Marex Spectron International Limited
Annual Report and Financial Statements

Year ended 31 December 2022
Registration Number 03938219

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COMPANY INFORMATION

Country of Incorporation	England and Wales
Legal Form	Private limited company
Directors	N G W Grace M I Thistle P R Tonucci
Company Secretary	S Linsley
Registered Office	155 Bishopsgate, London, EC2M 3TQ
Auditor	Deloitte LLP 1 New Street Square, London, EC4A 3HQ
Bankers	NatWest plc 63-65 Piccadily, London, W1J 0AJ

The directors present the Strategic Report of Marex Spectron International Limited (the 'Company' or the 'Firm') for the year ended 31 December 2022.

Review of Financial performance

The Company's revenue in 2022 was $107.3 million, a slight decrease of $1.7 million compared with 2021. Market conditions, particularly in the first quarter of the year were positive, with higher volatility resulting in higher levels of client activity across the energy markets. From the second quarter of the year, we saw a slowdown in activity levels due to a combination of higher absolute energy prices, increased margin requirements and elevated volatility causing many market participants to reduce activity levels.

	2022 $'m	2021 $'m	Decrease $'m	Change %
Revenue	107.3	109.0	(1.7)	(1.6%)
Expenses	(106.0)	(107.9)	(1.9)	(1.8%)
Operating Profit	**1.3**	**1.1**	**0.2**	**18.2%**

Key performance indicators

The key performance indicators (KPIs) that are the focus of senior management include adjusted operating profit before tax and net revenue. From a financial management perspective operating PBT is the key measurement of financial performance, reflecting the underlying profitability of the business. The adjusted operating profit before tax is the same as the operating profit before tax, as no non-operating items were excluded in 2022 (2021: nil). The Company also utilises trade numbers as a non-financial measure of performance. There were 123,427 trades in 2022 compared to 110,717 in 2021. Despite this increase in trade numbers revenues were down due to the average size of trade being lower.

Business and geographic review

31 December 2022	North America $'m	Europe $'m	Total $'m
Price discovery	37.2	70.1	107.3
Revenue	**37.2**	**70.1**	**107.3**

31 December 2021	North America $'m	Europe $'m	Total $'m
Price discovery	37.1	71.9	109.0
Revenue	**37.1**	**71.9**	**109.0**

The Company operates in the commodities segment across two geographical regions, Europe and North America, where the primary focus in both these regions is the Energy business.

The European region generated revenues of $70.1 million (2021: $71.9 million) for the year; $1.8 million lower than the previous year. The 2022 revenues were generated by Fuel Oil, Natural Gas, Canadian Crude, LPG, Biofuel, Environment Products, Physical Tanker, Options and Power desks.

The Company conducted a strategic review of its energy operations and restructured some of its teams where the outlook for revenues and margins had deteriorated. Following this review the Company made the decision to close its Oslo branch in December 2022. Since the revenue and costs of this branch are not material no further disclosure has been made in the financial statements.

Regulatory capital
The Company has maintained its capital base throughout the year as well as at the balance sheet date.

Financial Conduct Authority

The Company is subject to minimum capital requirements as prescribed by the FCA and implemented through the Investment Firms Prudential Regime ('IFPR') from 1 January 2022. As at 31 December 2022, the Company had a total minimum capital requirement ('Pillar 1') of $12.8 million (2021: $9.7 million) and capital resources of $26.0 million (2021: $24.7 million) equating to an excess of $13.2 million (2021: $15.0 million) and a solvency ratio of 203% (2021: 254%).

National Futures Association
As at 31 December 2022, the Company had a total capital requirement of $45,000 (2021: $45,000) and adjusted net capital of $15.4 million (2021: $10.7 million) equating to an excess of $15.3 million (2021: $10.7 million).

Overview of risk management

Risk management is not performed at the company level, and instead places reliance on the overall risk management function of the Group.

The Group views risk management as a key consideration in delivering its strategic business aims and objectives, whilst ensuring the Group's long-term sustainability and effective corporate governance

The Group's business strategy and risk appetite are linked to ensure risk taking remains within the defined boundaries to support business strategy, effective management of capital and efficient use of liquidity.

The Group's risk governance structure is articulated within its Enterprise Wide Risk Management ('EWRM') framework, which sets the foundations and organisational structure for implementing and reviewing risk management practices and activities across the Group.

The Group Board has overall responsibility for ensuring an appropriate governance framework for the Group. The Group Board maintains oversight over subsidiaries yet is cognisant of the local regulatory responsibilities applicable to Boards of local operations. Group subsidiaries may develop their own risk frameworks and policies tailored to their specific business; however, in the development and approval of such frameworks and policies, they should be consistent with and have regard for the principles of the Group EWRM framework and Group policies. This ensures that all separate legal entities are treated collectively for the purposes of risk identification, assessment and reporting, and that the Group has a holistic view of risk

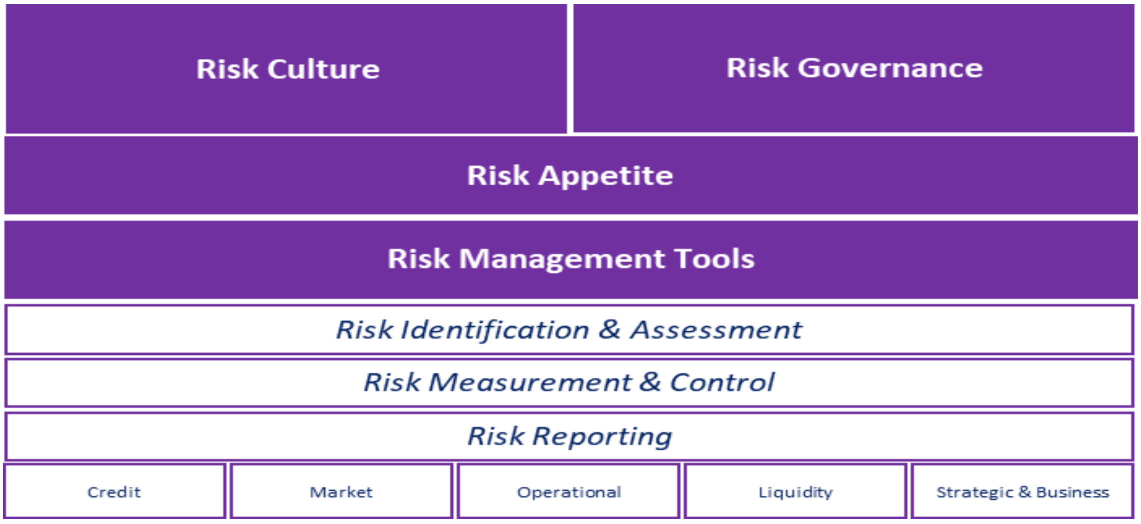
EWRM FRAMEWORK

The Group EWRM Framework is reviewed annually by Risk management, or more frequently where material changes occur, and approved by the Group Board every three years. The framework is cascaded to relevant senior management to ensure business and risk strategies are formulated and reported consistently.

Its objectives are to:

- Ensure greater consistency in the strategies and approaches used to identify business risks
- Ensure identified risks are appropriately and consistently measured to enable evaluation, aggregation, comparison and control.
- Assess identified risks both at the specific risk and aggregate Group level to determine approach to control or mitigation. Assessment incorporates evaluations of potential relationships or interdependencies across different risk categories and businesses.
- Ensure appropriate governance and control structures are in place.

Components of the EWRM Framework



Risk Culture

Risk culture describes the values and behaviours present throughout the organisation which shape risk decision made. The risk culture is consistent with the Group's ethics and values, strategic and risk objectives.

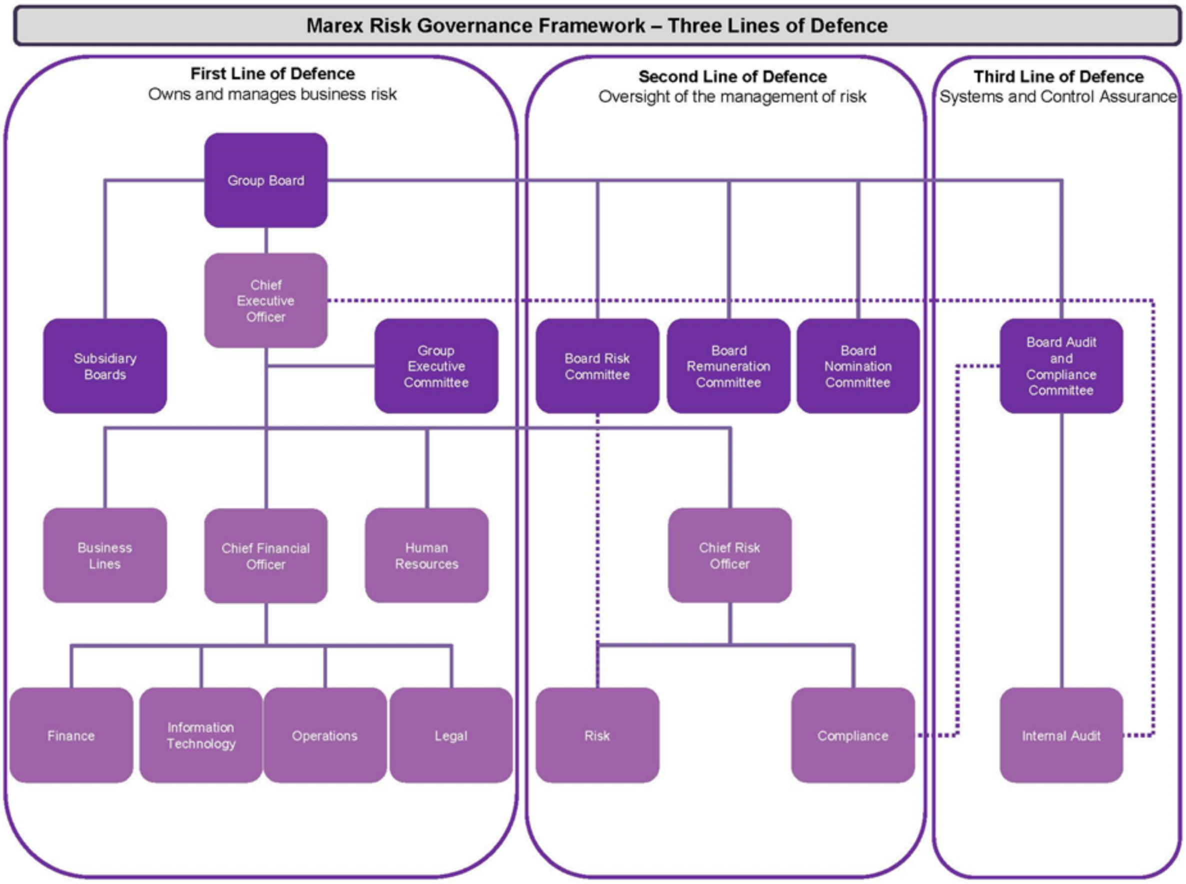
Responsibility for risk management resides at all levels within the Group, from the Group Board and the Group Executive Committee down through the organisation to each business manager, employee and risk specialist. Responsibility for effective review and challenge of risk policies resides with senior managers, risk oversight committees, internal audit, independent Group risk function, the Group Board and the Risk Committee.

All individuals within the Group should understand its risk and compliance rules, which is fostered through a risk-aware culture and the embedding of risk management throughout the organisation. The Group's risk culture objective is for every employee to take personal accountability for recognising current and potential risks and managing them effectively.

Risk Governance

The Group has adopted the 'Three Lines of Defence' model in conjunction with a strong risk culture, good communication and understanding. The approved risk governance model includes the Group Board, the Group Executive Committee and the Risk Committee that form the management of risk governance within the Group.

Information flows and reporting lines are clearly communicated to the relevant personnel and are represented on the risk governance model. The model includes role and responsibility allocation between the organisation centre and business units.



The **first line of defence** for day-to-day risk management is with the business units and support functions. They are responsible for understanding and adhering to the risk and control environment. Front line employees must consider the risk / reward trade off in the short and long term and must ensure compliance with all risk policies and limits. The first line is responsible for the ongoing assessment, monitoring and reporting of risk exposures and events.

The **second line of defence** is the internal control function which includes the Risk Management and Compliance functions. These teams provide independent risk oversight and challenge to the first line, and supervision of the operation of the risk control framework. Responsibilities also include the formulation and maintenance of risk frameworks, policies and risk reporting.

The **third line of defence** is the Group's Internal Audit function, who provide independent assurance of the first and second lines. Internal Audit carries out an annual programme of risk-based audits covering all aspects of first- and second-line risk management and risk control activities. The conclusions of each risk-based audit carried out by Internal Audit are reported to all Three Lines of Defence. Internal Audit action plans are tracked through the Audit and Compliance Committee to ensure that resolutions are reached within the indicated timescales.

The roles and responsibilities of core functions within the Group are clearly defined, while reporting and escalation lines are strong.

A high-level summary of the roles and responsibilities are included in the table below:

Function	Role and Responsibility
Board of Directors	The Board of Directors set the overarching risk culture of the Group.
Group Executive Committee	Charged with the day-to-day conduct of the Group's business; developing and recommending Group objectives, strategy and budget to the Group Board; and executing the strategy approved by the Group Board
Chief Executive Officer (CEO)	Ensures that the management of risks is within the parameters approved by the Group Board and changes to internal systems of control as recommended/required by Internal Audit and the Audit and Compliance Committee are appropriately implemented.
Chief Financial Officer (CFO)	Responsible for overseeing the operational and financial practices of the Group, and therefore responsible for the implementation of internal controls to manage the risks identified, and responsible for the testing of these internal controls with Internal Audit. As a standing attendee of the Audit and Compliance Committee and Risk Committee and as a member of the Group Board, the CFO is able to ensure that the strategies and policies for the management of risk can be operationalised.
Chief Risk Officer (CRO)	The senior executive accountable for enabling the efficient and effective governance of significant risks and related opportunities to our business and its segments. The CRO is a member of the Group Executive Committee and guides that committee and the Group Board on the formulation of risk appetite, strategies, policies, delegated authorities and limit structures for the management of risks
Audit and Compliance Committee	Assists the Board in ensuring the independence and effectiveness of the internal and external audit functions, the integrity of the financial and narrative statements, the effectiveness of internal financial controls, and regulatory compliance.
Risk Committee	Provides advice to the Board on the Group's current risk exposures and future risk strategies (including the strategy for capital and liquidity management), the embedding and maintenance throughout the Group of a supportive culture in relation to the management of risk and the establishment of prescriptive rules and procedures in relation to risk. The Risk Committee is responsible for the oversight of risk when approving and monitoring appropriate limits on risk exposures and concentrations across the business. The focus is on risks to which the Group is exposed considering the Group Board's overall appetite for risk along with its current financial situation and resources.
Remuneration Committee	Determines the remuneration policy and practices of the Group for Executive Directors, and designs and determines remuneration for the Chair of the Board, Executive Directors and senior management, having regard to statutory and regulatory requirements.
Nomination Committee	The role of the Nomination Committee is to ensure there is a formal, rigorous and transparent procedure for the appointment of new directors, to lead the process for board appointments making recommendations to the Board and ensuring plans are in place for succession to the Board and senior management positions, overseeing the development of a diverse pipeline for succession.
Mergers and Acquisitions Committee	The role of the Mergers and Acquisitions Committee is to review potential mergers, acquisitions, or disposals and if appropriate, recommend such merger, acquisition, or disposal to the Board for final approval; or to approve in accordance with the delegation of authority limits set out in the Board Terms of Reference.

Risk Appetite

Risk appetite is the level of risk the Group Board is willing to take now and over the future planning horizon, given the financial resources of the Firm to pursue the stated business and risk strategies. The risk appetite recognises a range of possible outcomes as business plans are implemented. It is set and implemented against the business and risk strategies from the ‘top down’, cascading from high level objectives set by the Group Board, down through the Group into the formulation of detailed risk measures by specific departments, trading desks, traders and where appropriate to individual risk exposures.

Qualitative Risk Appetite Statements ('RAS') for each risk category are approved by the Board and are supplemented by various qualitative and quantitative risk metrics. The statements underpin the risk appetite and are monitored monthly to three risk appetite levels (Trigger, Limit, and Capacity) across the following areas:

- Performance Based Measures such as People, Processes, Markets and Profitability;
- Risk Based Measures such as Systems, Capital, Liquidity and Volatility; and
- Compliance Based Measures such as Regulatory / Legal, Transformation and Client Money.

The Group’s risk appetite is governed by its Risk Appetite Framework which includes measures that assess risks to ensure the successful delivery of the business and risk strategies. These measures are grounded against key balance sheet and profit and loss figures, as well as other specific measures and qualitative assessments. The framework is responsive to changes in the Group’s business strategy and plans, which ensures that the Risk Appetite is aligned with changes in the Group’s overall strategic goals.

Risk Management Tools

Risk management tools and methodologies form part of the Group’s risk management toolkit and assist in fulfilling the risk mandate in understanding the risks it is exposed to, the method to control such risks and the steps to mitigate risks and how to communicate those risks.

Risk Identification and Assessments

The Group's Risk Characterisation Model, (RCM), considers a range of risks the Group faces. This model forms an integral part of the EWRM Framework and serves as an effective linkage to risk appetite. The RCM is reviewed on an ongoing basis and formally on an annual basis.

Risk Type	Description
Strategic/ Business Risk	Represents the risk from changes in the business model, including the risk that the Group may not be able to carry out its business plan and desired strategy. It also includes risks arising from the Group's remuneration policy.
Credit Risk	Potential loss incurred where a counterparty fails to perform its contractual obligations in a timely manner. The Group controls credit risk using a robust framework for the creation, use and monitoring of credit risk models. Additionally, Risk Management supports business decision-making and proactive identification of new risks.
Market Risk	Potential loss arising from fluctuations in the values of traded positions due to changes in the value of price, volatility or interest rates within the financial markets. There are robust procedures to measure and set position limits to control market risk with growth facilitated in a controlled and transparent risk management framework.
Operational Risk	Potential loss from inadequate or failed internal processes, personnel, systems or external events. This category includes Conduct Risk, Legal Risk but excludes Strategic/ Reputational risks. Operational risk is captured, assessed and reported to minimise the frequency and impact of risk events on a cost-benefit basis.
Liquidity Risk	Represents the risk that the Group, although solvent, has insufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. The Group operates extensive liquidity management processes and procedures that involve scenario stress testing.
Concentration Risk	Concentration risk can be defined as any single (direct and/or indirect) exposure or group of exposures with the potential to produce losses large enough to threaten the Group's ability to maintain its core business. Concentration risk can arise from credit concentration to a specific country, or to specific counterparty, revenue concentration, exposure concentration to a specific product or concentrations from specific suppliers. To counter such risk, the Group imposes various concentration limits, specifically within credit and market risk exposures.
Settlement Risk	Settlement risk is the risk that arises when payments are not exchanged simultaneously. It is a type of counterparty risk associated with default risk as well as timing differences between parties. Robust policies and procedures ensure that Group settlement risk is kept to a minimum.
Compliance / Legal Risk	Represents the risk to the Group arising from violations of, or non-compliance with, laws, rules and regulations. A key responsibility of the Compliance and Legal departments is to monitor and deal with such risks.

Risk Identification and Assessments (continued)

Risk Type	Description
Financial Crime Risk	Financial crime risk encompasses five key risk areas: 'Sanctions', 'Money Laundering and Terrorist Financing', 'Bribery and Corruption', 'Tax Evasion' and 'Fraud' risks. Marex has adopted a holistic approach to financial crime and has one Group-wide Financial Crime Policy that sets the minimum control requirement in the five key risk areas. This combined approach allows us to identify and manage connections between the key risk areas. Entity-level policies formally adopt the Group Financial Crime Policy and define any local regulatory requirements that apply to specific entities across the Group. Methodologies and standards underpin the Group and entity-level policies. Methodologies identify, select, process and analyse financial crime risk. Standards provide the detailed guidance on how to comply with the financial crime policies. Procedures provide instructions to ensure routine and complex operations are undertaken in alignment with policies and standards. For each financial crime type, an overarching risk appetite statement has been produced, which is supported by qualitative statements and quantitative thresholds and limits. A set of key risk indicators and key performance indicators measure the quantitative thresholds and limits. These are produced on a quarterly basis in order to assess compliance standards and highlight areas of potential weaknesses. Financial crime management information is presented to the Financial Crime Committee and Audit and Compliance Committee for review and challenge as part of their oversight responsibilities.
Technology Risk	Technology risk, or information technology risk, is the potential for any technology to disrupt the business. Risk management includes the strategies, processes, systems and people aimed at effectively managing potential technology risks. The goal of cybersecurity risk management is to identify potential technology risks before they occur and have a plan to address those technology risks. Risk management looks at internal and external technology risk that could have an effect on the Group.
Group Risk	Group risk is the risk that the financial position of a firm may be adversely affected by its relationships (financial or non-financial) with other entities in the same group or by risks which may affect the financial position of the whole group. For Marex, this risk is small because over 90% of the market risk and credit risk faced by the group sits within Marex Financial, the main trading entity.
Reputational Risk	Reputational risk is viewed as a secondary risk by the Group, one resulting from the impact of other risks, such as operational risk or compliance risk. It is important to note, that all departments have their own control processes and procedures in place to limit the impact of all relevant risks.

Multiple methods and tools are utilised to identify existing and emerging risks within the market, the businesses and individual instruments traded.

Risk Measurement & Control

The Group's key risks are consistently analysed and measured in accordance with approved policies and processes. Key business controls and procedures are implemented to mitigate the risks highlighted by the risk assessment. The Group uses the measures below to varying degrees.

Limit Type	Description
Sensitivity Limits	Effective and direct method for restricting the size of certain risks. It is easily implemented, simple to understand and enables management of highly granular exposure metrics such as Vega, Delta, etc.
Concentration Limits	Used where exposure to a specific segment of the market is desirable, e.g. country specific credit risk limits.
Value at Risk ('VaR')	The Group Board VaR limit sets the overall risk appetite in order to meet the Group's business strategy. The CRO has the delegated authority to allocate this limit across business lines (Metals, Agriculture, CSC Commodities, etc.) taking into account historic diversification of markets. Desk heads have the autonomy to allocate this VaR to their traders, allowing for diversification. VaR is immediately responsive to increases in market volatility or decreases in diversification and this will force the reduction of positions in times of stress.
Stress Testing Limits	Discussion triggers for risk personnel to engage with senior management on risk concentrations which may cause P&L events. Examines market stress events and as such have a lower probability than the risk captured by VaR. Such a limit breach (or near miss) would prompt discussion around size of actual or potential exposure, and management's view on business strategy and risk appetite.
Non-Limit Control Measures	Used to restrict undesirable risk concentrations or mitigate risk e.g. increasing margin rates required to hold exposures to a certain underlying, in times of volatility; reducing credit lines (overall / specific); exiting certain types of business or increasing capital to support a desired increase in exposure for a market segment deemed attractive.

Risk Reporting

An important part of the risk management remit is regular and appropriate reporting and communication of risk. In line with the governance structure in place, periodic reporting and risk analysis is presented to the relevant governing bodies as well as the relevant risk takers, including the Board; the Risk Committee; the Group Executive Committee; and senior management. The escalation procedures for raising significant issues with managers and supervisors are clear and well embedded across the Group, and are detailed within relevant policies and procedures for the business area.

The flow of information and communication across the Group relating to the management of risk and the effectiveness of the control framework within the risk governance structure is an important component of the framework. There is regular reporting on the performance and effectiveness of KRIs and formal management information relating to the risks inherent in the business. The escalation procedures for raising significant issues with managers and supervisors are clear and well embedded across the Group.

Reporting requirements include monitoring the ongoing adequacy and effectiveness of the control framework, taking account of the trends and frequency of breaches of the control framework recorded on the Risk Register. Inherent risks and mitigating controls are assessed during the Risk and Control Self Assessment ('RCSA').

GENERAL RISKS

Market Price Volatility

The level of volatility in the markets in which we operate is a key driver for our business. High volatility does not automatically result in enhanced performance for our business, as a high degree of skill and expertise is required in order to ensure that this volatility is converted into positive revenue for the Firm; however it does provide a favourable environment for this to happen.

There is a risk to the downside for the Firm if volatility across all asset classes decline and remain at historic lows.

Pricing pressure

Pricing pressure is a potential risk to any business. We mitigate this risk by aiming to provide best in class services to our clients, as well as by enhancing our offering to ensure we are providing more than just price discovery. Our investment in technology and our Neon platform are evidence of this.

Market prices

Whilst our market making and broking activities are driven by volatility rather than price direction, a decline in commodity prices typically results in a flow of capital out of markets we're involved in, thereby reducing transaction numbers and volumes. As such, this potentially presents a risk to our revenues and income.

Exchange rules

Changes enforced by the exchanges are outside of our control and have the potential to impact our business are outside of our control and have the potential to impact our business

SPECIFIC RISKS

Cyber

Information security, data confidentiality, integrity and availability of information are of critical importance to our continued effectiveness. Technology risk is inherent not only to the Group's information technology assets, but also in people and processes inherent with them. In common with other businesses, the Group is continuing to track the cyber threat 'universe' and is aware of risks from cyber attacks seeking to undermine businesses, governments and utilities. This extends to third parties, which also pose a source threat leading to an increase in security of such relationships. The Group maintains active links with peer associations and government agencies to keep abreast of developments as well as having timely access to cyber threat intelligence.

Climate change

With growing concerns over the climate crisis, we are aware of the importance of understanding the potential impacts of climate change on our business. The Group recognises climate change as both a risk and an opportunity for the business. It fully supports the implementation of the recommendations of the Taskforce on Climate-Related Financial Disclosures ('TCFD'). The Firm is voluntarily aligning ahead of the UK's requirement as a Large Company. Climate change poses both challenges and upsides to the Group's business model and products, as well as to employees and customers, and as such the Group has begun to address this across the four pillars of the TCFD: Governance, Strategy, Risk Management, and Metrics and Targets.

Geopolitical

There are many uncertainties in the geopolitical and societal environment due to the impact of political activities. These include the Ukraine situation, Brexit, the wider economic climate (which remains impacted by the Covid-19 pandemic), digital disruption and societal change.

Terrorism

The current terror threat in the UK is substantial, meaning 'an attack is likely'. Attacks by loan wolves and small groups against soft targets have become more common. Our London office is situated in a targeted location and in the event of such an act, and if deemed necessary, the Group would engage its Business Continuity Plan while ensuring staff welfare at all times.

SPECIFIC RISKS (CONTINUED)

Regulation

The new IFPR regime began in January 2022, and the Group submitted its first Internal Capital and Risk Assessment ('ICARA') in September 2022 (for the 2021 financial year). This 'living' document, finalised jointly with our internal audit function, now forms the centrepiece of the Group's risk framework, anchoring the Firm's three lines of defence to the identification, remediation and optimisation of harms that the Firm faces itself, to clients and the market at-large. This approach has focused efforts to ensure potential harms to clients and the wider market are well understood and then avoided, remediated, or minimised. Where residual potential harm does remain, capital is assessed, apportioned and ring-fenced to ensure the Firm is conservatively capitalised for all corresponding scenarios.

Movement to screens

There is a risk that more volume moves from voice to screens in the most liquid products, or entire exchanges (e.g. the LME proposal to close the ring). To mitigate this, we continually evolve our business entering new markets, enabling capacity on less liquid segments and investing further in technology.

EMERGING RISKS

Ukraine Conflict & connected market volatility / sanctions

During 2022, the Company (and markets at-large, particularly commodities - energy, grain and metals) have been exposed to additional volatility directly and indirectly as a result of the threat of, and escalation into conflict between Russia and the Ukraine. The Company took a number of preparatory actions from late 2021 onwards as the first signs of a potential deterioration emerged, modelling unprecedented stresses on all impacted positions to ensure appropriate steps (scrutiny of limits, portfolio concentration exposures etc.) were taken to ensure that Marex would continue to provide markets with liquidity and clients with credit in times of severely stressed markets. These market volatility preparations enabled the Company to effect a measured reaction ahead of many exchanges, clearing banks and other interdealer brokers. The Company's collegiate and interconnected approach brought together businesses and 1st and 2nd lines of defence across Risk, Treasury, Compliance and Financial Crime to ensure that Firm and client exposures to Russian sanctioned companies and individuals were understood, communicated and appropriately managed. When these scenarios unfolded it meant the Firm at large was well informed and positioned to be the first to respond swiftly, decisively and effectively.

Inflationary Pressures

UK inflation, which increased significantly in 2021 due to the economic post Covid-19 rebound (from 0.7% in January 2021 to 5.9% in December 2021), increased yet further to 10.7% in November 2022 primarily attributable to Ukraine conflict-driven increases in energy and consumer prices. Inflation is typically perceived positively for our client base – enabling many (at least on an aggregate basis) to lower their hedging requirements. Whilst there is a small consequential impact on hedging-fee revenues, this is offset by the corresponding favourable elevated interest rate environment. From a risk standpoint, because inflation is a lagging macroeconomic measure (and changes far more gradually than other economic measures), and because the Company maintains an agile approach to risk management - since the Company continually monitors and rapidly reacts to ensure exposures are minimised and within appetite, inflation has a negligible impact on Liquidity Risk exposure.

Section 172 - Companies Act 2006 statement

The directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the requirements of Section 172 (1) (a) to (f) of the Companies Act 2006 as set out below. The Directors recognise the importance of stakeholder engagement and its contribution to the success of the Company and their interests are taken into consideration by the Directors during Board discussions and decision-making. This report sets out how the Directors have met these responsibilities during the financial year.

(a) *the likely consequences of any decision in the long term*

Strategy, risk and financial and operational resilience of the Company are managed at a Group level. The Group Board held its annual 'Strategy Day' in February 2022. At this meeting, the overarching strategy of the Group (including the Company) was reviewed and the 2022 budget, three-year plan and capital plan were approved. The discussions on strategy included planned growth in the Americas and Asia-Pacific regions, particularly to provide existing clients with a further diversified product set, access to an increased number of markets, and to strengthen local culture, expertise and support. The meeting also focused on the Group's continued expansion into renewable energy, potentially involving all of the Group's service segments but initially focusing on the hiring plans for environmental product market-makers in voluntary carbon markets, renewable energy certificates, and guarantees of origin. The Group Board also discussed 2021 financial performance, potential further acquisitions for the Group and other areas for increased diversification by both product and geography.

The Directors continue to identify opportunities, innovation, creativity and ambition, and to evolve and diversify the Group in line with agreed risk appetite and long-term strategy. This was particularly evidenced in 2022 by the acquisition of ED&F Man Capital Markets division which has expanded the size of the Group, its employees and locations, and has both added to, and enhanced, its product set.

(b) *the interests of the Company's employees*

The Directors continued to support the annual employee engagement survey, which was undertaken in July. The number of respondents increased year-on-year by approximately 50%, reflecting the growth of the Group, and results showed an increase in overall scores and an improvement in all measures, with the largest increases in areas identified as focus areas following the 2021 survey: environment, organisational fit, collaboration and diversity. The results evidenced progress in many dimensions, including elimination of the rating gap between men and women, and closing of the rating gap between Control & Support staff and Front Office staff. Management, supported by the Group Board, will continue to focus on building a strong Group with increasingly satisified employees, and on maintaining high levels of engagement following the recent acquisitions. Further details of the Group Board's approach to remuneration, to leadership and how this cascades through the business to the workforce and employee engagement, can be found in the Group's Corporate Governance Report.

(c) *the need to foster the Company's business relationships with suppliers, customers and others*

The Directors support promotion of the Group's cultural values, ensuring they are understood by all and embedded into the fabric of the Group, its actions, how it conducts business, and how it supports appropriate behaviours. This ensures that good business relationships are maintained. The Directors are committed to ensuring high standards are met when it comes to supplier relationships; as such, all suppliers are required to meet the Marex Supplier Code of Conduct and abide by both relevant national and international standards, including those set out by the International Labour Organization, the UK Bribery Act 2010 and the UK Equality Act 2010. The Group's Modern Slavery and Human Trafficking Statement sets out the commitment of the Directors to their corporate responsibility and to maintaining a culture within which ethical behaviour is promoted, in addition to setting out the steps taken to minimise the risk of modern slavery existing in the Group's business or supply chains. The Group Board recognises its financial regulators across the globe as key relationships and Directors are committed to ensuring regular open dialogue and compliance with regulatory requirements.

d) *the impact of the Company's operations on the community and the environment;*

The Company acknowledges its responsibility to minimise the impact of the business on the community and the environment. The Directors continue to support the Group's focus on ESG, which includes activities in the biofuels, renewable energy certificates, emissions futures and options, environmental consulting services and the launch of a bespoke renewables desk. The Directors also remain committed to the Group's carbon sequestration project with Oxford University spin-off OxCarbon and the Global Mangrove Trust; and the Group was able to achieve carbon neutral status by the end of 2022. Further detail of the Group's approach can be found in the ESG Report. In addition, supported by the Directors, the Group's approach to taxation is one of transparency and disclosure, paying its fair share of tax, ensuring a cooperative approach to working with tax authorities, no aggressive tax planning and alignment with best market practices.

Section 172(1) Companies Act 2006 (continued)

e) *the desirability of the Company maintaining a reputation for high standards of business conduct*

The Directors understand the importance of promoting the Group’s cultural values, ensuring they are understood by all and embedded into the fabric of the Group, its actions, how it conducts business, and how it supports appropriate behaviours. These are as follows:

– Integrity: We pride ourselves on our honesty and high ethical standards. We apply these values when working with all clients, colleagues and other stakeholders.
– Respect: Our people and clients are at the heart of our business. We strive to provide impeccable service and results combined with fair treatment and respect.

- Developing our people: Our people are the basis of our competitive advantage. We look to 'grow our own' and make Marex the place ambitious, hardworking and talented people choose to build their career.
- Adaptable and nimble: We are proactive. We embrace change as markets evolve to constantly increase our efficiency and create innovative solutions for our clients.
- Collaborative: By working together across the organisation, we foster teamwork, can better respond to challenges and successfully deliver for our clients.

(f) *the need to act fairly as between members of the Company.*

As a wholly owned subsidiary of Marex Group plc, the shareholder’s interests are represented by the directors, one of whom also serves on the Group Board and therefore responsible for setting the direction of the Group as a whole.

N G W Grace
Director
31 March 2023

The Strategic Report starting on page 3 provides information on the development of the Company's business during the year.

Principal activity

The principal activity of the Company continued to be the arranging of contracts for Gas, UK Power, European Power, Emissions and Options on behalf of its clients via the Company's electronic market place and traditional voice broking.

The Company also offers brokering activities for agricultural commodities and financial products. It is regulated by the Financial Conduct Authority ('FCA') and also by the Commodity Futures Trading Commission ('CFTC') on behalf of the National Futures Association ('NFA') to transact trades on certain US exchanges.

Directors

The following directors have held office throughout the year and to the date of this report, except where noted:

	Appointed	Resigned
N G W Grace		
J K D Elliott		21 February 2022
M I Thistle	27 July 2022	
P R Tonucci		

Indemnity of directors

Each director is indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by them in the proper exercise of their duties. Directors who have resigned during the year also benefit from the same indemnity arrangement. In addition, the directors are covered by an insurance policy.

Directors' statement as to disclosure of information to the Auditor

Each of the persons, who is a director at the date of approval of this report, confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Foreign exchange

The following foreign exchange rates have been used in the preparation of these financial statements:

	2022		2021	
	Average Rate	Year-end Rate	Average Rate	Year-end Rate
GBP / USD	1.2372	1.2099	1.3317	1.3531
EUR / USD	1.0538	1.0704	1.1307	1.1370

Going concern
After reviewing the Company's annual budget; liquidity requirements; plans and financial arrangements as well as the economic situation in the context of the invasion of Ukraine discussed in note 3(b) of the accounting policies, the directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and for at least 12 months from the date of signing of the balance sheet and confirm that the Company is a going concern. For this reason, they continue to adopt the going concern basis in the preparation of these financial statements.

Events after the reporting period

There were no post balance sheet events.

Overseas branches

The Company has branches, as defined in s1046 (3) of the Companies Act 2006, in Canada and the USA.

Dividends

The Company did not pay a dividend during the year (2021: $nil). No dividends were proposed after the year end.

Financial risk management

Financial risk management objectives are included in the Strategic Report.

Future developments

The directors consider that the year-end financial position of the Company was satisfactory. No significant change to the Company's principal business activities is currently expected; however, the Company anticipates reaping the benefits of steps taken to seek further market share and the strengthening of the Company's global footprint.

Engagement with Employees

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and the Group website. Further statements regarding actions taken by the Company during the financial year are set out in the Strategic Report.

Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Suppliers, customers and others

In accordance with the Reporting on Payment Practices and Performance Regulations 2017, the Company submits biannual reports on payment practices and performance to the Department for Business, Energy and Industrial Strategy. The average time taken to make payments from the Company under qualifying contracts was 22 days (12.5 days 2021). Relationships with suppliers, customers and others are not managed at company level, as the directors of the Company's immediate parent manage the operations of Marex on a group wide basis. Further statements regarding how the Group's relationships with suppliers, customers and others are managed, are contained in the Marex Group plc Annual Report (which does not form part of this report and is available on the Group's website).

Streamlined Energy Carbon Reporting ('SECR')

Greenhouse gas emission estimates are produced for the Group as a whole and are contained in the annual report of the Company's parent, Marex Group plc, which does not form part of this report.

Corporate governance arrangements
In 2022, the Company followed the Wates Corporate Governance Principles for Large Private Companies and reporting against that framework is contained in the annual report of the Company's parent, Marex Group plc, which does not form part of this report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ('IFRS's) as issued by the International Accounting Standards Board ('IASB'). In accordance with company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard ('IAS') 1 requires directors to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The auditor, Deloitte LLP, has expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor pursuant to sections 485 – 488 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

N G W Grace
Director
31 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MAREX SPECTRON INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Marex Spectron International Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company which comprise:

- the income statement;
- the statement of financial position;
- the statement of the changes in equity and movements in reserves;
- the cash flow statement and;
- the notes to the financial statements.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MAREX SPECTRON INTERNATIONAL LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations.
We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's obligations as a regulated Company by the Financial Conduct Authority (the 'FCA').

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the FCA and His Majesty's Revenue and Customs ('HMRC').

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MAREX SPECTRON INTERNATIONAL LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

David Roberts, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
31 March 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Revenue	5	107,361	109,035
Operating expenses		(106,018)	(107,896)
Operating profit		**1,343**	**1,139**
Finance income	9	9	—
Finance expense	9	(1)	(1)
Profit before taxation		**1,351**	**1,138**
Tax	10(a)	(295)	(299)
Profit for the year and total comprehensive income		**1,056**	**839**

All operations are continuing for the current and prior years.

The notes on pages 28 to 53 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Assets			
Non-current assets			
Property, software and equipment	12	3	5
Deferred tax	14	4	25
Right-of-use assets	18	128	88
Total non-current assets		**135**	**118**
Current assets			
Trade and other receivables	13	20,620	25,218
Corporation tax		71	17
Cash and cash equivalents		9,157	2,955
Total current assets		**29,848**	**28,190**
Total assets		**29,983**	**28,308**
Liabilities			
Current liabilities			
Trade and other payables	15	2,739	2,595
Corporation tax		504	62
Lease liability	18	33	16
Total current liabilities		**3,276**	**2,673**
Lease liability	18	91	75
Total non-current liabilities		**91**	**75**
Total liabilities		**3,367**	**2,748**
Total net assets		**26,616**	**25,560**

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 (CONTINUED)

	Notes	2022 $'000	2021 $'000
Equity			
Share capital	16,17	16	16
Share premium	17	165	165
Retained earnings	17	26,435	25,379
Total equity		**26,616**	**25,560**

The financial statements on pages 23 to 53 were approved and authorised for issue by the Board of Directors on 31 March 2023 and signed on its behalf by:

N G W Grace
Director
31 March 2023
Registration Number: 03938219

The notes on pages 28 to 53 form part of these financial statements.

STATEMENT OF THE CHANGES IN EQUITY AND MOVEMENTS IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital $'000	Share premium $'000	Retained earnings $'000	Total $'000
At 1 January 2021	16	165	24,540	24,721
Profit for the year and total comprehensive income	—	—	839	839
At 31 December 2022 and 1 January 2022	**16**	**165**	**25,379**	**25,560**
Profit for the year and total comprehensive income	—	—	1,056	1,056
At 31 December 2022	**16**	**165**	**26,435**	**26,616**

The notes on pages 28 to 53 form part of these financial statements.

Marex Spectron International Limited
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Profit before tax		1,351	1,138
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation of property, software and equipment	6,12	2	17
Depreciation of right-of-use asset	18	28	22
Amortisation of intangible assets		—	1
Gain on disposal of property, software and equipment	12	—	(1)
Decrease in provision	6,14(b)	(20)	(10)
Interest expense on lease liabilities	18	5	1
Interest paid	9	1	1
IFRS 16 Lease liability revaluation	18	(10)	1
Operating cash flows before changes in working capital		**1,357**	**1,170**
Working capital adjustments:			
Decrease in trade and other receivables		4,598	66
Increase in trade and other payables		144	153
Cash inflow from operating activities		**6,099**	**1,389**
Corporation tax paid		117	(279)
Net cash inflow from operating activities		**6,216**	**1,110**
Investing activities			
Interest received	9	9	—
Purchase of property, software and equipment	12	—	(5)
Net cash outflow from investing activities		**9**	**(5)**
Financing activities			
Payment of lease liabilities	18	(23)	(34)
Interest paid	9	—	(1)
Net cash outflow from financing activities		**(23)**	**(35)**
Net increase in cash and cash equivalents		**6,202**	**1,070**
Cash and cash equivalents			
Cash available on demand and short-term deposits at 1 January		2,955	1,885
Increase in cash		6,202	1,070
Cash and cash equivalents at 31 December		**9,157**	**2,955**

The notes on pages 28 to 53 form part of these financial statements.

1 GENERAL INFORMATION

Marex Spectron International Limited (the 'Company') is a company incorporated in England and Wales under the Companies Act. The address of the registered office is 155 Bishopsgate, London, EC2M 3TQ. The principal activities of the Company and the nature of the Company's operations are set out in the Strategic Report.

The financial statements are presented in US Dollars ('USD') which is also the currency of the primary economic environment in which the Company operates.

2 ADOPTION OF NEW AND REVISED STANDARDS

(a) Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit and loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the Statement of Comprehensive Income include(s) such proceeds and cost.

Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

2 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

(b) **New and revised IFRSs in issue, but not yet effective**

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been issued, but are not yet effective and, in some cases, had not yet been adopted:

Amendment to IAS 1	Clarification in the definition of current and non-current liabilities, effective on or after 1 January 2023.
IFRS 17: Insurance contracts	Application of IFRS 17 to insurance contracts, replacing IFRS 4 and sets out principles for the recognition, presentation and disclosure of insurance contracts within the scope of IFRS 17. Effective on or after 1 January 2023.
Amendments to IFRS 4	Extension to the temporary exemption from applying IFRS 9. Effective 1 January 2023.
Amendments to IAS 1 and IFRS Practice Statement 2	Introduction of disclosure requirements of material accounting policies. Effective on or after 1 January 2023.
Amendments to IAS 12	Clarification to the accounting treatment of deferred tax assets arising from a single transaction. Effective on or after 1 January 2023.
Amendments to IAS 8	Update to definition of accounting estimates. Effective on or after 1 January 2023.
Amendments to IFRS10 and IAS 28	Update to treatment of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The effective date of the amendments has yet to be set by the IASB.

Whilst the directors do not expect that the adoption of the above standards will have a material impact on the Company's financial statements, owing to the fact that the majority of these standards are due for implementation significantly into the future, the precise impact of implementation is unknown, and the directors do not intend to adopt the standards early.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

(b) Going concern

In considering going concern, the directors have reviewed the capital, liquidity and financial position of the Company and concluded that the going concern basis is still appropriate.

As a part of this conclusion the directors took into consideration the financial impact of the Russian war in Ukraine (including the resulting volatility in the markets and resulting increased levels of counterparty and operational risks), Covid-19, and the potential impact on the capital, liquidity and financial performance as noted within the Group's pandemic stress and reverse stress test. The results of the pandemic stress highlighted that the Group and the Company have sufficient capital and liquidity to satisfy their regulatory requirements. In addition to this a reverse stress analysis has been performed to identify the tail risk scenarios which would lead to challenges in meeting regulatory requirements. As funding is managed on a Group basis the directors considered the Group stress tests in determining their assessment for the Company.

As a result of the Russian war in Ukraine, the pandemic stress test and reverse stress analysis the directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue to satisfy its regulatory obligations as well as its liabilities for the foreseeable future.

Thus, the Company continues to adopt the going concern basis of accounting in preparing these financial statements.

(c) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable taking into account any trade discounts and volume rebates granted by the Company.

The Company generates revenue from:

- Agency and Execution revenue is where the Company acts as an agent and earns a commission and is recognised on a trade date basis.

(d) Finance income and expense

Finance income is earned on balances held at exchanges, clearing houses, banks and brokers, and on overdrawn client balances. Finance expenses are paid on overdrawn accounts with brokers and exchanges, client and counterparty balances and short-term borrowings. Finance income is recognised in the income statement as it accrues using the effective interest rate method. Finance expense is recognised on an amortised cost basis using the effective interest rate ('EIR') method as described in IFRS 9. The EIR is calculated considering all transaction costs relating to the issue of debt. Transaction costs accounted for on an amortised cost basis are those incremental costs that are directly attributable to the issue of debt.
An incremental cost is one that would not have been incurred had the debt not been issued.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency translation

The financial statements are presented in US Dollars ('USD'), which is also the currency of the primary economic environment (the functional currency) and the presentational currency of the Company.

Transactions entered into by the Company in a currency other than USD are recorded at the rates prevailing when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of monetary assets and liabilities are similarly recognised immediately in the Income Statement.

(f) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement benefits: defined contribution schemes

The Company operates defined contribution pension schemes. Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions.

(g) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable 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 can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is 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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(h) Property, software and equipment

Property, software and equipment are stated at cost, net of accumulated depreciation and any accumulated impairment losses.

As well as the purchase price, cost includes the directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Leasehold improvements	over the remaining length of the lease or 20% per annum straight-line, where appropriate
Computer equipment	20% to 50% per annum straight-line
Furniture, fixtures and fittings	20% to 50% per annum straight-line
Software	20% to 50% per annum straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

An item of property, software and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage 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.

Internally generated software (software development costs)

Expenditure on internally generated software is only capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be available for use or sold;
- adequate resources are available to complete the development;
- there is an intention to complete and use or sell the product;
- the Company is able to use or sell the product;
- use or sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis over estimated economic useful lives of 2 to 5 years, which represents the period that the Company expects to benefit from using or selling the products developed, and is recognised in the income statement.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated asset can be recognised, development expenditure is recognised in Profit and Loss in the period in which it is incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful lives are undertaken annually. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets in which the asset belongs for which there are separately identifiable cash flows).

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Where the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the Income Statement.

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

Effective interest method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and allocating interest income or expense over the relevant period. The effective interest rate ('EIR') is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The following accounting policies apply to the subsequent measurement of financial assets.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the contrary, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3 SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

(j) Financial instruments (continued)

Financial assets (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Impairment of financial assets

Measurement and recognition of expected credit losses

At the reporting date, an allowance is required for the 12 month (Stage 1) expected credit losses (‘ECL’). If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments; and
- external credit ratings where available.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognises an impairment gain or loss in profit and loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit and loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit and loss but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as either financial liabilities at ‘FVTPL’ or ‘other financial liabilities’.

The Company classifies its financial liabilities into the following categories, depending on the purpose for which the liability was assumed:

- FVTPL: this category includes financial instruments held for trading as well as debt securities in issue. They are carried in the balance sheet at fair value with changes in fair value recognised in the income statement or, in the case of changes in fair value due to own credit changes, through other comprehensive income.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial liabilities (continued)

- Other financial liabilities include the following items: trade and other payables and other short-term monetary liabilities which are recognised at amortised cost, and bank borrowings; such interest-bearing liabilities are subsequently measured at amortised cost using the EIR method, which ensures that any interest expense over the period to repayment is recognised at a constant rate on the balance of the liability carried in the statement of financial position.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. In circumstances where a financial liability is replaced by the same lender, yet the contractual terms are substantially different or modified, the original financial liability will be derecognised at the point of contractual exchange and the new financial liability recognised.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention and ability to settle on a net basis, or to realise the assets and liabilities simultaneously.

Significant increases in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating; and
- significant deterioration in external market indicators of credit risk for a particular financial instrument.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk, based on all of the following; (1) the financial instrument has a low risk of default, (2) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and (3) adverse changes in economic and business conditions in the long term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria is capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company) or partially.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 180 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Significant increases in credit risk (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit and loss.

(k) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and on hand, and short-term deposits.

(l) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading; and
- expected to be realised within 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading; and
- it is due to be settled within 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (assets including, but not limited to, tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets are presented as a separate line in the Statement of Financial Position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Property, software and equipment policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other operating expenses” in profit and loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis and revisions to accounting estimates are recognised in the period in which the estimate is revised. Significant judgement and estimates are necessary in relation to the following matters:

There are no significant accounting estimates and judgments made in the preparation of these accounts.

5 REVENUE

An analysis of the Company's revenue by geographic location and by type is as follows:

	2022		
31 December 2022	**North America $'000**	**Europe $'000**	**Total $'000**
Commodities	36,988	67,705	104,693
Other	256	2,412	2,668
Revenue	**37,244**	**70,117**	**107,361**

	2021		
31 December 2021	**North America $'000**	**Europe $'000**	**Total $'000**
Commodities	34,949	71,233	106,182
Other	2,200	653	2,853
Revenue	**37,149**	**71,886**	**109,035**

All revenues for the Company are revenue from contracts with customers.

6 OPERATING EXPENSES

This has been arrived at after charging / (crediting):

	Notes	2022 $'000	2021 $'000
Staff costs	8	5,814	5,672
Depreciation of property, software and equipment	12	2	17
Depreciation of right-of-use asset	18	28	22
Movement in impairment allowance	13(b)	145	(10)
Management recharges - in		99,381	102,505
Management recharges - out		(1,638)	(2,216)
Foreign exchange (gains) / losses		(638)	2

Management fees charged by group undertakings relate to operational and administrative support, and management services received from group undertakings.

7 AUDITOR'S REMUNERATION

The analysis of the auditor's remuneration is as follows:

	2022 $'000	2021 $'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts:		
Audit of the Company's annual accounts	222	284
Total audit fees	**222**	**284**

	2022 $'000	2021 $'000
Fees payable to the Company's auditor for other services comprise:		
Assurance services	20	41
Total non-audit fee	**20**	**41**

Audit fees for the Company for the year ended 31 December 2022 and the prior year were paid by a Group undertaking.

8 STAFF COSTS

	2022 Number	2021 Number
Front office	11	12
Control & support	2	1
Average monthly number of staff	**13**	**13**

	2022 $'000	2021 $'000
Aggregate wages and salaries	5,539	5,397
Employer's national insurance contributions and similar taxes	123	174
Short-term monetary benefits	100	58
Defined contribution pension cost	52	43
Total staff costs	**5,814**	**5,672**

9 FINANCE INCOME AND EXPENSE

	2022 $'000	2021 $'000
Finance income		
Bank interest income	9	—
	9	**—**

	2022 $'000	2021 $'000
Finance expense		
Bank interest expense	(1)	(1)
	(1)	**(1)**

10 TAXATION

(a) Tax charge

	2022 $'000	2021 $'000
Current tax		
UK corporation tax on profit for the year	289	248
Foreign corporation tax on profit for the year	—	37
Adjustment in respect of prior years		
UK corporation tax	3	13
Foreign corporation tax	(18)	(2)
	274	**296**
Deferred tax		
Origination and reversal of temporary differences	4	3
Adjustment in respect of prior years – other	17	—
	21	**3**
Tax (credit) / charge for the year	**295**	**299**

(b) Reconciliation between tax charge and profit before tax

The tax assessed for the year is higher (2021: lower) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). Taxation for non-UK jurisdictions is calculated at the prevailing rate. No country has implemented any corporate tax rate increases that have impacted the non-UK tax charge reported in 2022.

The Company's future tax charge will be sensitive to the geographic mix of profits earned, the tax rates in force and changes to the tax rules in the jurisdictions in which the Company operates. In particular, the Company is closely monitoring developments in relation to Pillar 2 of the OECD Base Erosion and profit shifting project around a global minimum tax rate of 15%. In December 2021, the OECD released the Pillar 2 model rules, also referred to as the 'Global Anti-Base Erosion' or 'GLOBE' rules. The UK is expected to implement these model rules for accounting periods beginning on or after 31 December 2023 and has released draft legislation and commentary. The Company is expected to meet the criteria to be subject to these rules. At this time and as currently drafted, it is not expected that the rules will have a material impact on the Company.

10 TAXATION

(b) Reconciliation between tax charge and profit before tax (continued)

Taxation for other jurisdictions is calculated at rates prevailing in the relevant jurisdictions.

	2022 $'000	2021 $'000
Profit before tax	**1,351**	**1,138**
Expected tax expense based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	257	216
Difference explained by:		
Expenses not deductible for tax purposes	42	39
Foreign exchange and other differences	—	(5)
Prior year adjustments	2	12
Tax rate change	(6)	—
Movements in deferred tax not recognised	—	—
Branch losses recognised in parent	—	—
Effect of overseas tax rates	—	37
Tax charge for the year	**295**	**299**

11 DIVIDENDS PAID AND PROPOSED

During the year, the Company did not propose or pay any dividend (2021: $nil). No further dividends are currently proposed.

12 PROPERTY, SOFTWARE AND EQUIPMENT

	Leasehold improvements $'000	Computer equipment $'000	Furniture, fixtures and fittings $'000	Total $'000
Cost				
At 1 January 2021	31	276	13	320
Additions	—	—	5	5
Disposals	—	(4)	(3)	(7)
At 1 January 2022	**31**	**272**	**15**	**318**
At 31 December 2022	**31**	**272**	**15**	**318**
Depreciation				
At 1 January 2021	25	268	11	304
Charge for the year	6	8	3	17
Disposals	—	(4)	(4)	(8)
At 1 January 2022	**31**	**272**	**10**	**313**
Charge for the year	—	—	2	2
At 31 December 2022	**31**	**272**	**12**	**315**
Net book value				
At 31 December 2022	**—**	**—**	**3**	**3**
At 31 December 2021	—	—	5	5

13 TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Trade debtors	18,688	18,055
Amounts due from group undertakings	1,843	6,900
Other tax and social security taxes	5	5
Other debtors	21	210
Prepayments	63	48
	20,620	**25,218**

Included in other debtors is $nil (2021: $103,499) which is due in more than one year, relating to sign-on bonuses which were awarded to employees and are amortised over the term of the contract.

Trade debtors are stated after deducting impairment provisions of $71,407 (2021: $77,000).

Trade receivables are assessed on an individual basis for impairment, with a provision recognised for the Company's entire exposure on the impaired trade receivable. The provision is inclusive of specific provisions and amounts recognised under expected credit losses. The directors consider that the carrying amount of trade and other receivables is not materially different to their fair value.

(a) Ageing of past due, but not impaired, trade debtors

	2022 $'000	2021 $'000
Less than 30 days	3,448	3,846
31 to 60 days	1,883	2,242
61 to 90 days	1,168	1,708
91 to 120 days	1,124	808
More than 120 days	4,578	3,152
	12,201	**11,756**

13 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Reconciliation of the movement in impairment allowance (continued)

	2022			
	Impairment allowance			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
At 1 January 2022	—	—	77	77
Charged to the Income Statement	165	—	(20)	145
At 31 December 2022	**165**	—	**57**	**222**

	2021			
	Impairment allowance			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
At 1 January 2021	—	—	87	87
Charged to the Income Statement	—	—	(10)	(10)
At 31 December 2021	**—**	**—**	**77**	**77**

14 DEFERRED TAX

	2022 $'000	2021 $'000
Depreciation in excess of capital allowances	4	25
31 December	**4**	**25**

	2022 $'000	2021 $'000
At 1 January	25	28
Charged to the Income Statement	(21)	(3)
31 December	**4**	**25**

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

Deferred tax balances have been measured using the tax rates that are expected to apply when the asset is realised or the liability is settled based upon the tax rates that have been enacted or substantially enacted by the balance sheet date. The Finance Act 2021, enacted on 10 June 2021, increases the headline rate of UK corporation tax from 19% to 25% from 1 April 2023. UK deferred tax assets and liabilities have been recognised at 25% where they are expected to unwind after 1 April 2023. Non-UK deferred tax assets and liabilities are recognised at the relevant jurisdiction's prevailing tax rate to the extent the Company expects to receive future benefit from them.

15 TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Other tax and social security taxes	65	58
Other creditors	309	295
Accruals	2,348	2,169
Deferred income	17	73
	2,739	**2,595**

The directors consider that the carrying amount of trade and other payables is not materially different to its

16 SHARE CAPITAL

	Issued and fully paid		Issued and fully paid	
	2022	2022	2021	2021
	Number	$'000	Number	$'000
Ordinary shares of $1.65 each	960,000	16	960,000	16
	960,000	**16**	**960,000**	**16**

The rights of the shares are as follows:

Class of share	Rights
Ordinary shares	Full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

17 RESERVES

The following describes the nature and purpose of each reserve within total equity:

Reserves	Description
Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount of consideration received over and above the par value of shares.
Retained earnings	Cumulative net gains and losses recognised in the Income Statement

18 LEASES

The Company has entered into commercial leases on its properties.

The lessee has the option of renewal on each of these leases subject to negotiation between the Company, as lessee, and each landlord in the period preceding the expiration of each lease. There were no restrictions placed upon the lessee by entering into these leases.

	2022 $'000	2021 $'000
Right-of-use assets:		
As at 1 January:	88	25
Extension of current lease	65	88
Depreciation charged to Income Statement	(28)	(22)
Adjustment	(3)	—
Foreign currency revaluation	6	(3)
31 December	**128**	**88**

	2022 $'000	2021 $'000
Lease liabilities:		
As at 1 January:	91	35
Extension of current lease	65	88
Interest expense charged to Income Statement	5	1
Payment of lease liabilities	(23)	(34)
Adjustment	(3)	—
Foreign currency revaluation	(11)	1
At 31 December:	**124**	**91**

Lease Liability - Current / non-current analysis	2022 $'000	2021 $'000
Current liability	33	91
Non-current liability	91	—
At 31 December:	**124**	**91**

Charges in Profit and Loss include service charges, utilities, property insurance and maintenance amounting to $66,077 during the year (2021: $53,182).

Operating lease expenses for short term leases amounted to $11,409 (2021: $23,082) and were recognised in operating expenses.

The weighted average incremental borrowing rate applied to lease liabilities recognised in the Statement of Financial Position is 4.68% (2021: 4.63%).

On 15 March 2022, the Company has exercised the option to extend its current Montreal lease and this has been accounted for as per IFRS 16.

19 FINANCIAL INSTRUMENTS

(a) Capital risk management

For the purpose of the Company's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the Company as disclosed in Notes 17 and 18. The primary objective of the Company's capital management is to maximise shareholder value.
In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current year.

As at 31 December 2022 and 31 December 2021 the Company had capital resources in excess of the external requisite minimum requirements. These requirements are driven by European legislation (Capital Requirements Regulation 'CRR') to ensure the Company has an adequate capital base to support the nature and scale of its operations. Management of regulatory capital forms an important part of the Company's risk governance structure. A robust programme of regular monitoring and review takes place to ensure the Company is in adherence with local rules and has capital in excess of external and internal limits. Regular submissions are made and constantly maintained with internal limits assessed against the Company's risk appetite, as determined by the Board.

(b) Categories of financial instruments

Set out below is an analysis of the Company categories of financial assets as at 31 December 2022.

	2022 Amortised cost $'000	2021 Amortised cost $'000
Financial assets:		
Cash and cash equivalents	9,157	2,955
Trade debtors	18,688	18,055
Amounts due from group undertakings	1,843	6,900
Other debtors	7	21
31 December	**29,695**	**27,931**

Set out below is an analysis of the Company's categories of financial liabilities as at 31 December 2022.

	2022 Amortised cost $'000	2021 Amortised cost $'000
Financial liabilities:		
Other creditors	309	295
Accruals	2,348	2,169
Lease liability	124	91
31 December	**2,781**	**2,555**

19 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangement or similar netting agreements.

(d) Financial risk management objectives

The Company's activities expose it to a number of financial risks including market risk, operational risk, credit risk and liquidity risk as discussed in the Strategic Report.

The Company manages these risks through various control mechanisms and its approach to risk management is both prudent and evolving.

Overall responsibility for risk management rests with the Board. Dedicated resources within the Risk Department control and manage the exposures of the Company's own positions, the positions of its clients and its exposures to its counterparties as well as operational exposures, within the risk appetite set by the Board.

Credit risk

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date. Credit risk in the Company principally arises from cash and cash equivalents deposited with third party institutions and exposures resulting from transactions and balances relating to customers and counterparties.

The Company's exposure to customer and counterparty transactions and balances is managed through the Company's credit policies and, where appropriate, the use of initial and variation margin credit limits in conjunction with overall position limits for all customers and counterparties. These exposures are monitored both intraday and overnight. The limits are set by the Group's Executive Credit and Risk Committee through a formalised process.

Credit quality

The table below does not take into account collateral held. All collateral held is in the form of cash received from clients.

	2022 $'000	2021 $'000
AA and above	648	1,359
AA-	1,741	498
A+	812	384
A	571	770
A-	7,344	2,924
BBB+	689	1,056
Lower and unrated	17,890	20,940
	29,695	**27,931**

Foreign currency risk

The Company's major transactional exposures are in Norwegian Krone, Canadian Dollars and Euros. In respect of monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. Foreign currency exposures were managed centrally by another Group entity. Consequently, all foreign currency exposure for the Company is incurred by that affiliate. As the foreign currency balances are immaterial any and all sensitivity analysis is considered immaterial.

19 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial risk management objectives (continued)

Interest rate risk

The Company is exposed to interest rate risk on cash balances it holds.

The Company's view is that the main interest rate risk is derived from interest bearing deposits, in which the Company invests surplus funds. Management monitors interest rate risk by placing funds in overnight deposits, and for longer period deposits, management conducts market analysis for interest rate expectations before placing amounts. Interest bearing deposits were immaterial and therefore the sensitivity analysis for interest rate risk is considered immaterial.

During 2020 and 2021 the Company reviewed all key contracts with respect to the transition away from IBORs to alternate reference rates. Material risk areas of focus for the Company's IBOR transition activities included:

- client agreements, including OTC ISDA agreements;
- external and internal funding agreements;
- pricing activities; and
- operations and systems changes to cater for a transition to risk free rates (see Operational risk below)

A working group headed up by the Legal department reviewed each of these areas and changes have been made to contracts that referenced IBORs as required. Client agreements now reference alternate risk free rates as appropriate and for ISDA agreements the new ISDA Protocol has been implemented. In some cases where IBOR rates will continue to be readily available for some time no changes were required by year end. All significant issues were satisfactorily dealt with ahead of the 31 December 2021 transition deadline. No issues were experienced in 2022 due to the USD LIBOR transition and management believe there is minimal future risk to the Company associated with USD LIBOR cessation in 2023.

Operational risk

Operational risk is the risk of loss arising through failures associated with personnel, processes or systems, or from external events. It is inherent in every business organisation and covers a wide spectrum of issues. Operational risk is managed through systems and procedures in which processes are documented, authorisation is independent, and transactions are monitored and reconciled. Treasury systems and other systems were updated during 2021 to fully manage the transition to alternative benchmark rates though there is a risk that not all systems were identified and updated. To mitigate this the Company has plans in place for alternate manual procedures with relevant controls to address any issues that arise.

The Company maintains disaster recovery or contingency facilities to support operations and ensure business continuity. The invocation of these facilities is regularly tested.

Compliance or Regulatory risk arises from a failure or inability to comply with the laws, regulations or codes applicable specifically to the Company. Non-compliance can lead to fines, public reprimands, enforced suspensions of services, or in extreme cases, withdrawal of authorisation to operate.

The Company is regulated in the UK by the FCA as an exempt commodity firm and in the US by the National Futures Association ('NFA') on behalf of Commodity Futures Trading Commission ('CFTC') as an introducing broker.

Geographical risk arises from the physical separation of some elements of the Company from the central control locations. Internal control failure is the risk arising from the inadequacy or breakdown of critical internal control processes.

19 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial risk management objectives (continued)

Liquidity risk

The Company defines liquidity risk as the failure to meet its day-to-day capital and cash flow requirements. To mitigate liquidity risk, the Company has implemented robust cash management policies and procedures in relation to products and duration into which excess liquidity can be invested. Excess liquidity is invested in highly liquid instruments, such as cash deposits with financial institutions for a period of less than three months

The following table details the Company's expected undiscounted contractual maturity for financial liabilities.

	On demand $'000	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Greater than 5 years $'000	Total $'000
Other creditors	309	—	—	—	—	309
Accruals	54	2,201	93	—	—	2,348
Lease liability	—	9	31	84	—	124
At 31 December 2022	**363**	**2210**	**124**	**84**	**—**	**2,781**

The following table details the Company's expected undiscounted contractual maturity for financial liabilities.

	On demand $'000	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Greater than 5 years $'000	Total $'000
Other creditors	—	295	—	—	—	295
Accruals	112	1,944	113	—	—	2,169
Lease liability	—	3	14	79	—	96
At 31 December 2021	**112**	**2,242**	**127**	**79**	**—**	**2,560**

Shown below is the Company's expected undiscounted contractual maturity for financial assets:

	On demand $'000	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Total $'000
Cash and cash equivalents	9,157	—	—	—	9,157
Trade debtors	74	18,614	—	—	18,688
Amounts due from group undertaking	1,843	—	—	—	1,843
Other debtors	—	—	7	—	7
At 31 December 2022	**11,074**	**18,614**	**7**	**—**	**29,695**

19 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial risk management objectives (continued)

Liquidity risk (continued)

	On demand $'000	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Total $'000
Cash and cash equivalents	2,955	—	—	—	2,955
Trade debtors	—	18,055	—	—	18,055
Amounts due from group undertaking	6,900	—	—	—	6,900
Other debtors	—	—	—	21	21
At 31 December 2021	**9,855**	**18,055**	**—**	**21**	**27,931**

Both assets and liabilities are included to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

20 EVENTS AFTER THE BALANCE SHEET DATE

There were no post balance sheet date events which would have a material effect on these financial statements.

21 RELATED PARTY TRANSACTIONS

(a) Parent and ultimate controlling party

The immediate parent undertaking is Marex Group plc, a public limited company incorporated in England and Wales, in whose consolidated financial statements the Company is included. These financial statements are available from its registered office at 155 Bishopsgate, London, EC2M 3TQ. Marex Group plc is both the largest and smallest group in which the results of the Company are consolidated.

In the directors' opinion, the ultimate controlling party of the Company is Amphitryon Limited, a company incorporated in Jersey, Channel Islands.

(b) Key Management Personnel

The remuneration paid to key management personnel for their services to the Company was as follows:

	2022 $'000	2021 $'000
Aggregate wages and salaries	2,699	2,677
Short-term monetary benefits	15	29
Defined contribution pension cost	—	8
	2,714	**2,714**

The remuneration of the highest paid director for their services to the Company was $1,193,869 (2021: $1,029,505). As at 31 December 2022, there were no directors in the Company's defined contribution pension scheme (2021: 3).

21 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances and transactions with other group undertakings

	Amounts owed from related parties 2022 $'000	Amounts owed from related parties 2021 $'000	Amounts owed to related parties 2022 $'000	Amounts owed to related parties 2021 $'000	Amounts included in operating profits 2022 $'000	Amounts included in operating profits 2021 $'000
Marex Financial	1,843	6,900	—	—	22,115	19,953
Marex Spectron Asia Pte Limited	—	—	—	—	61	124
Marex Group plc	—	—	—	—	153	69
Spectron Energy (Asia) Pte Limited	—	—	—	—	(241)	(7)
Spectron Services Limited	—	—	—	—	50,791	54,150
Marex North America LLC	—	—	—	—	6,444	4,474
Spectron Energy Inc.	—	—	—	—	22,287	21,714
Marex Spectron Europe Limited	—	—	—	—	(18,401)	(26,531)
CSC Commodities (UK) Limited	—	—	—	—	(189)	(18)
Marex Spectron USA LLC	—	—	—	—	—	2
Tangent Trading Limited	—	—	—	—	20	—
Volcap Trading Partners Ltd	—	—	—	—	935	407
	1,843	**6,900**	**—**	**—**	**83,975**	**74,337**

All balances owed to and from related parties listed above are repayable on demand.

Related party operating profits are based on costs and revenue. This includes management fees charged by Group undertakings related to operational and administrative support, management services received from Group undertakings and revenue allocated from Group undertakings.