REGISTERED NUMBER: 03470348

THE LONDON MINT OFFICE LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

KPMG LLP
1 Forest Gate
Bnghton Road
Crawley
RH11 9PT

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

THE LONDON MINT OFFICE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS	P D Swanston J Deeny J Franks
SECRETARY.	W K Corporate Services Limited
REGISTERED OFFICE.	Harmsworth House 13-15 Bouverie Street London EC4Y 8DP
REGISTERED NUMBER·	03470348
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 2011

The directors present their report with the financial statements of the company for the year ended 31 December 2011

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 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 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 reflected the impact of challenging economic circumstances and decisions taken to deal with them Turnover reduced by 4% and whilst Gross Margin increased by 1% the business made an operating loss of £0 46m The board is confident that the steps taken will result in a return to profitability in 2012

DIVIDENDS
The directors do not recommend the payment of a dividend (2010 £Nil)

DIRECTORS
P D Swanston has held office during the whole of the period from 1 January 2011 to the date of this report

Other changes in directors holding office are as follows

S Mellinger - resigned 31 December 2011
J W de Nie - resigned 30 September 2011
J Deeny - appointed 1 October 2011

J Franks was appointed as a director on the 17 July 2012

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 2011

POLITICAL AND CHARITABLE CONTRIBUTIONS
During the year, the company made donations of £7,979 (2010 £nil) to the Diana Award and paid royalties of £47,992 (2010 £nil) on coins produced in support of Help for Heroes

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 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 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 the directors 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

ON BEHALF OF THE BOARD

J Deeny - Director

Date 31 07 2012

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

We have audited the financial statements of The London Mint Office Limited for the year ended 31 December 2011 on pages five to thirteen The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom 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 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 Statement of Directors' Responsibilities 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

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 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

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 6 August 2012

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2011 £	2010 £	2010 £
TURNOVER			**24,460,414**		25,351,796
Cost of sales			**11,447,747**		12,460,467
GROSS PROFIT			**13,012,667**		12,891,329
Distribution costs		**4,239,201**		3,928,138	
Administrative expenses		**9,234,023**		7,935,039	
			13,473,224		11,863,177
OPERATING (LOSS)/PROFIT	3		**(460,557)**		1,028,152
Interest receivable and similar income			**-**		95
			(460,557)		1,028,247
Interest payable and similar charges	4		**119,547**		212,157
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**(580,104)**		816,090
Tax on (loss)/profit on ordinary activities	5		**-**		-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			**(580,104)**		816,090

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

The notes form part of these financial statements

THE LONDON MINT OFFICE LIMITED (REGISTERED NUMBER 03470348)

BALANCE SHEET
31 DECEMBER 2011

	Notes	2011 £	2011 £	2010 £	2010 £
FIXED ASSETS					
Intangible assets	6		-		1,240
Tangible assets	7		327,431		478,433
Investments	8		200		200
			327,631		479,873
CURRENT ASSETS					
Stocks	9	1,959,786		1,851,213	
Debtors	10	5,862,680		5,489,647	
Cash at bank		208,881		422,751	
		8,031,347		7,763,611	
CREDITORS					
Amounts falling due within one year	11	8,567,305		7,871,707	
NET CURRENT LIABILITIES			(535,958)		(108,096)
TOTAL ASSETS LESS CURRENT LIABILITIES			(208,327)		371,777
CAPITAL AND RESERVES					
Called up share capital	14		11,483,993		11,483,993
Profit and loss account	15		(11,692,320)		(11,112,216)
SHAREHOLDERS' FUNDS	18		(208,327)		371,777

The financial statements were approved by the Board of Directors on 31 07 2012 and were signed on its behalf by

J Deeny - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

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

The financial statements disclose net liabilities and a loss for the year ended 31 December 2011 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, ABN Amro Bank N V 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

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

Fixtures and fittings	-	25% on reducing balance
Motor vehicles	-	33% on cost
Computer equipment	-	25% - 33% on cost

Following changes implemented across the group, expenditure on coin dies is recorded in the profit and loss account as incurred Coin dies held at 1 January 2011 and purchased during the year have been depreciated in full The effect on the depreciation charge for the year is an increase of £60,230

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)

continued

2 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	3,559,588	2,968,950
Social security costs	397,344	320,392
Other pension costs	150,762	97,795
	4,107,694	3,387,137

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

	2011	2010
Administration	86	68

3 OPERATING (LOSS)/PROFIT

The operating loss (2010 - operating profit) is stated after charging

	2011	2010
	£	£
Depreciation - owned assets	341,528	270,108
Business names and trade marks amortisation	1,240	14,922
Auditors' remuneration	27,090	30,600
Foreign exchange differences	15,561	20,851
Operating lease costs - other	200,733	156,695

	2011	2010
Directors' emoluments	356,253	186,805
Company's pension contributions to money purchase schemes	59,037	18,033
Compensation for loss of office	151,361	-
	566,651	204,838

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

	2011	2010
Money purchase schemes	3	2

Information regarding the highest paid director for the year ended 31 December 2011 is as follows

	2011	2010
	£	£
Emoluments	191,954	143,805
Pension contributions to money purchase schemes	25,072	11,025
Compensation for loss of office	106,675	-
	323,701	154,830

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	98,288	175,202
Group interest	21,259	36,955
	119,547	212,157

continued

5 TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010

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

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	(580,104)	816,090
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26 5% (2010 - 28%)	(153,728)	228,505
Effects of		
Marginal relief	-	(9,813)
Depreciation in excess of capital allowances	26,974	12,842
Expenses not tax deductible	17,542	21,648
Brought forward tax losses utilised	-	(253,182)
Unutilised taxation losses carried forward	109,212	-
Current tax charge	-	-

Factors that may affect future tax charges
The company has tax losses available to carry forward against future profits of £11,596,825 (2010 £11,153,440)

In 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 charge became substantively enacted in July 2010 In March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011 This became substantively enacted in March 2011 The effect of these reductions in UK corporation tax have been included in the figures above

In July 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 25% with effect from 1 April 2012 This was revised by the Chancellor on 21 March 2012 when the Chancellor announced a further reduction in the main rate of UK corporation tax by an additional 1% from 1 April 2012 to 24% This became substantively enacted in March 2012

On the 21 March 2012 the Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 22% by 1 April 2014 These changes have not been substantively enacted and therefore are not included in the figures above No deferred tax has been recognised

continued

6 INTANGIBLE FIXED ASSETS

	Business names and trade marks £
COST	
At 1 January 2011 and 31 December 2011	74,611
AMORTISATION	
At 1 January 2011	73,371
Amortisation for year	1,240
At 31 December 2011	74,611
NET BOOK VALUE	
At 31 December 2011	-
At 31 December 2010	1,240

7 TANGIBLE FIXED ASSETS

	Coin dies £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2011	145,086	292,379	34,980	973,161	1,445,606
Additions	48,380	21,611	-	120,535	190,526
At 31 December 2011	193,466	313,990	34,980	1,093,696	1,636,132
DEPRECIATION					
At 1 January 2011	89,103	90,687	9,717	777,666	967,173
Charge for year	104,363	73,453	11,660	152,052	341,528
At 31 December 2011	193,466	164,140	21,377	929,718	1,308,701
NET BOOK VALUE					
At 31 December 2011	-	149,850	13,603	163,978	327,431
At 31 December 2010	55,983	201,692	25,263	195,495	478,433

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2011 and 31 December 2011	200
NET BOOK VALUE	
At 31 December 2011	200
At 31 December 2010	200

continued

8 FIXED ASSET INVESTMENTS - continued

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

	2011 £	2010 £
Finished goods	1,959,786	1,851,213

10 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	4,887,303	5,015,796
Amounts owed by group undertakings	490,647	62,015
Prepayments and accrued income	484,730	411,836
	5,862,680	5,489,647

Included within prepayments and accrued income is a rent deposit of £78,620 (2010 £78,620) which is due after more than one year

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loans and overdrafts (see note 12)	5,046,645	4,374,858
Trade creditors	1,995,670	1,200,548
Amounts owed to group undertakings	113,682	380,545
Social security and other taxes	226,123	678,266
Accruals and deferred income	1,185,185	1,237,490
	8,567,305	7,871,707

12 LOANS

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due within one year or on demand		
Bank overdrafts	5,046,645	4,374,858

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

continued

13 OPERATING LEASE COMMITMENTS

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

	Land and buildings	
	2011	2010
	£	£
Expiring		
In more than five years	200,733	200,733

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2011 £	2010 £
1,000	Ordinary	£1	1,000	1,000
11,482,993	Redeemable ordinary	£1	11,482,993	11,482,993
			11,483,993	11,483,993

15 RESERVES

	Profit and loss account £
At 1 January 2011	(11,112,216)
Deficit for the year	(580,104)
At 31 December 2011	(11,692,320)

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

	2011 £	2010 £
(Loss)/profit for the financial year	(580,104)	816,090
Shares issued in the year	-	4,000,000
Net (reduction)/addition to shareholders' funds	(580,104)	4,816,090
Opening shareholders' funds	371,777	(4,444,313)
Closing shareholders' funds	(208,327)	371,777

continued

19 DEFERRED TAXATION

The company had an unrecognised deferred taxation asset of £3,015,174 (2010 £2,890,782) 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

DETAILED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

FOR

THE LONDON MINT OFFICE LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2011 £	2010 £	2010 £
TURNOVER	1		24,460,414		25,351,796
Cost of sales	2		11,447,747		12,460,467
GROSS PROFIT			13,012,667		12,891,329
Distribution costs	3	4,239,201		3,928,138	
Administrative expenses					
Establishment costs	4	452,244		394,839	
Administrative expenses	5	8,654,427		7,397,119	
Finance costs	6	127,352		143,081	
		9,234,023		7,935,039	
			13,473,224		11,863,177
OPERATING (LOSS)/PROFIT			(460,557)		1,028,152
Finance income	7		-		95
			(460,557)		1,028,247
Finance costs	8		119,547		212,157
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(580,104)		816,090

This page does not form part of the audited statutory financial statements

NOTES TO THE TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 £	2010 £
1	**TURNOVER**		
	Sales	24,460,414	25,351,796
2	**COST OF SALES**		
	Opening finished goods	1,851,213	2,291,087
	Purchases	9,962,976	10,364,950
		11,814,189	12,656,037
	Less		
	Closing finished goods	1,959,786	1,851,213
		9,854,403	10,804,824
	Printing and postage	589,165	743,615
	Logistic services	1,004,179	912,028
		1,593,344	1,655,643
		11,447,747	12,460,467
3	**DISTRIBUTION COSTS**		
	Marketing	4,239,201	3,928,138
4	**ESTABLISHMENT COSTS**		
	Insurance	25,078	19,979
	Rent and rates	427,166	374,860
		452,244	394,839
5	**ADMINISTRATIVE EXPENSES**		
	Directors' salaries	340,093	175,311
	Directors' pension contributions	61,376	18,033
	Wages	3,219,495	2,793,639
	Social security	397,344	320,392
	Pensions	89,386	79,762
	Printing, postage & stationery	154,653	161,803
	Telephone	180,160	178,134
	Travelling	134,500	71,660
	Bad debts	1,283,728	1,077,395
	Repairs and renewals	40,607	41,981
	Management charges	1,619,861	1,452,498
	Computer costs	45,977	14,036
	Sundry expenses	654,032	630,415
	Legal & professional fees	43,086	45,579
	Auditors' remuneration	31,800	30,600
	Exchange differences	15,561	20,851
	Amortisation of intangible fixed assets	1,240	14,922
	Depreciation of tangible fixed assets	341,528	270,108
		8,654,427	7,397,119

This page does not form part of the audited statutory financial statements

NOTES TO THE TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 £	2010 £
6	**FINANCE COSTS**		
	Bank charges	127,352	143,081
7	**FINANCE INCOME**		
	Deposit account interest	-	95
8	**FINANCE COSTS**		
	Bank interest	98,288	175,202
	Group interest	21,259	36,955
		119,547	212,157

This page does not form part of the audited statutory financial statements