investment was fully impaired in 2018. During the period an application was made to Companies House to strike off Trade Facts Limited. The strike off date of Trade Facts Limited was 10 January 2023 with a dissolution date of 17 January 2023.

**NOTES TO THE ACCOUNTS**

**6. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by parent and fellow subsidiary undertakings	9,858	9,958
Corporation tax receivable	3,780	3,318
Other debtors and accrued income	24	26
Prepayments	63	62
Due within one year	<u>13,725</u>	<u>13,364</u>

**7. Cash at bank and in hand**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	3,255	3,752
Balance at 30 September	<u>3,255</u>	<u>3,752</u>

Represented by:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
OECD banks and regulated financial institutions	3,255	3,752
Balance at 30 September	<u>3,255</u>	<u>3,752</u>

At the balance sheet date the Company had the following credit risk exposures in respect of cash at bank:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
A1 per Moody's	3,255	3,752
Balance at 30 September	<u>3,255</u>	<u>3,752</u>

The category consists of cash in hand and deposits repayable on demand from financial institutions and are free from contractual encumbrances. These accounts with financial institutions earn interest at floating rates based on daily bank rates. The fair value of cash at bank and in hand is not materially difference from the book value.

**NOTES TO THE ACCOUNTS**

**8. Creditors**

	2023 £'000	2022 £'000
<b>Creditors: amounts falling due within one year</b>		
Amounts owed to parent and fellow subsidiary undertakings	66	69
Accruals and deferred income	319	497
	<b>385</b>	<b>566</b>

**9. Financial instruments**

The Company has the following financial instruments:

	Note	2023 £'000	2022 £'000
<b>Financial assets that are debt instruments measured at amortised cost</b>			
- Amounts owed by parent and fellow group undertakings	6	9,858	9,958
- Other receivables (excluding corporation tax receivable)	6	24	26
<b>Financial liabilities measured at amortised cost:</b>			
- Amounts owed to parent and fellow group undertakings	8	66	69
- Other creditors	8	319	497
<b>Financial liabilities at fair value through profit or loss:</b>			
- Other creditors	8	—	—

***Principal risks and uncertainties (including financial risk management policies)***

The Board is responsible for determining and managing the principal risks and uncertainties of the Company. This is subject to periodic review, at least annually and is performed in consultation with its shareholders. The Company seeks to mitigate their risks through the application of limits and controls, a monitoring process at both a Company and operational level, and the use of hedging instruments and insurance policies. The Company has a Risk and Credit Committee, which meets at least monthly.

The principal risks and uncertainties faced by the Company are summarised further below.

***Credit risk***

The Company has no client credit risk as the Company has no trading clients. The Company has a significant receivable with the related party company StoneX Financial Ltd. This is not considered a risk as StoneX Financial Ltd has sufficient funds.

***Market risk***

The Company has not had any customers or trading activity in the period and this is not expected to change in the future, so the Company is no longer exposed to market risk.



## NOTES TO THE ACCOUNTS

### Financial instruments (continued)

#### Currency risk

The principal currencies in which the Company trades are British Pounds, Euros and United States Dollars. This gives rise to currency risk on the translation of its net current assets together with a currency risk on the conversion of its non-British Pounds income into British Pounds. The Company hedges this risk to the extent it considers appropriate in the circumstances.

	2023 £'000	2022 £'000
Net assets denominated in :		
United States Dollar	20	(150)
Euro	26	25
Sterling	16,411	16,047
Other currencies	(15)	(131)
	<u>16,442</u>	<u>15,791</u>

If there was a 20% adverse movement in all exchange rates against Sterling with all other variables held constant net assets would increase by £32,372 (2022: increase by £42,582).

If there was a 20% favourable movement in all exchange rates against Sterling with all other variables held constant net assets would decrease by £32,372 (2022: decrease by £63,872).

#### Liquidity risk

The Company has no liquidity risk related to the trading business as the Company has no trading clients.

The contractual undiscounted maturities of the Company's financial liabilities based on the remaining period, at the balance sheet date, to the contractual maturity dates are as follows:

	Note	2023 £'000	2022 £'000
<i>Financial Liabilities – Less than 3 months</i>			
Other Creditors (excluding corporation tax)	8	385	566

The Company's own money is held almost entirely on demand, as it needs to be readily available to meet short-term funding requirements.

#### Regulatory capital and regulatory risk

The Company's activities are regulated in the UK and are therefore subject to various regulation and legislation relating to conduct of business, technology, the provision of internet services and regulatory capital. These impose extensive reporting requirements and continuing self-assessment and appraisal. The Company has both a Compliance Department and a Regulatory Reporting Department which are responsible for ensuring that it meets the rules of the regulators of the jurisdiction. The Company maintains close working relationships with its regulators and continually seeks to improve its operating efficiencies and standards. The compliance officers are in regular contact with the Directors and Senior Executive Management. The regulatory environment is constantly evolving and imposes significant demands on the resources of the Company. The Company continues to provide considerable resources to meet the regulatory requirements.

## NOTES TO THE ACCOUNTS

### Financial instruments (continued)

The Company is subject to prudential supervision by the FCA and has ensured adequate levels of capital have been maintained to support its activities and those of its regulated subsidiary during the period. The regulatory capital structure of the Company largely comprises share capital and reserves (net of intangible assets). Capital requirements are measured using standardised calculations for operational risk. The Company performs an Internal Capital and Risk Assessment ("ICARA"), as required by the FCA, in order to assess on an on-going basis the amounts, types and levels of distribution of capital that the Company considers adequate to cover the level and nature of the risks to which it is, or might be, exposed to. The ICARA gives consideration to both current and projected financial and capital positions and includes stress testing designed to test the resilience of the Company when faced with adverse economic conditions. The ICARA is updated, at least annually, to reflect changes to the Company's structure and the business environment. Capital adequacy is monitored on an on-going basis by Directors and Senior Executive Management.

The Company reported an unaudited regulatory capital ratio of 2,107% as at 30 September 2023 (2022 – 340%) The Company has not reported any breaches of regulatory capital in the period.

### Operational risk

Operational risk, inherent in all businesses, is the potential for financial and reputation loss arising from failures in internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud.

### Fair value measurements recognised in the balance sheet

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

*Level 1:* The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid;

*Level 2:* When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. Where the last transaction price is not a good estimate of fair value (eg because it reflects the amount that an would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted; and

*Level 3:* If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

**NOTES TO THE ACCOUNTS**

**10. Capital and Reserve**

	2023 Units '000	2022 Units '000
<i>In units of shares - Ordinary shares of £0.000115 each</i>		
In issue at 30 September 2023 / 30 September 2022	8,694,810	8,694,810

	2023 £'000	2022 £'000
<i>In units of shares</i>		
8,694,809,814 ordinary shares of £0.000115 each	1,000	1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**Special reserve**

The special reserve of £3,376,000 was created on the cancellation of the share premium on 24 February 1995.

**11. Directors' remuneration**

The Directors' remuneration costs are borne by other group companies.

**12. Employees**

**Number of employees**

The average monthly number of employees (including directors) during the period was:

	2023 No.	2022 No.
Management and administration	7	6

**Employment costs**

	2023 £'000	2022 £'000
Wages and salaries	1,040	550
Social security costs	33	17
	1,073	567

**13. Ultimate parent company and parent company of larger group**

The immediate parent company is Gain Capital Holdings Ltd, incorporated in the United Kingdom, by virtue of its holding of 100% of the issued share capital. The Company is a subsidiary undertaking of StoneX Group Inc. The ultimate controlling party is StoneX Group Inc.

The smallest and largest group in which the results of the Company are consolidated is that headed by the ultimate parent company and controlling party, StoneX Group Inc. ("SXG"), whose registered office address is 3411 Silverside Road, Rodney Building #104, Wilmington, New Castle County, 19819 Delaware, United States of America. The consolidated financial statements of these groups are available to the public and may be obtained at <https://www.stonex.com/> in the section on Investor Relations.

## NOTES TO THE ACCOUNTS

### 14. Related party relationships and transactions

The Company is exempt from the requirement to disclose transactions with fellow wholly owned Group undertakings under Section 33 Related party disclosures FRS 102.

	Receivables outstanding		Creditors outstanding	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Entities with control, joint control or significant influence	8	8	—	6
Other fellow subsidiary undertakings	9,850	9,950	66	63
	<u>9,858</u>	<u>9,958</u>	<u>66</u>	<u>69</u>

#### *Transactions with key management personnel*

Key management personnel includes all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The balances outstanding at the end of the 30 September 2023 were £nil (2022: £nil). No revenue was received for these personnel during the current and the prior period.

### 15. Accounting estimates and judgements

#### *Key sources of estimation uncertainty*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

- In respect of Provisions, determine the amount of potential liabilities arising from each potential provision and estimate the likelihood of liability, taking into account known factors from internal and external sources.
- Taxation: The Company determines the provision for deferred tax on timing differences where tax recognition occurs at a different time from accounting recognition. Deferred tax liabilities are generally recognised to the extent that it is probable that there will be future taxable profits against which the timing differences can be utilised. The Company has considered the carrying value of the deferred tax asset as at the reporting date and concluded that sufficient taxable profits will be generated in future years to recover recognised deferred tax assets. Accounting for taxes involves some estimation as tax law in certain instances is uncertain and its application to commercial fact patterns requires a degree of judgement. This may result in a dispute with a tax authority. Liabilities are recognised based on best estimates of the probable outcome, taking into account external advice where appropriate. Any provision for uncertain tax positions reflects advice from external counsel together with management's own assessment. The Company does not expect significant liabilities to arise in excess of the amounts provided. The Company only recognises current and deferred tax assets where recovery is probable.

## NOTES TO THE ACCOUNTS

### 16. Financial Commitments and Contingencies

#### *Operating leases*

Non-cancellable operating lease rentals in respect of land and buildings are payable as follows:

	2023 £'000	2022 £'000
Less than one year	32	141
Between one and five years	—	35
	<u>32</u>	<u>176</u>

Non-cancellable operating lease rentals in respect of other leases are payable as follows:

During the period £132,000 was recognised as an expense in the profit and loss account in respect of operating leases (2022: £88,000)

### 17. Contingent Liability

On 31 July 2020, StoneX Group Inc. completed the acquisition of GAIN Capital Holdings, Inc. (GAIN). As part of the global integration of this acquisition under a Business Transfer Agreement dated 1 March 2021, the business activities (comprising the trade, assets/liabilities and employees) from GAIN's UK FCA regulated entity, Gain Capital UK Limited (GCUK) were transferred to StoneX Financial Ltd. The Company has been in various discussions with HMRC in relation to certain transfer pricing matters arising in GCUK's pre-acquisition years. During November 2023 HMRC issued their closure notices in respect of these matters for the years from 2017 to 2021. No tax adjustments for transfer pricing were made for the 2017, 2019 and 2021 years; the tax adjustment in relation to transfer pricing made for 2018 has been determined by HMRC to be £27,146 and for 2020 has been determined by HMRC to be £3,914,698. The Company and HMRC have agreed that this matter should be resolved under the Mutual Agreement Procedure ("MAP") process and a MAP application will be submitted by the Company during 2024. Under the Business Transfer Agreement, StoneX Financial Ltd, is responsible for settlement of GCUK tax liabilities in respect of the 2018 and 2020 years.