

London Precious Metals Clearing Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

Company Registration No. 10961672 (England and Wales)

London Precious Metals Clearing Limited

Company Information

Directors	A Dean A Lovell J Lloyd M Heil P Mckerrell C Kleine C Rudd M Amlin R Kumar W Wolfe
Secretary	The London Bullion Market Association
Company number	10961672
Registered office	1-2 Royal Exchange Buildings Royal Exchange London EC3V 3LF
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

London Precious Metals Clearing Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Balance sheet	7
Notes to the financial statements	8 - 11

London Precious Metals Clearing Limited

Directors' Report

For the year ended 31 December 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company throughout the period was the development, implementation and maintenance of an electronic system to facilitate the matching of precious metal transfers instigated by its Members.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Dean
A Lovell
J Lloyd
M Heil
P Mckerrell
C Kleine
C Rudd
M Amlin
R Kumar
W Wolfe

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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.

London Precious Metals Clearing Limited

Directors' Report (Continued)

For the year ended 31 December 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A Lovell

Director

18 May 2020

London Precious Metals Clearing Limited

Independent Auditor's Report

To the Members of London Precious Metals Clearing Limited

Opinion

We have audited the financial statements of London Precious Metals Clearing Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

London Precious Metals Clearing Limited

Independent Auditor's Report (Continued)

To the Members of London Precious Metals Clearing Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

London Precious Metals Clearing Limited

Independent Auditor's Report (Continued)

To the Members of London Precious Metals Clearing Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 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 the company's members as a body, for our work, for this report, or for the opinions we have formed.

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

21 May 2020

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

London Precious Metals Clearing Limited

Statement of Income and Retained Earnings

For the year ended 31 December 2019

	Year ended 31 December 2019 £	Period ended 31 December 2018 £
Notes		
Turnover	491,455	707,136
Administrative expenses	(465,820)	(698,415)
Operating profit	25,635	8,721
Interest receivable and similar income	1,424	-
Profit before taxation	27,059	8,721
Taxation	(271)	-
Profit for the financial year	26,788	8,721
Retained earnings brought forward	8,721	-
Retained earnings carried forward	35,509	8,721

London Precious Metals Clearing Limited

Balance Sheet

As at 31 December 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets			19,146		-
Current assets					
Debtors	3	300,004		19,644	
Cash at bank and in hand		75,256		85,467	
		<u>375,260</u>		<u>105,111</u>	
Creditors: amounts falling due within one year	4	<u>(294,453)</u>		<u>(31,946)</u>	
Net current assets			80,807		73,165
Total assets less current liabilities			<u>99,953</u>		<u>73,165</u>
Capital and reserves					
Called up share capital	5		500		500
Share premium account			63,944		63,944
Profit and loss reserves			35,509		8,721
Total equity			<u>99,953</u>		<u>73,165</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 18 May 2020 and are signed on its behalf by:

A Lovell
Director

Company Registration No. 10961672

London Precious Metals Clearing Limited

Notes to the Financial Statements

For the year ended 31 December 2019

1 Accounting policies

Company information

London Precious Metals Clearing Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1-2 Royal Exchange Buildings, Royal Exchange, London, EC3V 3LF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Due to the nature of the company's business, there is limited impact from COVID-19. Membership income is invoiced quarterly and COVID-19 is not expected to impact the ability of Members to pay these fees on an ongoing basis. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years straight line
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1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

Basic financial instruments are measured at amortised cost. The company has no other financial instruments or basic financial instruments measured at fair value.

London Precious Metals Clearing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

London Precious Metals Clearing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

2 Intangible fixed assets

	Other £
Cost	
At 1 January 2019	-
Additions	21,352
	<u>21,352</u>
At 31 December 2019	<u>21,352</u>
Amortisation and impairment	
At 1 January 2019	-
Amortisation charged for the year	2,206
	<u>2,206</u>
At 31 December 2019	<u>2,206</u>
Carrying amount	
At 31 December 2019	19,146
	<u><u>19,146</u></u>
At 31 December 2018	-
	<u><u>-</u></u>

3 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	276,000	10,560
Other debtors	24,004	9,084
	<u>300,004</u>	<u>19,644</u>
	<u><u>300,004</u></u>	<u><u>19,644</u></u>

4 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	93,872	15,656
Corporation tax	271	-
Other taxation and social security	54,494	2,712
Other creditors	145,816	13,578
	<u>294,453</u>	<u>31,946</u>
	<u><u>294,453</u></u>	<u><u>31,946</u></u>

London Precious Metals Clearing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

5 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
500 Ordinary Shares of £1 each	500	500
	<u>500</u>	<u>500</u>
	<u>500</u>	<u>500</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.