



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - 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: 01.04.2020 - 31.03.2021

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: 17.08.2021

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue		11 267 000	15 751 000
Sum inntekter		11 267 000	15 751 000
Kostnader			
Staff costs	5	3 441 000	6 405 000
IT costs	5	184 000	246 000
Sales and marketing	5	4 425 000	4 843 000
Premises costs	5	115 000	166 000
Legal and professional fees	5	404 000	607 000
Regulatory fees	5	77 000	203 000
Depreciation	5	947 000	968 000
Other costs	5	907 000	1 324 000
Sum kostnader		10 500 000	14 762 000
Driftsresultat		767 000	989 000
Finansinntekter og finanskostnader			
Annen renteinntekt	4	4 000	29 000
Sum finansinntekter		4 000	29 000
Finance costs		68 000	56 000
Sum finanskostnader		68 000	56 000
Netto finans		-64 000	-27 000
Ordinært resultat før skattekostnad	7	703 000	962 000
Taxation	8	225 000	366 000
Ordinært resultat etter skattekostnad		478 000	596 000
Årsresultat		478 000	596 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	10		24 000
Sum immaterielle eiendeler			24 000
Varige driftsmidler			
Leasehold improvements	9		138 000
Furnite, fixture and equipment, and computer hardware	9		156 000
Right of Use Asset	9		1 788 000
Sum varige driftsmidler			2 082 000
Finansielle anleggsmidler			
Other debtors	11		540 000
Sum finansielle anleggsmidler			540 000
Sum anleggsmidler		0	2 646 000
Omløpsmidler			
Varer			
Fordringer			
Amounts due from Group companies	11	6 638 000	9 677 000
Prepayments and accrued income	11		131 000
Other debtors	11	545 000	
Sum fordringer		7 183 000	9 808 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	12	1 700 000	1 185 000
Sum bankinnskudd, kontanter og lignende		1 700 000	1 185 000
Sum omløpsmidler		8 883 000	10 993 000
SUM EIENDELER		8 883 000	13 639 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Opptjent egenkapital			
Retained earnings		8 641 000	8 163 000
Sum opptjent egenkapital		8 641 000	8 163 000
Sum egenkapital		8 641 000	8 163 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities	16	0	698 000
Sum annen langsiktig gjeld		0	698 000
Sum langsiktig gjeld		0	698 000
Kortsiktig gjeld			
Current tax payable			151 000
Trade payables	13		55 000
Social security and other tax	13		-44 000
Accruals and deferred income	13		3 719 000
Lease liabilities	16	242 000	897 000
Sum kortsiktig gjeld		242 000	4 778 000
Sum gjeld		242 000	5 476 000
SUM EGENKAPITAL OG GJELD		8 883 000	13 639 000



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	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 2021



CMC Markets UK plc Filial Oslo

CONTENTS	Page
Management report	1
Independent auditors' report	3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the Financial Statements	8



CMC Markets UK plc Filial Oslo Management report

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 2021.

CORPORATE INFORMATION

The Branch is a branch of CMC Markets UK plc 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 activity of CMC Markets UK plc 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.

Until the 30 November 2020, the Branch was primarily responsible for marketing CMC Markets products to the retail segment, educating clients, performing customer support and facilitating the account opening process. The Branch was also involved in obtaining new partners and developing existing partners. In addition, the Branch used to maintain dialogue with regulatory bodies, press, financial industry sector and local authorities.

On 31 December 2020 the transition period within the UK-EU Withdrawal Agreement ended, and the UK no longer had MiFID passporting rights to the EU. CMC Markets UK plc established a subsidiary in Germany and started onboarding new clients in Norway from December 2020. On 30 November 2020 the Branch transferred its operations to the new branch opened under the German subsidiary of CMC Markets UK plc. The Branch has ceased its services to CMC Markets UK plc from that date.

GOING CONCERN

The Branch has ceased operations from 30 November 2020 however remains open from a Legal perspective. While the Branch continues to incur costs as a legacy from its existence to serve as a sales and marketing agent for CMC Markets UK plc in Europe, any costs incurred will be reimbursed by the parent company through a transfer pricing arrangement. The Branch therefore continues to adapt to the going concern basis in preparing its Financial Statements.

BUSINESS REVIEW

Revenue for the year ended 31 March 2021 was NOK 11,267,000 (2020: NOK 15,751,000). The profit for the year was NOK 478,000 (2020: NOK 596,000).

The Company has net assets of NOK 8,641,000 as at 31 March 2021 (2020: NOK 8,163,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of CMC Markets plc, the ultimate parent Company of the CMC Markets Group (the "Group"), manage the Group 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 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 CMC Markets UK plc, the main responsibility for general compliance is that of CMC Markets UK plc.

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 impact of the United Kingdom's ("UK") exit from the European Union ("Brexit") on the Branch has been closely monitored. A new subsidiary has been setup in Germany which mitigates the impact on client acquisition and revenue generation arising from the potential that the UK could lose its MiFID II passports rights as a result of Brexit. The new subsidiary started conducting regulated activity in December 2019.

The risks associated with the rapid escalation of global Covid-19 diagnoses are being carefully considered by the Branch. At the date of this report, the situation is not impacting the Branch. The Directors remain vigilant in their review of the crisis.

The performance of the Branch is not impacted due to the revenue model of the Branch, which is such that its income is entirely derived in accordance with its trading partner relationship with CMC Markets UK plc.



CMC Markets UK plc Filial Oslo Management report

KEY PERFORMANCE INDICATORS ("KPIs")

The Directors of the Group manage the Group's operations KPIs on a geographical basis. For this reason, management believe that analysis using KPIs for the Branch is not necessary or appropriate for an understanding of development, performance or position of the business of the Branch. The development, performance and position of the business of the Group, 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 has been committed to providing a safe, challenging, progressive and innovative place to work. The quality of our staff has been essential to the success of the Branch. We offered competitive employment packages to enable the Branch to attract and retain the best available talent.

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

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

The Branch has been committed to managing its environmental impact by considering the environment in decision making. There was a well-established waste management system such as paper recycling and lights were switched off at the end of the day. The day-to-day operations of the Branch did not have a significant impact on the environment.

EQUAL OPPORTUNITIES

The Branch has valued the differences and creativity that a diverse workforce brings and 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 Branch established a culture that valued meritocracy, openness, fairness and transparency.

The Branch affirmed that it would not tolerate any form of discrimination. In searching for talent the commitment was always to recruit the best from the broadest applicant pool. All candidates had the right to expect that they will be respected and valued for the contribution that they brought to the company.

On behalf of the Branch,

Henrik Sommerfelt
Head of Norway
17th August 2021

Registered office
Fridtjof Nansens Plass 6,
0160 Oslo
Norway



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 statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, 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 give a true and fair view of the financial position of the Branch as at 31 March 2021, 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 Branch 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 annual report, except 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, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



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



Responsibilities of the Managing Director for the Financial Statements

The Managing Director (management) is responsible for the preparation in accordance with law and regulations, including a true and fair view 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 Branch'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 Branch 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Management report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Management report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

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 Branch's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



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



Oslo, 17 August 2021
PricewaterhouseCoopers AS

Petra Liset
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Liset, Petra	BANKID_MOBILE	2021-08-17 09:16

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



CMC Markets UK plc Filial Oslo
Statement of profit or loss and other comprehensive income

For the year ended 31 March 2021

NOK 000	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue		11,267	15,751
Interest income	4	4	29
Total revenue		11,271	15,780
Operating Expense	5	(10,500)	(14,762)
Operating profit		771	1,018
Finance costs		(68)	(56)
Profit before taxation	7	703	962
Taxation	8	(225)	(366)
Profit for the financial year and total comprehensive income		478	596

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

As at 31 March 2021

NOK 000	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	9	-	2,082
Deferred tax assets	10	-	24
Trade and other receivables	11	-	540
Total non-current assets		-	2,646
Current assets			
Trade and other receivables	11	7,183	9,808
Cash and cash equivalents	12	1,700	1,185
Total current assets		8,883	10,993
Total assets		8,883	13,639
LIABILITIES			
Current liabilities			
Trade and other payables	13	-	3,730
Current tax payable		-	151
Lease Liabilities	16	242	897
Total current liabilities		242	4,778
Non-current liabilities			
Lease Liabilities	16	0	698
Total non-current liabilities		0	698
Total Liabilities		242	5,476
EQUITY			
Net assets attributable to owners of the Parent Company			
Retained earnings		8,641	8,163
Total equity		8,641	8,163
Total equity and liabilities		8,883	13,639

These Financial Statements on pages 5 to 20 were approved and authorised for issue by Management on 17th August 2021 and signed on its behalf by:



Henrik Sommerfelt
Head of Norway



CMC Markets UK plc Filial Oslo Statement of changes in equity

For the year ended 31 March 2021

NOK 000	Retained Earnings	Total Equity
At 1 April 2019	7,567	7,567
Total comprehensive income	596	596
At 31 March 2020	8,163	8,163
Total comprehensive income	478	478
At 31 March 2021	8,641	8,641

**CMC Markets UK plc Filial Oslo**
Statement of cash flows

For the year ended 31 March 2021

NOK 000	Note	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities			
Cash generated from operations	14	1,423	1,536
Interest Income		4	29
Tax paid		(159)	(345)
Net cash generated from operating activities		1,268	1,220
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(31)	-
Net cash used in Investing activities		(31)	-
Cash flows from financing activities			
Principle elements of lease payments		(654)	(808)
Finance costs		(68)	(56)
Net cash used in financing activities		(722)	(864)
Net increase in cash and cash equivalents		515	356
Cash and cash equivalents at the beginning of the year		1,185	829
Cash and cash equivalents at the end of the year	12	1,700	1,185



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 (the "Branch") 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

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

The Financial Statements have been prepared in accordance with the going concern basis, under the historical cost convention, except in the case of "financial instruments at fair value through profit or loss ("FVPL")" and "financial instruments at fair value through other comprehensive income ("FVOCI)". The financial information is rounded to the nearest thousand, except where otherwise indicated.

The principal accounting policies adopted in the preparation of these Financial Statements are set out in the note below. These policies have been consistently applied to all years presented. The Financial Statements presented are at and for the years ended 31 March 2021 and 31 March 2020. Financial annual years are referred to as 2021 and 2020 in the Financial Statements.

Changes in accounting policy and disclosures

Application of new and revised accounting standards

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

- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IFRS 3 "Definition of a Business"
- Revised Conceptual Framework for Financial Reporting

The Group also elected to adopt the following amendments early:

- Amendments to IFRS 16 "Covid-19-related Rent Concessions"

In the current financial year, the Branch has applied the amendments to IFRS 16 (as issued by IASB in May 2020) in advance of its effective date. These amendments provide lessees with an exemption from assessing whether a Covid-19 related rent concession is a lease modification. The Group has applied the practical expedient retrospectively to all rent concessions that meet the conditions and the effect on the financial statements of the Group is immaterial.

New accounting standards in issue but not yet effective

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

IFRS 17	Insurance Contracts
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 9, IFRS 16, IFRS 1

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the Financial Statements of the Branch in future periods.



CMC Markets UK plc Filial Oslo

Notes to the Financial Statements

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 statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. Summary of significant accounting policies

Revenue

Revenue is attributable to the provision of marketing and sales service from the Branch to the Company 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 profit and loss and comprehensive income with a corresponding liability with the statement of financial position.

Pensions

The Branch 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.

Right-of-use assets

Right-of-use assets are measured at cost and comprise of the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are presented within property, plant and equipment in the statement of financial position and are subject to impairment.

Borrowings and Lease liabilities

Liabilities arising from a lease are initially measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the branch uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The branch 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.

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 profit or loss and other 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 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.



CMC Markets UK plc Filial Oslo

Notes to the Financial Statements

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 statement of profit or loss and other comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Branch 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 on the statement of financial position date. Gains and losses arising on retranslation are included in the income statement for the year.

Property, plant and equipment

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

Item	Depreciation Policy
Leasehold improvements	15 years or life of lease
Furniture, fixtures 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 the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Premises in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets, determined on the same basis as other leasehold assets, commences when the assets are ready for their intended use.

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 and value in use. Fair value less cost to sell is the estimated amount at which an asset can be disposed of, less any direct selling costs. Value in use is the summation of the estimated discounted future cash flows generated from the asset's continued use, including those from its ultimate disposal. For the purpose of assessing value in use, assets are grouped at the lowest levels 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. For assets other than goodwill, 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.

Trade receivables do not contain a significant financing element and therefore expected credit losses are measured using the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

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 income statement within other operating costs. When a trade receivable is uncollectable, 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 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. Interest income

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Net interest income comprises the following:		
Bank interest	4	29
Total	4	29

5. Operating expenses

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Operating expenses comprise the following:		
Staff costs	3,441	6,405
IT costs	184	246
Sales and marketing	4,425	4,843
Premises costs	115	166
Legal and professional fees	404	607
Regulatory fees	77	203
Depreciation	947	968
Other costs	907	1,324
Total	10,500	14,762

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



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

6. Employee Information

The aggregate employment cost of staff was:

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Wages and salaries	2,448	4,783
Social security costs	363	999
Other pension costs	144	220
Share based payments	138	58
Contract staff costs	348	345
Total	3,441	6,405

The monthly average number of employees of the Branch during the year was 4 (2020: 6).



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

Remuneration to Head of Norway

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Salaries	697	1,199
Pension expenses	105	190
Share based payments	20	-
Bonus	423	-

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 Branch's pension arrangement fulfils the requirements of the law.

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

7. Profit before taxation

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Profit before taxation is stated after charging / (crediting)		
Depreciation (note 9)	947	968
Net foreign exchange (loss) / gain	(32)	20

Auditors' remuneration costs for audit services in respect of the current year are NOK 146,000 (2020: NOK 144,000).

**CMC Markets UK plc Filial Oslo**
Notes to the Financial Statements**8. Taxation**

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Analysis of the charge for the year		
<i>Current tax</i>		
Current tax on profits for the year	225	282
Adjustment in respect of prior periods	-	84
Total current tax charge	225	366
<i>Deferred tax</i>		
Origination and reversal of temporary differences	-	8
Adjustment in respect of prior periods	-	(8)
Total deferred tax charge	-	-
Total Tax	225	366

The effective tax rate of 32.0% (Year ended 31 March 2020: 38.0%) differs from the standard rate of Norway of 25% (Year ended 31 March 2020: 25%). The differences are explained below:

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Profit before taxation	703	962
Profit before taxation multiplied by the standard rate of corp. tax in Norway of 25% (2020: 25%)	176	241
Expenses not deductible for tax purposes	49	32
Adjustments in respect of prior periods	-	76
Other	-	17
Total taxation charge	225	366



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

9. Property, Plant and Equipment

NOK 000	Leasehold improvements	Furniture, fixture and equipment	Computer hardware	Right of Use Asset	Total
Cost					
At 31 March 2019	161	516	893	-	1,570
Change in accounting policy	-	-	-	879	879
At 1 April 2019	161	516	893	879	2,449
Modification of lease	-	-	-	1,574	1,574
Disposals	-	(183)	(825)	-	(1,008)
At 31 March 2020	161	333	68	2,453	3,015
Modification of lease	-	-	-	12	12
Additions	-	31	-	-	31
Disposals	(161)	(364)	(68)	(2,465)	(3,058)
At 31 March 2021	-	-	-	-	-
Accumulated depreciation					
At 1 April 2019	(12)	(294)	(887)	-	(1,193)
Charge for the year	(11)	(66)	(6)	(885)	(968)
Disposals	-	183	825	-	1,008
Modification of lease	-	-	-	220	220
At 31 March 2020	(23)	(177)	(68)	(665)	(933)
Charge for the year	(8)	(45)	-	(894)	(947)
Disposals	31	222	68	1,559	1,880
At 31 March 2021	-	-	-	-	-
Net book value					
At 1 April 2019	149	222	6	-	377
At 31 March 2020	138	156	-	1,788	2,082
At 31 March 2021	-	-	-	-	-

10. Deferred tax

Analysis for financial reporting purposes

NOK 000	As at 31 March 2021	As at 31 March 2020
Deferred tax assets to be recovered within 12 months	-	10
Deferred tax assets to be recovered after 12 months	-	14
Net deferred tax asset	-	24



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

Deferred income taxes are 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 on deferred tax is as follows:

NOK 000	As at 31 March 2021	As at 31 March 2020
At 1 April	24	24
Credit to income related to prior year	-	(8)
Charge/(Credit) to income for the year	-	8
Transfer of Business 1st Dec 20	(24)	-
At 31 March	-	24

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.

11. Trade and other receivables

NOK 000	As at 31 March 2021	As at 31 March 2020
Current		
Amounts due from Group companies	6,638	9,677
Prepayments and accrued income	-	131
Other debtors	545	-
Total current trade and other receivables	7,183	9,808
Non-current		
Other debtors	-	540
Total trade and other receivables	7,183	10,348

Amounts due from Group companies are unsecured and repayable on demand. Other debtors includes a deposit for the Oslo office which is due to be transferred to the new branch imminently.

12. Cash and cash equivalents

Cash and cash equivalents of NOK 1,700,000 (2020: NOK 1,185,000) comprise cash at bank. Cash at bank earns interest at floating rates, based on daily bank deposit rates. There is restricted cash of NOK 1,115,944 (2020: NOK 94,340).

**CMC Markets UK plc Filial Oslo**
Notes to the Financial Statements**13. Trade and other payables**

NOK 000	As at 31 March 2021	As at 31 March 2020
Trade payables	-	55
Social security and other tax	-	(44)
Accruals and deferred income	-	3,719
Total trade and other payables	-	3,730

14. Cash generated from operations

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Profit before taxation	703	962
Adjustments for:		
Net interest income	(4)	(29)
Finance costs	68	56
Depreciation	947	968
Loss on disposal of PPE	195	-
Changes in working capital		
Decrease/ (increase) in trade and other receivables	721	(2,068)
(Decrease) / increase in trade and other payables	(1,207)	1,647
Cash generated from operations	1,423	1,536

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').

Statement of profit or loss and other comprehensive income charge for share-based payments

The total charge relating to cash settled share based payments was NOK 138,000 (year ended 31 March 2020: NOK 58,000).

No shares were gifted to employees during the year (year ended 31 March 2020: nil).

Current Schemes*SIP Awards*

Eligible employees were also invited to subscribe for up to £1,800 of partnership shares relating to the tax year to 5 April 2018, 5 April 2019 and 5 April 2020 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 2018 vesting 5 April 2021, on 5 April 2019 vesting 5 April 2022 and on 6 April 2021 vesting 6 April 2023. A balance of 4,637 shares remained at the end of the period.

'Cash settled share options granted under the 2015 MEP were defined by a 'non-market performance' conditions. A July 2020 award of 5,370 options was granted during the year with service only conditions, vesting in July 2022.

The fair value of SIP awards are determined to be the share price at 31 March 2021.



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

16. Lease Liabilities

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

NOK 000	As at 31 March 2021	As at 31 March 2020
At 1 April	1,595	-
Lease liabilities recognised on adoption of IFRS 16 on 1 April 2019	-	609
Additions and modifications of leases during the year	(699)	1,794
Interest expense	68	56
Lease payments made during the year	(722)	(864)
At 31 March	242	1,595

NOK 000	As at 31 March 2021	As at 31 March 2020
Analysis of lease liabilities		
Non-current	-	698
Current	242	897
Total	242	1,595

17. Related party transactions

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

NOK 000	Year ended 31 March 2021	Year ended 31 March 2020
Recharges in respect of services provided	10,945	15,751



CMC Markets UK plc Filial Oslo Notes to the Financial Statements

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

NOK 000	As at 31 March 2021	As at 31 March 2020
Amounts due from Parent	6,638	9,677

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

18. Ultimate controlling party

The immediate parent undertaking is CMC Markets UK plc.

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

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

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

