

Spread Betting Association Limited

Directors' annual report and financial statements

30 June 2012

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COMPANIES HOUSE

Spread Betting Association Limited

Registered No 03207689

Directors

S D Denham

J G Hufford

C M Foley

S Judge

S H J Mansell

B E Messer

C Knott

M Maydon

S R Bird

S Lockett

Lee Pui (appointed 12 July 2011)

B Callan (appointed 24 November 2011)

Company Secretary

B E Messer

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside

London SE1 2RT

Bankers

Lloyds TSB Bank Plc

4th Floor Hay Lane House

London SE1 2HA

Solicitors

Joelson Wilson & Co

70 New Cavendish Street

London W1M 8AT

Registered Office

Cannon Bridge House

25 Dowgate Hill

London EC4R 2YA

Registered No 03207689

Directors' Statutory Report (continued)

The Directors have pleasure in presenting their report together with the audited financial statements of Spread Betting Association Limited ("the Company") for the year ended 30 June 2012

Principal activities

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 £405 (2011 £273) The Directors do not recommend the payment of a dividend (2011 £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

The Company levied and received a joining fee from Saxo Capital Markets UK Limited and FOREX Capital when they became members of the association The new members were levied during the year (2011 £nil) in order to pay expenses

During year ended 30 June 2012, MF Global and Worldspreads, two of Company's members went into administration Trade receivable balances with those members totalled £1,409 and have been written off during the year

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

Risks

The main risk to the company is counterparty risk from the failure of one party to satisfy its debts falling due to the Company

Given, the Company's activities consist solely of the trade association for firm operating in the spread betting market, with the objective of promoting the common interests of its members, there are no other risks that are considered significant by the Directors of the Company

Directors

The Directors of the Company who held office during the year and up to the date of this report were as follows

S D Denham

J G Hufford

C M Foley

S Judge

S H J Mansell

B E Messer

C Knott

M Maydon

S R Bird

S Lockett

L Pui (appointed 12 July 2011)

B Callan (appointed 24 November 2011)

Supplier payment policy and practice

The Company does not incur significant costs and does not follow any stated code on payment practice

Registered No 03207689

Directors' Statutory Report (continued)

Donations

The Company made no charitable or political donations during the year (2011 £nil)

Subsequent events

There have been no other significant events since the year-end date

Independent Auditors

At the Company's next forthcoming AGM a resolution to re-appoint PricewaterhouseCoopers LLP will be put to the members

Directors' statement as to disclosure of information to auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Each Director has taken all the steps that he is obliged to take as a Director in order to make him aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Going concern

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

By order of the Board



Director

B Messer

12th December 2012

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under 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, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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.

By order of the Board



Director

B Messer

12th December 2012

Independent auditors report to the members of Spread Betting Association Limited

We have audited the financial statements of Spread Betting Association Limited for the year ended 30 June 2012 which comprise statements such as the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Independent auditor's report

to the members of Spread Betting Association Limited (continued)

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the Companies Act 2006

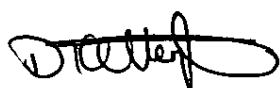
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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, or
- the Directors were not entitled to prepare financial statements in accordance with the small company regime



Darren Ketteringham (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

12th December 2012

Profit and loss statement

for the year ended 30 June 2012

		2012	2011
		£	£
	Notes		
Turnover		5,480	3,635
Administrative expenses		(3,483)	(3,290)
Exceptional items (note 10)		(1,573)	-
Profit on ordinary activities before taxation	2	506	345
Tax expense	5	(101)	(72)
Profit for the financial year		405	273

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalent

The results of the Company are wholly attributable to continuing operations

There were no recognised gains or losses or movements in total 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

The notes on pages 9 to 13 are an integral part of these financial statements

Balance sheet


At 30 June 2012

	Notes	2012 £	2011 £
Current assets			
Debtors	6	8,407	8,376
Cash at bank and in hand		3,419	2,764
		<u>11,826</u>	<u>11,140</u>
Creditors amounts falling due within one year	7	(3,728)	(3,447)
Net current assets		<u>8,098</u>	<u>7,693</u>
Capital and reserves			
Called up share capital	8	—	—
Profit and loss account	9	8,098	7,693
Total funds		<u>8,098</u>	<u>7,693</u>

The notes on pages 9 to 13 are an integral part of these financial statements

The financial statement has been prepared in accordance with the small companies regime of Companies Act 2006 relating to small companies

Approved and signed by order of the Board of Directors by



Director

B Messer

12th December 2012

Registered number 03207689

Notes to the Financial Statements

for the year ended 30 June 2012

1. Accounting policies

The Company's financial statements have been prepared in accordance with the Companies Act 2006

The significant accounting policies of the Company are as follows

Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards in the UK and under the historical cost convention. All accounting policies that follow below have been consistently applied in the preparation of the Company's financial statements

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

Taxation

The income tax expense represents the sum of tax currently payable and movements in deferred tax

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

Deferred tax is generally accounted for on all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences may be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is 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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis

Debtors and creditors

Debtors represent balances with members of the association as a result of fees that have been levied in order to pay expenses. These assets are carried at amortised cost using the effective interest method if the time value of money is significant. A provision for impairment is established where there is objective evidence of non-collectability. The provision is subject to management review

Creditors represent balances with supplier's payable by the Company and are recognised at amortised cost using the effective interest rate method if the time value of money is significant

Notes to the Financial Statements

for the year ended 30 June 2012

1. Accounting policies (continued)

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 2006 and therefore no cash flow statement is presented as permitted by Financial Reporting Standard 1 ('revised 1996') "Cash Flow Statements".

2. Operating profit

Operating profit is stated after charging

	2012	2011
	£	£
Auditor's remuneration – audit fees	3,480	3,300
Exceptional items (note 10)	<u>(1,573)</u>	<u>-</u>

3. Turnover

The Company's activities consist solely of the trade association for firm operating in the spread betting market, with the objective of promoting the common interests of its members.

4. Directors' emoluments and employee information

The Directors did not receive any emoluments in respect of their services to the Company (2011: £nil). The Company had no employees during the year (2011: nil).

Notes to the Financial Statements

for the year ended 30 June 2012

5. Taxation

(a) Tax on profit on ordinary activities

	2012	2011
	£	£
Corporation tax on profit for the year	101	72

(b) Factors affecting tax charge in current year

	2012	2011
	£	£
Profit before taxation	506	345

Profit before taxation multiplied by the UK standard tax rate of 20% (2011 20.75%)

	2012	2011
	£	£
	101	72
Tax charge for the year	101	72

6. Debtors

	2012	2011
	£	£
Other debtors	8,407	8,294
Corporation tax debtor	-	82
	8,407	8,376

During the year ended 31 May 2012, the corporation tax debtor of £82 was written off and this is disclosed in exceptional items

7. Creditors: amounts falling due within one year

	2012	2011
	£	£
Accruals	3,480	3,300
Corporation tax	248	147
	3,728	3,447

8. 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

for the year ended 30 June 2012

9. Profit and loss account

	2012	2011
	£	£
Balance at beginning of the year	7,693	7,420
Profit for the financial year	405	273
Balance at the end of the year	<u>8,098</u>	<u>7,693</u>

10. Related party transactions and controlling entities

Included within reported turnover are amounts charged to the Company's members

	2012	2011
	£	£
Member trading name:		
IG Index	316	227
Spreadex	316	226
Sporting Index	316	226
Cantor Index	316	226
City Index	316	226
London Capital Group	316	226
CMC Markets	316	226
Worldspreads	-	226
ETX Capital	316	226
GFT Global Markets	316	300
Saxo Capital Markets UK Limited	1,316	-
FOREX Capital	1,316	-
MF Global	-	1,300

These were all members of the Company during the year and jointly comprised its controlling parties

Notes to the Financial Statements

for the year ended 30 June 2012

10. Related party transactions and controlling entities (continued)

Included within other debtors are amounts receivable from the Company's members

	2012	2011
	£	£
Member trading name.		
IG Index	1,541	985
Spreadex	616	982
Sporting Index	616	330
Cantor Index	616	330
City Index	616	982
London Capital Group	1,269	982
CMC Markets	1,269	982
Worldspreads	-	1,109
ETX Capital	616	982
GFT Global Markets	616	330
Saxo Capital Markets UK Limited	316	-
FOREX Capital	316	-
MF Global	-	300
	<u>8,407</u>	<u>8,294</u>

These were all members of the Company during the year and jointly comprised its controlling parties

During year ended 30 June 2012, MF Global and Worldspreads, two of Company's members went into administration. Trade receivable balances with those members totalled £1,409 and have been written off during the year.

11. Subsequent events

There have been no significant events since the year-end date

12. Financial statements

The Company's financial statements are available from Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA