

# The London Gold Market Fixing Limited

Directors' Report and Financial Statements

For the year ended 31 March 2015



# The London Gold Market Fixing Limited

## Company Information

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### Directors

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

### Secretary

Hackwood Secretaries Limited

### Company number

02891916

### Registered office

One Silk Street  
London  
EC2Y 8HQ

### Auditors

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

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# The London Gold Market Fixing Limited

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# The London Gold Market Fixing Limited

## Directors' Report

For the year ended 31 March 2015

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The directors present their report and financial statements for the year ended 31 March 2015.

### Principal activities

The principal activity of the company was that of the promotion, administration and conduct of the London Gold Market Fixings. During March 2015 the company discontinued its licensing activities and from April 2015 onwards has been acting as a membership organisation.

### Directors

The following directors have held office since 1 April 2014:

Simon Weeks	
Martyn Whitehead	(Resigned 13 April 2015)
David Rose	
Vincent Domien	
Steven Lowe (alternative director to Simon Weeks)	
Peter Drabwell (alternative director to David Rose)	
Xavier Lannegrace (alternative director to Vincent Domien)	
James Vorley (alternate director to Kevin Rodgers)	(Resigned 13 May 2014)
Kevin Rodgers	(Resigned 13 May 2014)

### Auditors

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

### 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.

# The London Gold Market Fixing Limited

## Directors' Report (Continued)

For the year ended 31 March 2015

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### 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

A handwritten signature in black ink, appearing to read 'Simon Weeks', with a long horizontal flourish extending to the right.

Simon Weeks

Director

27.10.15.....

# The London Gold Market Fixing Limited

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

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We have audited the financial statements of The London Gold Market Fixing Limited for the year ended 31 March 2015 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 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, 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 2015 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

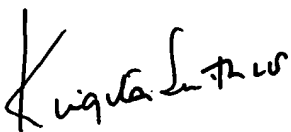
## Independent Auditors' Report to the Members of The London Gold Market Fixing Limited (Continued)

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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 prepare the financial statements and the directors' report in accordance with the small companies regime.



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

11 November 2015

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 2015

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	Notes	2015 £	2014 £
<b>Turnover</b>	<b>2</b>	619,888	221,212
Administrative expenses		(564,348)	(203,244)
<b>Operating profit</b>	<b>3</b>	55,540	17,968
Other interest receivable and similar income	<b>4</b>	-	20
<b>Profit on ordinary activities before taxation</b>		55,540	17,988
Tax on profit on ordinary activities	<b>5</b>	(12,304)	(4,793)
<b>Profit for the year</b>	<b>10</b>	43,236	13,195

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# The London Gold Market Fixing Limited

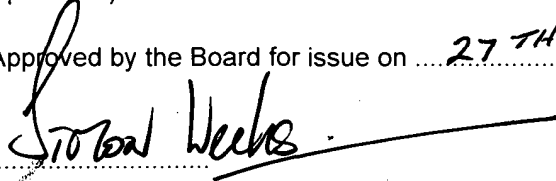
## Balance Sheet

As at 31 March 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Intangible assets	6		19,673		20,851
Investments	7		3		3
			<u>19,676</u>		<u>20,854</u>
<b>Current assets</b>					
Debtors	8	183,696		160,447	
Cash at bank and in hand		61,384		274,865	
		<u>245,080</u>		<u>435,312</u>	
<b>Creditors: amounts falling due within one year</b>	9	(103,872)		(338,518)	
<b>Net current assets</b>			<u>141,208</u>		<u>96,794</u>
<b>Total assets less current liabilities</b>			<u>160,884</u>		<u>117,648</u>
<b>Capital and reserves</b>					
Profit and loss account	10		160,884		117,648
<b>Shareholders' funds</b>			<u>160,884</u>		<u>117,648</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 27<sup>TH</sup> OCTOBER 2015

  
 Simon Weeks  
 Director

Company Registration No. 02891916

# The London Gold Market Fixing Limited

## Notes to the Financial Statements

For the year ended 31 March 2015

### 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 2015 22% (2014 - 97%) of the company's turnover was to markets outside the United Kingdom.

<b>3 Operating profit</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Amortisation of intangible assets	2,428	2,339
Auditors' remuneration	3,800	3,600
	<u>          </u>	<u>          </u>
 <b>4 Investment income</b>	 <b>2015</b>	 <b>2014</b>
	<b>£</b>	<b>£</b>
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 2015

5	Taxation	2015	2014
		£	£
	<b>Domestic current year tax</b>		
	U.K. corporation tax	10,809	3,298
	<b>Foreign corporation tax</b>		
	Foreign corporation tax	1,495	1,495
		<hr/>	<hr/>
	<b>Total current tax</b>	12,304	4,793
		<hr/>	<hr/>
		12,304	4,793
		<hr/>	<hr/>
6	<b>Intangible fixed assets</b>		
			<b>Trade Marks</b>
			£
	<b>Cost</b>		
	At 1 April 2014		23,256
	Additions		1,250
			<hr/>
	At 31 March 2015		24,506
			<hr/>
	<b>Amortisation</b>		
	At 1 April 2014		2,405
	Charge for the year		2,428
			<hr/>
	At 31 March 2015		4,833
			<hr/>
	<b>Net book value</b>		
	At 31 March 2015		19,673
			<hr/>
	At 31 March 2014		20,851
			<hr/>

# The London Gold Market Fixing Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

### 7 Fixed asset investments

	Shares in group undertakings and participating interests £
<b>Cost</b>	
At 1 April 2014 & at 31 March 2015	3
<b>Net book value</b>	
At 31 March 2015	3
At 31 March 2014	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	%
<b>Subsidiary undertakings</b>				
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 2015 £	Profit/(loss) for the year 2015 £
	<b>Principal activity</b>		
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 2015

<b>8 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	10,000
Other debtors	183,696	150,447
	<u>183,696</u>	<u>160,447</u>

<b>9 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	68,596	-
Taxation and social security	10,809	44,175
Other creditors	24,467	294,343
	<u>103,872</u>	<u>338,518</u>

## 10 Statement of movements on profit and loss account

	<b>Profit and loss account</b>
	<b>£</b>
Balance at 1 April 2014	117,648
Profit for the year	<u>43,236</u>
Balance at 31 March 2015	<u>160,884</u>

# The London Gold Market Fixing Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

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### 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 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 2015 was £441,413 (2014: £179,167) is derived from the members in equal shares.

# **The London Gold Market Fixing Limited**

**Management Information**

**For the year ended 31 March 2015**

# The London Gold Market Fixing Limited

## Detailed Trading and Profit and Loss Account

For the year ended 31 March 2015

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		2015	2014
	£	£	£
<b>Turnover</b>			
Membership Income		441,413	37,753
Licence fee income		225,975	183,459
Licence fee refund		(47,500)	-
		<u>619,888</u>	<u>221,212</u>
<b>Administrative expenses</b>		(564,348)	(203,244)
		<u>55,540</u>	<u>17,968</u>
<b>Operating profit</b>			
		55,540	17,968
<b>Other interest receivable and similar income</b>			
Other interest - received		-	20
		<u>-</u>	<u>20</u>
<b>Profit before taxation</b>		<u>55,540</u>	<u>17,988</u>

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# The London Gold Market Fixing Limited

## Schedule of Administrative Expenses

For the year ended 31 March 2015

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	2015	2014
	£	£
<b>Administrative expenses</b>		
Conferencing charges	2,452	3,256
Website costs	42,066	115,811
Legal and professional fees	510,835	75,908
Accountancy	2,630	2,193
Audit fees	3,800	3,600
Bank charges	137	137
Amortisation	2,428	2,339
	<u>564,348</u>	<u>203,244</u>

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