

The London Silver Market Fixing Limited

Annual Report and Financial Statements

For the year ended 31 October 2017



The London Silver Market Fixing Limited

Company Information

Directors	Simon Weeks Peter Drabwell Paul Voller	(Resigned 6 October 2017) (Appointed 6 October 2017)
Secretary	Hackwood Secretaries Limited	
Company number	03685039	
Registered office	1 Silk Street London EC2Y 8HQ	
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London United Kingdom EC1M 7AD	

The London Silver Market Fixing Limited

Contents

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 5
Profit and Loss Account	6
Balance sheet	7
Notes to the financial statements	8 - 10

The London Silver Market Fixing Limited

Directors' Report

For the year ended 31 October 2017

The directors present their annual report and financial statements for the year ended 31 October 2017.

Principal activities

The company was incorporated to take on the promotion, administration and conduct of London Silver Market Fixing. The company promoted its activities via its own website until 14 August 2014 when the daily silver fixing ceased.

Directors

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

Simon Weeks

Peter Drabwell

Paul Voller

(Resigned 6 October 2017)

(Appointed 6 October 2017)

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 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.

The London Silver Market Fixing Limited

Directors' Report (Continued)

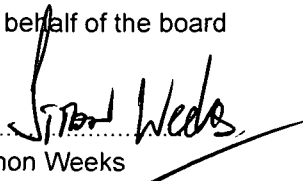
For the year ended 31 October 2017

Statement of disclosure to auditors

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 auditors are 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 auditors are 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



Simon Weeks

Director

5TH JUNE 2018

The London Silver Market Fixing Limited

Independent Auditor's Report

To the Members of The London Silver Market Fixing Limited

Opinion

We have audited the financial statements of The London Silver Market Fixing Limited (the 'company') for the year ended 31 October 2017 which comprise the Profit And Loss Account, 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 October 2017 and of its loss 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.

The London Silver Market Fixing Limited

Independent Auditor's Report (Continued)

To the Members of The London Silver Market Fixing 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.

The London Silver Market Fixing Limited

Independent Auditor's Report (Continued)

To the Members of The London Silver Market Fixing 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.



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

21 June 2018

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
United Kingdom
EC1M 7AD

The London Silver Market Fixing Limited

Profit and Loss Account

For the year ended 31 October 2017

	2017	2016
	£	£
Turnover	10,000	-
Administrative expenses	(28,253)	(14,381)
Operating loss	(18,253)	(14,381)
Interest receivable and similar income	-	9
Loss before taxation	(18,253)	(14,372)
Taxation	-	-
Loss for the financial year	(18,253)	(14,372)
Total comprehensive income for the year	(18,253)	(14,372)

The London Silver Market Fixing Limited

Balance Sheet

As at 31 October 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Debtors	3	-		2,397	
Cash at bank and in hand		13,450		26,618	
		<u>13,450</u>		<u>29,015</u>	
Creditors: amounts falling due within one year	4	(11,495)		(8,807)	
Net current assets			<u>1,955</u>		<u>20,208</u>
Capital and reserves					
Profit and loss reserves			<u>1,955</u>		<u>20,208</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 5TH JUNE 2018 and signed on its behalf by:



Simon Weeks
Director

Company Registration No. 03685039

The London Silver Market Fixing Limited

Notes to the Financial Statements

For the year ended 31 October 2017

1 Accounting policies

Company information

The London Silver Market Fixing Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Silk Street, London, EC2Y 8HQ.

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.

These financial statements for the year ended 31 October 2017 are the first financial statements of The London Silver Market Fixing Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 November 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The daily silver fixings conducted by the Company ceased from close of business on 14 August 2014 and the activity of the Company ceased on this date. It is not the current intention of the Directors to wind up the Company and they consider that, with the continuing financial support of its members in respect of operating expenses including legal fees, the Company will be able to meet its liabilities as and when they fall due. The accounts have therefore been prepared on a going concern basis.

1.3 Turnover

Turnover represents amounts due in respect of membership levy income. Membership levy income is recognised as revenue in the period in which services are provided.

1.4 Cash and cash equivalents

Cash and cash equivalents 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.

1.5 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other, or basic financial instruments measured at fair value.

1.6 Taxation

The tax expense represents tax currently payable, 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.

The London Silver Market Fixing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 October 2017

1 Accounting policies (Continued)

1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

There were no employees in either year.

3 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Other debtors	-	2,397
	<u> </u>	<u> </u>

4 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	4,764	-
Other creditors	6,731	8,807
	<u> </u>	<u> </u>
	<u>11,495</u>	<u>8,807</u>

The London Silver Market Fixing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 October 2017

5 Financial commitments, guarantees and contingent liabilities

The London Silver Market Fixing Limited and its two members have been named as defendants in class action lawsuits pending in the United States Court for the Southern District of New York and in the districts of Ontario and Quebec in Canada in connection with their roles in setting the London benchmark silver price. The complaints allege, amongst other things, that the London Silver 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 silver price. The lawsuits seek an unspecified amount of damages and trebling of damages under the Sherman Act.

The London Silver Market Fixing Limited and its previously three member banks (and certain of their affiliates) have been named as defendants in class actions commenced on 15th April, 2016, in the Ontario Superior Court of Justice, and 20th April, 2016 in the Superior Court of Quebec. The plaintiffs in both actions allege, among other things, that The London Silver Market Fixing Limited and the member banks conspired, agreed and / or arranged with each other to manipulate the London benchmark silver price, and seek damages of Can\$ 1,000,000,000 under the Competition Act and for civil conspiracy, unjust enrichment and waiver of tort. The Quebec class action has been temporarily stayed on consent of the parties.

The directors believe that the lawsuits are without grounds and that The London Silver 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 Silver Market Fixing Limited's financial position in any particular period.

6 Related party transactions

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

The Bank of Nova Scotia
HSBC plc

The London Silver Market Fixing Limited currently banks with HSBC plc, one of its members.

7 Control

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

The London Silver Market Fixing Limited

Management Information

For the year ended 31 October 2017

The London Silver Market Fixing Limited

Detailed Trading and Profit and Loss Account

For the year ended 31 October 2017

	2017	2016
	£	£
Turnover		
Membership levy	10,000	-
Administrative expenses	<u>(28,253)</u>	<u>(14,381)</u>
Operating loss	(18,253)	(14,381)
Investment revenues		
Other interest - received	<u>-</u>	<u>9</u>
Loss before taxation	<u><u>(18,253)</u></u>	<u><u>(14,372)</u></u>

The London Silver Market Fixing Limited

Schedule of Administration Expenses

For the year ended 31 October 2017

	2017	2016
	£	£
Administrative expenses		
Accountancy	1,995	1,595
Audit fees	1,965	1,965
Bank charges	200	77
Administrative expenses	24,093	10,744
	<u>28,253</u>	<u>14,381</u>
	<u><u>28,253</u></u>	<u><u>14,381</u></u>
