Company registration number: 03149891

Information Internet Limited

Annual Report and Financial Statements

31 March 2020

Information Internet Limited
Annual Report and Financial Statements

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Information Internet Limited
Strategic report

The Directors present their Strategic report on Information Internet Limited (the "Company") for the year ended 31 March 2020.

CORPORATE INFORMATION

The Company is a private limited company, limited by shares, incorporated in the United Kingdom and registered and domiciled in England and Wales under the Companies Act 2006. The nature of the operations and principal activities of the Company are the development and licensing of trading software.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year continued to be the maintenance and development of the Next Generation Contracts For Difference ("CFD") and Spread Betting platform.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Revenue for the year ended 31 March 2020 was £1,971,000 (2019: £2,063,000). The profit for the year was £80,000 (2019: £143,000).

The Company has net assets of £905,000 as at 31 March 2020 (2019: £805,000).

During the next financial year the Company will continue to focus on the development and enhancement of Information Technology to the benefit of CMC Markets plc (the "Group").

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of CMC Markets plc, the ultimate parent Company of the Group, manage the Group's risks at a Group level rather than at an individual entity level. For this reason, the Company's Directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks of CMC Markets plc, which include those of the Company, are discussed in the Strategic Report of the Group's Annual Report which does not form part of this report.

The operations of the Company include a European branch, however because this branch does not conduct regulated activity the outcome of Brexit is not expected to impact how or where the Company operates.

The risks associated with the rapid escalation of global Covid-19 diagnoses are carefully considered by the Directors of the Company. At the date of this report, the situation is not impacting the Company's ability to operate due to flexibility in internal information technology allowing all staff to work from home, as required, while performance is not impacted due to the revenue model of the Company, which is such that its income is entirely derived in accordance with a Revenue Allocation Agreement (see note 3). The Company's supply base is not considered to be at a significantly increased risk of failure due to the situation. The Directors remain vigilant in their review of the crisis.

KEY PERFORMANCE INDICATORS ("KPIs")

The Directors of CMC Markets plc manage the Group's operations on a geographical rather than entity basis. For this reason the Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of development, performance or position of the business of Information Internet Limited. The development, performance and position of the business of CMC Markets plc, which includes the Company, is discussed in the Strategic report of the Group's Annual Report which does not form part of this report.

On behalf of the Board,

Euan Marshall

Euan Marshall

Director

Registered office
133 Houndsditch
London EC3A 7BX
1st July 2020

PRINCIPAL ACTIVITIES

The Company's principal activity during the year continued to be the maintenance, development and enhancement of Information Technology to support the Next Generation CFD and Spread Betting platform.

STRATEGIC REPORT

The Companies Act 2006 requires the Company to prepare a Strategic report, which commences at the start of this Annual Report and Financial Statements on page 1. The Strategic report includes information about the Company's review of the business throughout the year, anticipated future developments, principal risks and uncertainties and key performance indicators.

GOING CONCERN

Having given due consideration to the nature of the Company's business, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

RESULTS AND DIVIDENDS

The results for the year are shown in the statement of comprehensive income on page 6. At the date of signing these financial statements the Directors have not announced the payment of a Dividend for the year (2019: £0).

DIRECTORS

The Directors of the Company who held office during the year and up to the date of signing these Financial Statements were as follows:

Peter Cruddas
David Fineberg
Euan Marshall – appointed 28 November 2019
Greg Niebank – resigned 15 May 2019
David Worsfold

Peter Cruddas, David Fineberg and Euan Marshall are also Director's of CMC Markets plc, the ultimate parent Company.

DIRECTORS' INDEMNITIES

As permitted by the articles of association, the Directors have the benefit of indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

The Group also maintains appropriate insurance to cover Directors' and Officers' liability which is assessed annually and approved by the Board of CMC Markets plc. No amount was paid under the Directors' and Officers' liability insurance during the year. This was in place at the start, end and throughout the financial year.

OUR PEOPLE

Collaboration

The Company actively encourages its employees to contribute pioneering and innovative ideas. The Directors strongly believe that the contribution of a talented and passionate team is vital for continued success. The Company has a policy of keeping employees informed of and engaged in its business strategy, performance, key projects and initiatives via regular meetings and team briefings and internal communications.

Equal opportunities and diversity

The Company is committed to developing and supporting a diverse workforce. The Directors highly value the differences and creativity that a diverse workforce brings, and are committed to recruiting, developing and retaining a world class team from a broad range of ethnicities, nationalities, sexual orientation, gender identity, beliefs, religions, cultures, and physical abilities. The Company seeks to establish a culture that promotes meritocracy, openness, fairness and transparency.

The Company affirms that it will not tolerate any form of discrimination. In searching for talent, the commitment is always to recruit the best from the broadest applicant pool. All candidates have the right to expect that they will be respected and valued for the richness of the ideas that they will bring to the Company.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a Director at the date approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Each Director has taken all the steps that he or she is obliged to take as Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given pursuant to Section 418 of the Companies Act 2006.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP acted as auditors throughout the year. In accordance with Section 489 and Section 492 of the Companies Act 2006, resolutions proposing the reappointment of PricewaterhouseCoopers LLP as the Company's auditors and authorising the Directors to determine the auditors' remuneration will be put to the 2020 Group Annual General Meeting.

Statement of Directors' responsibilities

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 financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union 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 company will continue in business.

The directors are also responsible for safeguarding the assets of the 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 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.

The Annual Report and Financial Statements on pages 1 to 29 as approved by the Board of Directors, authorised for issue on 1st July 2020 and signed by order of the Board by:

Patrick Davis
Company Secretary
1st July 2020

Registered office:
133 Houndsditch
London
EC3A 7BX

Report on the audit of the financial statements

Opinion

In our opinion, Information Internet Limited's Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2020; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the Financial Statements and the audit

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.

GLord

Gillian Lord (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1st July 2020

Information Internet Limited
Statement of comprehensive income

For the year ended 31 March 2020

£ 000	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue		**1,971**	**2,063**
Operating expenses	4	(1,821)	(1,928)
Finance costs	6	(21)	-
Profit before taxation	7	**129**	**135**
Taxation (charge)/credit	8	(49)	8
Profit for the year		**80**	**143**
Other comprehensive income/(expense)			
Items that may be subsequently reclassified to statement of comprehensive income			
Currency translation differences – gain/(loss)		24	(13)
Other comprehensive income/(expense) for the year		**24**	**(13)**
Total comprehensive income for the year		**104**	**130**

All of the Company's activities during the year and preceding year are classed as continuing.

Information Internet Limited
Statement of financial position
Company registration number: 03149891

As at 31 March 2020:

£ 000	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Intangible assets	9	53	62
Property, plant and equipment	10	439	116
Deferred tax assets	11	70	95
Trade and other receivables	12	17	17
Total non-current assets		**579**	**290**
Current assets			
Trade and other receivables	12	923	459
Cash and cash equivalents	13	171	184
Total current assets		**1,094**	**643**
Total assets		**1,673**	**933**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	357	65
Lease liabilities	16	74	-
Current tax payable		41	32
Total current liabilities		**472**	**97**
Non-current liabilities			
Provisions	14	31	31
Lease liabilities	16	265	-
Total current liabilities		**296**	**31**
Total liabilities		**768**	**128**
EQUITY			
Ordinary share capital	17	17	17
Translation reserve		46	22
Retained earnings		842	766
Total equity		**905**	**805**
Total equity and liabilities		**1,673**	**933**

The Financial Statements on pages 6 to 29 were approved by the Board of Directors on 1st July 2020 and signed on its behalf by:

Euan Marshall

Euan Marshall
Director

Information Internet Limited
Statement of changes in equity

For the year ended 31 March 2020

£ 000	Ordinary Share capital	Translation reserve	Retained Earnings	Total Equity
At 1 April 2018	**17**	**35**	**623**	**675**
Total comprehensive income for the year	-	(13)	143	130
At 31 March 2019	**17**	**22**	**766**	**805**
Change in accounting policy	-	-	(4)	(4)
At 1 April 2019	-	-	**762**	**801**
Total comprehensive income for the year	-	24	80	104
At 31 March 2020	**17**	**46**	**842**	**905**

Information Internet Limited
Statement of cash flows

For the year ended 31 March 2020

£ 000	Note	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities			
Cash generated from operations	19	170	127
Tax paid		(15)	(41)
Net cash inflow from operating activities		**155**	**86**
Cash flow from investing activities			
Purchase of property, plant and equipment		(29)	(32)
Net cash outflow from investing activities		**(29)**	**(32)**
Cash flow from financing activities			
Repayment of principal elements of lease liabilities		(118)	-
Finance costs	6	(21)	-
Net cash used in financing activities		**(139)**	**-**
Net (decrease)/increase in cash and cash equivalents		(13)	54
Cash and cash equivalents at the beginning of the year		184	130
Cash and cash equivalents at the end of the year		**171**	**184**

1. General information

Corporate information

Information Internet Limited (the "Company") is a private limited company, limited by shares, incorporated in the United Kingdom and registered and domiciled in England and Wales under the Companies Act 2006. The nature of the operations and principal activities of the Company are the development and licensing of margin trading software.

Functional and presentation currency

Items included in these Financial Statements of the Company are measured using pound sterling (GBP) being the currency of the primary economic environment in which the Company operates (the "functional currency"). These Financial Statements are presented in GBP, which is the Company's presentational currency. Foreign currency transactions are included in accordance with the policies set out in note 3.

2. Basis of preparation

Basis of accounting

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, the IFRS Interpretations Committee and the Companies Act 2006 applicable to Companies reporting under IFRS.

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 principal accounting policies adopted in the preparation of these Financial Statements are set out in note 3 below. These policies have been consistently applied to all periods presented. The Financial Statements presented are at and for the years ending 31 March 2020 and 31 March 2019. Financial annual periods are referred to as 2020 and 2019 in the Financial Statements.

Changes in accounting policy and disclosures

Application of new and revised accounting standards

A new or amended standard became applicable for the current reporting period and the Company changed its accounting policies as a result of adopting:

- IFRS 16 'Leases'

The Company adopted IFRS 16 'Leases' from 1 April 2019. IFRS 16 replaces IAS 17 'Leases'. Whilst lessor accounting is similar to IAS 17, lessee accounting is significantly different under IFRS 16. In accordance with IFRS 16, the Company recognised within the statement of financial position a right-of-use asset and a lease liability for future lease payments in respect of all leases, unless the underlying assets are of low value or the lease term is 12 months or less. Within the statement of comprehensive income, operating lease expense on the impacted leases is replaced with depreciation on the right-of-use asset and interest expense on the lease liability.

The Company applied IFRS 16 on a modified retrospective basis without restating prior years and electing for the following exemptions on transition at 1 April 2019. The Company:

• applied IFRS 16 to contracts previously identified as leases by IAS 17;
• used the incremental borrowing rate as the discount rate; and
• did not apply IFRS 16 to operating leases with a remaining lease term of less than 12 months.

The impact of the adoption of the leasing standard on operating lease commitments are disclosed in note 20.

New accounting standards in issue but not yet effective

At the date of authorisation of the Financial Statements, the following new standards and interpretations which may have relevance to the Company were in issue but not yet effective and have not been applied to the Financial Statements:

IFRS 17	Insurance Contracts
Amendments to IFRS 3	Definition of a business
Amendments to IAS 1 and IAS 8	Definition of material
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

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 in future periods.

Significant accounting judgements

The preparation of Financial Statements in conformity with IFRS requires the use of certain significant accounting judgements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The only area involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the Financial Statements is:

Deferred tax

The carrying amounts of deferred tax assets are reviewed at each statement of financial position 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.

3. Summary of significant accounting policies

Revenue

The Company is a subsidiary of CMC Markets plc and its income is derived in accordance with a Revenue Allocation Agreement. The Company operates as an IT support function for the development and use of technology utilised across the Group, for which it receives a fee from CMC Markets UK plc. Fees are calculated as a mark-up applied to costs.

Share-based payment

CMC Markets plc issues cash-settled share-based payments to participating employees of the Company. 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 statement of comprehensive income with a corresponding accrual.

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 statement of comprehensive income 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 Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is accounted for using the statement of financial position 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 statement of financial position date.

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 tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company 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 statement of financial position 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 is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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 statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing as at the statement of financial position date. Non-monetary assets and liabilities that were initially recognised at fair value that are denominated in foreign currencies, are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in statement of comprehensive income for the year.

The assets and liabilities of the Company's overseas operations are translated at exchange rates prevailing on the statement of financial position 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 Company's translation reserve.

Such translation differences are recognised as income or expense in the year in which the operation is disposed of.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables 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.

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 statement of comprehensive income within operating costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other operating costs in the statement of comprehensive income.

Intangible assets

Computer software (purchased and developed)

Purchased software is recognised as an intangible asset at cost when acquired. Costs associated with maintaining computer software and costs directly attributable to internally developed 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:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits;
- the development costs of the asset can be measured reliably;
- sufficient resources are available to complete the development; and
- it is the Company's intention to complete the asset and use or sell it.

Where the above conditions are not met, costs are expensed as incurred. Directly attributable costs that are capitalised include software development employee costs and an appropriate portion of relevant overheads. Costs which have been recognised as an asset are amortised on a straight line basis over the asset's estimated useful life.

Trademarks and licences

Trademarks, and trading licences assets that are separately acquired, are capitalised at cost. Following initial recognition, trademarks and trading licences are carried at cost less accumulated amortisation. Amortisation is charged to the statement of comprehensive income on a straight line basis over the estimated useful lives.

A summary of the amortisation policies applied to the Company's intangible assets is as follows:

Item	Amortisation Policy
Computer software (purchased or developed)	3 years or life of licence
Trademarks and licences	10 - 20 years

Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

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 statement of financial position date, of each asset on a straight-line basis over its expected useful life as follows:

Item	Depreciation Policy
Leasehold improvements	15 years or life of lease
Furniture, fixture and equipment	5 years
Computer hardware	5 years

The useful economic lives and residual value of the assets are assessed and, if appropriate, adjusted annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles 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 gains or losses on any disposal of similar assets.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between any sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Right-of-use assets

From 1 April 2019, the Company recognises right-of-use assets at the commencement date of a qualifying lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are presented within PPE in the statement of financial position and are subject to impairment assessment.

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.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. Fair value is the estimated amount at which an asset can be disposed of, less any direct selling costs. Value-in-use is the estimated discounted future cash flow generated from the asset's continued use, including those from its ultimate disposal. For the purpose of assessing value in use, assets are divided into the lowest aggregations for which there are separately identifiable cash flows.

To the extent that the carrying amount exceeds the recoverable amount, the asset is written down to its recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lower of its original carrying amount and the revised estimate of its recoverable amount.

Financial instruments

Classification

From 1 April 2019, the Company 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 Company measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss or fair value through other comprehensive income, transaction costs that are directly attributable to the acquisition of the financial asset.

The Company subsequently measures cash and cash equivalents and trade and other receivables at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise current account balances, bank deposits and other short-term highly liquid investments with initial maturity dates of less than three months.

Trade payables

Trade payables are not interest-bearing and are stated at fair value on initial recognition and subsequently at amortised cost.

Borrowings and lease liabilities

From 1 April 2019, at the commencement date of a qualifying lease the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, or a change in the in-substance fixed lease payments.

The Company would apply the short-term lease recognition exemption to any short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date, and which do not include an automatic extension clause). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term

Until 31 March 2019, any leases where the Company has substantially all the risks and rewards of ownership would be considered for classification as finance leases. These leases would be capitalised at the lease's commencement at the lower of fair value and present value of the minimum lease payments. Each lease payment would be allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, is included in lease liabilities. The interest element would be charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period and was presented within finance costs. Any property, plant and equipment acquired under finance leases would be depreciated over the shorter of the useful life of the asset and the lease term.

All other loans and lease liabilities were initially recognised at cost, being the fair value of the consideration received, net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and lease liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Operating leases

Until 31 March 2019, leases in which substantially all the risks and rewards of ownership are retained by the lessor were classified as operating leases. The rentals payable under operating leases were charged to the statement of comprehensive income on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease were included within deferred income and amortised to the statement of comprehensive income so as to spread the benefit on a straight-line basis over the lease term.

Where a leasehold property became surplus to the Company's foreseeable business requirements, provision was made for the expected future net cost of the property taking account of the duration of the lease and any potential recovery of cost achievable through subletting.

From 1 April 2019 leases previously classified as operating leases are accounted for as described above.

Provisions

A provision is a liability of uncertain timing or amount that is recognised when the Company has a present obligation (legal or constructive) as a result of a past event where it is probable that the Company 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 statement of financial position 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 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.

4. Operating expenses

£ 000	Year ended 31 March 2020	Year ended 31 March 2019
Operating expenses comprise the following:		
Staff costs (note 5)	1,499	1,293
IT costs	34	36
Premises costs	51	115
Legal and professional fees	29	319
Depreciation and amortisation	160	87
Other costs	48	78
Total	**1,821**	**1,928**

5. Employee information

The aggregate employment cost of staff was:

£ 000	Year ended 31 March 2020	Year ended 31 March 2019
Wages and salaries	1,021	882
Social security costs	294	240
Other pension costs	38	41
Share based payments	37	14
Contract staff costs	109	116
Total	**1,499**	**1,293**

The Directors are employees of CMC Markets UK plc and do not receive remuneration from the Company.

The monthly average number of employees of the Company during the year was 13 (2019: 14), comprising of IT staff.

6. Finance Costs

£'000	Year ended 31 March 2020	Year ended 31 March 2019
Interest on lease liabilities	18	-
Other interest costs	3	-
Total	21	-

7. Profit before taxation

£ 000	Year ended 31 March 2020	Year ended 31 March 2019
Profit before taxation is stated after charging		
Depreciation	152	78
Amortisation of intangible assets	8	8
Net foreign exchange loss	(2)	-
Operating lease rentals (note 16)	-	79

Auditors' remuneration costs for audit services in respect of the current year of £12,203 (2019: £9,000) were borne by a fellow Group company, CMC Markets UK plc.

8. Taxation

£ 000	Year ended 31 March 2020	Year ended 31 March 2019
Analysis of charge for the year		
Current tax		
UK current tax on profit for the year	3	23
UK current tax adjustments in respect of prior years	16	19
Foreign tax on profit for the year	8	9
Foreign tax adjustments in respect of prior years	(1)	(2)
Total current tax charge	**26**	**49**
Deferred tax		
Adjustment in respect of prior years	1	(53)
Deferred tax – current year	22	(4)
Total deferred tax charge/(credit)	**23**	**(57)**
Total taxation charge/(credit)	**49**	**(8)**

The standard rate of UK corporation tax charged was 19%. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The effective tax rate of 38.43% (2019: 5.59%) differs from the standard rate of UK corporation tax rate of 19% (2019: 19%). The differences are explained below:

£ 000	Year ended 31 March 20120	Year ended 31 March 2019
Profit before taxation	129	135
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	25	26
Expenses not recognised for tax purposes	2	4
Foreign exchange	-	(2)
Overseas tax rate differences	6	-
Adjustments in respect of prior years	16	(36)
Total taxation charge/(credit)	**49**	**(8)**

9. Intangible Assets

£ 000	Computer software	Trademarks and licences	Total
Cost			
At 1 April 2018	17,223	171	17,394
Foreign currency translation	(2)	-	(2)
At 31 March 2019	17,221	171	17,392
At 31 March 2020	**17,221**	**171**	**17,392**
Accumulated amortisation			
At 1 April 2018	(17,220)	(104)	(17,324)
Charge for the year	-	(9)	(9)
Foreign currency translation	(1)	4	3
At 31 March 2019	(17,221)	(109)	(17,330)
Charge for the year	-	(8)	(8)
Foreign currency translation	-	(1)	(1)
At 31 March 2020	**(17,221)**	**(118)**	**(17,339)**
Net book value			
At 1 April 2018	3	67	70
At 31 March 2019	-	62	62
At 31 March 2020	**-**	**53**	**53**

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10. Property, Plant and Equipment

£ 000	Leasehold improvements	Furniture, fixture and equipment	Computer hardware	Right of Use Asset	Total
Cost					
At 1 April 2018	52	182	180	-	414
Additions	32	-	-	-	32
Foreign currency translation	(1)	(3)	(3)	-	(7)
At 31 March 2019	83	179	177	-	439
Change in accounting policy	(31)	-	-	452	421
At 1 April 2019	52	179	177	452	860
Additions	-	10	19	3	32
Disposals	-	(8)	(7)	-	(15)
Foreign currency translation	-	5	5	2	12
At 31 March 2020	**52**	**186**	**194**	**457**	**889**
Accumulated depreciation					
At 1 April 2018	(31)	(95)	(124)	-	(250)
Charge for the year	(24)	(32)	(22)	-	(78)
Foreign currency translation	-	2	3	-	5
At 31 March 2019	(55)	(125)	(143)	-	(323)
Change in accounting policy	18	-	-	-	18
At 1 April 2019	(37)	(125)	(143)	-	(305)
Disposals	-	8	7	-	15
Charge for the year	(6)	(34)	(18)	(94)	(152)
Foreign currency translation	-	(3)	(4)	(1)	(8)
At 31 March 2020	**(43)**	**(154)**	**(158)**	**(95)**	**(450)**
Net book value					
At 1 April 2018	21	87	56	-	164
At 31 March 2019	28	54	34	-	116
At 31 March 2020	**9**	**32**	**36**	362	**439**

The carrying amount of property, plant and equipment held under lease includes all Right-of-use assets on 31 March 2020.

The carrying amount of recognised right-of-use assets relate to the following types of asset:

£'000	Leasehold properties
At 31 March 2019	-
Change in accounting policy	452
As at 1 April 2019	452
Additions	3
Charge for the year	(94)
Foreign currency translation	1
At 31 March 2020	**362**

11. Deferred tax assets

Analysis for financial reporting purposes

£ 000	As at 31 March 2020	As at 31 March 2019
Deferred tax assets to be recovered within 12 months	26	26
Deferred tax assets to be recovered after 12 months	44	69
Total	**70**	**95**

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 19% (2019: 19%). The movement on deferred tax is as follows:

£ 000	Year ended 31 March 2020	Year ended 31 March 2019
At 1 April	**95**	**38**
(Charge)/credit to income for the year	(24)	57
Change in Accounting policy	(4)	-
Foreign currency translation	3	-
At 31 March	**70**	**95**

The movement on deferred tax is as follows:

£ 000	Tax losses carried forward	Accelerated capital allowances	Share based payments	Right of use asset	Total
At 1 April 2018	33	(3)	8	-	38
Credit / (charge) to income for the year	47	16	(6)	-	57
At 31 March 2019	80	13	2	-	95
Change in accounting policy	-	-	-	(4)	(4)
At 1 April 2019	80	13	2	(4)	91
Credit / (charge) to income for the year	(9)	(12)	-	-	(21)
At 31 March 2020	**71**	**1**	**2**	**(4)**	**70**

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 deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profit is probable. As at 31 March 2020, the company did not recognise deferred tax assets of £252,000 (2019: £261,000) in respect of losses amounting to £921,000 (2019: £1,043,000).

12. Trade and other receivables

£ 000	As at 31 March 2020	As at 31 March 2019
Current		
Amounts due from Group companies	903	386
Prepayments	6	47
Other debtors	14	26
	923	**459**
Non-current		
Other debtors	17	17
Total	**940**	**476**

No trade and other receivables were considered impaired at 31 March 2020 (At 31 March 2019: £nil).

13. Cash and cash equivalents

Cash and cash equivalents of £171,000 (2019: £184,000) comprise current account balances, bank deposits and other short-term highly liquid investments with initial maturity dates of less than three months.

14. Provisions

£ 000	Year ended 31 March 2020	Year ended 31 March 2019
Property related provisions		
At 1 April	31	26
Additional provision	-	5
At 31 March	**31**	**31**

15. Trade and other payables

£ 000	As at 31 March 2020	As at 31 March 2019
Trade payables	1	19
Amounts owing to Group companies	11	-
Social security and other taxes	14	3
Accruals	331	43
Total	**357**	**65**

16. Lease Liabilities

The Company leases several leasehold properties. The average lease term is 3.6 years.

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

	£ 000
Lease liabilities recognised on adoption of IFRS 16 on 1 April 2019	434
Additions during the year	3
Interest expense	18
Lease payments made in the year	(118)
Foreign currency translation	2
At 31 March 2020	**339**

Analysis of lease liabilities

£ 000	As at 31 March 2020
Current	
Lease liabilities	74
Non-current	
Lease liabilities	265
Total	**339**

Operating lease commitments

Minimum lease payments under operating leases recognised in expense for the year:

£ 000	Year ended 31 March 2019
Minimum lease payments recognised	79

Operating lease payments represented rentals payable by the Company for office space prior to the application of IFRS 16.

The Company had outstanding commitments under non-cancellable operating leases as follows:

£ 000	Year ended 31 March 2019
Within one year	87
Between two and five years	253
After 5 years	147
	487

17. Ordinary Share capital

	Number ('000)		£'000	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Authorised				
Ordinary shares of 1p each	9,999	9,999	100	100
Allotted, issued, called up and fully paid				
Ordinary shares of 1p each	1,749	1,749	17	17

18. Share-based payment

The Company operates cash settled share based payment schemes granted to eligible employees by the Company's ultimate parent, CMC Markets plc.

Current awards have been granted under the terms of the Management Equity Plan 2015 ('2015 MEP').

The total charge in the statement of comprehensive income relating to cash settled share based payments was £37,000 (2019: £14,000).

No awards were gifted to employees during the year.

Current Schemes

2015 MEP

Cash settled share options granted under the 2015 MEP were defined by a 'non-market performance' conditions. A March 2018 award of 25,450 options was cancelled during the year due to the failure of 'non market performance' conditions based on CMC Markets plc profitability.

SIP Awards

Cash settled awards were granted to certain employees upon listing, of which 19,500 vested on 5 February 2019.

Eligible employees were also invited to subscribe for up to £1,800 of partnership shares relating to the tax years to 5 April 2017, 5 April 2018 and 5 April 2019 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. Cash settled awards vest on 5 April 2020, 5 April 2021 and 5 April 2022 and a balance of 41,110 shares remained at the end of the period (2019: 25,945).

The fair values of SIP awards are determined to be the share price at 31 March 2020.

19. Cash generated from operations

£ 000	Year ended 31 March 2020	Year ended 31 March 2019
Profit before taxation	129	135
Adjustments for:		
Depreciation	152	78
Finance costs	21	-
Amortisation of intangible assets	8	9
Other non-cash movements including exchange rate movements	37	(12)
Changes in working capital		
(Increase)/decrease in trade and other receivables	(478)	133
Increase/(decrease) in trade and other payables	301	(221)
Increase in provisions	-	5
Cash generated from operations	**170**	**127**

20. 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 at both 31 March 2020 and at 31 March 2019:

As at 31 March 2020

£ 000	Amortised Cost
Financial Assets:	
Cash and cash equivalents	171
Trade and other receivables excluding non-financial assets	934
Total	**1,105**

£ 000	Amortised Cost
Financial Liabilities:	
Trade and other payables excluding non-financial liabilities	(357)
Finance lease liabilities	(339)
Total	**(696)**

As at 31 March 2019

£ 000	Amortised Cost
Financial Assets:	
Cash and cash equivalents	184
Trade and other receivables excluding non-financial assets	429
Total	**613**

£ 000	Amortised Cost
Financial Liabilities:	
Trade and other payables excluding non-financial liabilities	(65)
Total	**(65)**

Maturity analysis

As at 31 March 2020

£ 000	On demand	Less than three months	Three months to one year	After one year	Total
Financial assets					
Cash and cash equivalents	171	-	-	-	171
Trade and other receivables	917	-	-	17	934
	1,088	-	-	17	1,105
Financial liabilities:					
Trade payables	(357)	-	-	-	(357)
Finance lease liabilities	(74)	-	-	(265)	(339)
	(431)	-	-	(265)	(696)
Net liquidity gap	657	-	-	(248)	409

As at 31 March 2019

£ 000	On demand	Less than three months	Three months to one year	After one year	Total
Financial assets					
Cash and cash equivalents	184	-	-	-	184
Trade and other receivables	412	-	-	17	429
	596	-	-	17	613
Financial liabilities:					
Trade payables	(65)	-	-	-	(65)
	(65)	-	-	-	(65)
Net liquidity gap	531	-	-	17	548

21. Financial risk management

Market risk

Due to the nature of operations of the Company, in that it is providing IT services for the benefit of the Group on a cost plus transfer-pricing arrangement, there is insignificant exposure to market risk within operation of the Company. Any risk that may be perceived is deemed to be immaterial.

Interest rate risk

The Company is exposed to interest rate risk in relation to movements in the interest rates related to its cash at bank balances. However, given that the company maintains minimal cash balances, with cash management maintained on its behalf as part of Group liquidity processes, there is immaterial interest rate risk within the Company. The implementation of IFRS 16 used an incremental borrowing rate as the discount rate to determine the Companies lease liability, this interest rate is fixed at the inception of the liability.

Credit risk

Credit risk is the risk that the counterparty to a transaction will cause the Company financial loss by failing to fulfil a contractual obligation. Due to the nature of operations of the Company, in that it is providing IT services for the Group on a cost plus transfer-pricing arrangement, the Company is not exposed to external client credit risk. The Company does not extend credit to the counterparty in the transfer pricing arrangement, and settlement is between the Company and other Group companies.

The Company has relationships with counterparties that provide banking services. Credit ratings of these institutions are actively monitored by the Company. Cash balances are only held with rated entities.

The tables below present Company's exposure to CIs based on their long-term credit rating.

31 March 2020 **£ 000**	**Cash and cash equivalents**
A+ to A-	**19**
BBB+ to BBB-	**152**
Total	**171**

31 March 2019 **£ 000**	**Cash and cash equivalents**
A+ to A-	**28**
BBB+ to BBB-	**156**
Total	**184**

There were no cash balances or deposits with institutions which were considered to be either past due but not impaired or impaired (2019: £nil).

Liquidity Risk

Liquidity risk is the risk that there is insufficient available liquidity to meet the liabilities of the Company as they fall due.

Liquidity of the Company is managed centrally for the Group by the Liquidity Risk Management team utilising a combination of liquidity forecasting and stress testing (formally documented in the Group's Individual Liquidity Adequacy Assessment ("ILAA")) to ensure that the Group retains access to sufficient liquidity resources in both normal and stressed conditions to meet its liabilities as they fall due. Liquidity forecasting fully incorporates the impact of liquidity regulations in force in each jurisdiction and other impediments to the free movement of liquidity around the Group, including its own policies on minimum liquidity to be retained by trading entities. Stress testing is undertaken on a quarterly basis upon a range of individual and combined, firm specific and market wide, short and medium term scenarios that represent plausible but severe stress events to ensure the Group has appropriate sources of liquidity in place to meet such events.

Liquidity requirements of the Company are met in cash from own funds within the Group, as required, in order to ensure the Company can meet its short term liabilities. The Group has a committed bank facility of £40.0 million to meet short term liquidity obligations in the event that it does not have sufficient access to own cash or funds and to leave a sufficient liquidity buffer to cope with a stress event.

Liquidity risk is managed at a Group level.

Capital management

The Company's objectives for managing capital is to ensure that the Company is able to operate as a going concern. The Capital resources of the Company consist of equity being share capital, retained earnings and translation reserve, which at 31 March 2020 totalled £905,000 (£805,000).

22. Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 Leases on the Company's financial statements adopted on 1 April 2019.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 4.46%.

Adjustments recognised on adoption of IFRS 16

The change in accounting policy affected the following items in the statement of financial position on 1 April 2019:

- Deferred tax assets – decrease of £4,000
- Leasehold improvements – decrease of £13,000
- Right-of-use assets – increase of £452,000
- Lease liabilities – increase of £434,000
- Accruals and deferred income – decrease of £9,000
- Prepayments and accrued income – decrease of £14,000

The net impact on retained earnings on 1 April 2019 was a decrease of £4,000.

The table below provides a reconciliation between operating lease commitments disclosed applying IAS 17 at 31 March 2019 and lease liabilities recognised on 1 April 2019:

£ 000	1 April 2019
Operating lease commitments disclosed as at 31 March 2019	487
Further lease commitments identified[1]	19
Discounted using the incremental borrowing rate at the date of initial application	(72)
Lease liability recognised as at 1 April 2019	**434**

[1] Following a review of lease data validation during the IFRS 16 transition process, additional lease payments were identified which were previously not part of operating lease commitments.

For leases previously classified as finance leases the Company recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 March 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

£ 000	1 April 2019
Leasehold properties	452
Right-of-use assets	**452**

23. Related party transactions

The Company is a wholly owned subsidiary of CMC Markets plc and has undertaken transactions with other entities within the Group comprising of:

£ 000	As at 31 March 2020	As at 31 March 2019
Amounts (owed to)/due from the Parent	(11)	11
Amounts due from other Group companies	903	375
Total	**892**	**386**

All related party transactions are carried out at an arm's-length basis, based upon normal market conditions.

24. Contingent liabilities

The Company is a joint and several guarantor to a bank loan facility entered into by CMC Markets UK plc. Under the terms of the loan agreement, CMC Markets UK plc can draw down on this facility. The total amount drawn down at 31 March 2020 was nil (2019: nil).

25. Ultimate controlling party

The immediate parent undertaking is CMC Markets UK Holdings Limited.

The ultimate parent company and largest and smallest Group to consolidate these Financial Statements is CMC Markets plc, incorporated in the United Kingdom.

Copies of the Group Financial Statements are available from the registered office of CMC Markets plc at 133 Houndsditch, London, EC3A 7BX.

The Company's ultimate controlling party is Peter Cruddas by virtue of his majority shareholding in the ultimate parent undertaking CMC Markets plc.