



**THE LONDON MINT OFFICE LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

THURSDAY



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08/09/2011

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COMPANIES HOUSE

KPMG LLP  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

12/9/11 097

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FOR THE YEAR ENDED 31 DECEMBER 2010**

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**THE LONDON MINT OFFICE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**DIRECTORS**

S Mellinger  
J W de Nie  
P D Swanston

**SECRETARY**

W K Corporate Services Limited

**REGISTERED OFFICE**

Harmsworth House  
13-15 Bouverie Street  
London  
EC4Y 8DP

**REGISTERED NUMBER**

3470348

**AUDITORS**

KPMG LLP  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

**BANKERS**

ABN Amro Bank N V  
Postbus 20710  
1001 NS Amsterdam  
The Netherlands

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

**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 London Mint Office Limited 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 within the next three years.

To achieve this objective the business will need to continue to overcome the macro economic issues which are affecting general 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 - although significant product development breakthroughs have been achieved in previous years to lessen our reliance on such events to drive business growth. Furthermore, the company acquired official licensee status in 2010 for the London 2012 Olympic Games.

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 after Marketing Costs 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 further improvements that have been made to the infrastructure of the business. We delivered an increase in net profit of £1.37 million on additional net turnover of £3.71 million compared to financial year ending 31 December 2009. The business is well-placed to achieve its further sizeable profit increase target in 2011.

**DIVIDENDS**

The directors do not recommend the payment of a dividend (2009: £Nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report.

S Mellinger  
J W de Nie

Other changes in directors holding office are as follows:

P D Swanston - appointed

**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.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**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 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**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**ON BEHALF OF THE BOARD**

  
S Mellinger - Director

Date 08/08/11

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
THE LONDON MINT OFFICE LIMITED**

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We have audited the financial statements of The London Mint Office Limited for the year ended 31 December 2010 set out on pages five to twelve. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Independent Auditor's 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 set out on page three, 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 (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**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 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with 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.



D A Bowen (Senior Statutory Auditor)  
for and on behalf of KPMG LLP  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

Date

11 August 2011

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>		<b>25,351,796</b>	<b>21,864,281</b>
Cost of sales		<u>12,460,467</u>	<u>12,030,836</u>
<b>GROSS PROFIT</b>		<b>12,891,329</b>	<b>9,833,445</b>
Distribution costs		3,928,138	4,344,499
Administrative expenses		<u>7,935,039</u>	<u>5,795,606</u>
		<b>11,863,177</b>	<b>10,140,105</b>
<b>OPERATING PROFIT/(LOSS)</b>	3	<b>1,028,152</b>	<b>(306,660)</b>
Interest receivable and similar income		<u>95</u>	<u>41</u>
		<b>1,028,247</b>	<b>(306,619)</b>
Interest payable and similar charges	4	<u>212,157</u>	<u>249,533</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>816,090</b>	<b>(556,152)</b>
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b><u>816,090</u></b>	<b><u>(556,152)</u></b>

**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 profit for the current year and the loss for the previous year

BALANCE SHEET  
31 DECEMBER 2010

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Intangible assets	6	1,240	16,162
Tangible assets	7	478,433	347,829
Investments	8	<u>200</u>	<u>200</u>
		479,873	364,191
<b>CURRENT ASSETS</b>			
Stocks	9	1,851,213	2,291,087
Debtors	10	5,489,647	4,503,288
Cash at bank		<u>422,751</u>	<u>312,803</u>
		7,763,611	7,107,178
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>7,871,707</u>	<u>11,915,682</u>
<b>NET CURRENT LIABILITIES</b>		<u>(108,096)</u>	<u>(4,808,504)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>371,777</u>	<u>(4,444,313)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	11,483,993	7,483,993
Profit and loss account	15	<u>(11,112,216)</u>	<u>(11,928,306)</u>
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>	18	<u>371,777</u>	<u>(4,444,313)</u>

The financial statements were approved by the Board of Directors on 8<sup>th</sup> August 2011 and were signed on its behalf by

  
S Mellinger - Director

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

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1 **ACCOUNTING POLICIES**

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

**Basis of preparation**

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

Up until 31 December 2009 the company was dependent on the continued support of its parent company

During 2010 the company has made a profit and also the parent company has made an equity injection. The company is expected to continue to generate positive cashflows for the foreseeable future. On this basis the directors have a reasonable expectation that the company will be able to continue in operational existence and hence have adopted the going concern basis of accounting in preparing the financial statements

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cashflow 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	- 33% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 33% on cost
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 profit / 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**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss 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

**Fixed asset investments**

Investments in subsidiary undertakings are stated at cost (less any impairments)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2010**2 STAFF COSTS**

	2010 £	2009 £
Wages and salaries	2,968,950	2,206,877
Social security costs	320,392	216,103
Other pension costs	97,795	34,316
	<u>3,387,137</u>	<u>2,457,296</u>

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

	2010	2009
Administration	<u>68</u>	<u>53</u>

**3 OPERATING PROFIT/(LOSS)**

The operating profit (2009 - operating loss) is stated after charging

	2010 £	2009 £
Depreciation - owned assets	270,108	220,525
Business names and trade marks amortisation	14,922	14,922
Auditor's remuneration	30,600	33,600
Foreign exchange differences	20,851	27,876
Operating lease costs - other	<u>156,695</u>	<u>84,575</u>
Directors' remuneration	186,805	199,254
Directors' pension contributions to money purchase schemes	<u>18,033</u>	<u>11,025</u>

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

Money purchase schemes	<u>2</u>	<u>1</u>
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**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Bank interest	175,202	207,525
Group interest	<u>36,955</u>	<u>42,008</u>
	<u>212,157</u>	<u>249,533</u>

**5 TAXATION****Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2010

5 TAXATION - continued

**Factors affecting the tax charge**

The tax assessed for the year is lower (2009 higher) than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	<u>816,090</u>	<u>(556,152)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	228,505	(158,503)
Effects of		
Marginal Relief	(9,813)	
Depreciation in excess of capital allowances	12,842	20,519
Expenses not tax deductible	21,648	-
Brought forward tax losses utilised	(253,182)	-
Unutilised taxation losses carried forward	-	137,984
Current tax charge	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The company has tax losses available to carry forward against future profits of £11,153,440 (2009 £12,057,875)

On 22 June 2010, the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the potential deferred tax balances as at 31 December 2010 has been included in the figures above.

On 23 March 2011, the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% from 1 April 2011. This change became substantively enacted on 29 March 2011. The directors consider the effect of the potential deferred tax balance to be immaterial.

6 INTANGIBLE FIXED ASSETS

	Business names and trade marks £
<b>COST</b>	
At 1 January 2010 and 31 December 2010	<u>74,611</u>
<b>AMORTISATION</b>	
At 1 January 2010	58,449
Amortisation for year	<u>14,922</u>
At 31 December 2010	<u>73,371</u>
<b>NET BOOK VALUE</b>	
At 31 December 2010	<u>1,240</u>
At 31 December 2009	<u>16,162</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**7 TANGIBLE FIXED ASSETS**

	Coin dies £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2010	110,101	95,145	-	839,648	1,044,894
Additions	<u>34,985</u>	<u>197,234</u>	<u>34,980</u>	<u>133,513</u>	<u>400,712</u>
At 31 December 2010	<u>145,086</u>	<u>292,379</u>	<u>34,980</u>	<u>973,161</u>	<u>1,445,606</u>
<b>DEPRECIATION</b>					
At 1 January 2010	48,372	47,969	-	600,724	697,065
Charge for year	<u>40,731</u>	<u>42,718</u>	<u>9,717</u>	<u>176,942</u>	<u>270,108</u>
At 31 December 2010	<u>89,103</u>	<u>90,687</u>	<u>9,717</u>	<u>777,666</u>	<u>967,173</u>
<b>NET BOOK VALUE</b>					
At 31 December 2010	<u>55,983</u>	<u>201,692</u>	<u>25,263</u>	<u>195,495</u>	<u>478,433</u>
At 31 December 2009	<u>61,729</u>	<u>47,176</u>	<u>-</u>	<u>238,924</u>	<u>347,829</u>

**8 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2010 and 31 December 2010	<u>200</u>
<b>NET BOOK VALUE</b>	
At 31 December 2010	<u>200</u>
At 31 December 2009	<u>200</u>

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

	% holding
Class of shares	100 00
Ordinary	

**London Mint Limited**

Nature of business Dormant

	% holding
Class of shares	100 00
Ordinary	

**9 STOCKS**

	2010 £	2009 £
Finished goods	<u>1,851,213</u>	<u>2,291,087</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Trade debtors	5,015,796	4,204,323
Amounts owed by group undertakings	62,015	30,143
Prepayments and accrued income	<u>411,836</u>	<u>268,822</u>
	<u><b>5,489,647</b></u>	<u><b>4,503,288</b></u>

Included within prepayments and accrued income is a rent deposit of £78,620 (2009 £nil) which is due after more than one year

**11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Bank loans and overdrafts (see note 12)	4,374,858	9,018,397
Trade creditors	1,200,548	1,382,596
Amounts owed to group undertakings	380,545	559,542
Social security and other taxes	678,266	291,418
Accruals and deferred income	<u>1,237,490</u>	<u>663,729</u>
	<u><b>7,871,707</b></u>	<u><b>11,915,682</b></u>

**12 LOANS**

An analysis of the maturity of loans is given below

	2010	2009
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u><b>4,374,858</b></u>	<u><b>9,018,397</b></u>

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 1 September 2009. The total group facility amounts to €14.4million, consisting of a €7.5million overdraft facility and a €6.9million guarantee facility.

**13 OPERATING LEASE COMMITMENTS**

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

	<b>Land and buildings</b>	
	2010	2009
	£	£
Expiring		
Within one year	-	55,662
In more than five years	<u><b>200,733</b></u>	<u>-</u>
	<u><b>200,733</b></u>	<u><b>55,662</b></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

**14 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value	2010 £	2009 £
1,000	Ordinary	£1	1,000	1,000
11,482,993	Redeemable ordinary	£1	11,482,993	7,482,993
(2009 - 7,482,993)				
			<u>11,483,993</u>	<u>7,483,993</u>

4,000,000 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 2010	(11,928,306)
Profit for the year	<u>816,090</u>
At 31 December 2010	<u>(11,112,216)</u>

**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 / (DEFICIT)**

	2010 £	2009 £
Profit/(Loss) for the financial year	816,090	(556,152)
Shares issued in the year	<u>4,000,000</u>	-
Net addition/(reduction) to shareholders' funds / (Deficit)	4,816,090	(556,152)
Opening shareholders' deficit	<u>(4,444,313)</u>	<u>(3,888,161)</u>
Closing shareholders' funds / (Deficit)	<u>371,777</u>	<u>(4,444,313)</u>

**19 DEFERRED TAXATION**

The company had an unrecognised deferred taxation asset of £2,890,782 (2009 £3,358,549). This relates to the net tax effect of losses available and timing differences on capital allowances and has not been recognised due to uncertainty over the timing of future profits.



*Companies House*  
— for the record —

**COMPANY NAME:** The London Mint Office Limited

**COMPANY NUMBER:** 3470348

Pages containing unnecessary material at the back of the annual accounts were administratively removed on 7th October 2011