

# **THE LONDON BULLION MARKET ASSOCIATION**

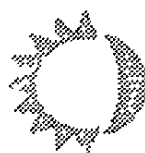
**(a company limited by guarantee)**

**Company No. 2205480**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST DECEMBER 2010**



**LBMA**

**THURSDAY**



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COMPANIES HOUSE

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# **The London Bullion Market Association**

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# **The London Bullion Market Association**

## **Report of the Members of the Committee**

The members of the Committee, who constitute the Directors of the company for Companies Act purposes, have pleasure in submitting their nineteenth report, together with the financial statements for the year ended 31st December 2010

### **Principal activities**

The principal activity of the Association is the promotion of commerce relating to the London Bullion Market through the provision of a forum for discussion on matters of mutual interest as well as dissemination of information amongst the membership

### **Results**

The results of the Association for the year ended 31st December 2010 are set out in the profit and loss account on page 3

### **Charitable contributions**

The Association donated £6,000 (2009 £12,500) for charitable purposes

	£
St Mungo's	<u>6,000</u>

### **Members of the Committee**

P Aubertin  
S Branton-Speak (Resigned 23rd June 2010)  
S Churchill  
K A Crisp  
D A Gornall  
R Key  
J Levin (Appointed 23rd June 2010)  
S M Lowe  
S Murray  
M Whitehead

### **Statement of Committee Members' Responsibilities**

The Committee Members (who are the directors for the purposes of Company Law) are responsible for preparing the Report of the Members of the Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Committee Members to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss for that period. In preparing these financial statements, the Committee Members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 operation

The Committee Members 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

# **The London Bullion Market Association**

## **Report of the Members of the Committee (continued)**

### **Audit information**

So far as each of the Committee Members at the time the report is approved is aware

- a) there is no relevant information of which the auditors are unaware, and
- b) they have taken all relevant steps they ought to have taken to make themselves aware of any

### **Auditors**

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

### **Small company rules**

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

On Behalf of the Board



**K. A Crisp**  
**Chairman**

13-14 Basinghall Street  
London  
EC2V 5BQ

Date 19 May 2011

# **The London Bullion Market Association**

## **Statement of Responsibilities of the Committee Members and Report of the Auditors**

We have audited the financial statements of The London Bullion Market Association for the year ended 31st December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Committee Members and Auditors**

As explained more fully in the Report of the members of the Committee, the Committee Members 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 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.

### **Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

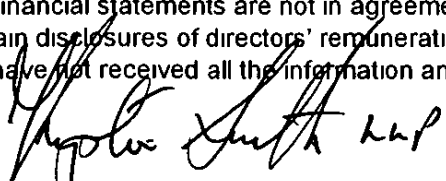
### **Opinion on other matter prescribed by the Companies Act 2006**

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.



**Peter Timms (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP, Statutory Auditors

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date *20 May 2011*

**The London Bullion Market Association**  
**Profit and Loss Account**  
**For the year ended 31st December 2010**

	Notes	2010 £	2009 £
<b>Income - continuing activities</b>			
Subscriptions and entry fees		582,616	589,455
Other operating income		<u>1,073,278</u>	<u>1,077,046</u>
		1,655,894	1,666,501
<b>Expenditure</b>			
Administrative expenses	3	<u>(1,387,763)</u>	<u>(1,335,428)</u>
<b>Operating profit</b>		268,131	331,073
Interest receivable and similar income		<u>12</u>	<u>291</u>
<b>Surplus on ordinary activities before taxation</b>		268,143	331,364
Taxation	4	<u>(38,293)</u>	<u>(21,628)</u>
<b>Surplus on ordinary activities after taxation</b>		229,850	309,736
Balance brought forward		<u>592,827</u>	<u>283,091</u>
<b>Balance carried forward</b>		<u><u>822,677</u></u>	<u><u>592,827</u></u>

The notes on pages 6 to 8 form part of these accounts

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# The London Bullion Market Association

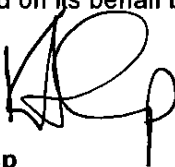
## Balance Sheet as at 31st December 2010

	Note	2010 £	2010 £	2009 £	2009 £
<b>Fixed assets</b>					
Tangible fixed assets	5		17,561		24,431
<b>Current assets</b>					
Stock		54,720		46,476	
Debtors	6	132,742		138,750	
Cash at bank and in hand		<u>735,488</u>		<u>520,871</u>	
		922,950		706,097	
<b>Creditors: Amounts falling due within one year</b>	7	<u>(117,834)</u>		<u>(137,701)</u>	
<b>Net Current Assets</b>			<u>805,116</u>		<u>568,396</u>
<b>Net Assets</b>			<u>822,677</u>		<u>592,827</u>
 <b>Capital and Reserves</b>	8		 <u>822,677</u>		 <u>592,827</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The notes on pages 6 to 8 form part of these accounts

These financial statements were approved by the Committee and authorised for issue on 19 May 2011 and signed on its behalf by



**K. A. Crisp**  
Member of the Committee

Company No 2205480

# The London Bullion Market Association

## Notes to the Financial Statements

### For the year ended 31st December 2010

#### 1 Status of the Association

The Association is a company limited by guarantee and has no share capital. The members of the Association have each undertaken to contribute to the assets of the Association in the event of it being wound up whilst they are members, or within one year after they cease to be members, for the payment of the debts and liabilities contracted before they cease to be members, such amount as may be required not exceeding £10 per member.

#### 2 Accounting Policies

##### Basis of preparation

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

##### Income

Income represents the value of membership and services provided net of value added tax.

##### Depreciation

Depreciation has been provided at rates estimated to write off the cost of fixed assets less estimated residual value of each asset over its expected useful life as follows:

Improvements to Leasehold Property	over the period of the lease
Fixtures and fittings	5 years straight line
Computer equipment	3 years straight line

##### Stock

Stock is valued at the lower of cost or net realisable value.

##### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the year end exchange rate.

Transactions in foreign currency during the year are converted at the rate ruling at the date of transaction and any exchange differences arising are taken to the profit and loss account.

#### 3 Administrative Expenses

Administrative expenses comprise all expenditure incurred by the Association and includes auditors' remuneration of £8575 (2009 - £15,205), depreciation on owned assets of £16,086 (2009 - £13,176) and profits on foreign currency of £3,281 (2009 - £nil).

	2010	2009
	£	£
Wages and salaries	337,118	225,822
Social security costs	33,809	28,796
Pension costs	12,872	-
	<u>383,799</u>	<u>254,618</u>

The average number of employees was 6 (2009 - 4).



**The London Bullion Market Association**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2010 (Continued)**

4 Taxation	2010 £	2009 £
U K current year corporation tax	38,293	21,620
Prior year tax adjustment	-	8
	<u>38,293</u>	<u>21,628</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>268,143</u>	<u>331,364</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2009 21%)	56,310	69,586
Adjusted for		
Profit attributable to members	<u>(18,017)</u>	<u>(47,966)</u>
	<u>38,293</u>	<u>21,620</u>

No corporation tax liability arises in respect of the net income derived from the members as the Association is treated as a Trade Association

5 Tangible Fixed Assets	Improvements to Leasehold Property £	Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
At 1st January 2010	46,223	19,701	29,547	95,471
Additions	-	1,209	8,008	9,217
Disposals	-	-	(10,317)	(10,317)
At 31st December 2010	<u>46,223</u>	<u>20,910</u>	<u>27,238</u>	<u>94,371</u>
<b>Depreciation</b>				
At 1st January 2010	27,649	17,182	26,209	71,040
Charge for the year	9,245	1,251	5,591	16,087
Depreciation on disposals	-	-	(10,317)	(10,317)
At 31st December 2010	<u>36,894</u>	<u>18,433</u>	<u>21,483</u>	<u>76,810</u>
<b>Net Book Value</b>				
At 31st December 2010	<u>9,329</u>	<u>2,477</u>	<u>5,755</u>	<u>17,561</u>
At 31st December 2009	<u>18,574</u>	<u>2,519</u>	<u>3,338</u>	<u>24,431</u>

6 Debtors	2010 £	2009 £
Trade debtors	74,273	91,702
Prepayments	30,161	27,892
Other debtors	28,308	19,156
	<u>132,742</u>	<u>138,750</u>

**The London Bullion Market Association**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2010 (Continued)**

<b>7 Creditors: Amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	28,426	83,521
Corporation tax	38,293	21,620
Accruals and deferred income	25,214	23,839
Other creditors	25,901	8,721
	<u>117,834</u>	<u>137,701</u>

**8 Capital and Reserves**

This consists of undistributable reserves which can only be transferred upon a winding up or dissolution of the Association, after the satisfaction of all its debts and liabilities, to some other institution having objects similar to those of the Association

**9 Operating Lease Commitments**

At 31st December 2010 the company had annual commitments under operating leases as follows

	<b>Land and Buildings</b>		<b>Other</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire within one year	-	-	2,620	-
in the second to fifth year	65,090	65,090	-	2,620
	<u>65,090</u>	<u>65,090</u>	<u>2,620</u>	<u>2,620</u>