

London Precious Metals Clearing Limited

Company No. 4195299

Financial Statements

For the year ended

31 March 2006



London Precious Metals Clearing Limited

Company Information

Directors

Peter Smith
Jane Lloyd
Matthew Keen
Martyn Whitehead
Anthony Dean
William Deighton
Ian Warman
Brian Burns
Rick McIntire
John Wilkes
William Wolfe
Philip Aubertin

Secretary

Hackwood Secretaries Limited

Registered Office

1 Silk Street
London
EC2Y 8HQ

Auditors

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

London Precious Metals Clearing Limited

Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31 March 2006.

Principal activities

The principal activities of the company throughout the year was the development and implementation of an electronic system to facilitate the matching of precious metal transactions as undertaken by its Members.

The company is limited by guarantee and has no share capital.

Directors

The following directors have held office since 1 April 2005:

Peter Smith	
Jane Lloyd	
Matthew Keen	(Appointed 14 December 2005)
Martyn Whitehead	(Appointed 24 October 2005)
Anthony Dean	
William Deighton	
Stefanie Steil	(Resigned 24 October 2005)

Alternates to directors

Who are also directors for the purposes of Companies Act:

Ian Warman	(Appointed 30 June 2005)
Brian Burns	
Rick McIntire	
John Wilkes	(Appointed 24 October 2005)
William Wolfe	
Philip Aubertin	(Appointed 30 June 2005)

None of the directors who held office at the end of the financial year had any disclosable interest in the company.

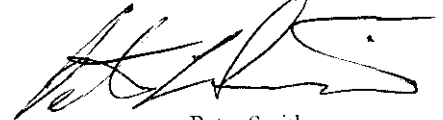
Auditors

On 1st May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Small company rules

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



Peter Smith
Director

1 Silk Street
London
EC2Y 8HQ

Date: 21st July 2006

London Precious Metals Clearing Limited

Directors' Responsibilities & Report of the Auditors

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Independent Auditors' Report to the Shareholders of London Precious Metals Clearing Limited

We have audited the financial statements of London Precious Metals Clearing Limited which comprises of the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes for the year ended 31 March 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and International Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

London Precious Metals Clearing Limited

Directors' Responsibilities & Report of the Auditors (continued)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and that the information given in the directors' report is consistent with the financial statements.

Devonshire House
60 Goswell Road
London
EC1M 7AD



Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Date: 22 August 2006

London Precious Metals Clearing Limited
Profit and Loss Account
For the year ended 31 March 2006

		2006	2005
	Notes	£	£
Turnover		109,626	104,500
Administrative expenses		(184,349)	(143,015)
Operating loss	2	(74,723)	(38,515)
Other interest receivable and similar income		821	106
Loss on ordinary activities before taxation		(73,902)	(38,409)
Tax on loss on ordinary activities	3	11,265	7,622
Loss on ordinary activities after taxation	8	(62,637)	(30,787)

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

London Precious Metals Clearing Limited
Statement of Total Recognised Gains and Losses
For the year ended 31 March 2006

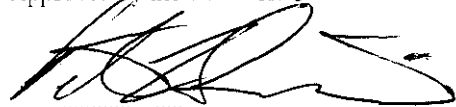
	2006 £	2005 £
Loss for the financial year	(62,637)	(30,787)
Capital contribution made during the year	<u>172,600</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u><u>109,963</u></u>	<u><u>(30,787)</u></u>

London Precious Metals Clearing Limited
Balance Sheet
As at 31 March 2006

	Notes	2006 £	£	2005 £	£
Fixed Assets					
Tangible assets	4		46,416		75,916
Current Assets					
Debtors	5	447		14,100	
Cash at bank and in hand		161,373		29,010	
		<u>161,820</u>		<u>43,110</u>	
Creditors: Amounts falling due within one year	6	<u>(11,998)</u>		<u>(21,486)</u>	
Net Current Assets			149,822		21,624
Total Assets Less Current Liabilities			196,238		97,540
Provisions for Liabilities and Charges	7		-		(11,265)
			<u>196,238</u>		<u>86,275</u>
Capital and Reserves					
Profit and loss account	8		196,238		86,275
Shareholders' Funds Equity Interests			<u>196,238</u>		<u>86,275</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 21st July 2006



Peter Smith
Director

London Precious Metals Clearing Limited

Notes to the Financial Statements

For the year ended 31 March 2006

1 Accounting Policies

a) Accounting basis and standards

The financial statements have been prepared under the historical cost convention.

b) Depreciation

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

Computer equipment	straight line over 3 years
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c) Turnover

Turnover represents subscription income net of value added tax and has been included in the financial statements on an accruals basis.

d) Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2 Operating Loss

	2006	2005
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets:		
Owned assets	42,125	37,959
Auditors' remuneration	1,400	2,675
	43,525	40,634

London Precious Metals Clearing Limited
Notes to the Financial Statements
For the year ended 31 March 2006 (continued)

3 Taxation	2006	2005
	£	£
Domestic current year tax		
Adjustment for prior years	-	(324)
	<hr/>	<hr/>
Current tax charge	-	(324)
Deferred tax		
Deferred tax charge credit current year	(11,265)	(7,298)
	<hr/>	<hr/>
	(11,265)	(7,622)
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(73,902)	(38,409)
	<hr/>	<hr/>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005: 19.00%)	(14,041)	(7,298)
	<hr/>	<hr/>
Effects of:		
Non deductible expenses	637	-
Depreciation	8,003	7,212
Capital allowances	-	(1,537)
Tax losses utilised	5,401	1,623
Adjustments to previous periods	-	(324)
	<hr/>	<hr/>
	14,041	6,974
	<hr/>	<hr/>
Current tax charge	-	(324)
	<hr/>	<hr/>

The company has estimated losses of £ 36,962 (2005: £ 8,538) available for carry forward against future trading profits.

London Precious Metals Clearing Limited
Notes to the Financial Statements
For the year ended 31 March 2006 (continued)

4 Tangible Assets

	Plant and machinery etc
	£
Cost	
At 1 April 2005	113,875
Additions	12,625
	<hr/>
At 31 March 2006	126,500
	<hr/>
Depreciation	
At 1 April 2005	37,959
Charge for the year	42,125
	<hr/>
At 31 March 2006	80,084
	<hr/>
Net book value	
At 31 March 2006	46,416
	<hr/>
At 31 March 2005	75,916
	<hr/>

5 Debtors	2006	2005
	£	£
Trade debtors	447	14,100
	<hr/>	<hr/>
6 Creditors: Amounts Falling Due Within One Year	2006	2005
	£	£
Trade creditors	3,760	-
Taxation and social security	5,843	12,811
Other creditors	2,395	8,675
	<hr/>	<hr/>
	11,998	21,486
	<hr/>	<hr/>

London Precious Metals Clearing Limited
Notes to the Financial Statements
For the year ended 31 March 2006 (continued)

7 Provisions for Liabilities and Charges

	Deferred taxation £
Balance at 1 April 2005	11,265
Profit and loss account	(11,265)
	<hr/>
Balance at 31 March 2006	-
	<hr/> <hr/>

Deferred taxation provided in the financial statements is as follows:

	2006 £	2005 £
Accelerated capital allowances	5,228	12,887
Tax losses available	(5,228)	(1,622)
	<hr/>	<hr/>
	-	11,265
	<hr/> <hr/>	<hr/> <hr/>

8 Shareholders' funds

2006	Profit and loss account £	Total £
Balance at 1 April 2005	86,275	86,275
Retained loss for the year	(62,637)	(62,637)
Capital contribution made during the year	172,600	172,600
	<hr/>	<hr/>
Balance at 31 March 2006	196,238	196,238
	<hr/> <hr/>	<hr/> <hr/>
 2005	 Profit and loss account £	 Total £
Balance at 1 April 2004	117,062	117,062
Retained loss for the year	(30,787)	(30,787)
	<hr/>	<hr/>
Balance at 31 March 2005	86,275	86,275
	<hr/> <hr/>	<hr/> <hr/>

London Precious Metals Clearing Limited

Notes to the Financial Statements

For the year ended 31 March 2006 (continued)

9 Future Financial Commitments

Operating leases

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	2006	2005
	£	£
Operating lease which expire:		
within one year	-	26,250
in the second to fifth year	117,000	90,750
	<u>117,000</u>	<u>117,000</u>

10 Related Party Transactions

The following were members of the London Precious Metals Clearing Limited during the financial year:

N M Rothschild & Sons Limited - ceased to be a member on 14th June 2004
The Bank of Nova Scotia
Deutsche Bank AG
HSBC Bank USA
J P Morgan
UBS AG London Branch
Barclays Bank Plc

Income wholly relates to subscriptions charged to the above members. Membership subscriptions which in the year ended 31 March 2006 amounted to £109,626 (2005: £104,500)

The capital contribution of £172,600 received in the year was from Barclays Bank plc, who became a member on 22 July 2005.

London Precious Metals Clearing Limited currently banks with HSBC Bank plc.

11 Post Balance Sheet Events

The Company is limited by guarantee. The liability of the members is limited to £10 each.

London Precious Metals Clearing Limited

Management Information

Based on the

Financial Statements

For the year ended

31 March 2006

London Precious Metals Clearing Limited
Trading and Profit and Loss Account
For The Year Ended 31 March 2006

	2006	2005
	£	£
Turnover		
Subscription income	109,626	104,500
Administrative expenses	(184,349)	(143,015)
Operating Loss	(74,723)	(38,515)
Other Interest Receivable and Similar Income		
Bank interest - received	821	106
Loss Before Taxation	(73,902)	(38,409)

London Precious Metals Clearing Limited
Trading and Profit and Loss Account
For The Year Ended 31 March 2006

	2006 £	2005 £
Administrative Expenses		
Computer service fees	117,000	91,250
General administration	5,525	3,517
Legal and professional fees	16,192	6,000
Accountancy	2,107	1,250
Audit fees	1,400	2,675
Bank charges	-	44
Sundry expenses	-	320
Depreciation on fixed assets	42,125	37,959
	<hr/> 184,349 <hr/>	<hr/> 143,015 <hr/>