

Company Registration No. 04943684 (England and Wales)

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
DIRECTOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2009

**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
COMPANY INFORMATION**

Director	P Tustain
Secretary	F Tustain
Company number	04943684
Registered office	Brook House 229-243 Shepherd's Bush Road London W6 7AN
Auditors	Albert Goodman Mary Street House Mary Street Taunton Somerset TA1 3NW

**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
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**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 OCTOBER 2009**

The director presents his report and financial statements for the year ended 31 October 2009.

Principal activities and review of the business

The principal activity of the company continued to be that of enabling its customers to buy and sell high-integrity physical bullion via the internet, and arranging the custody of the bullion in professional vaults in London, New York and Zurich.

The company delivers its service through the BullionVault.com website, which it owns and operates.

After the year end, in December 2009, the company started to offer a similar service in silver.

Excellent 2009 results

The company again made exceptional progress in the year to 31 October 2009. At the year end BullionVault had 120,000 registered users (2008 : 75,000). 13,000 of these users are active (2008 : 9,100). In this, the fourth full year of trading bullion, sales amounted to £277m (2008 : £266m).

While this may not appear very spectacular sales growth it hides an important change in the nature of the business. In our accounts we are required to report sales as principal (i.e. where we are selling the bullion) and exclude sales as agent (i.e. where another client is selling the bullion and we are acting as commissioned intermediary).

As our business matures we will increasingly provide an exchange for people to trade their own bullion, and act as an agent, which is important and beneficial to the company. This has the effect of providing us with no sales but two commissions, whereas trading as principal provides us with 'official' sales, one mark-up, and one commission.

Our agency business has grown remarkably in the year, from £50m to £250m. The only evidence you see of this in formal accounts is in the significant increase in operating margin and, consequently, profits.

Headcount

During the year under review the staff headcount increased from 11 to 15. New staff are employed as follows:-

(i) In Japanese and Polish website development and support.

(ii) In client accounts and other administrative capacities.

(iii) In IT resource

I envisage a further expansion of staff numbers over the current year as we seek to consolidate and improve our strong position in internet bullion services.

Financial Strength

The company retains a strong ratio of shareholders' funds to administrative expenses of 6:1. This is 24 times stronger than the 3 month base capital requirement of typical regulated financial businesses.

Balance sheet liquidity is similarly exceptional. Essentially all the company's working capital - incorporating more than 95% of the assets of the company - is employed in cash and bullion balances which have been held at call throughout the year. As a result the company could pay back its modest loans as soon as asked, leaving a cash balance of well over £20 per £1 share.

**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009**

Current market position and trading

We remain the leading supplier of main market gold bullion to the UK retail customer and are increasingly becoming a global leader on the internet - perhaps the world leader by some measures.

We look after more than £430m (2008 : £280m) of property fully segregated for our global customer base. This comprises more than £60m (2008 : £30m) in client money awaiting investment, and more than 18 tonnes of gold (2008 : 13 tonnes).

The BullionVault gold store, which is owned by about 13,000 individuals, comfortably exceeds the central bank bullion reserves of most of the world's currency systems including - for example - Canada (3.4 tonnes) and Mexico (3.5 tonnes).

Our Euro and US dollar denominated business both continue to grow satisfactorily as we win increasingly secure footholds in those markets.

The current year has begun well, with a significant increase in bullion prices driving higher volumes of trade. We have also started trading silver on very competitive terms.

We again look forward to the coming year with a high degree of confidence.

Future Prospects

We anticipate deeper penetration into all our markets.

As long ago as 2004 we anticipated many of the financial problems which beset the world in 2008/9. In 2009 western governments attempted to protect the financial world by digging themselves ever deeper into debt.

Some say that this debt can be financed, as it is not at unheard of levels when taken as a percentage of GDP. But what is different this time is that governments expect to borrow from savers while both printing money and engineering very low interest rates. This will not be easy.

If - for lack of alternatives - they end up borrowing mostly new central bank money (quantitative easing) then a severe and prolonged dose of inflation grows ever more likely.

Whichever way it turns out it remains a confusing backdrop which is likely to encourage people into the reliability of bullion. We shall see.

Financial risks

The company incurs certain risks in relation to financial transactions during the course of operating its business.

Financial risk management objectives

The key objective in using financial transactions is the maintenance of a float of bullion and currency in order that the company's bullion trading computer programs have sufficient access to funds and bullion to be able to trade and settle trades on the BullionVault order board, where the rules require instantaneous settlement. This means any bullion sold must already belong to the company and be in the vault when sold, and any money used to bid for bullion must already be at the company's bank, and be capable of being immediately credited to the seller in cleared funds.

So, more specifically, the objectives of our financial transactions are:-

1. To ensure an immediately available inventory of US Dollars, Euros and Pounds Sterling, cleared in bank accounts, while not unduly exposing the company to currency risk.
2. To ensure an immediately available inventory of gold vaulted in London, New York and Zurich, while not unduly exposing the company to risks of dramatic gold price movements.

**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009**

Policies

To meet these objectives the company engages in two main styles of financial transaction giving rise to material risk.

1. Gold bullion trades. These are executed with reputable London bullion dealers. The company currently has accounts with four bullion dealers. All are members of the London Bullion Market Association. Three are subsidiaries of very large financial corporations. The company buys gold from them usually for settlement within 24 or 48 hours and is required to pay before receipt of bullion, on the day settlement is due.

2. Currency spot trades. The company buys some foreign currency sometimes from specialist Corporate FX providers for 24 hour or 48 hour settlement. It has accounts with three of these types of business and occasionally uses them where for whatever reason trading with our bank is not suitable. Increasingly, however, the company buys its FX direct from its own bankers where the risk of one sided settlement is eliminated.

The company is not at material risk from customer default because customers can only purchase gold with cleared money already received by the company. Similarly customers can only sell gold already in the custody of the company.

Exposures to particular risks

Gold Supplier default

Before explaining the nature of the company's biggest risk it is important to point out that this risks only the company's money. Neither client money nor client bullion is exposed.

In the Director's view the default of a market counterparty is the company's biggest risk. Although we always pay on the day settlement is due we could conceivably pay a counterparty in the morning for the afternoon delivery of bullion which might not proceed if the counterparty were to fail after receiving our money, and before delivering us our bullion.

These days size is clearly no protection from default, and there is no 100% safe counterparty.

Our counterparties for gold trades are all LBMA member firms. We have extended our number of suppliers so that we can avoid a concentration of counterparty risk. We now have accounts with four suppliers of bullion bars. We arrange our gold purchases to prevent too much being settled on one day with one counterparty. This reduces the risk of a cataclysmic default.

We continue to favour suppliers which segregate money upon receipt, and hold it segregated until we receive delivery of our bullion. Although there is still the risk of operational abuse by a provider (i.e. failure to segregate correctly when under duress) we believe segregation offers us better protection than balance sheet size.

Markets are a little more stable than last time we reviewed the risks, but it is still quite likely that we will see dramatic financial failures in both the short and medium term. A significant risk is sovereign exposure, and there is no guarantee that in future banks can be bailed out by governments approaching the limit of their creditworthiness.

**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009**

FX Supplier default

This risk has materially reduced because we use independent FX services much less frequently than we did - usually not even once a month. The background to this is that our bank now treats us as a major customer, and makes much more competitive prices. This allows us to settle both sides of FX within one place - at our bank - thereby eliminating the risk of one-sided settlement.

Bank failure

Lloyds TSB is now a materially safer bank than it was a year ago, but it remains the case that its default would be very serious for Galmarley. There would be long delays before the company could reclaim anything.

Regarding the failure of Lloyds it is supposed to be the case that designated client accounts, such as those in which BullionVault users' money is kept, permit those clients to be individually protected by government backed deposit protection - up to the normal personal limits. Therefore BullionVault clients ought to remain protected in the event of a failure of Lloyds TSB. Nevertheless with a failure of Lloyds TSB it is unlikely that government protection applying on client funds would redeem their money either quickly, or completely, or with its original purchasing power. Additionally, the company's own funds would be materially above any deposit protection threshold.

Market risk

The company is exposed to movements in the gold price. It maintains an unhedged gold inventory of approximately 50 kg which is allowed to float up and down by a maximum of 38kg before being corrected by a market trade.

It is not economic to hedge this small balance entirely out of market risk. At current prices a maximum long of 88kg undergoing a two percent price fall in gold - which would be a sharp one day move - costs the company about £40,000 in inventory losses. By the same token price rises produce similar inventory profits.

Neither the gold nor the new silver position is considered a material risk.

Liquidity risk

The company only operates in bullion and currency markets both of which are among the deepest capital markets in the world. There is minimal risk of these markets becoming illiquid in normal circumstances. Gold has had by far the best long term record of deep and liquid markets of any financial asset in history.

Cash flow risk

The company has no current material risk in terms of cash flow. The company has sufficient shareholders funds to meet all expenses at the current level for seven years - even in the absence of any revenues.

The company's assets are almost entirely held in currency and bullion which are both highly liquid, so excepting supplier default there is no realistic danger of not being able to raise any cash required in the short and medium term.

Other financial risks

The most material other financial risk to the business is customer fraud. In the course of normal business we pay large sums by bank wire to our customers' original funding bank account. We regard every substantial payment as having a potential for serious loss. Nevertheless we must pay our customers quickly and efficiently when they demand it. We maintain tight control of our procedures in this regard.

Other risks

The Director believes that there are - as in any business - unquantifiable risks relating to, for example, reputation and unpredictable force majeure events. These are a general feature of a modern business environment, although there are not specific known instances to which the business is materially exposed.

**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009**

Results and dividends

The results for the year are set out on page 9.

The director recommends payment of the company's first ordinary dividend, of £0.25 per £1 ordinary share payable to holders of shares as at 31 January 2010.

Director

The following director has held office since 1 November 2008:

P Tustain

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

P Tustain

Director

12 March 2010

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
STATEMENT OF DIRECTOR'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 OCTOBER 2009

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GALMARLEY LIMITED**

We have audited the financial statements of Galmarley Limited for the year ended 31 October 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 director and auditors

As explained more fully in the Director's Responsibilities Statement, the director is 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 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 director; and the overall presentation of the financial statements.

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.

**GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF GALMARLEY LIMITED**

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 2009 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.

Opinion on other matter prescribed by the Companies Act 2006

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

**Paul Hake FCCA (Senior Statutory Auditor)
for and on behalf of Albert Goodman
Chartered Accountants
Statutory Auditor
19 March 2010**

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2009

	Notes	2009 £	2008 £
Turnover	2	277,067,644	267,728,153
Cost of sales		(272,417,531)	(265,081,979)
Gross profit		4,650,113	2,646,174
Administrative expenses		(934,299)	(784,804)
Operating profit	3	3,715,814	1,861,370
Interest payable and similar charges	4	(267,413)	(110,591)
Profit on ordinary activities before taxation		3,448,401	1,750,779
Tax on profit on ordinary activities	5	(965,000)	(531,500)
Profit for the year	13	2,483,401	1,219,279

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
BALANCE SHEET
AS AT 31 OCTOBER 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	6		43,243		9,459
Current assets					
Stocks	7	7,460,122		2,266,543	
Debtors	8	1,896,816		4,034,336	
Cash at bank and in hand		7,539,909		6,311,816	
			<u>16,896,847</u>		<u>12,612,695</u>
Creditors: amounts falling due within one year	9	<u>(7,810,157)</u>		<u>(6,454,675)</u>	
Net current assets			<u>9,086,690</u>		<u>6,158,020</u>
Total assets less current liabilities			<u>9,129,933</u>		<u>6,167,479</u>
Creditors: amounts falling due after more than one year	10		<u>(1,866,446)</u>		<u>(1,387,393)</u>
			<u>7,263,487</u>		<u>4,780,086</u>
Capital and reserves					
Called up share capital	12		311,228		311,228
Share premium account	13		3,208,297		3,208,297
Profit and loss account	13		3,743,962		1,260,561
Shareholders' funds	14		<u>7,263,487</u>		<u>4,780,086</u>

Approved by the Board and authorised for issue on 12 March 2010

P Tustain
Director

Company Registration No. 04943684

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2009

	£	2009 £	£	2008 £
Net cash (outflow)/inflow from operating activities		(1,991,782)		2,075,078
Returns on investments and servicing of finance				
Interest paid	(267,413)		(110,591)	
Net cash outflow for returns on investments and servicing of finance		(267,413)		(110,591)
Taxation		(896,820)		11,746
Capital expenditure				
Payments to acquire tangible assets	(43,803)		(10,682)	
Net cash outflow for capital expenditure		(43,803)		(10,682)
Net cash (outflow)/inflow before management of liquid resources and financing		(3,199,818)		1,965,551
Financing				
Other new long term loans	479,053		193,641	
Other new short term loans	3,948,858		705,800	
Repayment of other short term loans	-		(122,500)	
Net cash inflow from financing		4,427,911		776,941
Increase in cash in the year		1,228,093		2,742,492

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2009

1 Reconciliation of operating profit to net cash inflow from operating activities	2009	2008
	£	£
Operating profit	3,715,814	1,861,370
Depreciation of tangible assets	10,019	5,087
Increase in stocks	(5,193,579)	(388,985)
Decrease/(increase) in debtors	2,137,520	(2,332,424)
(Decrease)/Increase in creditors within one year	(2,661,556)	2,800,934
Share based payment	-	129,096
Net cash inflow from operating activities	(1,991,782)	2,075,078

2 Analysis of net funds	1 November 2008	Cash flow	Other non-cash changes	31 October 2009
	£	£	£	£
Net cash:				
Cash at bank and in hand	6,311,816	1,228,093	-	7,539,909
Debt:				
Debts falling due within one year	(1,287,675)	(3,948,858)	-	(5,236,533)
Debts falling due after one year	(1,387,393)	(479,053)	-	(1,866,446)
	(2,675,068)	(4,427,911)	-	(7,102,979)
Net funds	3,636,748	(3,199,818)	-	436,930

3 Reconciliation of net cash flow to movement in net funds	2009	2008
	£	£
Increase in cash in the year	1,228,093	2,742,492
Cash inflow from increase in debt	(4,427,911)	(776,941)
Movement in net funds in the year	(3,199,818)	1,965,551
Opening net funds	3,636,748	1,671,197
Closing net funds	436,930	3,636,748

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2009

1 Accounting policies

1.1 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).

1.2 Turnover

Turnover represents amounts receivable for sale of gold and services supplied to customers including interest earned on client accounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Straight line over the life of the lease
Fixtures, fittings & equipment	33.33% Straight Line

1.4 Stocks

Stocks consist of gold held by the company, and are valued at the closing pm fix as determined by the London Bullion Market Association at the balance sheet date. Changes in the valuation of stocks are recorded in the profit and loss account.

Whilst this policy is consistent with that adopted by similar businesses it is not in accordance with the requirements of SSAP 9, Stocks and long term contracts, which requires stocks to be valued at the lower of cost and net realisable value. The director considers the policy of valuing stocks at net realisable market value to be necessary to show a true and fair view and wholly consistent with the operation of the company's business. It is not possible to quantify the impact of departing from SSAP 9 as historic information regarding original cost has no application to the business and is therefore not available.

1.5 Client accounts

The company operates separately designated client accounts in each currency in which the company trades. Customers are only able to purchase gold once the company has received cleared money and this money is paid to and held in the separately designated client accounts. As these amounts are held within designated client accounts and ownership is retained by the customers, these cash balances are not included in the balance sheet of the company.

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Financial instruments

Debtors and creditors include amounts due for settlement under gold contracts and spot foreign exchange contracts. These amounts are valued at market prices prevailing at the balance sheet date. Changes in the valuation are recorded via the profit and loss account.

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009

2 Turnover

The company's income is derived from its activities of enabling its customers to buy and sell gold via the internet and arranging the custody of the gold owned by its customers which, for the purposes of segmental analysis, is considered by the director to be a single global market.

3 Operating profit	2009	2008
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	10,019	5,087
Operating lease rentals	30,900	33,300
Auditors' remuneration	16,850	18,731
Remuneration of auditors for non-audit work	5,661	-
	<u> </u>	<u> </u>
4 Interest payable	2009	2008
	£	£
On bank loans and overdrafts	1,081	1,497
Other interest	266,332	109,094
	<u> </u>	<u> </u>
	267,413	110,591
	<u> </u>	<u> </u>
5 Taxation	2009	2008
	£	£
Domestic current year tax		
U.K. corporation tax	965,000	531,500
	<u> </u>	<u> </u>
Current tax charge	965,000	531,500
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	3,448,401	1,750,779
	<u> </u>	<u> </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.80%)	965,552	504,224
	<u> </u>	<u> </u>
Effects of:		
Non deductible expenses	1,505	37,604
Depreciation add back	2,805	1,465
Capital allowances	(5,890)	(3,659)
Other tax adjustments	1,028	(8,134)
	<u> </u>	<u> </u>
	(552)	27,276
	<u> </u>	<u> </u>
Current tax charge	965,000	531,500
	<u> </u>	<u> </u>

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009

6 Tangible fixed assets

	Short leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 November 2008	-	31,833	31,833
Additions	35,627	8,176	43,803
	<hr/>	<hr/>	<hr/>
At 31 October 2009	35,627	40,009	75,636
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 November 2008	-	22,374	22,374
Charge for the year	1,977	8,042	10,019
	<hr/>	<hr/>	<hr/>
At 31 October 2009	1,977	30,416	32,393
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 October 2009	33,650	9,593	43,243
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 October 2008	-	9,459	9,459
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7 Stocks

	2009	2008
	£	£
Gold	7,460,122	2,266,543
	<hr/> <hr/>	<hr/> <hr/>

8 Debtors

	2009	2008
	£	£
Main market gold settlements (within 48 hours)	1,259,049	2,367,462
Foreign exchange trade receivables (within 48 hours)	472,350	1,614,197
Other debtors	140,144	48,318
Prepayments and accrued income	25,273	4,359
	<hr/>	<hr/>
	1,896,816	4,034,336
	<hr/> <hr/>	<hr/> <hr/>

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009

9 Creditors: amounts falling due within one year	2009	2008
	£	£
Trade creditors	153	-
Main market gold settlements	1,270,569	2,380,660
Foreign exchange trade payables	453,556	1,594,832
Corporation tax	615,175	546,995
Director's current account	-	425,003
Other creditors	5,236,533	1,287,675
Accruals and deferred income	234,171	219,510
	<u>7,810,157</u>	<u>6,454,675</u>

Other creditors include £5,236,533 (2008: £1,287,675) in respect of loans denominated in gold. These loans are repayable in gold and the liability has been valued at the closing pm fix as determined by the London Bullion Market Association. Interest on this debt is payable at between 2.75% and 4.00% on the average closing sterling price of gold, dependent on the notice period of the loan. Redemption of these loans can be made at any time by way of one months notice given by either the company or the lender. These loans of bullion are from individuals to the company and there is no impact on the segregation of the gold owned by BullionVault customers.

The Director's current account at 31 October 2008 included a short term loan of £344,650 denominated in gold. This loan has been fully repaid during the year ended 31 October 2009 and was provided to the company on an interest free basis.

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009

10 Creditors: amounts falling due after more than one year	2009	2008
	£	£
Other loans	1,866,446	1,387,393
	<u> </u>	<u> </u>
Analysis of loans		
Not wholly repayable within five years other than by instalments:	1,866,446	1,387,393
Wholly repayable within five years	5,236,533	1,287,675
	<u> </u>	<u> </u>
	7,102,979	2,675,068
Included in current liabilities	(5,236,533)	(1,287,675)
	<u> </u>	<u> </u>
	1,866,446	1,387,393
	<u> </u>	<u> </u>

The loans due in more than one year relate to cash loans of £162,400 (2008: £162,400) and loans denominated in gold of £1,704,046 (2008: £1,224,993).

The cash and gold loans are undated and it is the intention that these are long term loans to the company. As with the gold loans due in less than one year, the loans are repayable in gold and the liability has been valued at the closing pm fix as determined by the London Bullion Market Association. Interest on these loans is payable at 7% per annum and is computed on the value of the gold loan based on the value of gold at 31 March each year. £1,510,876 (2008: £1,086,128) of the gold loans are from the Director or his pension scheme to the company and there is no impact on the segregation of the gold owned by BullionVault customers.

11 Pension and other post-retirement benefit commitments
Defined contribution

The company makes payments to personal pension schemes of employees. The pension cost charge represents contributions payable by the company to the fund.

	2009	2008
	£	£
Contributions payable by the company for the year	-	4,119
	<u> </u>	<u> </u>

12 Share capital	2009	2008
	£	£
Authorised		
1,000,000 Ordinary Shares of £1 each	1,000,000	1,000,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
311,228 Ordinary Shares of £1 each	311,228	311,228
	<u> </u>	<u> </u>

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009

13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 November 2008	3,208,297	1,260,561
Profit for the year	-	2,483,401
	<u>3,208,297</u>	<u>3,743,962</u>
Balance at 31 October 2009	<u>3,208,297</u>	<u>3,743,962</u>

14 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	2,483,401	1,219,279
Credit in respect of employee share options	-	129,096
	<u>2,483,401</u>	<u>1,348,375</u>
Net addition to shareholders' funds	2,483,401	1,348,375
Opening shareholders' funds	4,780,086	3,431,711
	<u>7,263,487</u>	<u>4,780,086</u>
Closing shareholders' funds	<u>7,263,487</u>	<u>4,780,086</u>

15 Financial commitments

At 31 October 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2010:

	Land and buildings	
	2009 £	2008 £
Operating leases which expire:		
Between two and five years	55,627	-
	<u>55,627</u>	<u>-</u>

16 Director's emoluments

	2009 £	2008 £
Emoluments for qualifying services	40,984	48,821
Company pension contributions to money purchase schemes	-	4,119
	<u>40,984</u>	<u>4,119</u>
	<u>40,984</u>	<u>4,119</u>

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2009	2008
	Number	Number
Directors	1	1
Development and support staff	12	9
	<u>13</u>	<u>10</u>

Employment costs

	2009	2008
	£	£
Wages and salaries	470,550	350,783
Social security costs	51,240	29,962
Share based payment	-	129,096
Other pension costs	-	4,119
	<u>521,790</u>	<u>513,960</u>

18 Control

The company is controlled by Paul Tustain, Director.

19 Related party transactions

Included within other creditors due in more than one year are amounts due to the Director, Paul Tustain of £1,303,131 (2008: £936,785) in respect of gold lent to the company to support its trading activities and £162,400 (2008: £162,400) in respect of a loan to the company. In respect of the gold loan, interest is paid at 7% pa based on the valuation of the gold at 31 March each year and interest of £94,078 (2008: £58,037) has been charged to the profit and loss account. Interest is also paid at 7% on the other loan and interest of £11,368 (2008:£11,478) has been charged to the profit and loss account. Both of these loans are undated and are intended to be long term loans to the company, see note 10.

Also included in creditors due in more than one year are amounts due to the Director's pension scheme of £207,745 (2008:£149,343) in respect of gold lent to the company. Interest is paid at 7% pa based on the valuation of the gold at 31 March each year and interest of £14,930 (2008: £9,320) has been charged to the profit and loss account.

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009

20 Share based payment

During the year ended 31 October 2006, the company established a government approved share option scheme known as Company Share Option Plans (CSOP).

The option scheme is described below.

Type of arrangement	Company Share Option Plan	Company Share Option Plan
Date of grant	29 July 2006	7 December 2007
Number granted	16,000	3,890
Contractual life	10 years	10 years

The estimated fair value of each share option granted at the date of grant, based on a Directors valuation taking into account the factors at the date of grant as required by FRS 20 Share Based payment is £nil. In the previous year, the fair value of the options was based on the intrinsic value of the option, measured as the difference between the fair value of the shares at the balance sheet date or date of exercise and the exercise price of the option. However, after further consideration of the application of FRS 20 to this company taking into account practice developing for unlisted companies, the director has determined that the most appropriate value for the options at the date of grant is £nil. The financial statements include a share based payment charge for the year ended 31 October 2008 of £167,200 which is no longer required. However, as the amount is not material and has no impact on profit and loss reserves, no amendment to the 2008 profit and loss account is considered necessary.

Further details of the two share option plans are as follows:

	2009		2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at start of year	19,890	£13.91	16,000	£10
Granted	-	-	3,890	-
Exercised	-	-	-	-
Outstanding at end of year	19,890	£13.91	19,890	£13.91
Exercisable at end of year	6,000	£10	-	-

The options granted on 29 July 2006 have an exercise price of £10, and as at the balance sheet date the remaining contractual life is 7 years. The options can be exercised in stages, with the earliest possible exercise of 6,000 options on 31 July 2009. There are therefore now 6,000 options which can be exercised. The remaining stages allow for 4,400 options to be exercised from 31 July 2010, a further 4,400 options to be exercised from 31 July 2011 and the final 1,200 options to be exercised from 31 July 2012. For these options, the last possible exercise date is 30 June 2016.

The options granted on 7 December 2007 have an exercise price of £30 and as at the balance sheet date have a remaining contractual life of 9 years. The options can be exercised in stages, with the earliest possible exercise of 1,459 options on 31 December 2010. The remaining stages allow for 1,070 options to be exercised from 31 December 2011, a further 1,070 to be exercised from 31 December 2012 and the final 291 options to be exercised from 31 December 2013. For these options, the last possible exercise date is 31 December 2017. Therefore, none of these options are capable of exercise at the balance sheet date.

GALMARLEY LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2009

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2009

	2009		2008	
	£	£	£	£
Turnover				
Bullionvault trading		274,426,962		265,993,853
Interest income		221,314		574,147
Commission and fee income		2,419,368		1,160,153
		<u>277,067,644</u>		<u>267,728,153</u>
Cost of sales				
Cost of gold sold	272,236,144		264,993,391	
Vault and data charges	174,642		82,720	
Data feed charges	6,745		5,868	
		<u>(272,417,531)</u>		<u>(265,081,979)</u>
Gross profit	1.68%	4,650,113	0.99%	2,646,174
Overhead expenses				
Employment	522,516		515,208	
Establishment	60,633		44,525	
Administrative	246,556		172,414	
Financial	361,988		158,161	
Depreciation	10,019		5,087	
		<u>(1,201,712)</u>		<u>(895,395)</u>
Operating profit		3,448,401		1,750,779
Profit before taxation	1.24%	<u>3,448,401</u>	0.65%	<u>1,750,779</u>

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
SCHEDULE OF OVERHEAD EXPENSES
FOR THE YEAR ENDED 31 OCTOBER 2009

	2009	2008
	£	£
Employment		
Wages and salaries (excl. N.I.)	429,566	301,962
Directors' remuneration	40,984	48,821
Employer's N.I. contributions	51,240	29,962
Directors' pension costs	-	4,119
Recruitment	726	1,248
Staff options	-	129,096
	<hr/>	<hr/>
	522,516	515,208
	<hr/>	<hr/>
Establishment		
Rent re operating leases	30,900	33,300
Rates	10,412	8,422
Insurance	388	387
Cleaning	1,095	-
Repairs and maintenance	17,838	2,416
	<hr/>	<hr/>
	60,633	44,525
	<hr/>	<hr/>
Administrative		
Printing, postage and stationery	5,078	1,897
Advertising	138,607	93,468
Internet and telecom services	26,579	16,835
Computer running costs	4,521	8,916
Travelling expenses	2,890	1,623
Entertaining	1,909	1,472
Legal and professional fees	28,675	18,423
Accountancy	5,661	5,000
Audit fees	16,850	18,731
Sundry expenses	7,046	1,153
Subscriptions	8,740	4,896
	<hr/>	<hr/>
	246,556	172,414
	<hr/>	<hr/>
Financial		
Bank charges	94,575	47,570
Bank interest paid	1,081	1,497
Other interest paid	266,332	109,094
	<hr/>	<hr/>
	361,988	158,161
	<hr/>	<hr/>

GALMARLEY LIMITED
TRADING AS BULLIONVAULT.COM
SCHEDULE OF OVERHEAD EXPENSES (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2009

Depreciation

Amortisation on short leasehold	1,977	-
Depreciation on FF & E	8,042	5,087
	<hr/>	<hr/>
	10,019	5,087
	<hr/>	<hr/>