Going Concern and Viability Statement

Going concern

The Directors have prepared the Group Financial Statements on a going concern basis which requires the Directors to have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Group Financial Statements.

The Directors' assessment has considered future performance, solvency and liquidity over a period of at least 12 months from the date of approval of the Financial Statements. The Board, following the review by the Audit Committee, has a reasonable expectation that the Group has adequate resources for that period, and confirm that they consider it appropriate to adopt the going concern basis in preparing the Financial Statements.

The Group meets its day-to-day working capital requirements through its available liquid assets and committed banking facilities. The Group's liquid assets exclude all monies held in segregated client money accounts. In assessing whether it is appropriate to adopt the going concern basis in preparing the Financial Statements, the Directors have considered the resilience of the Group, taking account of its liquidity position and cash generation, the adequacy of capital resources, the availability of external credit facilities and the associated financial covenants, stress-testing of liquidity and capital adequacy that takes into account the principal risks faced by the business. Further details of these principal risks and how they are mitigated and managed is documented in the Risk Management section on page 41.

Viability statement

The UK Corporate Governance Code requires the Directors to make a statement regarding the viability of the Group, including explaining how they have assessed the prospects of the Group, the period of time over which they have made the assessment and why they consider that period to be appropriate.

The Group assesses its viability over a four-year period, which aligns with the length of time over which the Board strategically assess the business. This approach reflects the Group's financial planning methodology with the forecasting designed to address industry dynamics including the accelerated pace of product and technological innovation by competitors, the shortened timeframe for observing regulatory change impacts, and rapidly evolving consumer expectations that demand enhanced focus on faster product delivery.

The first year of the planning period has a greater degree of certainty. It is therefore used to set detailed financial targets across the Group. It is also used by the Remuneration Committee to set targets for the annual incentive scheme. Caution about the degree of certainty needs to be exercised – in the short term, the performance of the Group's business is impacted by influences such as market conditions and regulatory changes that it cannot control.

The further two-year period provides less certainty of outcome but continues to provide a robust planning tool against which strategic decisions can be made. These forecasts are also considered when setting targets for the executive and senior management remuneration.

The forecasts include revenue from investments in new products and markets that may be less successful than assumed by the financial forecasts and are dependent on regulatory applications being successful.

The Group's revenue in the current year, which is driven by client transaction fees has increased compared to prior year due to more favourable market conditions across the year. The increase has been partially offset by reduced interest income on client money balances, reflecting the changing interest rate environment.

Projections of the Group's revenue have conservatively considered financial market volatility for the three-year period based on historical levels which exclude exceptional events. Projections include assumptions on interest rates which are expected to decrease, based on market expectation of future interest rates. The forecasts include revenue from investments in new products and markets that may be less successful than assumed by the financial forecasts and are dependent on regulatory applications being successful.

This output from the Group's forecasts is used in the Group's capital and liquidity planning, and the most recent forecasts are for the three-year period ending May 2028.

No significant changes to regulatory capital and liquidity requirements have been assumed over the forecasting period.

The Group undertakes stress-testing on these forecasts through the Internal Capital Adequacy and Risk Assessment (ICARA), providing the Board with a robust assessment of the possible consequences of principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity.

The scenarios used include a global financial crisis, and unexpected global economic event resulting in increased market volatility and trading, internal operational failures and poor performance from loss of clients. The ICARA also includes a contingency funding plan, outlining management actions to improve the Group's capital and liquidity position if needed. The forward-looking scenarios showed that the Group was resilient to all severe, but plausible, scenarios considered.

Additionally, the Group has undertaken reverse stress-testing to understand the circumstances under which the Group's business model would no longer be viable. The amount of capital and the amount of liquidity required to ensure an orderly wind-down have been calculated based on these reverse stress tests, and are taken into account for the calculation of our minimum regulatory requirements. Scenarios are reviewed at least annually to ensure they remain relevant, with any updates being incorporated into the ICARA accordingly.

The Directors are satisfied that these and other uncertainties have been assessed, and that the financial forecasts reflect an appropriate balance of the potential outcomes.

The Group continues to actively monitor and refine its comprehensive business continuity plan. The Group's long-term investment in communications and technology infrastructure enables the Group to continue to operate in a hybrid working environment, with all employees given the opportunity to work from home, while the Group continues to provide the best possible service for its clients when they choose to trade the financial markets.

Overall, the Directors consider the Group well-placed to manage its business risks successfully, having taken into account the current economic outlook, the possible consequences of principal risks facing the business in severe but plausible scenarios, and the effectiveness of any mitigating actions on the Group's profitability, liquidity and capital adequacy. The Group's business model provides the Directors with comfort that the business is being run in a sustainable way, acting in the interest of its clients and acting responsibly in managing relationships with other stakeholders.

The Board regularly assesses the principal risks facing the Group. These risks include regulatory, legislative, or tax changes which may detrimentally impact our business in the jurisdictions in which we operate or seek to operate. In particular, a change that impacts the Group's ability to sell or trade OTC derivative products may have a fundamental effect on the viability of the Group and its businesses, although this risk is lower than in previous years due to the continued diversification of the Group's product offering. Further details of these principal risks and how they are mitigated and managed is documented in the Risk Management section on page 41. The Board receives reports on these and new emerging risks through the Risk Management Framework. On the basis of these and other matters considered and reviewed by the Board during the year, the Directors have reasonable expectations that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period ending 31 May 2028.

The Strategic Report up to and including page 48 was approved for issue by the Board on 23 July 2025 and signed on its behalf by:

Clifford Abrahams
Chief Financial Officer