



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 892 878 382
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: CMC MARKETS UK PLC FILIAL OSLO
Forretningsadresse: Fridtjof Nansens plass 6
0160 OSLO

Regnskapsår

Årsregnskapets periode: 01.04.2017 - 31.03.2018

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Henrik Sommerfelt
Dato for fastsettelse av årsregnskapet: 27.09.2018

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 29.05.2026



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Revenue	5	15 774 000	14 972 000
Interest income	5	1 000	2 000
Sum inntekter		15 775 000	14 974 000
Kostnader			
wages and salaries	7	5 027 000	3 780 000
social security costs	7	1 152 000	631 000
other pension costs	7	194 000	151 000
share based payments	7	100 000	95 000
contract staff costs	7	0	53 000
depreciation and amortisation	10	38 000	50 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler		0	0
IT costs	6	412 000	306 000
sales and marketing	6	5 008 000	5 979 000
premises costs	6	1 022 000	1 152 000
legal and professional fees	6	490 000	-29 000
regulatory fees	6	264 000	247 000
other costs	6	1 035 000	1 576 000
Sum kostnader	6	14 742 000	13 991 000
Driftsresultat	8	1 033 000	983 000
Netto finans			
Ordinært resultat før skattekostnad	8	1 033 000	983 000
taxation	9	427 000	255 000
Ordinært resultat etter skattekostnad	8	606 000	728 000
Årsresultat	8	606 000	728 000



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
leasehold improvements	10	141 000	0
furniture, fixtures and equipment, and computer hardware	10	317 000	90 000
Sum varige driftsmidler	10	458 000	90 000
Finansielle anleggsmidler			
deferred tax assets	12	42 000	78 000
other debtors (office deposit)	11	495 000	495 000
Sum finansielle anleggsmidler		537 000	573 000
Sum anleggsmidler		995 000	663 000
Omløpsmidler			
Varer			
Fordringer			
amounts due from Group companies	11	8 420 000	5 944 000
prepayments and accrued income	11	128 000	109 000
other debtors	11	-186 000	0
Sum fordringer	11	8 362 000	6 053 000
Bankinnskudd, kontanter og lignende			
cash and cash equivalents	13	724 000	1 325 000
Sum bankinnskudd, kontanter og lignende	13	724 000	1 325 000
Sum omløpsmidler		9 086 000	7 378 000
SUM EIENDELER		10 081 000	8 041 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2018	2017
Egenkapital			
Innskutt egenkapital			
Opptjent egenkapital			
retained earnings		6 910 000	6 304 000
Sum opptjent egenkapital		6 910 000	6 304 000
Sum egenkapital		6 910 000	6 304 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
social security and other tax	14	332 000	-38 000
current tax payable		143 000	60 000
trade payables	14	-310 000	7 000
accruals and deferred income	14	3 006 000	1 708 000
Sum kortsiktig gjeld		3 171 000	1 737 000
Sum gjeld		3 171 000	1 737 000
SUM EGENKAPITAL OG GJELD		10 081 000	8 041 000



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helletand	28.09.2011	05.10.2011
Telefon	Deres referanse	Vår referanse
22078139		2011/941220

CMC MARKETS UK PLC FILIAL OSLO
Stranden 3 B
0250 Oslo

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for CMC Markets Uk Plc Filial Oslo, org. nr. 982 878 382

Det vises til deres brev av 28. september 2011 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for CMC Markets Uk Plc Filial Oslo.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering CMC Markets Uk Plc Filial Oslo dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

CMC Markets Uk Plc Filial Oslo er eiet av CMC Markets Plc. CMC Markets UK Plc leverer finansielle tjenester direkte til private kunder online. Selskapet reguleres av Financial Services Authority. Oslo filialen opererer hovedsakelig med markedsføring av produkter levert av CMC Markets UK Plc direkte til forbrukere, og gir kunden opplæring, assistanse og hjelp med prosedyren forbundet med åpning av konti. For konsernets europeiske selskaper har man sentralisert regnskapskompetansen til en felles regnskapsavdeling i London. Den norske versjonen av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon. I denne vurderingen har Skattedirektoratet lagt vekt på at filialen er en del av et britisk selskap. Videre er det vektlagt at konsernet har sentralisert regnskapskompetansen til en felles regnskapsavdeling i London for konsernets europeiske selskaper.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



Company registration number: 892878382

CMC Markets UK plc Filial Oslo

Annual Report and Financial Statements

31 March 2018



CMC Markets UK plc Filial Oslo

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CMC Markets UK plc Filial Oslo Management Highlights

The Management present their report and the audited Financial Statements for CMC Markets UK plc Filial Oslo (the "Branch") for the year ended 31 March 2018.

CORPORATE INFORMATION

CMC Markets UK plc Filial Oslo is a branch of CMC Markets UK plc (the "Company") which is a public limited company incorporated, registered and domiciled in England and Wales under the Companies Act 2006. The Branch was established in Norway in October 2008 as part of the CMC Group's expansion into the European Markets.

PRINCIPAL ACTIVITIES

The principal activities of the Company is to provide online Contracts For Difference ("CFDs") on a range of shares, indices, foreign currencies, commodities and treasuries to private investors in global financial markets through its online trading platform. The Company is regulated by the Financial Conduct Authority.

The Branch is primarily responsible for marketing CMC Markets products to the retail segment, educating clients, performing customer support and facilitating the account opening process. The Branch is also involved in obtaining new partners and developing existing partners. In addition, the Branch maintains dialogue with regulatory bodies, press, financial industry sector and local authorities.

GOING CONCERN

The Financial Statements have been prepared on a going concern basis and the management have reasonable expectation that the Branch has adequate resources to continue in operational existence to serve as a sales and marketing agent for CMC Markets UK plc in Europe. There were no significant events or circumstances after the end of the year that would have a material impact on the Financial Statements.

BUSINESS REVIEW

Revenue for the year ended 31 March 2018 was 15,775,000 NOK (2017: 14,974,000 NOK). The profit for the year was 606,000 NOK (2017: 728,000 NOK).

The Company has net assets of 6,910,000 NOK as at 31 March 2018 (2017: 6,304,000 NOK).

PRINCIPAL RISKS AND UNCERTAINTIES

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

The Branch can be subject to regulations monitored by the Financial Supervisory Authority of Norway ("Finanstilsynet"). The Branch is currently represented in the register of Finanstilsynet and might therefore be subject to various inquiries and asked to supply information regarding its activities. However, since operations in CMC Markets UK plc Filial Oslo are that of a branch of the Company, the main responsibility for general compliance is that of the Company.

A formal compliance plan is required under the UK trading licence. Responsibility for the monitoring and control is assumed by Group Compliance.

Although Norway is not part of the European Union, the United Kingdom's ("U.K.") exit from the European Union ("Brexit") may impact the Branch. The U.K.'s exit from the European Union is not expected to affect the Company's ability to operate in the EU going forward, however the doubt around the future of the U.K.'s financial services "passporting" regime means that how the Group operates in the region may need to be amended. As a result, plans are underway to establish a new subsidiary in the EU meaning that the existing business model will continue to function, but under a revised legal entity structure that the Branch will report to. As a result the immediate controlling party may change although the ultimate controlling party will remain unchanged. The Group's headquarters will remain in the UK.



CMC Markets UK plc Filial Oslo Management Highlights

KEY PERFORMANCE INDICATORS ("KPIs")

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

WORKING ENVIRONMENT AND EMPLOYEES

The Branch 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 Branch. We offer competitive employment packages, including a flexible benefit scheme to enable the Branch to attract and retain the best available talent.

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

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

EQUAL OPPORTUNITIES

CMC Markets 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. CMC Markets seeks to establish a culture that values meritocracy, openness, fairness and transparency.

The Group 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.

On behalf of the Branch

Henrik Sommerfelt

Head of Norway

Registered office
Fridtjof Nansens Plass 6,
0160 Oslo
Norway
27 September 2018



To the Managing Director of CMC Markets UK plc Filial Oslo

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CMC Markets UK plc Filial Oslo which comprise the balance sheet as at 31 Mars 2018, income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and present fairly, in all material respects, the financial position of the Company as at 31 Mars 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the Management Highlights report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo
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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - CMC Markets UK plc Filial Oslo

Responsibilities of the Managing Director for the Financial Statements

The Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(2)



Independent Auditor's Report - CMC Markets UK plc Filial Oslo



- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 27 September 2018
PricewaterhouseCoopers

Geir Julsvoll
State Authorised Public Accountant



CMC Markets UK plc Filial Oslo

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2018

NOK 000	Note	Year ended 31 March 2018	Year ended 31 March 2017
Revenue		15,774	14,972
Interest income	5	1	2
Total Revenue		15,775	14,974
Operating Expense	6	(14,742)	(13,991)
Profit before Tax	8	1,033	983
Taxation	9	(427)	(255)
Profit for the financial year		606	728
Other comprehensive income		0	0
Total comprehensive income		606	728



CMC Markets UK plc Filial Oslo
Company registration number: 892878382
Statement of financial position

As at 31 March 2018

NOK 000	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	10	458	90	140
Deferred tax assets	12	42	78	96
Trade and other receivables	11	495	495	495
Total non-current assets		995	663	731
Current assets				
Trade and other receivables	11	8,362	6,053	4,790
Cash and cash equivalents	13	724	1,325	3,686
Total current assets		9,086	7,378	8,476
Total assets		10,081	8,041	9,207
LIABILITIES				
Current Liabilities				
Trade and other payables	14	3,028	1,677	3,598
Current tax payable		143	60	33
Total current liabilities		3,171	1,737	3,631
Total Liabilities		3,171	1,737	3,631
EQUITY				
Net assets attributable to owners of the Parent Company				
Retained earnings		6,910	6,304	5,576
Total equity		6,910	6,304	5,576
Total equity and liabilities		10,081	8,041	9,207

These Financial Statements on pages 5 to 18 were approved and authorised for issue by Management on 27 September 2018 and signed on its behalf by:

Henrik Sommerfelt
Head of Norway



CMC Markets UK plc Filial Oslo Statement of changes in net assets

For the year ended 31 March 2018

NOK 000	Retained Earnings	Total Equity
At 1 April 2016	5,576	5,576
Total comprehensive income	728	728
At 31 March 2017	6,304	6,304
Total comprehensive income	606	606
At 31 March 2018	6,910	6,910



CMC Markets UK plc Filial Oslo Statement of cash flows

For the year ended 31 March 2018

NOK 000	Note	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities			
Cash generated used in operations	17	113	(2,151)
Tax paid		(308)	(210)
Net cash outflow from operating activities		(195)	(2,361)
Cash flow from investing activities			
Purchase of property, plant and equipment	10	(406)	-
Net cash outflow from investing activities		(406)	-
Net decrease in cash and cash equivalents		(601)	(2,361)
Cash and cash equivalents at the beginning of the year		1,325	3,686
Cash and cash equivalents at the end of the year	13	724	1,325



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

1. General Information

Corporate information

CMC Markets UK plc is a public limited company incorporated, registered and domiciled in England and Wales under the Companies Act 2006. CMC Markets UK plc Filial Oslo is a branch of CMC Markets UK plc and the principal activity of the branch is to market CMC Markets products to the retail segment as well as educating clients, performing customer support and facilitating the account opening process.

Functional and presentational currency

Items included in these Financial Statements are measured using the currency of the primary economic environment in which the Branch operates (the "functional currency"). The Financial Statements are presented in Norwegian Krone ("NOK"), which is the Branch's functional and 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 as adopted by the European Union ("IFRS") and IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS.

Financial information has been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, and on a going concern basis.

The principal accounting policies adopted in the preparation of these Financial Statements are set out in note 3. These policies have been consistently applied to all periods presented, unless otherwise stated. The Financial Statements presented are at and for the years ending 31 March 2018 and 31 March 2017. Financial annual periods are referred to as 2018, and 2017 in the Financial Statements.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with local generally accepted accounting practice (Local GAAP). These financial statements for the year ended 31 March 2018 are the first the Branch has prepared in accordance with IFRS.

Changes in accounting policy and disclosures

Application of new and revised accounting standards

With effect from 1 April 2017, the Branch has adopted:

- Amendments to IAS 12 'Income taxes: Recognition of deferred tax assets for unrealised losses'. Application of these amendments has had no impact on the Financial Statements.

Otherwise, the accounting policies set out in note 3 have been applied consistently to both years presented in these Financial Statements.

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 Branch were in issue but not yet effective and have not been applied to the Financial Statements:

- IFRS 9, 'Financial instruments: classification and measurement', will replace IAS 39, 'Financial instruments: Recognition and measurement.' IFRS 9 has three measurement categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives.

The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement.

The Branch intends to adopt the standard in the accounting year beginning 1 April 2018. The Branch does not expect that the adoption of IFRS 9 will have a material impact on the Financial Statements but will impact both the measurement and disclosure of financial instruments.

- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of Financial Statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

The Branch intends to adopt the standard in the accounting year beginning 1 April 2018. The Branch has assessed the impact of this new standard on its Financial Statements, and our conclusion is that new revenue standard does not have a material impact on the Company's earned income and does not change the timing of recognition of revenue, as our current recognition approach is consistent with the new requirements under IFRS 15.

- IFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of Financial Statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases', and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019.

The Branch intends to adopt the standard in the accounting year beginning 1 April 2019. The Branch continues to assess the full impact of IFRS 16, however, the impact will greatly depend on the facts and circumstances at the time of adoption and upon transition choices adopted. It is therefore not yet practical to provide a reliable estimate of the financial impact on the financial results of the Branch.

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 taxes

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.

3. Summary of significant accounting policies

Revenue

Revenue is attributable to the provision of marketing and sales service from CMC Markets UK plc Filial Oslo to CMC Markets UK plc and is recognised over the period during which those services are provided. Revenue is calculated based on a Transfer Pricing Agreement.

Share-based payment

CMC Markets plc issues cash-settled share-based payments to certain employees of the Branch. Cash-settled share based payments are measured at the expected value at vesting date of the number of shares that are expected to vest. The cost is recognised in the statement of comprehensive income with a corresponding liability with the statement of financial position.

Pensions

The Company has a defined contribution plan.

Defined contribution plan

With a defined contribution plan the Branch pays contributions to an insurance company. After the contribution has been made the Branch has no further commitment to pay. The contribution is recognised as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Operating Leases

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

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

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 Income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

that are never taxable or deductible. The Branch's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as at 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.

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 Income statement, 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

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:

- 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 Branch'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 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

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
Furniture, fixtures 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,



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

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 the sales proceeds and the carrying amount of the asset and is recognised in the Income statement.

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. Net realisable 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.

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.

A provision for impairment of trade receivables is established when there is objective evidence that the Branch will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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 Income statement within operating expenses. 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 to operating expenses in the Income statement.

Cash and cash equivalents

Cash and cash equivalents comprise current account balances, bank deposits and other short-term liquid investments with 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.

4. First-time adoption of IFRS

These financial statements, for the year ended 31 March 2018, are the first the Branch has prepared in accordance with IFRS. For periods up to and including the year ended 31 March 2017, the Branch prepared its financial statements in accordance with locally generally accepted accounting principle ("Local GAAP").

Accordingly, the Branch has prepared financial statements that comply with IFRS applicable as at 31 March 2018, together with the comparative period data for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing the financial statements, the Branch's opening statement of financial position was prepared as at 1 April 2016, the Branch's date of transition to IFRS. There were no material adjustments made by the Branch in restating its Local GAAP financial statements with IFRS and therefore no additional disclosure has been prepared.

5. Interest income

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Net Interest Income comprises the following:		
Bank and broker interest	1	2
Total	1	2

**CMC Markets UK plc Filial Oslo**
Notes to the Financial Statements**6. Operating expenses**

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Operating expenses comprise the following:		
Staff costs (note 6)	6,473	4,710
IT costs	412	306
Sales and marketing	5,008	5,979
Premises costs	1,022	1,152
Legal and professional fees	490	(29)
Regulatory fees	264	247
Depreciation and amortisation	38	50
Other costs	1,035	1,578
Total	14,742	13,991

7. Employee Information

The aggregate employment cost of staff was:

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Wages and salaries	5,027	3,780
Social security costs	1,152	631
Other pension costs	194	151
Share based payments	100	95
Contract staff costs	-	53
Total	6,473	4,710

The monthly average number of employees of the Company during the year was 5 (2017: 5).

Remuneration to executives

NOK 000	Head of Norway
Salaries	1,147,283
Pension expenses	70,840
Bonus	74,627
Other remuneration	94,961

CMC Markets UK plc Filial Oslo is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The Branches pension arrangement fulfils the requirements of the law.

No loans/sureties have been granted to the Head of Norway or other related parties.

**CMC Markets UK plc Filial Oslo**
Notes to the Financial Statements**8. Profit before taxation**

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Profit before taxation is stated after charging / (crediting)		
Depreciation (note 10)	38	50
Net foreign exchange (gain) / loss	(10)	(57)
Operating lease rentals (note 16)	862	1,003

Auditors' remuneration costs for audit services in respect of the current year of 112,000 NOK (2017: 94,000 NOK).

9. Taxation

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Taxation charged to the income statement		
Current tax		
Current tax on profits for the year	343	252
Adjustment in respect of prior periods	49	-
Total current tax charge	392	252
Deferred tax		
Origination and reversal of temporary differences	35	(14)
Adjustment in respect of prior periods	-	15
Impact of change in tax rates on deferred tax	-	2
Total deferred tax (credit) / charge	35	3
Total taxation charge	427	255

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Profit before taxation	1,033	983
Profit before taxation multiplied by the standard rate of corp. tax in Norway of 25% (2017: 25%)	258	246
Expenses not deductible for tax purposes	85	6
Adjustments in respect of prior periods	49	-
Impact of change in tax rates on deferred tax	-	17
Accelerated capital allowances	35	(14)
Total taxation charge	427	255



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

10. Property, Plant and Equipment

NOK 000	Leasehold improvements	Furniture, fixture and equipment	Computer hardware	Total
Cost				
At 1 April 2016	-	253	893	1,146
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2017	-	253	893	1,146
Additions	143	283	-	406
Disposals	-	-	-	-
At 31 March 2018	143	516	893	1,552
Accumulated depreciation				
At 1 April 2016	-	(170)	(836)	(1,006)
Charge for the year	-	(28)	(22)	(50)
Disposals	-	-	-	-
At 31 March 2017	-	(198)	(858)	(1,056)
Charge for the year	(2)	(21)	(15)	(38)
Disposals	-	-	-	-
At 31 March 2018	(2)	(219)	(873)	(1,094)
Net book value				
At 1 April 2016	-	83	57	140
At 31 March 2017	-	55	35	90
At 31 March 2018	141	297	20	458

11. Trade and other receivables

NOK 000	As at 31 March 2018	As at 31 March 2017
Current		
Amounts due from Group companies	8,420	5,944
Prepayments and accrued income	128	109
Other debtors	(186)	-
Total current trade and other receivables	8,362	6,053
Non-current		
Other debtors	495	495
Total trade and other receivables	8,857	6,548

None of the trade and other receivables are past due nor impaired. Other debtors includes deposit for the Oslo office with a maturity date at 31 March 2020, these have been reclassified from Cash and Cash equivalents from the prior year.



CMC Markets UK plc Filial Oslo

Notes to the Financial Statements

12. Deferred tax

Analysis for financial reporting purposes

NOK 000	As at 31 March 2018	As at 31 March 2017
Deferred tax assets to be recovered within 12 months	24	18
Deferred tax assets to be recovered after 12 months	18	60
Total deferred tax asset	42	78

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 25% (2017: 25%). The movement on deferred tax is as follows:

NOK 000	As at 31 March 2018	As at 31 March 2017
As at 1 April	78	96
Credit to income for the year	(36)	(15)
Change in tax rate	-	(3)
As at 31 March	42	78

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 Branch's expectations as to the level of future taxable profits take into account the Group's long term financial and strategic plans and anticipated future tax adjusting items. In making this assessment account is taken of business plans including the board approved group profit forecast.

13. Cash and cash equivalents

Cash and cash equivalents of 724,000 NOK (2017: 1,325,000 NOK) comprise cash at bank. Cash at bank earns interest at floating rates, based on daily bank deposit rates. There is restricted cash of 64,029 NOK (2017: 10,155 NOK).

14. Trade and other payables

NOK 000	As at 31 March 2018	As at 31 March 2017
Trade payables	(310)	7
Social security and other tax	332	(38)
Accruals and deferred income	3,006	1,708
Total trade and other payables	3,028	1,677

15. Share-based payment

The Company operates cash settled share option schemes granted to certain employees, by the Branch's ultimate parent, CMC Markets plc.

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

Income statement charge for share-based payments

The total charge relating to cash settled share based payments was 100,000 NOK (year ended 31 March 2017: 86,000 NOK).

No awards were gifted to employees during the year (year ended 31 March 2017: nil).



CMC Markets UK plc Filial Oslo

Notes to the Financial Statements

Current Schemes

2015 MEP

Cash settled share options granted under the 2015 MEP are defined by a 'non-market performance' conditions. Awards were granted to senior management and critical staff in February 2016. 9,000 options were awarded in February 2016. These options had dividend equivalence where cash was awarded in place of dividends on vesting. Of the 9,000 options awarded, 4,500 vested during February 2017, with the remaining 4,500 vesting during February 2018, leaving none outstanding at 31 March 2018.

- *February 2016 awards:* 'non market performance' awards based on awarded employees remaining employed by the Group.

SIP Awards

Cash settled awards were granted to certain employees upon listing, of which 7,500 are due to vest on 5 February 2019. The only vesting condition is that the employees remain employed by the Group. The value of these awards is the share price on the date these awards vest.

Eligible employees were also invited to subscribe for up to £1,800 of partnership shares relating to the tax year to 5 April 2017 with the Branch 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 were granted on 5 April 2017 which vest on 5 April 2020 and a balance of 1,951 shares remained at the end of the period.

The fair value of SIP awards are determined to be the share price at 31 March 2018.

16. Operating lease commitments

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

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Minimum lease payments recognised	862	1,003

Operating lease payments represent rentals payable by the Branch for office space. Leases are negotiated for an average term of 2.0 years and rentals are fixed for an average of 2.0 years.

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

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Within one year	880	870
Between two and five years	883	1,743
	1,763	2,613

17. Cash generated from / (used in) operations

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Profit before taxation	1,033	983
Adjustments for:		
Depreciation	38	50
Changes in working capital		
(Increase) in trade and other receivables	(2,309)	(1,263)
Increase / (decrease) in trade and other payables	1,351	(1,921)
Cash generated used in operations	113	(2,151)



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

18. Related party transactions

The Branch has undertaken transactions with other entities within the Group comprising of:

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Recharges in respect of services provided	15,775	14,972

The amounts outstanding with the Parent at year end were as follows:

NOK 000	Year ended 31 March 2018	Year ended 31 March 2017
Amounts due from Parent	8,420	5,944

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

19. Ultimate controlling party

The immediate parent undertaking is CMC Markets UK Holdings Limited.

The ultimate parent undertaking, CMC Markets plc, is the parent undertaking of the smallest and largest group to consolidate Financial Statements. Copies of the parent Company's Financial Statements are available from the Company's office at 133 Houndsditch, London, EC3A 7BX.

Peter Cruddas is the ultimate controlling party by virtue of his majority shareholding in CMC Markets plc.