

Company Registration No. 08449744 (England and Wales)

**Sporting Capital Management Limited**

**Annual report and financial statements  
for the year ended 31 May 2017**

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## **Sporting Capital Management Limited**

### **Company information**

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<b>Directors</b>	Martin Pates Simon Trim
<b>Secretary</b>	Martin Pates
<b>Company number</b>	08449744
<b>Registered office</b>	Gateway House Milverton Street Kennington London SE11 4AP
<b>Independent auditors</b>	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

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## **Sporting Capital Management Limited**

### **Contents**

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 14

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## **Sporting Capital Management Limited**

### **Directors' report**

**For the year ended 31 May 2017**

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The directors present their annual report and financial statements for the year ended 31 May 2017.

#### **Principal activities**

The principal activity of the company is the placement of bets with sporting exchanges and other counterparties with a view to generating positive returns. This activity is carried out either directly or through private sports betting syndicates of which Sporting Capital Management Ltd is a member.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Martin Pates  
Simon Trim

#### **Results and dividends**

The results for the year are set out on page 5.

#### **Auditors**

Saffery Champness LLP have expressed their willingness to continue in office.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 elected to prepare 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.

**Sporting Capital Management Limited**

**Directors' report (continued)**

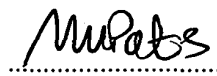
**For the year ended 31 May 2017**

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**Statement of disclosure 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 of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Martin Pates

Director



## **Sporting Capital Management Limited**

### **Independent auditors' report**

#### **To the members of Sporting Capital Management Limited**

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We have audited the financial statements of Sporting Capital Management Limited for the year ended 31 May 2017 set out on pages 5 to 14. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, 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 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 explained more fully in the Directors' Responsibilities Statement as set out on page 1, 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.

#### **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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 31 May 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

**Sporting Capital Management Limited**

**Independent auditors' report (continued)**

**To the members of Sporting Capital Management Limited**

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**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 claim exemption in preparing a strategic report due to it being a member of an ineligible group.



**Donna Caira (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness LLP**

30th 2017

**Chartered Accountants**  
**Statutory Auditors**

71 Queen Victoria Street  
London  
EC4V 4BE

**Sporting Capital Management Limited**

**Statement of comprehensive income  
For the year ended 31 May 2017**

	Notes	2017 £'000	2016 £'000
Turnover	3	339	4,248
Cost of sales		(192)	(332)
<b>Gross profit</b>		<u>147</u>	<u>3,916</u>
Administrative expenses		9	(7)
<b>Profit before taxation</b>		<u>156</u>	<u>3,909</u>
Taxation	5	-	-
<b>Profit for the financial year</b>	10	<u><u>156</u></u>	<u><u>3,909</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.



**Sporting Capital Management Limited**

**Statement of financial position**

**As at 31 May 2017**

	Notes	£'000	2017 £'000	2016 £'000
<b>Current assets</b>				
Debtors	6	4,480		4,438
Cash at bank and in hand	8	8		414
		4,488		4,852
<b>Creditors: amounts falling due within one year</b>	7	(275)		(795)
<b>Net current assets</b>			4,213	4,057
<b>Capital and reserves</b>				
Called up share capital	9	-	-	-
Profit and loss reserves	10		4,213	4,057
<b>Total equity</b>			4,213	4,057

The financial statements were approved by the board of directors and authorised for issue on 31 May 2017 and are signed on its behalf by:



Martin Pates  
Director

**Company Registration No. 08449744**

**Sporting Capital Management Limited**

**Statement of changes in equity  
For the year ended 31 May 2017**

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	<b>Profit and loss reserves £'000</b>
<b>Balance at 1 June 2015</b>	<b>148</b>
<b>Year ended 31 May 2016:</b>	
Profit and total comprehensive income for the year	3,909
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<b>Balance at 31 May 2016</b>	<b>4,057</b>
<b>Year ended 31 May 2017:</b>	
Profit and total comprehensive income for the year	156
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<b>Balance at 31 May 2017</b>	<b>4,213</b>
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## **Sporting Capital Management Limited**

### **Notes to the financial statements For the year ended 31 May 2017**

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#### **1 Accounting policies**

##### **Company information**

Sporting Capital Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is Gateway House, Milverton Street, Kennington, London, SE11 4AP.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.

The financial statements of the company are consolidated in the financial statements of Spynsol Ltd. These consolidated financial statements are available from its registered office, Gateway House, Milverton Street, London, England SE11 4AP.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

Turnover represents the company's share of revenue from the placement of bets with sporting exchanges and other counterparties. This activity is carried out directly or through private sports betting syndicates of which Sporting Capital Management Ltd is a member.

##### **1.4 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies (continued)**

**1.5 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**1 Accounting policies (continued)**

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

## Sporting Capital Management Limited

### Notes to the financial statements (continued)

For the year ended 31 May 2017

#### 1 Accounting policies (continued)

##### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £'000	2016 £'000
<b>Turnover</b>		
Turnover from proprietary betting	339	4,248

##### Turnover analysed by geographical market

	2017 £'000	2016 £'000
UK	339	4,248

#### 4 Auditors' remuneration

	2017 £'000	2016 £'000
<b>Fees payable to the company's auditors and associates:</b>		
<b>For audit services</b>		
Audit of the company's financial statements	2	5
<b>For other services</b>		
Taxation compliance services	5	5

**Sporting Capital Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 May 2017**

**5 Taxation**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Profit before taxation	156	3,909
Expected tax charge based on the standard rate of corporation tax in the UK of 19.83% (2016: 20.00%)	31	782
Group relief	(31)	(782)
Taxation charge for the year	-	-

**6 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Trade debtors	26	456
Amounts due from group undertakings	4,316	3,942
Other debtors	138	40
	4,480	4,438

**7 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	268	-
Other creditors	-	602
Accruals and deferred income	7	193
	275	795

At the year end Investec Bank Plc had a fixed and floating charge over all assets of the company.

**Sporting Capital Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 May 2017**

**8 Cash at bank**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Bank	8	414

Of the above amount £18k (2016: £359k) is held on trust for syndicate members. Sporting Capital Management Limited is a member of the syndicates.

The net amounts owed by other syndicate members at the year end is included in other debtors in note 6.

**9 Share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Issued and fully paid</b>		
1 Ordinary share of £1 each	1	1

The company has one class of ordinary shares which carry no right to fixed income. The ordinary shares carry equal voting rights.

**10 Reserves**

**Equity reserve**

Called up share capital represents the nominal value of shares that have been issued.

**Profit and loss reserves**

The profit and loss account includes all current and prior period retained profits and losses.

**11 Related party transactions**

No guarantees have been given or received.

The company has taken advantage of the exemption in FRS 102 Section 33 from the requirement to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group.



**Sporting Capital Management Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 May 2017**

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**12 Controlling party**

The immediate parent company is Sporting Index Holdings Limited, a company registered in England and Wales. The ultimate parent company is Cassiopeia Holding Limited, a company registered in Malta.

The ultimate UK parent is Spynsol Limited. Spynsol Limited prepared consolidated financial statements and copies can be obtained from Gateway House, Milverton Street, London, SE11 4AP.

The ultimate controlling party of the group is Bengt Magnus Petter Hedman.