

CPP Services Limited

Report and Accounts

Year ended
31 December 2009



Company number: 3709675

CPP Services Limited
Report and Financial Statements
for the Year Ended 31 December 2009

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CPP Services Limited
Company Information

Directors	E Woolley S Parker
Secretary	M Sowery
Chartered Accountants and Statutory Auditors	Deloitte LLP Leeds
Bankers	Barclays Bank plc 1 Park Row Leeds
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 2009

Principal activities and review of the business

The Company's principal activity during the year was the leasing of property to another CPP Group company. 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 profit after taxation of £45,239 (2008: loss of £110,106). No dividend has been paid during the year (2008: £nil).

The Company has net assets of £164,352 (2008: £119,113) and has the continuing support of its parent company, CPP Group Plc. In 2008 the company benefitted from the forgiveness of a loan creditor of £500,000.

Events after the balance sheet date

As disclosed in note 17 "Events After the Balance Sheet Date", the Group restructured on 22 March 2010 by incorporating a new parent company, CPP Group Plc, which was listed on the London Stock Exchange on 24 March 2010. The Group continues to be controlled by its majority shareholder, Mr H M Ogston.

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 and subsequently:

E Woolley
S Parker

Charitable donations

The Company made charitable donations of £nil in the year (2008: £nil).

Auditors

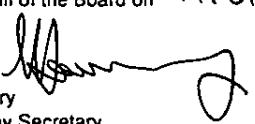
Each of the persons who are directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 2006) 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 418 of the Companies Act 2006.

Deloitte LLP have expressed a willingness to continue in office as auditor. Accordingly, a resolution to ratify their appointment and to re-appoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board on 14/6/10


M Sowery
Company Secretary

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

CPP Services Limited

Directors' responsibilities statement

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). 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 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, and
- 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. 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 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

As explained more fully in the Directors' Responsibilities Statement, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2009 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.

CPP Services Limited

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

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 and not made, or
- we have not received all the information and explanations we require for our audit



Stephen Williams (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Leeds, United Kingdom

16 JUNE 2010

CPP Services Limited
Profit and Loss Account
Year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover - continuing operations	5	1,482,255	1,512,316
Cost of sales		(1,130,428)	(1,149,934)
Gross profit		351,827	362,382
Administrative expenses		(26,638)	(15,013)
Operating profit - continuing operations	4	325,189	347,369
Interest receivable and similar income		63	-
Interest payable and similar charges	6	(203,392)	(440,115)
Profit/(loss) on ordinary activities before taxation		121,860	(92,746)
Tax on profit/(loss) on ordinary activities	7	(76,621)	(17,360)
Profit/(loss) on ordinary activities after taxation		45,239	(110,106)
Retained profit/(loss) for the financial period	14	45,239	(110,106)

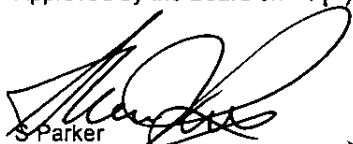
Statement of total recognised gains and losses

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

CPP Services Limited
Balance Sheet
As at 31 December 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	8		6,056,334		6,286,047
Current assets					
Debtors	9	333,258		342,927	
Cash at bank and in hand		1,110,806		540,065	
		<u>1,444,064</u>		<u>882,992</u>	
Creditors amounts falling due within one year	10	<u>(6,985,227)</u>		<u>(6,688,904)</u>	
Net current liabilities			(5,541,163)		(5,805,912)
Total assets less current liabilities			<u>515,171</u>		<u>480,135</u>
Provisions for liabilities	11		(350,819)		(361,022)
Net assets/(liabilities)			<u><u>164,352</u></u>		<u><u>119,113</u></u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		164,252		119,013
Equity shareholders' funds/(deficit)	14		<u><u>164,352</u></u>		<u><u>119,113</u></u>

Approved by the Board on 14/6/2010 and signed on its behalf by


S. Parker
Director

Company Number 3709675

CPP Services Limited
Notes to the Accounts
Year ended 31 December 2009

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
Fixtures and Fittings	25% straight line

Operating leases

Rentals paid under operating leases as a lessee are charged to income on a straight line basis over the term of the lease. Rentals receivable under operating leases as a lessor are credited to turnover on a straight line basis.

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

In the current and prior year no director emoluments have been recharged to CPP Services Limited as their services to this Company are considered to be highly immaterial, furthermore the Company had no other employees or related costs.

CPP Services Limited
Notes to the Accounts (continued)
Year ended 31 December 2009

4 Operating profit

	2009	2008
	£	£
This is stated after charging		
Depreciation	258,606	256,072
Operating lease rentals - other	813,223	830,901
Fees payable to the company's auditor for the audit of the company's accounts	<u>2,350</u>	<u>2,185</u>

5 Operating lease rentals

	2009	2008
	£	£
Aggregate rentals receivable in the year in respect of operating leases	<u>1,482,255</u>	<u>1,512,316</u>

6 Interest payable and similar charges

	2009	2008
	£	£
Interest on intercompany loans	<u>203,392</u>	<u>440,115</u>

7 Taxation

	2009	2008
	£	£
The tax charged on profit/(loss) on ordinary activities for the year was as follows		
UK Corporation tax at 28% (2008 28.5%) - Current year	86,824	20,709
Total current tax	<u>86,824</u>	<u>20,709</u>
Deferred tax - Current year	(10,203)	(3,349)
Total recognised tax charge for the year	<u>76,621</u>	<u>17,360</u>

The tax credit is higher in 2009 than that resulting from applying the standard rate of corporation tax in the UK 28% (2008 28.5%). The differences are explained in the following reconciliation

	2009	2008
	£	£
Profit/(loss) on ordinary activities before tax	<u>121,860</u>	<u>(92,746)</u>
Tax on profit/(loss) on ordinary activities at standard rate	34,121	(26,433)
Factors affecting the charge for the period		
Permanent items	43,392	43,734
Depreciation in excess of capital allowances	10,203	3,349
Effects of other tax rates/credits	(892)	-
Effect of change in tax rates	-	59
Current tax charge for the year	<u>86,824</u>	<u>20,709</u>

CPP Services Limited
Notes to the Accounts (continued)
Year ended 31 December 2009

8 Tangible fixed assets	Freehold Land £	Freehold Property £	Leasehold Improve- ments £	Fixtures and Fittings	Computer Equipment £	Total £
Cost						
At 1 January 2009	758 752	6 518 836	1 043 080	-	1 195	8 321 863
Additions	-	-	25 427	3 466	-	28 893
At 31 December 2009	<u>758 752</u>	<u>6 518 836</u>	<u>1 068 507</u>	<u>3 466</u>	<u>1 195</u>	<u>8 350 756</u>
Depreciation						
At 1 January 2009	-	1 243,518	791 103	-	1,195	2,035,816
Charge for the year	-	164,754	93,510	342	-	258,606
At 31 December 2009	<u>-</u>	<u>1 408 272</u>	<u>884 613</u>	<u>342</u>	<u>1 195</u>	<u>2,294 422</u>
Net book value						
At 31 December 2009	<u>758 752</u>	<u>5 110,564</u>	<u>183 894</u>	<u>3 124</u>	<u>-</u>	<u>6,056,334</u>
At 31 December 2008	<u>758 752</u>	<u>5 275 318</u>	<u>251 977</u>	<u>-</u>	<u>-</u>	<u>6 286,047</u>

Freehold Land Freehold Property and Leasehold Improvements are held exclusively for the use in operating leases to another CPP Group company

9 Debtors

	2009 £	2008 £
Trade debtors	-	2 353
Prepayments and other debtors	<u>333,258</u>	<u>340 574</u>
	<u>333,258</u>	<u>342,927</u>

10 Creditors amounts falling due within one year

	2009 £	2008 £
Trade creditors	5 132	-
Accruals and deferred income	4,935	12 834
Amounts owed to group undertakings	6 887,444	6,676 070
Corporation tax	<u>87 716</u>	<u>-</u>
	<u>6,985 227</u>	<u>6 688 904</u>

There are no fixed dates for repayment of the inter-company loans Interest has been charged at market rates

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 2009

11 Provisions for liabilities

	Balance at 1 January 2009 £	Charge to profit and loss account £	Balance at 31 December 2009 £
Deferred taxation	<u>361,022</u>	<u>(10,203)</u>	<u>350,819</u>
	Provided 2009 £		Not provided 2009 £
		2008 £	2008 £
Capital allowances in excess of depreciation	<u>350,819</u>	<u>361,022</u>	<u>-</u>

12 Called up share capital

	2009 £	2008 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

13 Reserves

	Profit and Loss 2009 £
As at 1 January 2009	119,013
Retained profit for the year	45,239
As at 31 December 2009	<u>164,252</u>

14 Reconciliation of the movement in Equity Shareholders' Funds

	2009 £	2008 £
Profit/(loss) for the financial year after taxation	45,239	(110,106)
Forgiveness of intercompany loan	-	500,000
Movement in equity shareholders' funds	<u>45,239</u>	<u>389,894</u>
Equity shareholders' funds/(deficit) at 1 January 2009	119,113	(270,781)
Equity shareholders' funds at 31 December 2009	<u>164,352</u>	<u>119,113</u>

During 2008, Card Protection Plan Limited, a fellow subsidiary of CPP Holdings Limited, forgave an intercompany loan with the Company. This transaction was accounted for as a capital contribution from the common parent company, CPP Holdings Limited.

CPP Services Limited
Notes to the Accounts (continued)
Year ended 31 December 2009

15 Other financial commitments

At 31 December 2009 the Company had annual commitments under non-cancellable operating leases as set out below

	Land & Buildings 2009 £	Land & Buildings 2008 £
Operating leases which expire		
Within one year	-	-
Within two to five years	830,901	813,223
In over five years	-	-
	<u>830,901</u>	<u>813,223</u>

16 Related Party and Control

At the balance sheet date the Company was a wholly owned subsidiary of CPP Group Plc which is incorporated in the UK and was 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.

As disclosed in note 17 "Events After the Balance Sheet Date", the Group restructured on 22 March 2010 by incorporating a new parent company, CPPGroup Plc, which was listed on the London Stock Exchange on 24 March 2010. The Group continues to be controlled by its majority shareholder, Mr H M Ogston.

17 Events After the Balance Sheet Date

The Group restructured on 22 March 2010 by incorporating a new parent company, CPPGroup Plc, which was listed on the London Stock Exchange on 24 March 2010. The Group continues to be controlled by its majority shareholder, Mr H M Ogston.