

The London Gold Market Fixing Limited

Directors' Report and Financial Statements

For the year ended 31 March 2014

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COMPANIES HOUSE

The London Gold Market Fixing Limited

Company Information

Directors

Simon Weeks
Martyn Whitehead
David Rose
Vincent Domien
Steven Lowe (alternate director to Simon Weeks)
Peter Drabwell (alternative director to David Rose)
Xavier Lannegrace (alternate director to Vincent Domien)

Secretary

Hackwood Secretaries Limited

Company number

02891916

Registered office

One Silk Street

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

The London Gold Market Fixing Limited

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The London Gold Market Fixing Limited

Directors' Report

For the year ended 31 March 2014

The directors present their report and financial statements for the year ended 31 March 2014.

The principal activity of the company continued to be that of the promotion, administration and conduct of the London Gold Market Fixings.

Directors

The following directors have held office since 1 April 2013:

Simon Weeks	
Martyn Whitehead	
David Rose	
François Combes	(Resigned 19 December 2013)
Vincent Domien	
(alternative to François Combes until 19 December 2013)	
Matthew Keen	(Resigned 20 January 2014)
Kevin Rodgers	(Appointed 20 January 2014 and resigned 13 May 2014)
Steven Lowe	
(alternative director to Simon Weeks)	
Jonathan Spall	(Resigned 31 January 2014)
(alternative to Martyn Whitehead)	
Peter Drabwell	
(alternative director to David Rose)	
James Vorley	(Resigned 13 May 2014)
(alternative director to Matthew Keen and Kevin Rodgers)	
Xavier Lannegrace	(Appointed 19 December 2013)
(alternative director to Vincent Domien)	

Auditors

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

The London Gold Market Fixing Limited

Directors' Report (Continued)

For the year ended 31 March 2014

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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

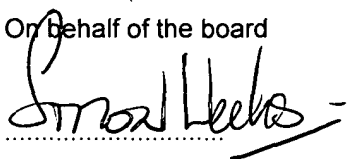
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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.

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

On behalf of the board



K.A. 2014

SIMON WEEKS
DIRECTOR

The London Gold Market Fixing Limited

Independent Auditors' Report to the Members of The London Gold Market Fixing Limited

We have audited the financial statements of The London Gold Market Fixing Limited for the year ended 31 March 2014 which comprise 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 the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor's 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, 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 March 2014 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 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.

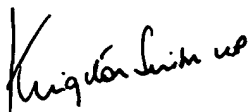
The London Gold Market Fixing Limited

Independent Auditors' Report to the Members of The London Gold Market Fixing Limited (Continued)

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 the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from preparing a Strategic Report.



Jonathan Sutcliffe (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

7/10/2014

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

The London Gold Market Fixing Limited

Profit and Loss Account

For the year ended 31 March 2014

	Notes	2014 £	2013 £
Turnover	2	221,212	129,215
Administrative expenses		(203,244)	(28,222)
Operating profit	3	17,968	100,993
Other interest receivable and similar income	4	20	-
Profit on ordinary activities before taxation		17,988	100,993
Tax on profit on ordinary activities	5	(4,793)	(15,274)
Profit for the year	10	13,195	85,719

The London Gold Market Fixing Limited

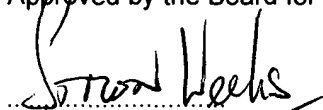
Balance Sheet

As at 31 March 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Intangible assets	6		20,851		13,631
Investments	7		3		3
			<u>20,854</u>		<u>13,634</u>
Current assets					
Debtors	8	160,447		39,896	
Cash at bank and in hand		274,865		152,710	
		<u>435,312</u>		<u>192,606</u>	
Creditors: amounts falling due within one year	9	(338,518)		(101,787)	
Net current assets			<u>96,794</u>		<u>90,819</u>
Total assets less current liabilities			<u>117,648</u>		<u>104,453</u>
Capital and reserves					
Profit and loss account	10		117,648		104,453
Shareholders' funds			<u>117,648</u>		<u>104,453</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 22ND SEPTEMBER 2014



SIMON WEEKS
Director

Company Registration No. 02891916

The London Gold Market Fixing Limited

Notes to the Financial Statements

For the year ended 31 March 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for licence fees and membership fees net of VAT and trade discounts.

1.4 Trade Marks

Trade marks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Revenue recognition

Membership income is included in the financial statements on an accruals basis.

2 Turnover

In the year to 31 March 2014 97% (2013 - 82%) of the company's turnover was to markets outside the United Kingdom.

3	Operating profit	2014 £	2013 £
	Operating profit is stated after charging:		
	Amortisation of intangible assets	2,339	66
	Auditors' remuneration	3,600	3,200
		<u> </u>	<u> </u>
4	Investment income	2014 £	2013 £
	Other interest	20	-
		<u> </u>	<u> </u>

The London Gold Market Fixing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2014

5	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	3,298	14,649
	Foreign corporation tax		
	Foreign corporation tax	1,495	625
		<u> </u>	<u> </u>
	Total current tax	4,793	15,274
		<u> </u>	<u> </u>
		4,793	15,274
		<u> </u>	<u> </u>

6	Intangible fixed assets	Trade Marks
		£
	Cost	
	At 1 April 2013	13,697
	Additions	9,559
		<u> </u>
	At 31 March 2014	23,256
		<u> </u>
	Amortisation	
	At 1 April 2013	66
	Charge for the year	2,339
		<u> </u>
	At 31 March 2014	2,405
		<u> </u>
	Net book value	
	At 31 March 2014	20,851
		<u> </u>
	At 31 March 2013	13,631
		<u> </u>

The London Gold Market Fixing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2014

7 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2013 & at 31 March 2014	3
Net book value	
At 31 March 2014	3
At 31 March 2013	3

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
The London Gold Futures Market Limited	England and Wales	Ordinary Shares	100.00
The London Gold Market Limited	England and Wales	Ordinary Shares	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
	Principal activity		
The London Gold Futures Market Limited	Dormant	2	-
The London Gold Market Limited	Dormant	1	-

The London Gold Market Fixing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2014

8 Debtors	2014 £	2013 £
Trade debtors	10,000	38,500
Other debtors	150,447	1,396
	<u>160,447</u>	<u>39,896</u>

9 Creditors: amounts falling due within one year	2014 £	2013 £
Taxation and social security	44,175	14,649
Other creditors	294,343	87,138
	<u>338,518</u>	<u>101,787</u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2013	104,453
Profit for the year	13,195
	<u>117,648</u>
Balance at 31 March 2014	<u>117,648</u>

The London Gold Market Fixing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2014

11 Contingent liabilities

The London Gold Market Fixing Limited and its previously five member banks (now four member banks following the resignation of Deutsche Bank AG - see note below) have been named as defendants in class action lawsuits pending in the United States Federal Court for the Southern District of New York, the first of which was filed on 3 March 2014 in connection with their roles in setting the London benchmark gold price. The complaints allege, amongst other things, that The London Gold Market Fixing Limited and the member banks collectively violated various provisions of the Sherman Act, the Commodity Exchange Act, the Commodity Futures Trading Commission (CFTC) rule 180.1(a) and various state laws by manipulating the London benchmark gold price. The lawsuit seeks an unspecified amount of damages and trebling of damages under the Sherman Act.

The directors believe that the lawsuits are without grounds and that The London Gold Market Fixing Limited is not liable as a result. They intend to defend the lawsuits vigorously and it is currently not practicable to provide an estimate of the financial impact of the potential exposure of the action described or what effect if any that it might have upon operating results, cash flows or The London Gold Market Fixing Limited's financial position in any particular period.

12 Control

The company is limited by guarantee and as such has no share capital. The liability of the members is limited to £10 each.

13 Post balance sheet events

Subsequent to the year end, Deutsche Bank AG have announced that they will resign as a member from The London Gold Market Fixing Limited, effective from 14 May 2014.

14 Related party relationships and transactions

The following were members of The London Gold Market Fixing Limited during the financial year:

Deutsche Bank AG (resigned 14 May 2014)
Barclays Bank Plc
HSBC Bank USA
The Bank of Nova Scotia
Societe Generale

The company's membership income which for the year ended 31 March 2014 was £179,167 (2013: £Nil) is derived from the members in equal shares.

The London Gold Market Fixing Limited

Management Information

For the year ended 31 March 2014

The London Gold Market Fixing Limited

Detailed Trading and Profit and Loss Account

For the year ended 31 March 2014

	£	2014 £	£	2013 £
Turnover				
Membership Income		37,753		-
Licence fee income		183,459		129,215
		<u>221,212</u>		<u>129,215</u>
Administrative expenses		(203,244)		(28,222)
Operating profit		<u>17,968</u>		<u>100,993</u>
Other interest receivable and similar income				
Other interest - received		20		-
Profit before taxation		<u><u>17,988</u></u>		<u><u>100,993</u></u>

The London Gold Market Fixing Limited

Schedule of Administrative Expenses

For the year ended 31 March 2014

	2014 £	2013 £
Administrative expenses		
Conferencing charges	3,256	2,623
Website costs	115,811	312
Legal and professional fees	75,908	19,973
Accountancy	2,193	1,947
Audit fees	3,600	3,200
Bank charges	137	101
Amortisation	2,339	66
	<hr/>	<hr/>
	203,244	28,222
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