





# 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 2017, 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.

### 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 2018

	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	212,778	305	49,620	9,683	12,104
Germany	4,297	16	391	147	221
Spain	2,017	10	132	6	35
Sweden	1,813	8	110	49	-
Norway	1,465	6	96	30	29
France	1,636	5	107	46	48
Italy	744	5	49	15	29
Austria	361	1	24	(5)	-
China	-	1	(166)	-	-
Poland	1,363	8	89	27	62
Australia	1,916	-	1,911	558	448
Consolidation Adjustments	(15,676)	-	-	-	-
<b>CMC Markets UK plc Total</b>	<b>212,714</b>	<b>365</b>	<b>52,363</b>	<b>10,556</b>	<b>12,976</b>
<b>CMC Spreadbet plc</b>					
United Kingdom	24,974	-	2,264	434	712
<b>CMC Spreadbet plc Total</b>	<b>24,974</b>	<b>-</b>	<b>2,264</b>	<b>434</b>	<b>712</b>

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

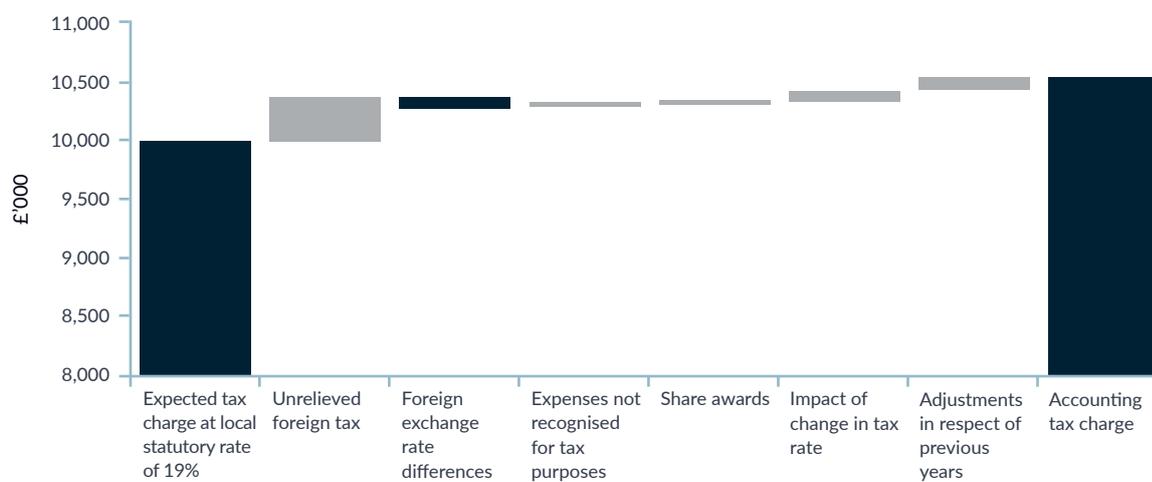
<sup>1</sup> Statutory revenue

<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 2018

	(£ '000)
<b>CMC Markets UK plc Profit before tax</b>	<b>52,363</b>
Expected tax charge at local statutory rate of 19%	9,949
Effect of:	
Unrelieved foreign tax	348
Foreign exchange rate differences	(72)
Expenses not recognised for tax purposes	19
Share awards	25
Impact of change in tax rate	95
Adjustments in respect of previous years	192
<b>Accounting tax charge</b>	<b>10,556</b>



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

We have audited the accompanying schedule of CMC Markets Plc and its subsidiaries for the year ended 31 March 2018 ("the schedule"). The schedule has been prepared by the directors based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

## Directors' Responsibility for the schedule

The directors are responsible for the preparation of the schedule in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedule, and for such internal control as the directors determine is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

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

## Opinion

In our opinion, the country-by-country information in the schedule as at 31 March 2018 is prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

## Basis of Preparation and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 2 within the schedule, which describes the basis of preparation. The schedule is prepared to assist the directors to meet the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the schedule may not be suitable for another purpose.

Our report is intended solely for the benefit of the directors of CMC Markets Plc. We do not accept or assume any responsibility or liability to any other party save where terms are agreed between us in writing.



**PricewaterhouseCoopers LLP**

Chartered Accountants

4 July 2018

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