

3207689

## **Spread Betting Association Limited**

### **Report and Financial Statements**

30 June 2006

TUESDAY



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COMPANIES HOUSE

# Spread Betting Association Limited

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Registered No: 3207689

## **Directors**

S D Denham  
R I Glynn  
J G Hufford  
G W Lott  
A R MacKay  
D C Bacon  
C M Foley  
A Garrood  
S Judge  
SMJ Mansell

## **Secretary**

A R MacKay

## **Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

## **Bankers**

Lloyds TSB Bank Plc  
4<sup>th</sup> Floor Hay Lane House  
London SE1 2HA

## **Solicitors**

Joelson Wilson & Co  
70 New Cavendish Street  
London W1M 8AT

## **Registered Office**

Friars House  
157 - 168 Blackfriars Road  
London SE1 8E2

## Statement of directors' responsibilities in respect of the financial statements

The directors present their report and the audited financial statements for the year ended 30 June 2006.

### Principal activity

The principal activity of the company is that of a trade association for firms operating in the spread betting market with the objective of promoting the common interests of its members.

### Results and dividends

The profit for the year after taxation was £2,321 (2005 - £1,833). The directors do not recommend payment of a dividend (2005 - £nil).

### Review of business and likely future development

Both the level of business and the year end financial position were as expected and the directors do not anticipate any significant changes in the present level of activity.

During the year £32,736 was levied from the association's members in order to pay expenses, with a refund of £79,906 being returned to members arising from a settlement of the dispute with BHB. Further fees may be levied from the members in the coming period.

Therefore, the directors have formed a judgement at the time of approving the financial statements that the company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

CMC Spreadbet Limited has joined as a member of the company in the period since the year end.

### Directors

The directors who served during the year are as follows:

S D Denham

P C Austin (resigned 20<sup>th</sup> June 2006)

L C Findlay (resigned 5<sup>th</sup> June 2007)

R I Glynn

C G Hellyer (resigned 5<sup>th</sup> June 2007)

J G Hufford

P A Latchford (resigned 5<sup>th</sup> June 2007)

G W Lott

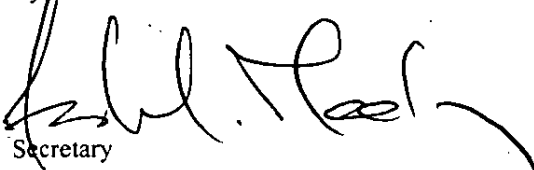
A R MacKay (appointed 20<sup>th</sup> June 2006)

D C Bacon, C M Foley, A Garrood, S Judge and SMJ Mansell were appointed as directors on 5<sup>th</sup> June 2007. None of the directors are members of the company.

### Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditors. A resolution to reappoint them as auditors will be put to the members at the annual general meeting.

By order of the board



Secretary

9.9.08

## **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial year, which 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 those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue trading for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

# **Independent auditor's report**

**to the members of Spread Betting Association Limited**

We have audited the company's financial statements for the year ended 30 June 2006 which comprise profit and loss account, balance sheet and the related notes 1 to 9. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

As described in the Statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London

10.9.08

## Profit and loss account

for the year ended 30 June 2006

	Notes	2006 £	2005 £
<b>Turnover</b>		43,952	26,507
Administrative expenses		(42,023)	(24,409)
<b>Operating profit</b>	2	1,929	2,098
Interest receivable		108	78
<b>Profit on ordinary activities before taxation</b>		2,037	2,176
Tax credit/(charge) on profit on ordinary activities	4	284	(343)
<b>Profit for the financial year</b>		2,321	1,833

The results of the company are wholly attributable to continuing operations.

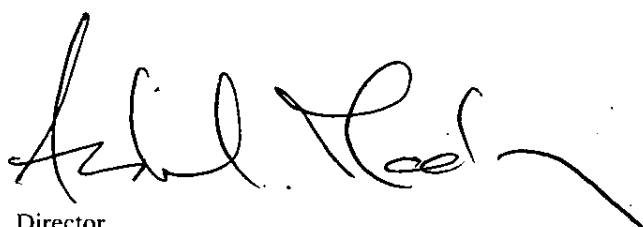
There were no recognised gains or losses or movements in shareholder funds other than those included in the profit and loss account above, and therefore a separate statement of total recognised gains and losses has not been presented.

# Balance sheet

at 30 June 2006

	Notes	2006 £	2005 £
<b>Current assets</b>			
Debtors	5	9,216	6,864
Cash at bank and in hand		996	2,560
		<u>10,212</u>	<u>9,424</u>
<b>Creditors:</b> amounts falling due within one year	6	(3,911)	(5,444)
<b>Net current assets</b>		<u>6,301</u>	<u>3,980</u>
<b>Capital and reserves</b>			
Called up share capital	7	—	—
Profit and loss account	8	6,301	3,980
<b>Equity shareholders' fund</b>		<u>6,301</u>	<u>3,980</u>

Approved and signed on behalf of the board of directors by



Director

9.9.08

## Notes to the financial statements

at 30 June 2006

### 1. Accounting policies

The significant accounting policies of the company are as follows:

#### Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

#### Going concern

The directors have formed a judgement at the time of approving the financial statements that the company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date which will result in an obligation to pay more, or a right to pay less or to receive more tax. It is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Turnover

Turnover represents contributions made by its members. Contributions are invoiced to member companies in advance to ensure that future expenses can be covered as they are incurred. As such a proportion of contributions levied each year are deferred to pay anticipated obligations which may fall due in the following year.

#### Cash flow statement

The company qualifies as a small company under the Companies Act 1985 and therefore no cash flow statement is presented as permitted by Financial Reporting Standard 1 (Revised) "Cash Flow Statements".

### 2. Operating profit

Operating profit is stated after charging:

	2006	2005
	£	£
Auditors' remuneration – audit fees	2,350	1,175

### 3. Directors' remuneration

The directors did not receive any remuneration from the company during this or the previous year. The company has no employees.



## Notes to the financial statements

at 30 June 2006

### 4. Taxation

#### (a) Tax on profit on ordinary activities

	2006	2005
	£	£
Corporation tax for the year	(284)	343

#### (b) Factors affecting tax (credit)/charge in current year

	2006	2005
	£	£
Profit on ordinary activities before taxation	2,037	2,176
Profit on ordinary activities multiplied by tax rate of 19% / 10%	387	218
Effect of:		
Expenses not deductible for tax purposes	-	125
Overprovision in prior years	(671)	-
Tax (credit)/charge for the year	(284)	343

### 5. Debtors:

	2006	2005
	£	£
Other debtors	9,216	6,864

### 6. Creditors: amounts falling due within one year

	2006	2005
	£	£
Accruals and deferred income	3,524	4,775
Corporation tax	387	671
	3,911	5,446

### 7. Called up share capital

The company is limited by guarantee. The members of the company have agreed to contribute £1 each to the assets of the company in the event of its being wound up.

## Notes to the financial statements

at 30 June 2006

### 8. Profit and loss account

	2006 £	2005 £
Balance at beginning of the year	3,980	2,147
Retained profit for the year	2,321	1,833
Balance at end of year	<u>6,301</u>	<u>3,980</u>

### 9. Related party transactions and controlling entities

Included within reported turnover are amounts totalling £9,482 each from IG Index Plc and Sporting Index Limited, £15,619 from Spreadex Limited, £1,672 each from Cantor Index Limited, City Index Limited, Financial Spread Limited and London Capital Limited, £261 from CMC Spreadbet Limited and £421 from Worldspreads Limited. Amount of £2,350 was unvoiced as of year end. These were all members of the company during the year and jointly comprised its controlling parties.

In the previous year included within reported turnover were amounts totalling £6,082 each from IG Index Plc, Sporting Index Limited, Spreadex Limited, and Cantor Index Limited, £589 each from City Index Limited and Financial Spreads Limited and £1,000 from London Capital.

J G Hufford, C G Hellyer, L C Findlay, R I Glynn, G W Lott, S D Denham, A R Mackey and PA Latchford were directors of the company during the year and were also directors of member companies.