REGISTERED NUMBER. 3470348

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

FOR

THE LONDON MINT OFFICE LIMITED

THE LONDON MINT OFFICE LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2007

THE LONDON MINT OFFICE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2007

DIRECTORS	S Mellinger J W de Nie
SECRETARY	W K Corporate Services Limited
REGISTERED OFFICE	3rd Floor, Jessica House Red Lion Square Wandsworth High Street London SW18 4LS
REGISTERED NUMBER·	3470348
AUDITORS	KPMG LLP Chartered Accountants Registered Auditors 1 Forest Gate Brighton Road Crawley RH 11 9PT
BANKERS	DNB Nor Bank ASA 20 St Dunstans Hill London EC3R 8HY

THE LONDON MINT OFFICE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report with the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of supplying coins for collection to the general public

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements

The London Mint Office Ltd is a wholly owned subsidiary of the Samlerhuset Group, a pan-European organisation specialising in the marketing and distribution of commemorative and historical coins to coin collectors New customers are obtained through direct response advertising and offered a variety of products, drawn from national and private mints throughout the world, mainly on an ongoing subscription basis, by means of a variety of direct marketing channels and techniques The company's objective is to create new coin collectors in the market - not just service existing numismatists - who will provide long-term customer value over many years and thereby establish the business as the market leading distributor of collectible coins in two to four years

To achieve this objective the business will need to contend with various economic uncertainties such as the possible impact of a downturn in consumer spending on non-essentials and fluctuations in precious metal prices - the majority of our sales being in silver and gold The business is also subject to external influences as new name acquisition is chiefly driven by major national events - particularly relating to the monarchy and military anniversaries A key focus point will be to emulate our sister companies in other markets by extending the appeal of coin collecting outside such traditional areas and using a broader scope of themes to attract new customers Such ambitions have required substantial investment on the part of our parent company and whilst our business is still dependent on their support, the business achieved break-even status in Q4 2007

However, the most critical issue in maximising profitability surrounds our customer relationships - encouraging multiple customer subscriptions and minimising returns and attrition by delivering optimum customer service quality and providing a broad palette of attractive product offerings at a wide range of price levels Significant investment has been - and will continue to be - made in the standard of our customer service infrastructure and data profiling techniques together with developing strong relationships with our key suppliers Our success in achieving our objectives is constantly measured according to a variety of key performance indicators - the most important being earnings per subscriber (Gross Margin divided by the number of starters to any particular collection), returns rates, turnover by subscription sales relative to single product sales, cost per new name acquired as well as traditional P&L and working capital measurements

Results for this financial year demonstrate the considerable improvements that have been made to the infrastructure of the business and the second half of the year was significantly more successful than the first Fundamental changes to processes and operational activities during the course of the year, but specifically in June 2007, have allowed us to realistically contemplate achieving profitability during 2008 The majority of our principal targets for 2007 (including the reduction of debtor days, reduction of bad debt, reduction of returns and attrition, reduction in stock holdings and substantial reduction in cost of goods) were all comfortably achieved whilst building the active subscriber base by 28%

It should be noted that, on January 1st 2008, our German and Austrian sister companies, MDM Munzhandelsgesellschaft mbH Deutsche Munze and IMM Munz-Institut fur Munz-und Medaillenkunst GmbH, together with the logistics business Alta Dienstleistungs GmbH fur den Versandhandel, were demerged leading to changes in the structure and ownership of the Samlerhuset Group

DIVIDENDS
The directors do not recommend the payment of a dividend

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

S Mellinger
J W de Nie

FINANCIAL INSTRUMENTS
Financial risk management

The company operations expose it to certain financial risks such as currency fluctuation and interest rate risk These risks are mitigated by the use of the Group financing facility provided by the Group bankers

Currency fluctuation

As borrowings are provided on a group basis the rate control rests with the group

Liquidity risk

As the company is a wholly owned subsidiary it relies upon group support and has a share in a group financing facility

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Directors' report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), The financial statements are required by law to 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 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, and
- 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 enable them to ensure that its 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
The directors who held office at the date of the approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS
The auditors, KPMG LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

S Mellinger - Director

Date 11th July 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF THE LONDON MINT OFFICE LIMITED

We have audited the financial statements of The London Mint Office Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 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
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page three

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 1985 We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors
1 Forest Gate
Brighton Road
Crawley
RH 11 9PT

Date 15 July 2008

THE LONDON MINT OFFICE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2007 £	2006 £	2006 £
TURNOVER			9,340,112		8,225,799
Cost of sales			4,528,401		7,325,902
GROSS PROFIT			4,811,711		899,897
Distribution costs		1,837,247		5,158,588	
Administrative expenses		4,507,654		3,067,323	
			6,344,901		8,225,911
OPERATING LOSS	3		(1,533,190)		(7,326,014)
Interest receivable and similar income			30,717		9,126
			(1,502,473)		(7,316,888)
Interest payable and similar charges	4		538,142		411,643
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(2,040,615)		(7,728,531)
Tax on loss on ordinary activities	5		-		129,523
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION			(2,040,615)		(7,858,054)

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

THE LONDON MINT OFFICE LIMITED

BALANCE SHEET
31 DECEMBER 2007

	Notes	2007 £	2007 £	2006 £	2006 £
FIXED ASSETS					
Intangible assets	6		46,006		59,502
Tangible assets	7		649,660		87,632
Investments	8		200		-
			695,866		147,134
CURRENT ASSETS					
Stocks	9	1,601,632		1,630,556	
Debtors	10	1,609,170		1,548,165	
Cash at bank		259,449		369,584	
		3,470,251		3,548,305	
CREDITORS					
Amounts falling due within one year	11	6,922,356		11,894,056	
NET CURRENT LIABILITIES			(3,452,105)		(8,345,751)
NET LIABILITIES			(2,756,239)		(8,198,617)
CAPITAL AND RESERVES					
Called up share capital	14		7,483,993		1,000
Profit and loss account	15		(10,240,232)		(8,199,617)
SHAREHOLDERS' DEFICIT	18		(2,756,239)		(8,198,617)

The financial statements were approved by the Board of Directors on 11th July 2008 and were signed on its behalf by

S Mellinger - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements disclose net liabilities and a loss for the year ended 31 December 2007 They have been prepared on a going concern basis due to the continued support extended by the ultimate parent company, in particular the use of a Group financing facility provided by the Group bankers, DNB Nor Bank ASA These stakeholders have confirmed their willingness to continue this support as necessary for the next twelve months, and until such time as the company returns to profitability

Accounting convention
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 that a parent undertaking includes the company in its own published consolidated information

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax

Intangible fixed assets
Business names and trade marks are capitalised at cost and amortised over five years, being the deemed economic life of the asset

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Coin dies	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% - 33% on cost

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Taxation
The charge for taxation is based on the loss for the year and takes in to account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund Contributions payable for the year are charged to the profit and loss account

Leases
Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

continued

2 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	1,361,216	807,070
Social security costs	153,827	94,873
Other pension costs	-	3,250
	1,515,043	905,193

The average monthly number of employees during the year was as follows

	2007	2006
Administration	32	14

3 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation - owned assets	112,388	23,909
Business names and trade marks amortisation	15,247	13,358
Auditors' remuneration – Audit of these financial statements	35,300	39,300
Foreign exchange differences	56,846	(33,874)
Operating lease costs - other	55,751	7,000
Directors' emoluments	153,224	130,156

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	1	1

In addition to the salary and benefits paid above, £10,500 (2006 £9,625) was paid into personal money purchase pension schemes on behalf of directors

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank interest	518,609	362,795
Group interest	19,533	48,848
	538,142	411,643

5 TAXATION

Analysis of the tax charge
The tax charge on the loss on ordinary activities for the year was as follows

	2007	2006
	£	£
Deferred tax	-	129,523
Tax on loss on ordinary activities	-	129,523

continued

5 **TAXATION - continued**

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	2007	2006
	£	£
Loss on ordinary activities before tax	(2,040,615)	(7,728,531)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	(612,185)	(2,318,559)
Effects of		
Capital allowances in excess of depreciation	(23,204)	(4,199)
Unutilised taxation losses carried forward	626,174	2,316,013
Disallowed expenditure	-	4,007
Current year loss relief	9,215	2,738
Current tax charge	-	-

Factors that may affect future tax charges
The company has tax losses available to carry forward against future profits of £10,516,290 (2006 £8,398,330)

6 **INTANGIBLE FIXED ASSETS**

	Business names and trade marks
	£
COST	
At 1 January 2007	72,860
Additions	1,751
At 31 December 2007	74,611
AMORTISATION	
At 1 January 2007	13,358
Amortisation for year	15,247
At 31 December 2007	28,605
NET BOOK VALUE	
At 31 December 2007	46,006
At 31 December 2006	59,502

continued

7 TANGIBLE FIXED ASSETS

	Coin dies £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2007	-	10,171	221,221	231,392
Additions	20,780	66,645	586,991	674,416
At 31 December 2007	20,780	76,816	808,212	905,808
DEPRECIATION				
At 1 January 2007	-	5,732	138,028	143,760
Charge for year	2,353	10,817	99,218	112,388
At 31 December 2007	2,353	16,549	237,246	256,148
NET BOOK VALUE				
At 31 December 2007	18,427	60,267	570,966	649,660
At 31 December 2006	-	4,439	83,193	87,632

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	200
At 31 December 2007	200
NET BOOK VALUE	
At 31 December 2007	200

The company's investments at the balance sheet date in the share capital of companies include the following

The Crown Collections Limited
Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

London Mint Limited
Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

9 STOCKS

	2007 £	2006 £
Finished goods	1,601,632	1,630,556

continued

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade debtors	1,440,951	1,426,600
Amounts owed by group undertakings	28,465	84,253
Other debtors	-	16,705
Prepayments and accrued income	139,754	20,607
	1,609,170	1,548,165

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts (see note 12)	5,278,116	10,266,077
Trade creditors	723,292	828,470
Amounts owed to group undertakings	422,621	367,349
Social security and other taxes	242,684	93,043
Accruals and deferred income	255,643	339,117
	6,922,356	11,894,056

12 LOANS

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	5,278,116	10,266,077

The overdraft with the bank is secured by way of offset against the group balances held by the bank The company has a share of a group financing facility dated 19 December 2006 The company's maximum liability is capped at €22,000,000

13 OPERATING LEASE COMMITMENTS

The following annual operating lease payments are committed to be paid within one year

	Land and buildings	
	2007	2006
	£	£
Expiring		
Between one and five years	-	7,000
In more than five years	84,575	-
	84,575	7,000

continued

14 CALLED UP SHARE CAPITAL

Authorised

Number	Class	Nominal value	2007 £	2006 £
1,000	Ordinary	£1	1,000	1,000
10,000,000	Redeemable ordinary	£1	10,000,000	-
			10,001,000	1,000

Allotted, issued and fully paid

Number	Class	Nominal value	2007 £	2006 £
1,000	Ordinary	£1	1,000	1,000
7,482,993	Redeemable ordinary	£1	7,482,993	-
			7,483,993	1,000

7,482,993 Redeemable ordinary shares of £1 each were allotted and fully paid for cash at par during the year

15 RESERVES

	Profit and loss account £
At 1 January 2007	(8,199,617)
Loss for the year	(2,040,615)
At 31 December 2007	(10,240,232)

16 ULTIMATE PARENT COMPANY

The immediate parent company is International Coins B V, a company registered in The Netherlands The ultimate parent company is Samlerhuset Group B V, a company incorporated in The Netherlands

17 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemptions conferred by FRS8, whereby the results of this company are consolidated into a group of companies and that these accounts are publicly available

Consolidated accounts are available from Samlerhuset Group BV, Versterkerstaat 4, Almere, The Netherlands

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Loss for the financial year	(2,040,615)	(7,858,054)
Shares issued in the year	7,482,993	-
Net addition/(reduction) to shareholders' deficit	5,442,378	(7,858,054)
Opening shareholders' deficit	(8,198,617)	(340,563)
Closing shareholders' deficit	(2,756,239)	(8,198,617)

continued

19 DEFERRED TAXATION

The company had an unprovided deferred taxation asset of £3,154,000 (2006 £2,518,000) This relates to the tax effect of losses available and has not been provided due to uncertainty over the timing of future profits