CPP Services Limited

Report and Accounts

16 month period ended 31 December 2001

CPP Services Limited
Company Information

Directors	H M Ogston A Blank J Kitson
Secretary	J Kitson (Resigned 28/11/01) M Sowery (Appointed 28/11/01)
Auditors	Deloitte & Touche London
Registered office	Holgate Park Holgate Road York YO24 4GA
Registered number	3709675

CPP Services Limited
Directors' Report

The directors present their report and accounts for the 16 month period ended 31 December 2001.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions under s.246 Companies Act 1985 relating to small companies.

Principal activities

The company's principal activity during the period was the leasing of property. Trade commenced on 1 February 2001.

Change in accounting reference date

On 20 August 2001, the company changed its accounting reference date from 31 August to 31 December. Therefore, the financial statements cover the 16 months from 1 September 2000 to 31 December 2001. The comparative amounts have not been restated and cover a twelve month period.

Directors

The directors who served during the period and up to the date of signing the accounts are shown on page 1.

No director during the period had interests in the issued share capital of the company.

H M Ogston, A Blank and J Kitson are directors of the parent company, CPP Holdings Limited. Their beneficial interests in the ordinary shares of the holding company are as follows:

	Ordinary "A" Shares	
	1p each	**10p each**
	2001	**2000**
H M Ogston	94,918,100	9,491,810

	Ordinary "C" Shares of 1p each	
	2001	**2000**
A Blank	3,848,031	-
J Kitson	1,282,677	-

CPP Services Limited
Directors' Report

Directors' Responsibilities

United Kingdom Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

A resolution to reappoint Deloitte & Touche as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 16 October 2002

A Blank
Director

CPP Services Limited
Auditors' Report

Independent auditors' report
To the members of CPP Services Limited

We have audited the financial statements of CPP Services Ltd for the 16 month period ended 31 December 2001 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standard for Small Entities (effective March 2000).

Respective responsibilities of directors and auditors

As described in the Statement of Directors responsibilities, the company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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.

CPP Services Limited
Auditors' Report

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the period 1 September 2000 to 31 December 2001 and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors

London

Dated 17 October 2002

CPP Services Limited
Profit and Loss Account
16 month period ended 31 December 2001

	Notes	16 months ended 31 December 2001 £	12 months ended 31 August 2000 £
Turnover - continuing operations	1	538,577	-
Cost of sales		(157,789)	-
Gross Profit		380,788	-
Administrative expenses		(420)	-
Operating profit - continuing operations		380,368	-
Interest receivable and similar income		291	-
Interest payable and similar charges		(193,390)	-
Profit on ordinary activities before taxation		187,269	-
Tax on profit on ordinary activities	3	(102,176)	-
Profit on ordinary activities after taxation		85,093	-
Retained profit for the financial period	10	85,093	-

Statement of Total Recognised Gains and Losses
The company has no recognised gains or losses other than as stated above. No reconciliation in shareholders' funds has been prepared as all movements in shareholders' funds are represented by the recognised gains and losses.

CPP Services Limited
Balance Sheet
31 December 2001

	Notes	31 December 2001		31 August 2000	
		£	£	£	£
Fixed assets					
Tangible assets	4		7,778,036		-
Current assets					
Debtors	5	210,829		100	
Cash at bank and in hand		23,369		-	
		234,198		100	
Creditors: amounts falling due within one year	6	(1,234,498)		-	
Net current (liabilities)/assets			(1,000,300)		100
Total Assets less Current Liabilities			6,777,736		100
Creditors: amounts falling due after one year	7		(6,684,383)		-
Provisions for liabilities and charges	8		(8,160)		-
			85,193		100
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		85,093		-
Shareholder's funds			85,193		100

The accounts have been prepared in accordance with the special provisions of section 246 of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).

H Ogston
Chairman
Approved by the Board on 16 October 2002

CPP Services Limited
Notes to the Accounts
16 month period ended 31 December 2001

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention.

Depreciation

The cost of tangible fixed assets is their purchase cost. Freehold land is not depreciated. Depreciation is provided on all other tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold property	over the life of the relevant lease
Leasehold improvements	over the life of the relevant lease

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax, in respect of the sale of goods to customers.

Taxation

The charge for taxation is based on the results for the period as adjusted for disallowable items. The provision for taxation is calculated at current rates.

Deferred Taxation

Deferred taxation is provided in full on timing differences relating to pension and other post retirement benefits calculated at the rate at which it is expected that tax will arise. Deferred taxation is provided on other timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future without replacement, calculated at the rate at which it is expected that tax will arise.

2 Directors, Employees, Auditors and Filing Fees

All remuneration of the directors in respect of services provided to the company is borne by Card Protection Plan Limited. There were no employees in the current or prior period. Audit and filing fees have been borne by another group company.

3 Taxation

	16 months ended 31 December 2001 £	Year ended 31 August 2000 £
UK Corporation tax at 30% (2000: 30%)	94,016	-
Deferred taxation	8,160	-
	102,176	

The tax charge is higher than expected due to the add back of depreciation on leasehold building not qualifying for capital allowances and disallowed expenses.

CPP Services Limited
Notes to the Accounts
16 month period ended 31 December 2001

	Freehold Land £	Freehold Property £	Leasehold Improvements £	Total £
4 Tangible fixed assets				
Cost				
At 1 September 2000	-	-	-	-
Additions	758,752	6,173,798	999,046	7,931,596
At 31 December 2001	**758,752**	**6,173,798**	**999,046**	**7,931,596**
Depreciation				
At 1 September 2000	-	-	-	-
Charge for the period	-	143,665	9,895	153,560
At 31 December 2001	**-**	**143,665**	**9,895**	**153,560**
Net book value				
At 31 December 2001	**758,752**	**6,030,133**	**989,151**	**7,778,036**
At 31 August 2000	-	-	-	-

5 **Debtors**	**2001** £	**2000** £
Prepayments and other debtors	210,829	100

6 **Creditors: amounts falling due within one year**	**2001** £	**2000** £
Bank loans and overdrafts (see note 7)	860,000	-
Trade creditors	254,171	-
Accruals and deferred income	26,311	-
Corporation tax	94,016	-
	1,234,498	-

CPP Services Limited
Notes to the Accounts
16 month period ended 31 December 2001

7	**Creditors: amounts falling due after one year**	**2001**	**2000**
		£	**£**
	Amounts owed to group undertakings	3,746,050	-
	Bank loans & overdrafts- due within two to five years	2,938,333	-
		6,684,383	-

The bank loan is secured by a fixed and floating charge over all assets of the Company.
The intercompany loan has no fixed repayment date and is interest free.

8	**Provision for liabilities and charges**	**2001**	**2000**
	Deferred taxation		
	Balance at 1 September 2000	-	-
	Provision - current year	8,160	-
	- prior year	-	-
	Balance at 31 December 2001	8,160	-

The amount of deferred tax provided in the financial statements and the potential amounts not provided are:

	Provided		**Unprovided**	
	2001	**2000**	**2001**	**2000**
Capital allowances in excess of depreciation	8,160	-	-	-

9	**Called up share capital**	**2001**	**2000**
		£	**£**
	Authorised:		
	1,000 ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid:		
	100 ordinary shares of £1 each	100	100

10	**Profit and loss account**	**2001**	**2000**
		£	**£**
	At 1 September 2000	-	-
	Retained profit	85,093	-
	At 31 December 2001	85,093	-

CPP Services Limited
Notes to the Accounts
16 month period ended 31 December 2001

11 Other financial commitments

At 31 December 2001 the Company had annual commitments under non-cancellable operating leases as set out below:

	Land & Buildings 2001	Land & Buildings 2000
Operating leases which expire:		
Within one year	-	-
Within two to five years	-	-
In over five years	366,595	-
	366,595	-

12 Parent Undertaking and Related parties

The company is a wholly owned subsidiary of CPP Holdings Limited which is incorporated in the UK and controlled by its shareholder Mr. H M Ogston. Advantage has been taken of the related party disclosure exemptions in respect of group transactions on the grounds that consolidated accounts are prepared by the parent company CPP Holdings Limited. Copies of these accounts may be obtained from the company's registered office at Holgate Park, Holgate Road, York YO26 4GA.