

CFD & FX Association Limited

Annual Report and Financial Statements

Year ended 30 June 2018

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COMPANIES HOUSE

CFD & FX Association Limited

Directors

T Leyhane (resigned 20 February 2018)
G J Foley
B S Callan
G Derbyshire (resigned 21 March 2018)
M H Chowdhury
J G Hufford
B E Messer
D Rotsztain (appointed 20 February 2018)
A Tahmassebi (appointed 21 March 2018)

Company Secretary

T Lee

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Bankers

Lloyds Bank Plc
4th Floor Hay Lane House
London SE1 2HA

Solicitors

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

Registered Office

c/o IG Group
Cannon Bridge House
25 Dowgate Hill
London EC4R 2YA

Registered number

03207689

Directors' Report

The Directors have pleasure in presenting their report together with the audited Financial Statements of CFD & FX Association Limited ("the Company") for the year ended 30 June 2018.

Principal activities: The principal activity of the Company is that of a trade association for firms operating in the spread betting and foreign exchange markets with the objective of promoting the common interests of its member firms.

Results and dividends: The Company did not make either a profit or a loss in the year (2017: £nil). The Directors do not recommend the payment of a dividend (2017: £nil).

Review of business and future development: The level of business activity and the year-end financial position were as expected and the Directors do not anticipate any significant changes in the future.

This report has been prepared in accordance with the special provisions relating to small companies in Part 15 of the Companies Act 2006.

Directors

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

T Leyhane (resigned 20 February 2018)
G J Foley
B S Callan
G Derbyshire (resigned 21 March 2018)
M H Chowdhury
J G Hufford
B E Messer
D Rotsztein (appointed 20 February 2018)
A Tahmassebi (appointed 21 March 2018)

Subsequent events: There were no subsequent events up to the date of this report.

Independent Auditors: PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an AGM.

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/she is obliged to take as a Director in order to make himself/herself 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.

These Financial Statements are prepared in accordance with the provisions applicable to companies subject to the small companies regime.

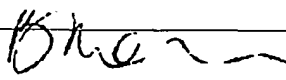
In accordance with section 414A of the Companies Act 2006 the Company is exempt from preparing a Strategic Report.

Going concern

The Directors have prepared the Financial Statements on a going concern basis which requires the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Directors have reviewed the Company's processes to control the risks to which the Company is exposed. As a result of this review 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.

On behalf of the Board


Director
B E Messer
29 March 2019

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting 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 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.

The Directors 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.

On behalf of the Board



Director

B E Messer
29 March 2019

Independent auditors' report to the members of CFD & FX Association Limited

Report on the audit of the financial statements

Our opinion

In our opinion, CFD & FX Association Limited's financial statements (the "Financial Statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 30 June 2018; the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of CFD & FX Association Limited

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Darren Meek (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 March 2019

Income statement
for the year ended 30 June 2018

		Year ended 30 June 2018 £	Year ended 30 June 2017 £
	Note		
Turnover	2	4,864	4,832
Operating expenses		(4,949)	(4,832)
Profit/(loss) before taxation		(85)	-
Taxation	5	-	-
Profit/(loss) for the year		(85)	-

The results of the Company are from continuing operations. The Company has no items of other comprehensive income.

Statement of Financial Position

as at 30 June 2018

	Note	30 June 2018 £	30 June 2017 £
Current assets			
Debtors	6	9,786	7,424
Cash at bank and in hand		20,208	17,823
TOTAL ASSETS		29,994	25,247
Current Liabilities			
Creditors		24,036	19,204
TOTAL LIABILITIES		24,036	19,204
NET ASSETS		5,958	6,043
Equity			
Share capital	7	-	-
Retained earnings		5,958	6,043
TOTAL SHAREHOLDERS' FUNDS		5,958	6,043

The notes on pages 10 to 13 are an integral part of these Financial Statements.

Approved and signed on behalf of the Board of Directors by:

Director

B E Messer
29 March 2019

Statement of changes in equity for the year ended 30 June 2018

	Share Capital (note 7)	Share premium	Retained earnings	Total equity
At 30 June 2016	-	-	6,043	6,043
At 30 June 2017	-	-	6,043	6,043
Loss for the year	-	-	(85)	(85)
At 30 June 2018	-	-	5,958	5,958

Cash flow statement
for the year ended 30 June 2018

	Year ended 30 June 2018	Year ended 30 June 2017
Operating activities		
Loss before taxation	(85)	-
Increase in debtors	(2,362)	(23)
Increase in creditors	4,832	4,800
Net cash inflow from operating activities	2,385	4,777
Net increase in cash and cash equivalents	2,385	4,777
Cash and cash equivalents at the beginning of the year	17,823	13,046
Cash and cash equivalents at the end of year	20,208	17,823

Notes to the Financial Statements

for the year ended 30 June 2018

1. Accounting policies

The Company's Financial Statements have been prepared in accordance with the Companies Act 2006. The Financial Statements of the Company for the year ended 30 June 2018 were authorised for issue by the board of Directors on 29 March 2019 and the Statement of Financial Position signed on the Board's behalf by B E Messer. CFD & FX Association Limited is incorporated and domiciled in England and Wales.

Basis of preparation

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Companies Act 2006.

These Financial Statements have been prepared on a historical cost convention.

The Company's Financial Statements are presented in Pound Sterling.

Going concern

The Directors have reviewed the Company's processes to control the risks to which the Company is exposed. As a result of this review 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.

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, where applicable a proportion of contributions levied each year are deferred to pay anticipated obligations which may fall due in the following year. There has been no deferred income in the current year.

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 income statement 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 at the balance sheet date.

The Company does not recognise any deferred income tax assets in respect of losses incurred as it does not expect to make future taxable income as its principal objective is to promote the common interest of its members.

Cash and cash equivalents

Cash comprises cash in hand and demand deposits which may be accessed without penalty.

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 suppliers 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 2018

2. Turnover

The Company's turnover is generated from related parties, the Company's members, and is at arm's length:

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Member trading name:		
IG Index Limited	695	604
Spreadex Limited	695	604
London Capital Group Limited	695	604
CMC Markets UK plc	695	604
Monecor (London) Limited (Formerly known as ETX Capital)	695	604
Gain Capital UK Limited	695	604
SAXO Capital Markets UK Limited	-	604
Forex Capital Markets Limited	694	604
	<u>4,864</u>	<u>4,832</u>

3. Operating expenses

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Auditor's remuneration – audit fees	4,832	4,000
Bank charges	32	32
Bad debt provision	85	-
	<u>4,949</u>	<u>4,032</u>

Notes to the Financial Statements

for the year ended 30 June 2018

4. Directors' emoluments and employee information

The Directors did not earn any emoluments in respect of their services to the Company (2017: £nil). The Company had no employees during the year (2017: £nil).

5. Taxation

(a) Tax on loss on ordinary activities

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Corporation tax charge for the year	-	-

(b) Factors affecting tax charge in current year

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Loss before taxation	(85)	-
Loss before taxation multiplied by the UK standard tax rate of 19.0% (2017: 19.7%)	(16)	-
Effects of:		
Unrecognised tax losses carried forward	16	-
Tax credit for the year	-	-

The Company has not recognised deferred income tax assets of £431 (2017: £415) in respect of brought forward trading losses amounting to £2,270 (2017: £2,185).

Notes to the Financial Statements

for the year ended 30 June 2018

6. Debtors

Debtors are related party transactions as they are amounts receivable from the Company's members. The debtors were all members of the Company during the year, with the exception of Cantor Index which ceased to be a member of the Company in a prior period, and no single member controls the Company. During the year, IG Index Limited has provided administrative support to the Company, at no cost to the Company.

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Member trading name:		
IG Index Limited	695	604
Spreadex Limited	695	604
Cantor Index	-	85
London Capital Group Limited	2,135	1,440
CMC Markets UK plc	1,299	604
Monecor (London) Limited (Formerly known as ETX Capital)	2,133	1,440
Gain Capital UK Limited	2,134	1,440
SAXO Capital Markets UK Limited	-	604
Forex Capital Market Limited	695	604
	9,786	7,424

Debtors is presented net of a bad debt provision of £85 (FY17: nil) relating to amounts due from Cantor Index.

7. 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 being wound up.

8. Financial Statements

The Company's Financial Statements are available for inspection at Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA.