

(Limited by Guarantee)

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COMPANIES HOUSE

# Report of the Directors

The directors present their annual report and the audited financial statements for the year ended 31 March 2004.

## Principal Activities and Business Review

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The principal activity of the Company during the year was the promotion, administration and conduct of the London Gold Market Fixings. The results for the year are set out in the profit and loss account on page 6.

## Proposed Dividend

The directors do not recommend the payment of a dividend for the year (2003: £nil).

## Directors and Directors' Interests

The directors who held office during the year were as follows:

Jeremy Charles

François Combes

Martin Fraenkel

(Resigned 25 May 2004)

Rick McIntire

Simon Weeks

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

## Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

N M Rothschild & Sons Limited

Secretary



New Court, St. Swithin's Lane, London EC4P 4DU

25<sup>th</sup> August 2004

# Statement of Directors' Responsibilities in Relation to Financial Statements

The directors have responsibility for ensuring that the Company keeps proper accounting records which 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 1985. They are required by law to prepare financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the year. They are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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The directors consider that appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these financial statements on a going concern basis, and that applicable accounting standards have been followed. These policies and standards, for which the directors accept responsibility, have been discussed with the auditors. The directors are required to use the going concern basis in preparing the financial statements unless this is inappropriate.

# Report of the Independent Auditors, KPMG Audit Plc, to the members of The London Gold Market Fixing Limited

We have audited the financial statements on pages 6 to 10.

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 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.

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## Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Group is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

## Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards 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.

# Report of the Independent Auditors, KPMG Audit Plc, to the members of The London Gold Market Fixing Limited

## Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2004, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

*KPMG Audit Plc*  
*25 August 2004*

# Profit and Loss Account

For the year ended 31 March 2004

	Note	2004 £	2003 £
Subscription income	2	50,000	25,000
Interest receivable and similar income		476	120
Administrative expenses		(5,307)	(37,041)
Profit on ordinary activities before tax	3	45,169	(11,921)
Tax on profit on ordinary activities	5	(8,582)	2,435
Retained profit for the financial year		36,587	(9,486)
Retained profit brought forward		25,189	34,675
Retained profit carried forward		61,776	25,189

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## Statement of Total Recognised Gains and Losses

A statement of total recognised gains and losses is not required as all recognised gains and losses incurred during the year are shown in the profit and loss account.

The notes on pages 8 to 10 form an integral part of these financial statements

# Balance Sheet

At 31 March 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Investments	6		3		3
Current assets					
Debtors					
Amounts falling due within one year	7	-		2,380	
Amounts falling due after more than one year	8	-		2,265	
Cash at bank		70,205		48,153	
		70,205		52,798	
Creditors: amounts falling due within one year	9	(8,432)		(27,612)	
Net current assets			61,773		25,186
Total assets less current liabilities			61,776		25,189
Represented by					
Profit and loss account			61,776		25,189

Approved by the Board of Directors on 25<sup>th</sup> Aug 2004 and signed on its behalf by:

  
Director

The notes on pages 8 to 10 form an integral part of these financial statements

# Notes to the Financial Statements

For the year ended 31 March 2004

## 1. Guarantee

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

## 2. Accounting Policies

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The principal accounting policies which have been consistently adopted in the presentation of the financial statements are as follows:

### a. Basis of presentation

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt from the requirement of Financial Reporting Standard 1 (Revised 1996) to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

### b. Subscription income

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

### c. Deferred taxation

Full provision has been made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

### d. Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Software development	3 years
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## 3. Profit on Ordinary Activities Before Tax

The auditor's remuneration was £1,821 (2003: £1,763). During the year the Company's auditors received £1,058 (2003: £1,146) for non-audit services.

## 4. Directors' Emoluments

None of the directors received any remuneration from the Company during the year (2003: £nil).

# Notes to the Financial Statements

## 5. Tax on Profit on Ordinary Activities

Tax is based on the results for the year and comprises:

	2004 £	2003 £
Current tax		
United Kingdom corporation tax at 19% (2003: 19%)	6,317	-
Prior year adjustment	-	(170)
	6,317	(170)
Deferred tax		
Tax losses utilised (2003: carried forward)	2,265	(2,265)
Tax on profit on ordinary activities	8,582	(2,435)

The current tax charge for the year may be explained as follows:

	2004 £	2003 £
Tax charge at corporation tax rate of 19% (2003: 19%)	8,582	-
Prior year adjustment	-	(170)
Tax losses utilised		(2,265)
Current tax charge for the year	6,317	(170)

## 6. Fixed Asset Investments

At 31 March 2004 the Company owned the whole of the issued share capital of The London Gold Futures Market Limited and the whole of the issued share capital of The London Gold Market Limited, dormant companies registered in England and Wales. The London Gold Futures Market Limited had net assets of £2 financed by issued and fully paid up ordinary share capital of £2 at 31 March 2004. The London Gold Market Limited had net assets of £1 financed by issued and fully paid up ordinary share capital of £1 at 31 March 2004.

In accordance with section 229(2) of the Companies Act 1985, group financial statements are not prepared as the subsidiary undertakings are not material. The financial statements present information about the undertaking as an individual undertaking and not about its Group.

## 7. Debtors: Amounts Falling Due Within One Year

	2004 £	2003 £
Corporation tax recoverable	-	2,380

# Notes to the Financial Statements

## 8. Debtors: Amounts Falling Due After More Than One Year

	2004 £	2003 £
Deferred tax	-	2,265

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## 9. Creditors: Amounts Falling Due Within One Year

	2004 £	2003 £
Trade creditors	2,115	27,612
Corporation tax payable	6,317	-
	8,432	27,612

## 10. Related Party Transactions

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

Deutsche Bank AG  
N M Rothschild & Sons Limited  
HSBC Bank USA  
The Bank of Nova Scotia  
Societe Generale

The Company entered into transactions with the above companies as follows:

Subscription income for membership of The London Gold Market Fixing Limited

Deutsche Bank AG	10,000
N M Rothschild & Sons Limited	10,000
HSBC Bank USA	10,000
The Bank of Nova Scotia	10,000
Societe Generale	10,000

£

Administrative expenses	£
N M Rothschild & Sons Limited	
- Secretarial fee	294

## 11. Post Balance Sheet Event

On 25 May 2004 N M Rothschild & Sons Limited resigned from The London Gold Market Fixing Limited following its decision to withdraw from commodities trading.

## 12. Registered Office

The Company's registered office is located at New Court, St Swithin's Lane, London, EC4P 4DU.