

# The London Silver Market Fixing Limited

Directors' Report and Financial Statements

For the year ended 31 October 2016

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# The London Silver Market Fixing Limited

## Company Information

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<b>Directors</b>	Simon Weeks Peter Drabwell
<b>Secretary</b>	Hackwood Secretaries Limited
<b>Company number</b>	03685039
<b>Registered office</b>	1 Silk Street London EC2Y 8HQ
<b>Auditors</b>	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

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# The London Silver Market Fixing Limited

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# The London Silver Market Fixing Limited

## Directors' Report

For the year ended 31 October 2016

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The directors present their report and financial statements for the year ended 31 October 2016.

### 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 following directors have held office since 1 November 2015:

Simon Weeks

David Rose

(Resigned 4 December 2015)

Peter Drabwell

### 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 Directors' 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 2016

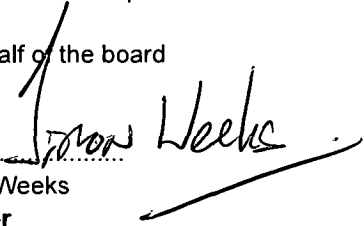
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**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



.....  
Simon Weeks  
**Director**  
.....

# The London Silver Market Fixing Limited

## Independent Auditors' Report to the Members of The London Silver Market Fixing Limited

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We have audited the financial statements of The London Silver Market Fixing Limited for the year ended 31 October 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 so that we might state to the company's members those matters we are required to state to them in an auditors' 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.

### **Respective responsibilities of directors and auditors**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# The London Silver Market Fixing Limited

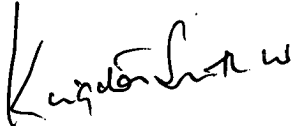
## Independent Auditors' Report to the Members of The London Silver Market Fixing Limited (Continued)

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### Matters on which we are required to report by exception

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 from preparing a strategic report.



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

18 April 2017

Chartered Accountants  
Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# The London Silver Market Fixing Limited

## Profit and Loss Account

For the year ended 31 October 2016

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	Notes	2016 £	2015 £
Administrative expenses		(14,381)	(10,327)
<b>Operating loss</b>	<b>2</b>	<b>(14,381)</b>	<b>(10,327)</b>
Other interest receivable and similar income	3	9	-
<b>Loss on ordinary activities before taxation</b>		<b>(14,372)</b>	<b>(10,327)</b>
Tax on loss on ordinary activities	4	-	2,065
<b>Loss for the year</b>	<b>7</b>	<b>(14,372)</b>	<b>(8,262)</b>

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# The London Silver Market Fixing Limited

## Balance Sheet

As at 31 October 2016

	Notes	2016 £	£	2015 £	£
<b>Current assets</b>					
Debtors	5	2,397		10,178	
Cash at bank and in hand		26,618		27,962	
		<u>29,015</u>		<u>38,140</u>	
<b>Creditors: amounts falling due within one year</b>	6	(8,807)		(3,560)	
<b>Total assets less current liabilities</b>			<u>20,208</u>		<u>34,580</u>
<b>Capital and reserves</b>					
Profit and loss account	7		20,208		34,580
<b>Shareholders' funds</b>			<u>20,208</u>		<u>34,580</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board for issue on 28<sup>TH</sup> MARCH 2017

  
.....  
Simon Weeks  
Director

Company Registration No. 03685039

# The London Silver Market Fixing Limited

## Notes to the Financial Statements

For the year ended 31 October 2016

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### 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 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

<b>2</b>	<b>Operating loss</b>	<b>2016</b>	<b>2015</b>
		£	£
	Operating loss is stated after charging:		
	Auditors' remuneration	1,965	1,805
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Investment income</b>	<b>2016</b>	<b>2015</b>
		£	£
	Other interest	9	-
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Taxation</b>	<b>2016</b>	<b>2015</b>
		£	£
	<b>Domestic current year tax</b>		
	Adjustment for prior years	-	(2,065)
		<u>          </u>	<u>          </u>
	<b>Total current tax</b>	-	(2,065)
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Debtors</b>	<b>2016</b>	<b>2015</b>
		£	£
	Other debtors	2,397	10,178
		<u>          </u>	<u>          </u>

# The London Silver Market Fixing Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 October 2016

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<b>6</b>	<b>Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Other creditors	8,807	3,560
		<u>          </u>	<u>          </u>

### **7 Statement of movements on profit and loss account**

	<b>Profit and loss account</b>
	<b>£</b>
Balance at 1 November 2015	34,580
Loss for the year	(14,372)
	<u>          </u>
Balance at 31 October 2016	20,208
	<u>          </u>

### **8 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.

### **9 Control**

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

# The London Silver Market Fixing Limited

Notes to the Financial Statements (Continued)

For the year ended 31 October 2016

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## **10 Related party relationships and 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 Bank plc, one of its members.

# The London Silver Market Fixing Limited

Management Information

For the year ended 31 October 2016

# The London Silver Market Fixing Limited

## Detailed Trading and Profit and Loss Account

For the year ended 31 October 2016

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	2016 £	2015 £
<b>Administrative expenses</b>	(14,381)	(10,327)
<b>Operating loss</b>	(14,381)	(10,327)
<b>Other interest receivable and similar income</b>		
Other interest - received	9	-
<b>Loss before taxation</b>	(14,372)	(10,327)

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# The London Silver Market Fixing Limited

## Schedule of Administrative Expenses

For the year ended 31 October 2016

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	2016	2015
	£	£
<b>Administrative expenses</b>		
Administration Expenses	10,744	5,442
Website costs	-	198
Accountancy	1,595	2,882
Audit fees	1,965	1,805
Bank charges	77	-
	<u>14,381</u>	<u>10,327</u>

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