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**STANLEY GIBBONS LIMITED**

**Annual Report  
for the year ended 31 December 2010**

**Registered No 348043**

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# **STANLEY GIBBONS LIMITED**

## **Directors' report for the financial year ended 31 December 2010**

The Directors present their report and the audited financial statements for the financial year ended 31 December 2010

### **Incorporation**

The Company is incorporated in England and Wales

### **Directors' responsibilities for the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 and group 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as each of the Directors are aware

- There is no relevant audit information of which the Company's auditors are unaware, and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

### **Principal activities**

The principal activities of the Company continue to be those of dealing in stamps, autographs, rare records and related memorabilia, the development and operation of collectible websites, philatelic publishing, auctioneering, mail order, retailing, and the manufacture of philatelic accessories.

### **Principal risks and uncertainties**

The key risks faced by the Company are centred around the inherent difficulties in creating scalability in a business which sells assets which are scarce in nature and is dependent on a small number of specialists within

# **STANLEY GIBBONS LIMITED**

## **Directors' report for the financial year ended 31 December 2010**

### **Principal risks and uncertainties (continued)**

the business to recognise and obtain these scarce assets. Our strategy to overcome this challenge is to create a worldwide supply chain through a network of agents leveraged by the Stanley Gibbons brand name.

The Company has provided a commitment to buy-back in the future certain assets sold under guaranteed minimum return investment contracts. The Company therefore bears the risk in the event that the underlying assets go down in value during the contract period. Based on the level of quality and rarity of the assets held under such contracts, and from historic pricing evidence, the Directors are of the opinion that the risk of the assets going down materially in value in the future is slight.

A provision of £126,000 (2009 £166,000) is included in the accounts against guaranteed minimum return investment contracts which is disclosed in note 15 to these financial statements. Assets included within contracts are re-valued annually, and in the event that any items declined in value, a further provision would be made on an annual basis. Furthermore, the Directors have imposed internal limits on the value of sales permitted each year containing buy-back guarantees at a level appropriate to the size, asset value and liquidity of the business.

### **Key Performance Indicators (KPIs)**

The Directors manage the business on a monthly cycle of management reports and information combined with weekly sales and margins reporting. This information is reviewed at monthly meetings held between the Directors and departmental managers. Appropriate matters are summarised and discussed at Board meetings.

The diverse nature of the Company's activities dictates that specific financial and non financial performance indicators and reporting templates are in place unique to each department to enable the successful management of each operating division. Examples of some of the most important KPIs used in this reporting environment are:

- Sales and gross margins compared to last year and budget
- Overhead variations against budget
- Personnel and resource matters (eg performance, attendance and training)
- New customers recruited and marketing response rates
- Value of purchases in month against budget

### **Business review and future prospects**

A commentary of the Company's progress during the year and its future prospects are set out in the Chairman's Statement and Operating and Financial Review within the annual report, which is publicly available, of the Company's ultimate parent Company, The Stanley Gibbons Group plc.

### **Results and dividends**

The profit and loss account for the year ended 31 December 2010 is set out on page 5. The Directors recommend the payment of a final dividend of £818.267 per share in respect of the year ended 31 December 2010 (2009 £755.323).

### **Financial Risk Management**

The Company finances its operations through the generation of cash from operating activities and has no interest rate exposure on financial liabilities. Liquidity risk is managed through forecasting the future cash flow requirements of the business and maintaining sufficient cash at bank balances.

# STANLEY GIBBONS LIMITED

## Directors' report for the financial year ended 31 December 2010

### Employees

The Company's policy is to provide equal opportunities to all present and potential employees. The Company gives full consideration to applications for employment from disabled persons and where existing employees become disabled, it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions.

### Directors

The Directors of the Company during the year were

Dr P Kinns  
Mr R K Purkis  
Mr M D Henley

No director had any interest in the shares of the company during the year. The interests in shares and options of Mr R K Purkis and Mr M D Henley in the company's ultimate parent company, The Stanley Gibbons Group plc, of which they are also directors, are disclosed in that company's annual report.

The interests of the other Director in the shares of the Company's ultimate parent Company, The Stanley Gibbons Group Limited at 31 December 2010, together with his interest at 1 January 2010 were

	<u>31 December 2010</u>	<u>1 January 2010</u>
Dr P Kinns	31,000	31,000

### Secretary

The secretary of the Company at 31 December 2010 was Mr R K Purkis, who has been secretary for the whole year then ended.

### Auditors

Nexia Smith & Williamson LLP resigned as auditors effective as of 30 April 2010. Nexia Smith & Williamson Audit Limited, which trades as Nexia Smith & Williamson, has been appointed as auditors. Nexia Smith & Williamson have expressed their willingness to continue as auditors to the Company and a resolution to reappoint Nexia Smith & Williamson as auditors to the Company and to authorise the Directors to fix their remuneration will be proposed at the AGM.

By order of the board



R K Purkis - Secretary

17 July 2011

Registered office

399 Strand  
London  
WC2R 0LX

# STANLEY GIBBONS LIMITED

## Independent Auditors' Report to the members of Stanley Gibbons Limited

We have audited the financial statements of Stanley Gibbons Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 23. 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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.



Carl Deane  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory auditor  
Chartered Accountants  
Bristol

Date

18 August 2011

# STANLEY GIBBONS LIMITED

## Profit and loss account for the year ended 31 December 2010

		Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
	Notes		
Turnover	1,2	14,463	13,392
Cost of sales		(7,186)	(6,917)
<b>Gross profit</b>		<b>7,277</b>	<b>6,475</b>
Administration expenses		(1,777)	(1,537)
Selling and distribution expenses		(3,785)	(3,424)
<b>Operating profit</b>	3	<b>1,715</b>	<b>1,514</b>
Interest payable		(4)	(4)
Interest receivable and similar income		2	1
<b>Profit on ordinary activities before taxation</b>		<b>1,713</b>	<b>1,511</b>
Tax on profit on ordinary activities	6	(494)	(421)
<b>Profit for the financial year</b>	18	<b>1,219</b>	<b>1,090</b>

**Continuing operations:** all items dealt with in arriving at the operating profit for 2010 and 2009 relate to continuing operations

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the profit for the year above and, therefore, no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 17 form part of these financial statements

# STANLEY GIBBONS LIMITED

## Balance sheet at 31 December 2010

		31 December 2010	31 December 2009
		£'000	£'000
	Notes		
<b>Fixed assets</b>			
Intangible assets	8	90	95
Tangible assets	9	2,435	1,152
Investments	10	8	8
		2,533	1,255
<b>Current assets</b>			
Stocks	11	11,603	9,048
Debtors amounts falling due within one year	12	4,400	6,147
Cash at bank and in hand		1,113	1,937
		17,116	17,132
<b>Creditors amounts falling due within one year</b>	13	(13,381)	(11,694)
<b>Net current assets</b>		3,735	5,438
<b>Total assets less current liabilities</b>		6,268	6,693
Bank loan	14	(436)	-
Provisions for liabilities and charges	15	(241)	(249)
		(677)	(249)
<b>Net assets</b>		5,591	6,444
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Revaluation reserve	17	279	279
Other reserves	17	101	101
Profit and loss account	17	5,210	6,063
<b>Shareholders' funds</b>	18	5,591	6,444

The financial statements were approved by the board of Directors  
On 7 July 2011 were signed on its behalf by

 Mark Henley - Director

The notes on pages 7 to 17 form part of these financial statements

Company registration number 348043

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 1 Principal accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the accounting standards currently applicable in the United Kingdom. The Directors consider that the accounting policies set out below are suitable, have been consistently applied, and are supported by reasonable and prudent judgements and estimates.

#### (a) Turnover

Turnover represents amounts invoiced by the Company in respect of goods sold and services provided during the year falling within the Company's ordinary activities, excluding intra-group sales, estimated and actual sales returns and trade discounts.

Turnover from the provision of goods is recognised when substantially all the risks and rewards of ownership of goods have transferred to the customer. The risks and rewards of ownership of goods are deemed to have been transferred when the goods are allocated to a customer and that customer has made an irrevocable commitment to complete the purchase.

Turnover from the provision of all goods and services is only recognised when the amounts to be recognised are fixed or determinable and collectability is reasonably assured.

#### (b) Tangible fixed assets and depreciation

Tangible fixed assets, other than the reference collection, are stated at their purchase price, including any incidental expenses of acquisition. The reference collection is stated at depreciated replacement cost based on a full valuation every five years by a qualified external valuer. An interim valuation is carried out in year three by the Group's expert stamp dealers.

Fixed assets held under finance leases are stated at the present value of the minimum lease payments due at the inception of the lease, or at fair value where this is considered a sufficiently close approximation to present value.

Fixed assets include a reference collection of certain stamps held on a long term basis. Additions to the collection are depreciated by 50% immediately on acquisition to provide for the usage of such items. No further depreciation is charged thereafter because in the opinion of the Directors the residual value is expected to exceed net book value for the foreseeable future.

Depreciation is calculated to write down the net book value of tangible fixed assets less their residual value on a straight-line basis, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold Buildings	2%
Leasehold improvements	Over period of lease
Vehicles, plant and machinery	16 – 25%
Fixtures, fittings, tools and equipment	7 – 25%

#### (c) Investment in subsidiary undertakings

Investments are stated at cost less any impairment in value.



# **STANLEY GIBBONS LIMITED**

## **Notes to the financial statements for the year ended 31 December 2010**

### **1 Principal accounting policies (continued)**

#### **(d) Stocks**

Stocks are valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving items. In the case of stamp stocks it is not always practicable to ascertain individual costs. The cost of parcels of high value stamps is apportioned between the items purchased on the basis of the expert opinion of the Group's stamp dealers. Lower value stamp stocks are valued as a proportion of their anticipated realisable value, as a best estimate of cost, based on the expert opinion of the Group's stamp dealers.

#### **(e) Taxation**

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised on a full provision basis in respect of all timing differences which have originated, but not reversed at the balance sheet date. The provision is not discounted.

#### **(f) Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Foreign currency monetary assets and liabilities are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in operating profit.

#### **(g) Operating leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Rental income arising from operating leases is recognised in the profit and loss on a straight-line basis over the lease-term.

#### **(h) Pension costs**

Contributions to the defined benefit scheme are borne by Stanley Gibbons Holdings PLC and charged to the profit and loss account of that Company so as to spread the pension cost over the employees' working lives with the Group. The contributions are determined by a qualified and independent actuary on the basis of triennial valuations using the projected unit method. The last actuarial valuation of the scheme was at 30 June 2009.

#### **(i) Cash flow statement and related party disclosures**

The Company is a wholly owned subsidiary of Stanley Gibbons Holdings PLC and is included in the consolidated financial statements of The Stanley Gibbons Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of The Stanley Gibbons Group plc or investees of The Stanley Gibbons Group plc.

#### **(j) Share options**

The fair value of share options in the shares of the ultimate parent company, The Stanley Gibbons Group plc, granted to certain employees and Directors is recognised as an expense. The total amount to be expensed rateably over the vesting period is determined by reference to the fair value of the options determined at the grant date. The non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The estimate is revised at each balance sheet date and the difference is charged or credited to the profit and loss account, with the corresponding adjustment to equity. The proceeds received on exercise of the options are credited to equity.

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 1 Principal accounting policies (continued)

#### (k) Consolidation

The company was, at the end of the year, a wholly owned subsidiary of another company incorporated in Jersey and, in accordance with the Companies Act, it is not required to produce, and has not published, consolidated accounts. The financial statements of the company present information about it as an individual undertaking and not about its group.

#### (l) Goodwill

Purchased goodwill, representing the excess of fair value of the consideration over the fair values of the identifiable net assets acquired, is capitalised, classified as an asset and amortised over its estimated useful economic life of a maximum of 20 years. Any impairment is recognised by immediate write off through the profit and loss account.

### 2 Segmental Analysis

The Directors are of the opinion that all the business of the Company is operated within the retail segment.

Turnover by geographical area

	Year ended 31 December 2010 Sales by destination £'000	Year ended 31 December 2010 Sales by origin £'000	Year ended 31 December 2009 Sales by destination £'000	Year ended 31 December 2009 Sales by origin £'000
United Kingdom	10,859	14,463	10,642	13,392
Europe	1,111	-	862	-
Rest of the World	2,493	-	1,888	-
	<b>14,463</b>	<b>14,463</b>	<b>13,392</b>	<b>13,392</b>

### 3 Operating profit

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Operating profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets	176	107
Amortisation of goodwill	5	5
Auditors' remuneration	36	36
Auditors' remuneration -non-audit services (taxation and advisory)	16	11
Operating lease charges – leased premises	475	476
Property rental income – leased premises	(188)	(148)
Foreign exchange losses	-	4

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 4 Directors' emoluments

The remuneration paid to the Directors of Stanley Gibbons Limited was

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Aggregate emoluments	246	222
Number of Directors included in the defined benefit pension scheme (note 20)	2	2

The amounts set out above include remuneration in respect of the highest paid Director as follows

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Aggregate emoluments	94	84

No directors exercised any options during the year

### 5 Employee information

The average number of persons (including executive Directors) employed by the Company during the year was 108 (2009 107)

	2010	2009
Management and Administration	21	21
Sales	55	54
Production	20	20
Distribution	8	8
Marketing	4	4
	108	107

Staff costs relating to those persons during the year amounted to

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Wages and salaries	2,134	2,023
Pension costs	117	62
Social security costs	177	171
Share options	-	56
	2,428	2,312

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 6 Tax on profit on ordinary activities

#### a) UK corporation tax on profits for the year

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Current tax		
UK corporation tax at 28% (2009 28 0%)	462	411
Deferred taxation (see note 15)	32	10
<b>Total tax on profit on ordinary activities</b>	<b>494</b>	<b>421</b>

#### b) Tax charge reconciliation

	Year ended 31 December 2010 %	Year ended 31 December 2009 %
The standard rate of corporation tax in the UK	28 0	28 0
Effects of		
Capital allowances (more than) / less than depreciation	(1 1)	(0 6)
<b>Effective rate of corporation tax for year</b>	<b>26 9</b>	<b>27 4</b>

### 7 Dividends

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Dividends on equity shares		
Final dividend of £755 323 per ordinary share paid (2009 £692 380)	755	692
Interim dividend of £750 000 per ordinary share paid (2009 £nil)	750	-
Interim dividend of £566 492 per ordinary share paid (2009 £503 549)	567	504
	<b>2,072</b>	<b>1,196</b>

The proposed final dividend for 2010 of £818 267 per ordinary share is expected to result in a distribution from reserves of £818,000

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 8 Intangible fixed assets

	Goodwill £'000
At 1 January 2010	95
Additions	-
Amortisation	(5)
<b>At 31 December 2010</b>	<b>90</b>

Goodwill arose on the purchase of two businesses in the prior year. In January 2009 the magazine 'Philatelic Exporter' was acquired and in November 2009 the album producer 'Frank Godden' was acquired. Goodwill is amortised over its estimated useful economic life of a maximum of 20 years. Any impairment is recognised by immediate write off through the profit and loss account.

### 9 Tangible fixed assets

	Reference collection £'000	Freehold land and buildings £'000	Leasehold improvements £'000	Fixtures, fittings, tools and equipment £'000	Vehicles, plant and machinery £'000	Total £'000
<b>Cost or valuation</b>						
At 1 January 2010	775	138	520	482	1,488	3,403
Additions	27	9	745	20	658	1,459
<b>At 31 December 2010</b>	<b>802</b>	<b>147</b>	<b>1,265</b>	<b>502</b>	<b>2,146</b>	<b>4,862</b>
<b>Accumulated depreciation</b>						
At 1 January 2010	114	23	372	430	1,312	2,251
Charge for the year	14	3	66	18	75	176
<b>At 31 December 2010</b>	<b>128</b>	<b>26</b>	<b>438</b>	<b>448</b>	<b>1,387</b>	<b>2,427</b>
<b>Net book value</b>						
<b>At 31 December 2010</b>	<b>674</b>	<b>121</b>	<b>827</b>	<b>54</b>	<b>759</b>	<b>2,435</b>
<b>At 31 December 2009</b>	<b>661</b>	<b>115</b>	<b>148</b>	<b>52</b>	<b>176</b>	<b>1,152</b>

The reference collection is subject to a full valuation every five years by a qualified external valuer and an interim valuation is carried out in year three by the Group's expert stamp dealers.

The last independent valuation of the reference collection was carried out in July 2006 by A F Norris, Philatelic Consultant. The basis of the revaluation used was replacement value. The surplus of £47,000 was transferred to the revaluation reserve.

An interim valuation was carried out as at 31 December 2009. The basis of the revaluation used was replacement value. The interim surplus of £26,000 was transferred to the revaluation reserve.

The revalued element of the reference collection is £279,000 (2009 £279,000). All other fixed assets are stated at historic cost. If the reference collection had not been revalued it would have been included at a net book value based on historic cost of £395,000 (2009 £382,000).

The market value of the Land and Buildings is not considered to be materially different from its carrying value.

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 10 Investments

	Shares in Group Undertakings £'000
<b>Cost</b>	
<b>At 31 December 2009 and 31 December 2010</b>	<b>1,056</b>
<b>Provisions for impairment in value</b>	
<b>At 31 December 2009 and 31 December 2010</b>	<b>1,048</b>
<b>Net book value</b>	
<b>At 31 December 2009 and 31 December 2010</b>	<b>8</b>

The Company holds investments in the following unlisted subsidiary undertakings, all of which are incorporated in England and Wales

Name	Class of shares held	Proportion of shares held %	Nature of business
Communitie com Limited	Ordinary	100	Dormant
Chas Nissen and Company	Ordinary and Preference	100	Dormant
Stanley Gibbons Currency Limited	Ordinary	100	Dormant
Stanley Gibbons Magazines Limited	Ordinary	100	Dormant
The Stanley Gibbons Group Limited	Ordinary	100	Dormant

### 11 Stocks

	31 December 2010 £'000	31 December 2009 £'000
Raw materials and consumables	49	38
Work in progress	29	69
Finished goods and goods for resale	11,525	8,941
	<b>11,603</b>	<b>9,048</b>

The nature of the stock held by the Company is such that replacement cost cannot be readily ascertained

### 12 Debtors

	31 December 2010 £'000	31 December 2009 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	1,980	1,995
Amounts owed by Group undertakings (see note below)	1,775	3,467
Other debtors	114	55
Prepayments and accrued income	531	630
	<b>4,400</b>	<b>6,147</b>

Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 13 Creditors: amounts falling due within one year

	31 December 2010 £'000	31 December 2009 £'000
Trade creditors	3,317	2,917
Amounts due to Group undertakings (see note below)	8,871	7,680
Other creditors	52	57
Other taxes and social security	141	169
Bank loan	250	-
Accruals and deferred income	401	593
Corporation tax	349	278
	<b>13,381</b>	<b>11,694</b>

Amounts due to Group undertakings are unsecured, interest free and repayable on demand

### 14 Creditors: amounts falling due after one year

	31 December 2010 £'000	31 December 2009 £'000
Bank loan	436	-

The bank loan is secured by a fixed and floating charge over the assets of the Group. The loan commenced in September 2010 and is repayable over three years in quarterly instalments.

### 15 Provision for liabilities and charges

	Deferred tax £'000	Dilapidations £'000	GMRC Provision £'000	Total £'000
At 1 January 2010	83	-	166	249
Applied / (released) during the year - net	32	-	(40)	(8)
<b>At 31 December 2010</b>	<b>115</b>	<b>-</b>	<b>126</b>	<b>241</b>

The dilapidation provision relates to the expected liability for dilapidations in respect of the Group's leasehold properties.

The GMRC provision relates to the potential liability arising from the sale of stamps and autographs under guaranteed minimum return fixed term contracts. Each contract is reviewed on a regular basis and provision made for any difference between the guaranteed return and the underlying value of the portfolio. The provision will be released upon expiration of each individual contract. The contracts expire between January 2011 and July 2028.

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 15 Provision for liabilities and charges (continued)

#### Deferred tax

	31 December 2010 £'000	31 December 2009 £'000
Accelerated capital allowances	115	83
<b>Full provision</b>	<b>115</b>	<b>83</b>

### 16 Called up share capital

	31 December 2010 £'000	31 December 2009 £'000
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1	1
9,999,000 preference shares of £1 each	9,999	9,999
	<b>10,000</b>	<b>10,000</b>
<b>Allotted, issued and fully paid (all equity)</b>		
1,000 ordinary shares of £1 each	1	1

### 17 Reserves

	Revaluation reserve £'000	Other Reserves £'000	Profit and Loss Account £'000	Total £'000
At 1 January 2010	279	101	6,063	6,443
Profit for the financial year	-	-	1,219	1,219
Dividends	-	-	(2,072)	(2,072)
<b>At 31 December 2010</b>	<b>279</b>	<b>101</b>	<b>5,210</b>	<b>5,590</b>



# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 18 Reconciliation of movements in equity shareholders' funds

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Profit for the financial year	1,219	1,090
Dividends	(2,072)	(1,196)
Retained loss for the financial year	(853)	(106)
Cost of share options	-	56
Revaluation of reference collection	-	26
Net decrease in shareholders' funds	(853)	(24)
Opening equity shareholders' funds	6,444	6,468
Closing equity shareholders' funds	5,591	6,444

### 19 Capital and other commitments

The Group had capital commitments of £98,000 in respect of internet development at 31 December 2010 (2009 £727,000)

At 31 December 2010 the Company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings	
Date of lease termination	31 December 2010 £'000	31 December 2009 £'000
Within one year	-	-
Between two and five years	365	365
In five years or more	107	107
	472	472

### 20 Pension and similar obligations

The Company participates in a Group pension scheme operated by Stanley Gibbons Holdings PLC. The scheme is a defined benefit scheme. The assets of the scheme are held under the provisions of a trust deed and are invested in AAA rated Corporate Bonds and unitised funds managed independently of the Company by two UK institutions. The contributions are determined by a qualified and independent actuary on the basis of triennial valuations using the projected unit method. The last actuarial valuation of the scheme was at 30 June 2009.

# STANLEY GIBBONS LIMITED

## Notes to the financial statements for the year ended 31 December 2010

### 21 Transactions with Directors

Transactions with Directors were as follows

	Travel loans		Travel loans	
	Outstanding at 31 December 2010 £'000	Maximum amount outstanding during 2010 £'000	Outstanding at 31 December 2009 £'000	Maximum amount outstanding during 2009 £'000
Dr P Kinns	9	9	9	9

### 22 Related party transactions

The Company has taken advantage of section 17 of FRS 8 "Related Party Transactions" and has not disclosed details of transactions with fellow Group companies or investees of the Group who qualify as related parties on the grounds that these transactions are included in the consolidated financial statements of the ultimate parent Company

At the year end there were loans outstanding to staff totalling £36,823 – 13 loans (2009 £15,251 – 9 loans)

### 23 Ultimate parent undertaking

The immediate parent undertaking is Stanley Gibbons Holdings PLC

Stanley Gibbons Holdings PLC is the parent undertaking of the smallest Group to consolidate these financial statements. The ultimate parent undertaking and controlling party is The Stanley Gibbons Group plc, a Company registered in Jersey, Channel Islands. The Stanley Gibbons Group plc is the parent undertaking of the largest Group to consolidate these financial statements and copies of the Group financial statements can be obtained from the Company Secretary, The Stanley Gibbons Group plc, 2<sup>nd</sup> Floor, 6 Vine Street, St Helier, Jersey, JE2 4WB