

The London Silver Market Fixing Limited

Directors' report and financial statements

31st December 1999

Registered number 3685039



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Directors' report

The directors present their first report and the audited financial statements of the London Silver Market Fixing Limited ("the company") for the 13-month period ended 31st December 1999.

Principal activities

The company was incorporated on 11 December 1998 to take on and continue the promotion, administration and conduct of the London Silver Market Fixing.

Business review

The results of the company for the period are as set out in detail on page 5.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend.

The retained profit for the period of £944 has been transferred to reserves.

Directors and directors' interests

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

Timothy Mark Jones (Chairman)	(appointed on 11 December 1998, resigned on 6 June 2000)
Charles Von Arentschildt	(appointed on 11 December 1998, resigned on 6 June 2000)
Peter Luke Fava	(appointed on 11 December 1998)

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company or other group undertakings.

Subsequent to the financial year end, the following directors were appointed:

Simon Mark Fulton Weeks (Chairman)	(appointed on 6 June 2000)
Rick Richmond McIntire	(appointed on 6 June 2000)
Michael Craig Nutt	(alternate director to Rick McIntire, appointed on 6 June 2000)
Timothy Mark Jones	(alternate director to Simon Weeks, appointed on 6 June 2000)
Jeremy Angus Charles	(alternate director to Peter Fava, appointed on 6 June 2000)

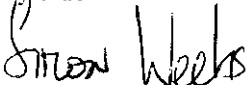
Political and charitable contributions

The company made no political or charitable contributions during the period.

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 next Annual General Meeting.

By order of the board


Simon Weeks
Director

One Silk Street
London
EC2Y 8HQ
31 October 2000

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

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Report of the auditors to the members of The London Silver Market Fixing Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, 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. 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.

Basis of 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1999 and of its profit for the 13-month period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

31 October 2000

Profit and loss account

for the 13-month period ended 31st December 1999

	Note	1999 £
Turnover	1	
Income from members' contributions		10,800
Administrative expenses		(8,311)
Operating profit		2,489
Profit on ordinary activities before taxation	2	2,489
Tax on profit on ordinary activities	3	(1,545)
Retained profit for the period		944

There were no recognised gains or losses during the current period other than the profit for the financial period. Accordingly, a statement of total recognised gains and losses has not been prepared.

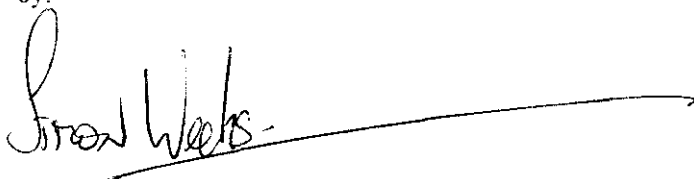
The results stated above are all derived from continuing operations.

The notes on pages 6 and 7 form part of the financial statements.

Balance sheet
at 31st December 1999

	<i>Note</i>	1999
		£
Current assets		
Debtors representing members' contributions		10,800
Creditors: amounts falling due within one year	4	(9,856)
Net current assets		944
Total assets less current liabilities		944
Net assets		944
Share capital and reserves	5	
Profit and loss account		944

These financial statements were approved by the board of directors on 21 October 2000 and were signed on its behalf by:



Simon Weeks
Director

The notes on pages 6 and 7 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Turnover

Turnover represents the income due from members of the company in respect of initial and ongoing subscriptions.

Taxation

Taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Profit on ordinary activities before taxation

1999
£

This is stated after charging:

Auditors' remuneration

1,500

3 Tax on profit on ordinary activities

1999
£

UK corporation tax at 20.25% on the profit for the period on ordinary activities

1,545

Notes *(continued)*

4 Creditors: amounts falling due within one year

	1999 £
Tax payable	1,545
Other creditors	5,405
Accruals and deferred income	2,906
	<hr/>
	9,856
	<hr/> <hr/>

5 Share capital and reserves

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

6 Comparative figures

There are no comparative figures as this is the first set of financial statements prepared by the company since incorporation.