

Company registration number: 03149891

Information Internet Limited

Annual Report and Financial Statements

31 March 2022



Information Internet Limited

Annual Report and Financial Statements

CONTENTS	Page
Strategic report	1
Directors' report	2
Independent auditors' report	5
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12

Information Internet Limited Strategic Report

The Directors present their Strategic report on Information Internet Limited (the "Company") for the year ended 31 March 2022.

CORPORATE INFORMATION

The Company is a private limited company, limited by shares. The Company was incorporated in England and Wales and domiciled in England and Wales under the Companies Act 1985. 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. The Company operates in the UK and through a branch in Austria.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Revenue for the year ended 31 March 2022 was £2,790,000 (2021: £2,450,000). The profit for the year was £187,000 (2021: £180,000).

The Company has net assets of £1,222,000 as at 31 March 2022 (2021: £1,045,000).

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 and its subsidiaries (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.

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 Company's 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.

SECTION 172 COMPANIES ACT 2006 STATEMENT

From the perspective of the Company Board, as a result of the Group's governance structure, the matters that it is responsible for considering under section 172 (1) of the Companies Act 2006 have been considered to an appropriate extent by the Group board. The Board of the Company has also considered relevant matters where appropriate. An explanation of how the Group has considered the matters set out in section 172 is set out on page 12 of the CMC Markets plc Annual Report and Financial Statements 2022.

The Strategic Report was approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

Euan Marshall

4A6C1199C11249A...

Euan Marshall
Director

Registered office:
133 Houndsditch
London EC3A 7BX
21 October 2022

Information Internet Limited

Directors' report

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. The Company operates in the UK and through a branch in Austria.

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 8. At the date of signing these financial statements the Directors have not recommended the payment of a dividend for the year (2021: £nil).

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:

Lord Cruddas
David Fineberg
Euan Marshall

Lord Cruddas, David Fineberg and Euan Marshall are also directors 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 directors of CMC Markets plc. This was in place at the start, end and throughout the financial year.

No amount was paid under the Directors' and Officers' liability insurance during the year.

OUR PEOPLE

The Company is committed to providing a safe, challenging, progressive and innovative place to work. The quality of our staff is essential to the success of the Company. We offer competitive employment packages, including a flexible benefit scheme to enable the Company to attract and retain the best available talent. In addition to the senior management and critical talent equity incentives, since listing of the ultimate parent company, all UK employees are now offered the ongoing opportunity to contribute to an HMRC approved Share Incentive Plan.

There is regular communication to staff at all levels through multiple channels. These communications raise awareness of the latest developments and factors affecting the Company. In addition, senior management encourage dialogue with employees through an open-door policy.

Information Internet Limited

Directors' report

Collaboration

The Company actively encourages its employees to suggest and contribute pioneering and innovative ideas, which are fostered through our flat organisational structure. The Directors strongly believe that the contribution of a diverse, talented, and passionate team is vital for the continuing success of the Company.

Equal opportunities and diversity

The Company highly values the differences and creativity that a diverse workforce brings and is committed to recruiting, developing, and retaining a world-class team irrespective of ethnicities, nationalities, sexual orientation, gender identity, beliefs, religions, cultures, and physical abilities. The Company seeks to establish a culture that values 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 contribution that they bring to the Company.

We are committed to giving full consideration to applications for employment from disabled persons as well as providing continuing employment to existing employees who become disabled during their employment where practicable. Where existing employees become disabled, whether temporarily or permanently, we adapt the working environment and, where possible, offer flexible working, training and graduated back-to-work plans in conjunction with occupational health to ensure the retention of employees.

Human rights

The Company conducts business in an ethical manner and adheres to policies which support recognised human rights principles.

Health and safety

The health and safety of the Company's employees and visitors is of primary importance. The Company is committed to creating and maintaining a safe and healthy working environment. Health and safety audits and risk assessments are carried out regularly.

STAKEHOLDER STATEMENTS

Employees

From the perspective of the Directors, as a result of the Group governance structure, the Group board has taken the lead in carrying out the duties of a board in respect of the Company's employees, including engaging with them, having regard to their interests and the effect of that regard. The Directors of the Company have also considered relevant matters where appropriate. An explanation of how the Group board has carried out these responsibilities is set out on page 12 of the CMC Markets plc Annual Report and Financial Statements 2022.

Other stakeholders

Similarly, from the perspective of the Board, as a result of the governance structure, the Group board has taken the lead in carrying out the duties of a board in respect of the Company's other stakeholders. The Board of the Company has also considered relevant matters where appropriate. An explanation of how the directors on the Group board have had regard to the need to foster the business relationships with suppliers, customers and others, and the effect of that regard is set out on page 12 of the CMC Markets plc Annual Report and Financial Statements 2022.

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. Following the completion of a tender process for CMC Markets plc and its subsidiaries, Deloitte LLP are to be appointed as auditor of the Company for accounting periods ending on or after 31 March 2023.

Information Internet Limited

Directors' report

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and 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 UK-adopted international accounting standards.

Under company law, 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 UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Directors' Report was approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

Euan Marshall
Director
21 October 2022

Registered office:
133 Houndsditch
London
EC3A 7BX

Information Internet Limited

Independent auditors' report to the members of Information Internet Limited

Independent auditors' report to the members of Information Internet Limited

Report on the audit of the financial statements

Opinion

In our opinion, Information Internet Limited financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 2022; the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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

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.

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.

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

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

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.

Information Internet Limited

Independent auditors' report to the members of Information Internet Limited

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2022 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 in respect of the financial statements, 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential for management to post fraudulent journal entries. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud; and
- Identifying and testing what we considered to be higher risk manual journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Information Internet Limited

Independent auditors' report to the members of Information Internet Limited

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 obtained 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.



Jonathan Hinchliffe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 October 2022

Information Internet Limited

Statement of comprehensive income

For the year ended 31 March 2022

£ 000	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue		2,789	2,450
Interest Income		1	-
Total Revenue		2,790	2,450
Operating expenses	3	(2,600)	(2,277)
Operating profit		190	173
Finance costs	5	(7)	(14)
Profit before taxation	6	183	159
Taxation	7	4	21
Profit for the year		187	180
Other comprehensive expense			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		(10)	(40)
Other comprehensive expense for the year		(10)	(40)
Total comprehensive income for the year		177	140

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


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

As at 31 March 2022

£ 000	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Intangible assets	8	36	44
Property, plant and equipment	9	445	143
Deferred tax assets	10	97	82
Total non-current assets		578	269
Current assets			
Trade and other receivables	11	1,621	1,272
Cash and cash equivalents	12	120	102
Total current assets		1,741	1,374
Total assets		2,319	1,643
LIABILITIES			
Current Liabilities			
Trade and other payables	14	679	518
Lease liabilities	15	79	22
Current tax payable		29	27
Total current liabilities		787	567
Non-current liabilities			
Provisions	13	30	31
Lease liabilities	15	280	-
Total non-current liabilities		310	31
Total liabilities		1,097	598
EQUITY			
Ordinary share capital	16	17	17
Translation reserve		(4)	6
Retained earnings		1,209	1,022
Total equity		1,222	1,045
Total equity and liabilities		2,319	1,643

The Financial Statements on pages 8 to 29 were approved by the Board of Directors on 21 October 2022 and signed on its behalf by:

DocuSigned by:


Euan Marshall
 Director

Information Internet Limited

Statement of changes in equity

For the year ended 31 March 2022

£ 000	Ordinary Share capital	Translation reserve	Retained Earnings	Total Equity
At 1 April 2020	17	46	842	905
Profit for the year	-	-	180	180
Other comprehensive expense for the year	-	(40)	-	(40)
At 31 March 2021	17	6	1,022	1,045
Profit for the year	-	-	187	187
Other comprehensive expense for the year	-	(10)	-	(10)
At 31 March 2022	17	(4)	1,209	1,222

Information Internet Limited

Statement of cash flows

For the year ended 31 March 2022

£ 000	Note	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities			
Cash generated from operations	18	169	112
Tax paid		(8)	(7)
Net cash inflow from operating activities		161	105
Cash flows from investing activities			
Purchase of property, plant and equipment		(81)	(66)
Net cash outflow from investing activities		(81)	(66)
Cash flows from financing activities			
Repayment of principal elements of lease liabilities		(56)	(94)
Finance costs	5	(7)	(14)
Net cash outflow from financing activities		(63)	(108)
Net increase / (decrease) in cash and cash equivalents		17	(69)
Cash and cash equivalents at the beginning of the year		102	171
Effect of foreign exchange rate changes		1	-
Cash and cash equivalents at the end of the year	12	120	102

Information Internet Limited

Notes to the Financial Statements

1. General information and basis of preparation

Corporate information

Information Internet Limited (the "Company") is a private limited company, limited by shares, incorporated in England and Wales under the Companies Act 1985. The nature of the operations and principal activities of the Company are the development and licensing of margin trading software.

Functional and presentation currency

The Company's head office is based in the UK, and it also operates through a branch in Austria. The functional currency of the head office is pound sterling (GBP), and the functional currency of the branch is Euros (EUR) being the currency of the primary economic environment in which the Head office and the branch operate. 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 2.

Going concern

The Directors have prepared the Financial Statements on a going concern basis which requires the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements.

The Company has sufficient financial resources commensurate to its business requirements, consequently the Directors believe that the Company is well placed to manage its business risks in the context of the current economic outlook.

Accordingly, the Directors have a reasonable expectation that the Company has adequate resources for that year and believe it is appropriate to adopt the going concern basis in preparing the Financial Statements.

Basis of accounting

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its company financial statements on 1 April 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the year reported as a result of the change in framework.

The Financial Statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Financial Statements have been prepared in accordance with the going concern basis, under the historical cost convention. The financial information is rounded to the nearest thousand except where otherwise indicated.

The Company principal accounting policies adopted in the preparation of these Financial Statements are set out in note 2 below. These policies have been consistently applied to all years presented, with the exception of the adoption of the new and revised standards asset out below. The Financial Statements presented are at and for the years ended 31 March 2022 and 31 March 2021. Financial annual years are referred to as 2022 and 2021 in the Financial Statements.

Application of new and revised accounting standards

The following standards and interpretations applied for the first time in the current financial year, but do not have a significant impact on the financial statements of the Company:

- Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

New accounting standards in issue but not yet effective

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

- IFRS 17 Insurance contracts
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Annual Improvements to IFRS Standards 2019-2020
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimate – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

Information Internet Limited

Notes to the Financial Statements

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 years.

Significant accounting judgements and estimates

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.

No significant estimates were used in the preparation of the Financial Statements. The judgements that have the most significant impact on the presentation or measurement of items recorded in the Financial Statements are as follows:

Deferred taxes

The recognition and measurement of deferred tax assets involve significant judgment. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2. Summary of significant accounting policies

Total Revenue

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 operating expenses and finance costs.

Interest income

Total revenue also includes interest earned on the Company's own funds. Interest income is accrued based on the effective interest rate method, by reference to the principal outstanding and at the interest rate applicable.

Share-based payment

CMC Markets plc issues cash-settled share-based payments to participating employees of the Company.

Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the retained earnings.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, vesting restrictions and behavioural considerations.

Cash settled share-based payments are measured at expected value at vesting date at least once per year, along with the likelihood of meeting non-market-based vesting conditions and the number of shares that are expected to vest. The cost is recognised in the income statement with a corresponding 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 balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences may be utilised. Deferred tax is calculated using tax rates and laws enacted or substantively enacted by the statement of financial position date and are expected to apply when the asset or liability is settled.

Information Internet Limited

Notes to the Financial Statements

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 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.

Current and Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity.

Foreign currencies

Transactions denominated in currencies, other than the functional currency, are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

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.

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 are recognised as an expense as incurred. Costs directly attributable to internally developed software are recognised as an intangible asset only if all of the following conditions are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- there is an ability to use the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Where the above conditions are not met, costs are expensed as incurred. Directly attributable costs that are capitalised include software development and employee costs. Costs which have been recognised as an asset are amortised on a straight-line basis over the asset's estimated useful life from the point at which the asset is ready to use.

Trademarks and trading licences

Trademarks and trading licences that are separately acquired are capitalised at cost and those acquired from a business combination are capitalised at the fair value at the date of acquisition. Amortisation is charged to the income statement on a straight-line basis over their estimated useful lives.

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.

Information Internet Limited

Notes to the Financial Statements

Property, plant and equipment

Property, plant and equipment ("PPE") is stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all PPE at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the balance sheet date, of each asset on a straight-line basis over its expected useful life as follows:

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

The useful lives and residual values of the assets are assessed annually and may be adjusted depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product 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 profits and losses on the disposal of similar assets.

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

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 cost to sell (FVLCTS) and value in use. Value in use is the estimated discounted future cash flows generated from the asset's continued use, including those from its ultimate disposal. FVLCTS is the estimated amount at which an asset can be disposed of, less any direct selling costs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated and previously recognised impairment losses are reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial Instruments

Classification

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.

Information Internet Limited

Notes to the Financial Statements

Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

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 are short term and do not contain a significant financing element and therefore expected credit losses are measured using the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables. Amounts are written off when there is no reasonable expectation of recovery of the amount.

The expected loss model for these trade receivables has been built based on the levels of loss experienced, with due consideration given to forward-looking information.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the 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.

Trade and other payables

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

Leases

Under IFRS 16, when the Company is the lessee, it is required to recognise both:

- A lease liability, measured at the present value of remaining cash flows on the lease; and
- A right of use (ROU) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Subsequently, the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when the payments are made. The right of use asset will amortise to the income statement over the life of the lease. The lease liability is remeasured when there is a change in one of the following:

- Future lease payments arising from a change in and index or rate;
- The Company estimate of the amount expected to be payable under a residual value guarantee; or
- The Company assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the income statement if the carrying amount of the ROU asset has been reduced to nil.

In the statement of financial position, the ROU assets are included within property, plant and equipment.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Extension and termination options are included in the Company leases. Management considers the facts and circumstances that may create an economic incentive to exercise an extension or termination option in order to determine whether the lease term should include or exclude such options. Extension or termination options are only included within the lease term if they are reasonably certain to be exercised in the case of extension options and not exercised in the case of termination options.

Information Internet Limited

Notes to the Financial Statements

Borrowings

All loans and borrowings are 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 borrowings 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.

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.

3. Operating expenses

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Operating expenses comprise the following:		
Staff costs (note 4)	2,254	1,888
IT costs	35	36
Premises costs	102	62
Legal and professional fees	3	32
Depreciation and amortisation	158	147
Other costs	48	112
Total	2,600	2,277

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

4. Employee information

The aggregate employment cost of staff was:

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Wages and salaries	1,645	1,253
Social security costs	411	348
Other pension costs	58	45
Share based payments	23	122
Contract staff costs	117	120
Total	2,254	1,888

The remuneration of Lord Cruddas, Mr Fineberg, and Mr Marshall is paid by a Group company (CMC Markets UK plc) which makes no recharge to the Company. Detailed remuneration disclosures are provided in the remuneration report in the CMC Markets plc Annual Report and Financial Statements 2022 on pages 78 to 99.

The monthly average number of employees of the Company during the year was 20 (2021: 16), comprising of IT staff. The average number of directors in the year was 3 (2021: 3).

Information Internet Limited

Notes to the Financial Statements

5. Finance Costs

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	7	14
Total	7	14

6. Profit before taxation

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Profit before taxation is stated after charging		
Depreciation	150	138
Amortisation of intangible assets	8	9
Net foreign exchange loss	3	6

Auditors' remuneration costs for audit services in respect of the current year of £18,000 (2021: £17,000) were borne by a fellow Group company, CMC Markets UK plc. The auditors provided no non-audit service in the period.

7. Taxation

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Analysis of charge for the year		
Current tax		
UK current tax adjustments in respect of prior years	-	(40)
Foreign tax on profit for the year	13	34
Foreign tax adjustments in respect of prior years	(2)	-
Total current tax charge / (credit)	11	(6)
Deferred tax		
Adjustment in respect of prior years	(12)	(3)
Deferred tax – current year	(4)	(12)
Impact of change in tax rate	1	-
Total deferred tax credit	(15)	(15)
Total tax	(4)	(21)

Information Internet Limited

Notes to the Financial Statements

The standard rate of UK corporation tax charged is 19%. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The effective tax rate of (2.14)% (year ended 31 March 2021: (13.13)% differs from the standard rate UK corporation tax rate of 19% (year ended 31 March 2021: 19%). The differences are explained below:

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Profit before taxation	183	159
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	35	30
Expenses not recognised for tax purposes	11	7
Foreign tax rate differences	10	(11)
Recognition of unrecognised losses	(43)	-
Group relief claimed	(3)	(4)
Adjustments in respect of prior years	(15)	(43)
Rate change	1	-
Total tax	(4)	(21)

8. Intangible Assets

£ 000	Computer software	Trademarks and licences	Total
Cost			
At 1 April 2020	17,221	171	17,392
At 31 March 2021	17,221	171	17,392
At 31 March 2022	17,221	171	17,392
Accumulated amortisation			
At 1 April 2020	(17,221)	(118)	(17,339)
Charge for the year	-	(9)	(9)
At 31 March 2021	(17,221)	(127)	(17,348)
Charge for the year	-	(8)	(8)
At 31 March 2022	(17,221)	(135)	(17,356)
Net book value			
At 1 April 2020	-	53	53
At 31 March 2021	-	44	44
At 31 March 2022	-	36	36

Information Internet Limited

Notes to the Financial Statements

9. Property, Plant and Equipment

£ 000	Leasehold improvements	Furniture, fixture and equipment	Computer hardware	Right of Use Asset	Total
Cost					
At 1 April 2020	52	186	194	457	889
Additions	-	1	65	-	66
Reassessment/modification	-	-	-	(223)	(223)
Foreign currency translation	-	(7)	(9)	(3)	(19)
At 31 March 2021	52	180	250	231	713
Additions	-	70	11	370	451
Reassessment/modification	-	-	-	12	12
Disposals	(52)	(28)	-	(243)	(323)
Foreign currency translation	-	(3)	(3)	(7)	(13)
At 31 March 2022	-	219	258	363	840
Accumulated depreciation					
At 1 April 2020	(43)	(154)	(158)	(95)	(450)
Charge for the year	(6)	(25)	(16)	(91)	(138)
Foreign currency translation	-	7	7	4	18
At 31 March 2021	(49)	(172)	(167)	(182)	(570)
Disposals	52	25	-	243	320
Charge for the year	(3)	(12)	(26)	(109)	(150)
Foreign currency translation	-	1	2	2	5
At 31 March 2022	-	(158)	(191)	(46)	(395)
Net book value					
At 1 April 2020	9	32	36	362	439
At 31 March 2021	3	8	83	49	143
At 31 March 2022	-	61	67	317	445

The carrying amount of property, plant and equipment held under lease includes all Right of use assets on 31 March 2022.

Information Internet Limited

Notes to the Financial Statements

The carrying amount of recognised right of use assets relates to the following types of assets:

Leasehold properties £ 000	Year ended 31 March 2022	Year ended 31 March 2021
At 1 April	49	362
Additions	382	-
Reassessment / modification	-	(223)
Depreciation charge for the year	(109)	(91)
Foreign currency translation	(5)	1
At 31 March	317	49

Note 15 provides further details on lease liabilities.

10. Deferred tax assets

Analysis for financial reporting purposes

£ 000	As at 31 March 2022	As at 31 March 2021
Deferred tax assets to be recovered within 12 months	29	25
Deferred tax assets to be recovered after 12 months	68	57
Total	97	82

Deferred tax is calculated on all temporary differences under the liability method at the tax rate expected to apply when the deferred tax will crystallise. The gross movement in deferred tax is as follows:

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
At 1 April	82	70
Credit to income for the year	15	15
Foreign currency translation	-	(3)
At 31 March	97	82

The following table details the deferred tax assets and liabilities recognised by the Company and movements thereon during the year:

£ 000	Tax losses carried forward	Accelerated capital allowances	Share based payments	Right of use asset	Total
At 1 April 2020	71	1	2	(4)	70
Credit / (charge) to income for the year	19	(9)	(2)	4	12
At 31 March 2021	90	(8)	-	-	82
Credit to income for the year	3	12	-	-	15
At 31 March 2022	93	4	-	-	97

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 2022, the Company did not recognise deferred tax assets of £181,000 (2021: £267,000) in respect of losses amounting to £724,000 (2021: £1,068,000).

Information Internet Limited

Notes to the Financial Statements

On 5 March 2021 the UK government announced that from 1 April 2023 the Corporation Tax main rate will be increased from 19% to 25%. This was substantively enacted on 24 May 2021. Deferred tax balances are reported at the substantively enacted corporation tax rate of 25% at the balance sheet date.

11. Trade and other receivables

£ 000	As at 31 March 2022	As at 31 March 2021
Current		
Amounts due from Group companies	1,471	1,200
Prepayments	87	6
Other debtors	63	66
Total	1,621	1,272

No trade and other receivables were considered impaired at 31 March 2022 (At 31 March 2021: £nil).

12. Cash and cash equivalents

£'000	As at 31 March 2022	As at 31 March 2021
Gross cash and cash equivalents	120	102
Cash and cash equivalents	120	102

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

13. Provisions

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Property related provisions		
At 1 April	30	31
At 31 March	30	31

The property related provisions include dilapidation provisions. Dilapidation provisions have been capitalised as part of Right of use assets and are amortised over the term of the lease. These dilapidation provisions are utilised as and when the Company vacates a property and expenditure is incurred to restore the property to its original condition.

14. Trade and other payables

£ 000	As at 31 March 2022	As at 31 March 2021
Trade payables	94	-
Amounts owing to Group companies	-	5
Social security and other taxes	25	42
Accruals	560	471
Total	679	518

Information Internet Limited

Notes to the Financial Statements

15. Lease Liabilities

The Company leases several leasehold properties. The lease term is 5 years.

Refer to Note 10 for a breakdown of the carrying amount of ROU assets.

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

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
At 1 April	22	339
Additions	399	-
Reassessment / modification of leases	-	(223)
Interest expense	7	14
Lease payments made in the year	(63)	(108)
Foreign currency translation	(6)	-
At 31 March	359	22

Analysis of lease liabilities

£ 000	As at 31 March 2022	As at 31 March 2021
Current	79	22
Non-current	280	-
Total	359	22

The lease payments for the year ended 31 March 2022 in relation to short-term leases amounted to £22,000 (year ended 31 March 2021: £11,000).

16. Ordinary Share capital

	Number ('000)		£ 000	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
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

Information Internet Limited

Notes to the Financial Statements

17. 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 £23,000 (2021: £122,000).

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 'non-market performance' conditions. An award of 10,310 options was granted in July 2020 with service only conditions, vesting in July 2022, with a total carrying value of £22,000 as at 31 March 2022 (31 March 2021: £14,000). An award of 8,074 options was granted in July 2021 with service only conditions, vesting in July 2023, with a total carrying value of £6,000 as at 31 March 2022 (31 March 2021: £nil).

SIP Awards

Eligible employees were invited to subscribe for up to £1,800 of partnership shares relating to the tax years to 5 April 2019, 5 April 2020 and 5 April 2021 with the Company matching the shares 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 2022, 5 April 2023 and 6 April 2024 and a balance of 31,610 shares remained at the end of the period (2021: 40,976), with a total carrying value of £61,000 as at 31 March 2022 (31 March 2021: £134,000).

The fair values of SIP awards are determined to be the share price at 31 March 2022.

18. Cash generated from operations

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Profit before taxation	183	159
Adjustments for:		
Depreciation	150	138
Finance costs	7	14
Amortisation of intangible assets	8	9
Loss on disposal of property, plant and equipment	3	-
Other non-cash movements including exchange rate movements	(11)	(37)
Changes in working capital		
Increase in trade and other receivables	(332)	(332)
Increase in trade and other payables	161	161
Cash generated from operations	169	112

Information Internet Limited

Notes to the Financial Statements

19. 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 2022 and at 31 March 2021:

As at 31 March 2022

£ 000	Amortised Cost
Financial Assets:	
Cash and cash equivalents	120
Trade and other receivables excluding non-financial assets	1,534
Total	1,654

£ 000	Amortised Cost
Financial Liabilities:	
Trade and other payables excluding non-financial liabilities	(654)
Finance lease liabilities	(359)
Total	(1,013)

As at 31 March 2021

£ 000	Amortised Cost
Financial Assets:	
Cash and cash equivalents	102
Trade and other receivables excluding non-financial assets	1,266
Total	1,368

£ 000	Amortised Cost
Financial Liabilities:	
Trade and other payables excluding non-financial liabilities	(476)
Finance lease liabilities	(22)
Total	(498)

Analysis of net (debt) / cash

£'000	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	120	102
Lease liabilities	(359)	(22)
Net (debt) / cash	(239)	80

Information Internet Limited

Notes to the Financial Statements

£'000	Lease liabilities	Cash and cash equivalents	Total
At 1 April 2020	(339)	171	(168)
Financing Cash flows	94	(69)	25
Inception, reassessment and modification of leases	223	-	223
At 31 March 2021	(22)	102	80
Financing Cash flows	56	18	74
Inception, reassessment and modification of leases	(399)	-	(399)
Foreign currency translation	6	-	6
At 31 March 2022	(359)	120	(239)

Maturity analysis

As at 31 March 2022

£ 000	On demand	Less than three months	Three months to one year	After one year	Total
Financial assets					
Cash and cash equivalents	120	-	-	-	120
Trade and other receivables	1,534	-	-	-	1,534
	1,654	-	-	-	1,654
Financial liabilities:					
Trade payables	-	(471)	(115)	-	(586)
Finance lease liabilities	-	(22)	(66)	(292)	(380)
	-	(493)	(181)	(292)	(966)
Net liquidity gap	1,654	(493)	(181)	(292)	688

As at 31 March 2021

£ 000	On demand	Less than three months	Three months to one year	After one year	Total
Financial assets					
Cash and cash equivalents	102	-	-	-	102
Trade and other receivables	1,250	-	16	-	1,266
	1,352	-	16	-	1,368
Financial liabilities:					
Trade payables	(5)	(324)	(189)	-	(518)
Finance lease liabilities	-	(14)	(8)	-	(22)
	(5)	(338)	(197)	-	(540)
Net liquidity gap	1,347	(338)	(181)	-	828

The amounts disclosed in the table are the contractual undiscounted cash flows, including principal and interest payments; these amounts will not reconcile to the amounts disclosed in the balance sheet.

Information Internet Limited

Notes to the Financial Statements

20. 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 the 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 Company's 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 credit institution (or similar) based on their long-term credit rating.

As at 31 March 2022 £ 000	Cash and cash equivalents
BBB+ to BBB-	120
Total	120

As at 31 March 2021 £ 000	Cash and cash equivalents
A+ to A-	30
BBB+ to BBB-	72
Total	102

There were no cash balances or deposits with institutions which were considered to be impaired (2021: £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") and its successor the ICARA) 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 protocols on minimum liquidity to be retained by overseas entities.

Liquidity stress testing is undertaken on a quarterly basis using a range of firm-specific and market-wide scenarios that represent severe but plausible stress events that the Group could be exposed to over the short and medium term. The Group ensures that the tests are commensurate to its current and future liquidity risk profile. Output from the quarterly stress testing process is used to calibrate a series of limits and metrics which are monitored and reported to senior management daily. This process ensures that the Group has appropriate sources of liquidity in place to meet its liabilities as they fall due under both 'business as usual' and stressed conditions. Due to the risk management strategy adopted and the changeable scale of the client trading book, the largest and most variable consumer of liquidity is PB margin requirements. The collateral calls are met in cash from own funds but to ensure liquidity is

Information Internet Limited

Notes to the Financial Statements

available for extreme spikes, the Group has a committed bank facility of £55 million to meet short-term liquidity obligations to PBs in the event that it does not have sufficient access to own cash and to leave a sufficient liquidity buffer to cope with a stress event.

Capital management

The Company's objectives for managing capital are as follows:

- to comply with the capital requirements set by the financial market regulators to which the Company is subject;
- to ensure that the Company is able to operate as a going concern and satisfy any minimum externally imposed capital requirements; and
- to ensure that the Company maintains a strong capital base to support the development of its business.

The capital resources of the Company consist of equity being share capital, retained earnings and translation reserve, which at 31 March 2022 totalled £1,222,000 (2021: £1,045,000).

The Company is not supervised by FCA. The Company is part of an FCA regulated group.

The Group's ICAAP, prepared under the requirements of the FCA and the Capital Requirements Directive, is an ongoing assessment of CMC Markets plc's risks and risk mitigation strategies, to ensure that adequate capital is maintained against risks that the Group wishes to take to achieve its business objectives.

The outcome of the ICAAP is presented as an Internal Capital Assessment document covering the Group. It is reviewed and approved by the Group board of directors on an annual basis.

Further information on the Group's management of regulatory capital is provided in the "Pillar 3 Disclosure" report. In accordance with the new IFPR rules, disclosure requirements are now only applicable at a solo regulated entity level. These reports are available on the CMC Markets plc website (<https://www.cmcmarketsplc.com/investors/corporate-governance/>). The Group's country-by-country reporting disclosure is also available in the same location on the website.

21. Related party transactions

The Company is a wholly owned subsidiary of CMC Markets plc. The Company entered the following transactions with other Group entities during the year:

£ 000	Year ended 31 March 2022	Year ended 31 March 2021
Service fees received from Group companies	2,789	2,451
Total	2,789	2,451

The amounts outstanding with Group entities at year end were as follows:

£ 000	As at 31 March 2022	As at 31 March 2021
Amounts due from fellow subsidiaries	1,471	1,200
Amounts owed to the Parent	-	(5)
Total	1,471	1,195

Information Internet Limited

Notes to the Financial Statements

22. 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 2022 was £nil (2021: £nil).

23. 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 England and Wales.

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 Lord Cruddas by virtue of his majority shareholding in the ultimate parent undertaking, CMC Markets plc.