

# **ITS Market Solutions Limited**

## **Annual report and financial statements**

31 May 2013

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COMPANIES HOUSE

# ITS Market Solutions Limited

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## **Directors**

P G Hetherington

A R MacKay (resigned 31 July 2012)

## **Secretary**

B E Messer

## **Bankers**

Lloyds Bank plc  
10 Gresham Street  
London EC2V 7AE

The Royal Bank of Scotland  
54 Lime Street  
London EC3M 7NQ

## **Solicitors**

Linklaters  
One Silk Street  
London EC2Y 8HQ

## **Registered Office**

Cannon Bridge House  
25 Dowgate Hill  
London EC4R 2YA

## **Registered Number**

04768327

## Directors' Statutory Report

The Directors have pleasure in submitting their report together with the financial statements of ITS Market Solutions Limited ("the Company") for the year ended 31 May 2013

### Principal activity

The Company is dormant and has not traded during the year

IG Markets Limited owns 60% of the share capital of ITS Market Solutions Limited. The ultimate parent company is IG Group Holdings plc (IG Group Holdings plc together with all its subsidiary undertakings, "the Group")

### Results

The Company's profit for the year amounted to £nil (2012 £nil) and the Company had net assets of £1,407 (2012 £1,407)

### Dividends

No dividends were paid during the year (2012 £nil)

### Review of business and future developments

The Company did not trade during the year and the Company's activities are expected to remain unchanged for the foreseeable future

### Directors and their interests

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

P G Hetherington

A R MacKay (resigned 31 July 2012)

No Director had any beneficial interest in the share capital of the Company during the year. Any beneficial interest in the shares, debentures and options of the ultimate parent company, are disclosed in the financial statements of that company

### Risk management

The principal activities of the Company outlined above give rise to exposure to financial risks in the ordinary course of business. These risks are managed mainly on a Group-wide basis as disclosed in the financial statements of IG Group Holdings plc

The main risks associated with the Company's financial assets and liabilities are set out in note 8 to the financial statements, as are the policies agreed by the Group's Board for their management

### Donations

The Company made no political donations or charitable donations during the year (2012 £nil)

### Insurance and indemnities

The Group purchases appropriate liability insurance for all Directors and officers. This cost was borne by a fellow Group subsidiary

### Audit Exemption Statement

For the year ending 31 May 2013 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

The members have not required the Company to obtain an audit of its accounts for the year ending 31 May 2013 in accordance with section 476 of the Companies Act 2006

The director's acknowledge their responsibilities for complying with the requirements of section 480(3) Companies Act 2006 with respect to accounting records and for the preparation of these accounts


## Directors' Statutory 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 Group's processes to control the financial risks to which the Company is exposed, its available liquidity, its regulatory capital position and the annual budget. 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

By order of the Board



**P G Hetherington**  
Director  
25 February 2014

## Statement of Directors' Responsibilities

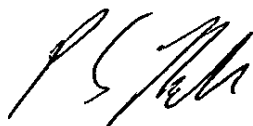
The Directors are responsible for preparing the Directors' Statutory Report and the financial statements in accordance with applicable law and regulations

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 year. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

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



**P G Hetherington**  
Director  
25 February 2014

## Statement of Financial Position

at 31 May 2013

	Notes	2013 £	2012 £
<b>Assets</b>			
<b>Current assets</b>			
Other receivables	4	1407	597
Cash at bank		-	810
<b>TOTAL ASSETS</b>		<b>1,407</b>	<b>1,407</b>
<b>Capital and reserves</b>			
Equity share capital	5	100,000	100,000
Accumulated losses		(98,593)	(98,593)
<b>TOTAL EQUITY</b>		<b>1,407</b>	<b>1,407</b>

There are no recognised gains or losses for the year or prior year and therefore the statement of comprehensive income has not been presented. The Company has no items of other comprehensive income.

There has been no movement in shareholder's equity and the Company has no movement of cash and cash equivalents. Therefore, the statement of changes in shareholder's equity and cash flow statement have not been presented.

For the year ending 31 May 2013 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit of its accounts for the year ending 31 May 2013 in accordance with section 476 of the Companies Act 2006.

The director's acknowledge their responsibilities for complying with the requirements of section 480(3) Companies Act 2006 with respect to accounting records and for the preparation of these accounts.

The financial statements on pages 5 to 11 were approved by the Board of Directors and signed on its behalf by



**P G Hetherington**  
Director  
25 February 2014  
Registered No 04768327

## Notes to the Financial Statements

at 31 May 2013

### 1. Authorisation of financial statements and statement of compliance with IFRS

The financial statements of ITS Market Solutions Limited for the year ended 31 May 2013 were authorised for issue by the Board of directors on 25 February 2014 and the statement of financial position signed on the Board's behalf by P G Hetherington. ITS Market Solutions Limited is incorporated and domiciled in England and Wales.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted by the Company are set out in note 2.

### 2. Accounting policies

#### Basis of preparation

The accounting policies which follow have been applied in preparing the financial statements for the year ended 31 May 2013. The financial statements are presented in Sterling.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. The nature of estimates means that the actual outcomes could differ from those estimates.

#### 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.

#### Parent company and Group financial statements

The parent company throughout the year was IG Markets Limited and the ultimate parent company was IG Group Holdings plc.

The company is exempt under s400 of the Companies Act 2006 from preparing Group financial statements because it has been included in the consolidated financial statements of IG Group Holdings plc, a company incorporated in the United Kingdom.

The financial statements of IG Group Holdings plc and its subsidiary companies, which include the results of ITS Market Solutions Limited, may be obtained from Cannon Bridge House, 25 Dowgate Hill, EC4R 2YA. The Group financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as they apply to the financial statements of the Group for the year ended 31 May 2013 applied in accordance with the provisions of the Companies Act 2006.

#### Foreign currencies

The Company's functional currency is Sterling. Transactions in foreign currencies are translated into the functional currency at the rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the statement of financial position date. Non-monetary assets and liabilities carried at fair value that are dominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on translation are taken to the statement of comprehensive income.

#### Prepayments and other receivables

Prepayments and other receivables are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income when the receivables are derecognised or impaired, as well as through the amortisation process. A provision for impairment is established where there is objective evidence on non-collectability.

## Notes to the Financial Statements

at 31 May 2013

### 2. Accounting policies (continued)

#### Financial assets

A financial asset is derecognised where the rights to receive cash flows from the asset have expired, the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, or the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay

#### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss

#### Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires

#### Cash and cash equivalents

Cash comprises cash in hand and demand deposits which may be accessed without penalty. Cash equivalents comprise short-term highly liquid investments with a maturity of less than three months from the date of acquisition

#### Other payables

Other payables are recognised initially at fair value and carried at amortised cost using the effective interest rate method if the time value of money is significant

#### Equity share capital

Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs. 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

#### New and amended standards adopted by the Company

The Company has early adopted the following new or amended standards as of 1 June 2012

- Amendment to IAS 1 "Presentation of items of Other Comprehensive Income" (effective for periods beginning after 1 July 2012)

Other new standards, amendments and interpretations, including those listed below, have been issued but are not effective for accounting periods beginning 1 June 2012 and have not been early adopted by the Company

- IFRS 9 "Financial Instruments", issued in November 2009, amended 2010. This standard is the first step in the process to replace IAS 39, "Financial Instruments, recognition and measurement". IFRS 9 introduces new requirements for classifying and measuring financial assets. The standard is not applicable until 1 January 2015 and has not yet been endorsed by the EU. The Group has yet to assess the impact of IFRS 9
- IFRS 13 "Fair value measurement" (effective 1 January 2013)
- IFRS 11 "Joint Arrangements" (effective 1 January 2013)
- IFRS 12 "Disclosure of Interests in Other Entities" (effective 1 January 2013)
- IAS 19 (revised 2011) "Employee benefits" (effective 1 January 2013)
- Amendment to IFRS 7 "Financial instruments: Disclosures" (effective 1 July 2013)



## Notes to the Financial Statements

at 31 May 2013

### 2. Accounting policies (continued)

#### New and amended standards adopted by the Company (continued)

- IAS 32 "Financial instruments Presentation" (effective 1 January 2014)
- Amendment to IAS 28 "Investment in Associates and Joint Ventures" (effective 1 January 2013)
- Amendment to IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities" (effective 1 January 2013)
- Amendment to IAS 19 "Employee Benefits" (Effective 1 January 2013)

The new standards and amendments listed above are not expected to have a material impact on the Company

#### Critical accounting estimates and judgements

In the Directors' opinion there are no critical accounting estimates or judgments that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year

### 3. Directors' emoluments and employee information

The Directors did not receive any emoluments in respect of their services to the Company (2012 £nil) Directors' emoluments in respect of their services to the Group are disclosed in the Group financial statements

The Company had no employees during the year (2012 nil)

### 4. Other receivables

	2013	2012
	£	£
Amounts due from Group companies (note 7)	1,407	597

The amount due from Group companies is unsecured, interest free and is repayable on demand

### 5. Equity share capital

	2013	2012
	£	£
Allotted and called and paid up		
60,000 (2012 60,000) 'A' ordinary shares of £1 each	60,000	60,000
40,000 (2012 40,000) 'B' ordinary shares of £1 each	40,000	40,000
	100,000	100,000

The 'A' ordinary shares and the 'B' ordinary shares rank pari passu with the ordinary shares. They have the same voting rights, entitlement to dividends and rights in the event of the company winding up.

### 6. Transactions with Directors

The Directors of ITS Market Solutions Limited held shares of the ultimate parent company as disclosed in the Directors' report. The Company had no other transactions with its Directors other than in relation to the management of the company.

## Notes to the Financial Statements

at 31 May 2013

### 7. Related party transactions

Trading balances outstanding at 31 May with other related parties, are as follows

	<i>Amounts owed by related party (note 4)</i>
	£
<i>Related party</i>	
Fellow Group companies	
2013	1,407
2012	597

#### Terms and conditions of transactions with related parties

Outstanding balances with entities are unsecured, placed on inter-company accounts with no specified credit period and are repayable on demand and interest free. During the year ended 31 May 2013, the Company has not made any provision for doubtful debts relating to amounts owed by related parties.

There were no other related party transactions during the year (2012: £nil)

### 8. Financial instruments

#### Accounting classifications and fair values

Cash and cash equivalents and amounts due from related parties are classified as financial assets and amounts due to related parties are classified as financial liabilities. The carrying value of financial assets and liabilities is not different from their fair value.

#### Nature and extent of risks arising from financial instruments

The principal activities of the Company outlined in the Directors' Report give rise to exposure to financial risks in the ordinary course of business. These risks are managed on a Group-wide basis and are disclosed and described in detail in the financial statements of IG Group Holdings plc.

The Company does not trade and does not hold any substantial financial instruments and hence has immaterial exposure to market risk.

#### Foreign currency risk

Foreign currency exposures arise in the normal course of business and are managed on a Group-wide basis as disclosed in the Group financial statements. The Company does not have any foreign currency exposure.

#### Interest rate risk

Interest rate risk exposures arising from trading activities are managed on a Group-wide basis as disclosed in the Group financial statements.

The interest rate risk profile of the Company's financial assets and liabilities as at the statement of financial position was as follows:

	2013	2012
	£	£
<i>Floating rate</i>		
Cash and cash equivalents	-	810
	-	810

## Notes to the Financial Statements

at 31 May 2013

### 8. Financial instruments (continued)

#### Interest rate risk (continued)

No sensitivity analysis is presented for interest rate risk as the impact of reasonably possible market movements on the Company's revenue and equity are not significant

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure without taking account of any collateral held or other credit enhancements such as personal guarantees. The maximum exposure to credit risk at the reporting date was

	2013	2012
	£	£
Amount due from Group companies	1,407	597
Cash and cash equivalents	-	810
	<u>1,407</u>	<u>1,407</u>

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities. Liquidity risk is managed centrally for the whole Group by the Risk department as disclosed in the Group financial statements. Funds are available throughout the Group to meet the liquidity requirements of each Company and funds are transferred around the Group as required.

In the Directors' opinion the Group has sufficient funds available to meet all operational requirements in the event of a large market movement. Liquidity management is also dependent on group credit risk management.

#### Operational risk

The Group's Directors are responsible for managing operational risk on a Group-wide basis. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks outlined above. The Group's exposure to these risks is disclosed in the Group financial statements. The Company's exposure to operational risk is not considered by the directors to be significant.

### 9. Capital management

The Group is supervised on a consolidated basis by the UK's Financial Conduct Authority (FCA). The Group's subsidiaries in Australia, Japan, Singapore, South Africa and the United States, are also regulated. Individual capital requirements in these jurisdictions are taken into account when managing the Group's capital resources.

The Group's regulatory capital resources management objective is to ensure that the Group complies with the regulatory capital resources requirement set by the FCA and other global regulators in jurisdictions in which the Group's entities operate.

The Group's capital management policy aims to maximise returns on equity while maintaining a strong capital position to enable the Group to take advantage of growth opportunities, whether organic or by acquisition. The Group does not seek to generate higher returns on equity by introducing leverage through, for example, the use of long-term debt finance.

## Notes to the Financial Statements

at 31 May 2013

The Group reviews non-trading subsidiaries for capital adequacy on an on-going basis and if necessary would provide additional capital to the Company via subscription to new share issues. The capital structure is continuously monitored and the Company may adjust dividends to its parent company or return excess capital.

### 10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is IG Markets Limited.

The ultimate parent undertaking and controlling party is IG Group Holdings plc, a company incorporated in the United Kingdom.

IG Group Holdings plc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 May 2013. The consolidated financial statements of IG Group Holdings plc are available from Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA.