



CMC Markets plc and its subsidiaries  
The Capital Requirements  
(Country-by-country reporting)  
Regulations 2013  
31 March 2019

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# Country-by-country reporting schedule (“the schedule”)

## 1. Introduction

The Capital Requirements (Country-by-country reporting) Regulations 2013 came into effect on 1 January 2014 and place certain reporting obligations on financial institutions that are within the scope of the EU’s Capital Requirements Directive (CRD IV). The purpose of the regulations is to provide clarity on the source of the Group’s income and the location of its operations.

The disclosures hereby presented intend to comply with the provisions of the regulations in respect of the following two entities that are within the scope of CRD IV:

- CMC Markets UK plc
- CMC Spreadbet plc

## 2. Basis of preparation

These disclosures have been prepared to comply with The Capital Requirements (Country-by-Country Reporting) Regulations 2013.

- **Compliance with International Financial Reporting Standards (‘IFRSs’)**  
The amount disclosed for turnover is prepared on the same basis as the financial statements of CMC Markets UK plc and CMC Spreadbet plc for the year ended 31 March 2019, which are prepared in accordance with IFRSs, as adopted by the European Union.
  - **Consolidation**  
Turnover is reported on a consolidated basis for each country.
  - **Country**  
The country information is reported based on the location of operations of the branch responsible for reporting the results.
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### 3. Nature of activities and operating entities by region

CMC Markets UK plc, through branches, a permanent establishment office and a representation office, operates in a number of different countries as follows:

Jurisdiction	Nature of activities	List of entities
United Kingdom	Online retail financial services business which provides its customers the ability to trade contracts for difference (CFD's) on a range of underlying shares, indices, foreign currencies, commodities and treasuries	CMC Markets UK plc
Germany	Acquisition, retention and support of CFD clients	CMC Markets Niederlassung Frankfurt am Main der CMC Markets UK Plc
Spain	Acquisition, retention and support of CFD clients	Sucursal en Espana de CMC Markets UK Plc
Sweden	Acquisition, retention and support of CFD clients	CMC Markets UK Plc Filial Stockholm
Norway	Acquisition, retention and support of CFD clients	CMC Markets UK Plc Filial Oslo
France	Acquisition, retention and support of CFD clients	CMC Markets UK Plc (Paris Branch)
Italy	Acquisition, retention and support of CFD clients	CMC Markets UK Plc (Milan Branch)
Austria	Acquisition, retention and support of CFD clients	CMC Markets UK Plc, Zweigniederlassung Österreich
China	No business activity	CMC Markets UK Plc Beijing Representative Office
Poland	Acquisition, retention and support of CFD clients	CMC Markets UK Plc Oddział w Warszawie
Australia	Global risk management	CMC Markets UK Plc (Australia Permanent Establishment)

CMC Spreadbet plc operates only in the United Kingdom

Jurisdiction	Nature of activities
United Kingdom	Online retail financial services business which provides its customers the ability to spread bet on a range of underlying shares, indices, foreign currencies, commodities and treasuries

## 4. Country-by-country report

For the year ended 31 March 2019

	Turnover <sup>1</sup> (£ '000)	Number of employees <sup>2</sup>	Profit / (loss) before tax (£ '000)	Accounting tax charge (£ '000)	Cash tax paid (£ '000)
<b>CMC Markets UK plc</b>					
United Kingdom	142,696	301	7,348	1,033	5,970
Germany	3,596	15	327	143	184
Spain	2,061	11	135	72	65
Sweden	1,511	8	92	32	16
Norway	1,313	6	86	22	25
France	1,270	5	83	42	37
Italy	630	5	41	13	29
Austria	308	1	20	(3)	3
China	-	1	(171)	-	-
Poland	1,269	8	83	25	6
Australia	1,505	-	1501	448	563
Consolidation Adjustments	(13,570)	-	-	-	-
<b>CMC Markets UK plc Total</b>	<b>142,589</b>	<b>361</b>	<b>9,545</b>	<b>1,827</b>	<b>6,898</b>
<b>CMC Spreadbet plc</b>					
United Kingdom	17,533	-	1,701	324	570
<b>CMC Spreadbet plc Total</b>	<b>17,533</b>	<b>-</b>	<b>1,701</b>	<b>324</b>	<b>570</b>

CMC Markets UK plc and CMC Spreadbet plc did not receive any public subsidies.

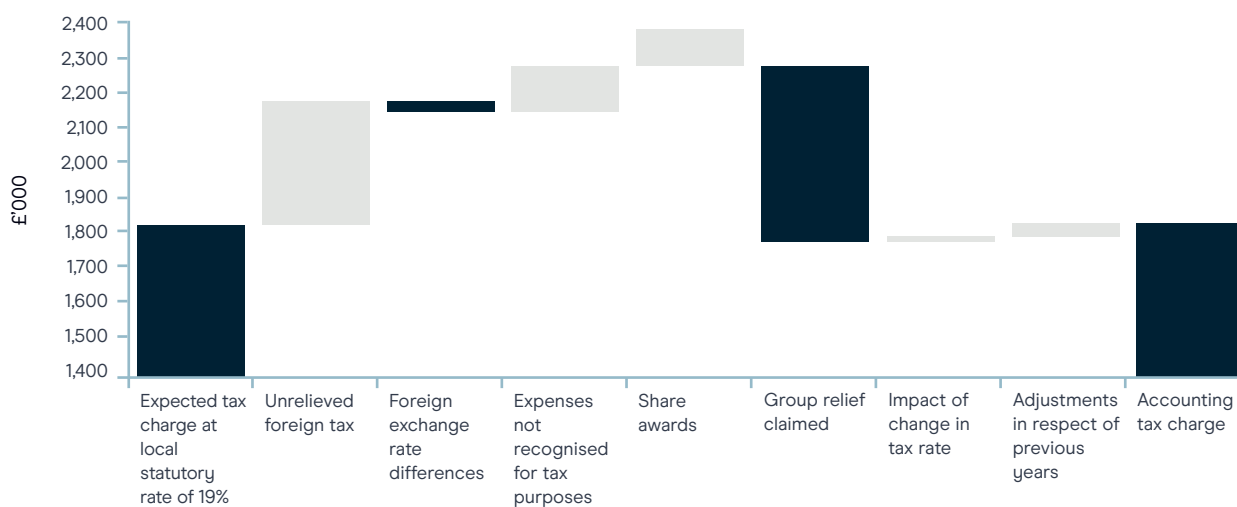
<sup>1</sup> Statutory revenue

<sup>2</sup> Full time equivalent

## 5. Reconciliation between expected tax and accounting tax charge for CMC Markets UK plc

For the year ended 31 March 2019

	(£ '000)
<b>CMC Markets UK plc Profit before tax</b>	<b>9,545</b>
Expected tax charge at local statutory rate of 19%	1,814
Effect of:	
Unrelieved foreign tax	366
Foreign exchange rate differences	(35)
Expenses not recognised for tax purposes	135
Share awards	103
Group relief claimed	(602)
Impact of change in tax rate	13
Adjustments in respect of previous years	33
<b>Accounting tax charge</b>	<b>1,827</b>



# Independent auditors' report to the Directors of CMC Markets plc and its subsidiaries

## Report on the audit of the country-by-country information

### Opinion

In our opinion, CMC Markets plc's country-by-country information for the year ended 31 March 2019 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 March 2019 in the Country-by-Country reporting schedule.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information 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 country-by-country information in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to note 2 of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

### 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 when:

- The directors' use of the going concern basis of accounting in the preparation of the country-by-country information is not appropriate; or
- The directors have not disclosed in the country-by-country information 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 country-by-country information is 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.

### Responsibilities for the country-by-country information and the audit

#### *Responsibilities of the directors for the country-by-country information*

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation in note 2 and accounting policies to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such

internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, 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 country-by-country information*

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is 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 this country-by-country information.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, 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.

The engagement partner responsible for this audit is Gilly Lord.



#### **PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

London

3 July 2019

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