CPP Services Limited

Report and Accounts

Year ended
31 December 2008

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Company number: 3709675

CPP Services Limited
Report and Financial Statements
for the Year Ended 31 December 2008

Pages:

CPP Services Limited
Company Information

Directors	E Woolley S Parker
Secretary	M Sowery
Auditors	Deloitte LLP Chartered Accountants and Registered Auditors Leeds
Bankers	HSBC plc Parliament Street York
Registered office	Holgate Park Holgate Road York YO26 4GA
Registered number	3709675

CPP Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The Company's principal activity during the year was the leasing of property. The Company is expected to continue this activity for the foreseeable future.

The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Results

Details of the results for the year are set out in page 6 and show a loss after taxation of £110,106 (2007: loss of £68,746). No dividend has been paid during the year (2007: £nil).

The Company has net assets of £119,113 (2007: net liabilities of £270,781) and has the continuing support of its parent company, CPP Group Plc. During the year the company benefitted from the forgiveness of a loan creditor of £500,000.

Going Concern

The current economic environment presents increased risks and uncertainties for businesses in general. After making suitable enquiries including consideration of the liquidity position and borrowing facilities available, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and accounts. The company is integral to the Group in that it provides property services to the Group, and as such has the ongoing support of the parent.

Principal risks and uncertainties

The Company manages its risk in line with the CPP Group risk management policy and control framework which is disclosed in the Group's Annual Report.

The financial risks of the Company are managed by the Group Treasury function of the ultimate parent company, CPP Group Plc.

Directors

The directors set out below have held office during the year:

E Woolley
S Parker

Charitable donations

The Company made charitable donations of £nil in the year (2007: £nil).

Auditors

Each of the persons who are directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

On 1 December 2008 the Company's auditors changed their name from Deloitte & Touche LLP to Deloitte LLP.

Pursuant to Section 386 of the Companies Act 1985, an elective resolution has been passed dispensing with the requirement to appoint auditors annually. In accordance with Section 386 (2) Deloitte LLP therefore continue in office until the Company or the auditors determine otherwise.

On behalf of the Board on 2 October 2009

M Sowery
Company Secretary

Registered Office:
Holgate Park, Holgate Road, York, YO26 4GA

CPP Services Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 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.

CPP Services Limited
Independent Auditors' Report to the members of CPP Services Limited

We have audited the financial statements of CPP Services Limited for the year ended 31 December 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors ' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examinations 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 information and explanations which we considered necessary in order to provide us with the 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 the information in the financial statements.

CPP Services Limited

Independent Auditors' Report to the members of CPP Services Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Leeds

Dated: 6 OCTOBER 2009

CPP Services Limited
Profit and Loss Account
Year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover - continuing operations		1,512,316	1,548,677
Cost of sales		(1,149,934)	(1,211,362)
Gross profit		362,382	337,315
Administrative expenses		(15,013)	(19,343)
Operating profit - continuing operations	4	347,369	317,972
Interest payable and similar charges	6	(440,115)	(406,262)
Loss on ordinary activities before taxation		(92,746)	(88,290)
Tax on loss on ordinary activities	7	(17,360)	19,544
Loss on ordinary activities after taxation		(110,106)	(68,746)
Retained Loss for the financial period	13	(110,106)	(68,746)

Statement of total recognised gains and losses

The company has no recognised gains or losses other than as stated above, and therefore no separate statement of total recognised gains and losses has been shown.

CPP Services Limited
Balance Sheet
As at 31 December 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	8		6,286,047		6,542,119
Current assets					
Debtors	9	342,927		343,127	
Cash at bank and in hand		540,065		-	
		882,992		343,127	
Creditors: amounts falling due within one year	10	(6,688,904)		(6,791,656)	
Net current liabilities			(5,805,912)		(6,448,529)
Total assets less current liabilities			480,135		93,590
Provisions for liabilities	11		(361,022)		(364,371)
Net assets/(liabilities)			119,113		(270,781)
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		119,013		(270,881)
Equity shareholders' funds/(deficit)	14		119,113		(270,781)

Approved by the Board on 2 October 2009 and signed on its behalf by:

S Parker
Director

CPP Services Limited

Notes to the Accounts

Year ended 31 December 2008

1 Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current and prior year.

Going concern

As stated in the Directors' Report, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the report and accounts. The company is integral to the Group in that it provides property services to the Group, and as such has the ongoing support of the parent.

2 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value of property rent and services supplied by the company, net of value added tax, and is derived from one class of business wholly in the UK.

Tangible fixed assets

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	2.5% straight line
Leasehold improvements	over the life of the relevant lease
Computer equipment	25% straight line

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Taxation

Current taxation, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cashflow Statement

The company has not prepared a cashflow statement on the basis that it is a wholly owned subsidiary of CPP Group Plc and consolidated financial statements are prepared by that company and are publicly available.

3 Directors and employees

The directors received emoluments from CPP Group Plc, but it is not practicable to allocate this between their services as directors of other group companies. Furthermore, the company has no other employees.

CPP Services Limited
Notes to the Accounts (continued)
Year ended 31 December 2008

4 Operating profit

	2008	2007
This is stated after charging/(crediting):	£	£
Depreciation	256,072	255,755
Operating lease rentals - other	830,901	786,236
Auditor's remuneration for audit services pursuant to legislation	2,185	4,818
Amounts payable to Deloitte LLP and their associates in respect of non-audit services are as follows: - Taxation	-	793

5 Operating lease rentals

	2008	2007
	£	£
Aggregate rentals receivable in the year in respect of operating leases	1,512,316	1,548,677

6 Interest payable and similar charges

	2008	2007
	£	£
Interest on intercompany loans	440,115	406,262
	440,115	406,262

7 Taxation

		2008	2007
		£	£
The tax charged on loss on ordinary activities for the year was as follows:			
UK Corporation tax at 28.5% (2007: 30%)	- Current year	20,709	6,113
	- Prior year	-	(628)
Total current tax		20,709	5,485
Deferred tax	- Current year	(3,349)	(14,055)
	- Prior year	-	(10,974)
		(3,349)	(25,029)
Total recognised tax charge/(credit) for the year		17,360	(19,544)

The tax charge is higher (2007: higher) than that resulting from applying the standard rate of corporation tax in the UK: 28.5% (2007: 30%). The differences are explained in the following reconciliation:

	2008	2007
	£	£
Loss on ordinary activities before tax	(92,746)	(88,290)
Tax on loss on ordinary activities at standard rate	(26,433)	(26,487)
Factors affecting the charge for the period:		
Permanent items	43,734	46,036
Depreciation in excess of capital allowances	3,349	14,055
Effects of other tax rates/credits	-	(1,464)
Effect of change in tax rates	59	(26,027)
Prior year adjustments	-	(628)
Current tax charge for the year	20,709	5,485

8 Tangible fixed assets

	Freehold Land £	Freehold Property £	Leasehold Improvements £	Computer Equipment £	Total £
Cost					
At 1 January 2008	758,752	6,518,836	1,043,080	1,195	8,321,863
Additions	-	-	-	-	-
At 31 December 2008	758,752	6,518,836	1,043,080	1,195	8,321,863
Depreciation					
At 1 January 2008	-	1,078,310	700,239	1,195	1,779,744
Charge for the year	-	165,207	90,865	-	256,072
At 31 December 2008	-	1,243,517	791,104	1,195	2,035,816
Net book value					
At 31 December 2008	758,752	5,275,319	251,976	-	6,286,047
At 31 December 2007	758,752	5,440,526	342,841	-	6,542,119

Freehold Land, Freehold Property and Leasehold Improvements are held exclusively for the use in operating leases.

9 Debtors

	2008 £	2007 £
Trade debtors	2,353	-
Prepayments and other debtors	340,574	343,127
	342,927	343,127

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	-	63,528
Trade creditors	-	19,461
Accruals and deferred income	12,834	4,818
Amounts owed to group undertakings	6,676,070	6,701,027
Corporation tax	-	2,822
	6,688,904	6,791,656

The bank overdrafts are secured by a fixed and floating charge over all assets of the Company.

There are no fixed dates for repayment of the intercompany loans.

Interest has been charged at the market rate.

CPP Group Plc's and CPP Holding Ltd's bank loans and overdrafts are secured by fixed and floating charges on the UK assets of the group which include assets held by the company.

CPP Services Limited
Notes to the Accounts (continued)
Year ended 31 December 2008

11 Provisions for liabilities

	Balance at 1 January 2008	Credit to profit and loss account	Balance at 31 December 2008
	£	£	£
Deferred taxation	364,371	(3,349)	361,022

	Provided		Not provided	
	2008	2007	2008	2007
	£	£	£	£
Capital allowances in excess of depreciation	361,022	364,371	-	-

12 Called up share capital

	2008	2007
	£	£
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

13 Reserves

	Profit and Loss 2008
	£
As at 1 January 2008	(270,881)
Retained loss for the year	(110,106)
Forgiveness of intercompany loan	500,000
As at 31 December 2008	119,013

14 Reconciliation of the movement in Equity Shareholders' Funds

	2008 £	2007 £
Loss for the financial year after taxation	(110,106)	(68,746)
Forgiveness of intercompany loan	500,000	-
Movement in equity shareholders' funds	389,894	(68,746)
Equity shareholders' deficit at 1 January 2008	(270,781)	(202,035)
Equity shareholders' funds/(deficit) at 31 December 2008	119,113	(270,781)

During the year, Card Protection Plan Limited, a fellow subsidiary of CPP Holdings Limited, forgave an intercompany loan with the company. This transaction has been accounted for as a capital contribution from the common parent company, CPP Holdings Limited.

15 Other financial commitments

At 31 December 2008 the Company had annual commitments under non-cancellable operating leases as set out below:

	Land & Buildings 2008 £	Land & Buildings 2007 £
Operating leases which expire:		
Within one year	-	-
Within two to five years	813,223	830,901
In over five years	-	-
	813,223	830,901

16 Parent Undertaking and Related parties

The company's immediate parent undertaking is CPP Holdings Limited.

The company is a wholly owned subsidiary of CPP Group Plc 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 Group Plc, which is the parent of the largest and smallest groups for which consolidated accounts are prepared and of which the company is a member. Copies of these accounts may be obtained from the company's registered office at Holgate Park, Holgate Road, York YO26 4GA.