

SHOPACHECK FINANCIAL SERVICES LIMITED

31 DECEMBER 2004

FINANCIAL STATEMENTS



Registered Number: 274611

SHOPACHECK FINANCIAL SERVICES LIMITED

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SHOPACHECK FINANCIAL SERVICES LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED
31 DECEMBER 2004

The directors submit their annual report together with the audited financial statements for the year ended 31 December 2004.

1. Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year.

In preparing these financial statements, the directors confirm that suitable accounting policies have been used and applied consistently. The directors also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004, that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records which 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.

2. Principal activity and review of the business

Except for earning interest income on a group loan, the company did not trade during the year. The directors are satisfied with the result for the year and company's future prospects.

3. Results and dividends

The profit for the year, after taxation, amounted to £904,785 (2003: £nil). The directors recommend the payment of a final ordinary dividend of £902,951 (2003: £nil). The dividend on the redeemable preference shares is £854 (2003: £980).

**SHOPACHECK FINANCIAL SERVICES LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED
31 DECEMBER 2004**

4. Directors and their interests

The directors of the company during the year were:

S P L Mahon
M W G Collins
J J Corr
I S Cummine

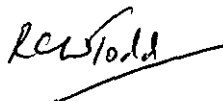
No director has an interest in the share capital of this company.

The interests of the directors in the issued share capital of the ultimate parent undertaking, Cattles plc, according to the register kept under section 325 of the Companies Act 1985, are shown in the annual report and financial statements of that company.

5. Independent auditors

The company has passed an elective resolution to dispense with the obligation to re-appoint auditors annually. PricewaterhouseCoopers LLP shall, therefore, be deemed re-appointed as auditors.

By Order of the Board



R C W TODD
Secretary

Registered Office:
Kingston House
Centre 27 Business Park
Woodhead Road
Birstall, Batley
WF17 9TD

20 October 2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SHOPACHECK FINANCIAL SERVICES LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds

20 October 2005

SHOPACHECK FINANCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2004

	Notes	2004 £	2003 £
Interest receivable	2	1,292,550	-
Profit on ordinary activities before taxation		1,292,550	-
Tax on profit on ordinary activities	4	(387,765)	-
Profit on ordinary activities after taxation		904,785	-
Dividends	5	(903,805)	(980)
Retained profit/(loss) for the year	9	<u>980</u>	<u>(980)</u>

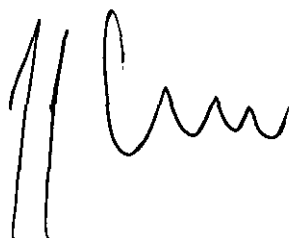
The results shown in the profit and loss account above derive wholly from discontinued operations. The only recognised gains and losses for the year are those dealt with in the profit and loss account above.

SHOPACHECK FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	2003 £
Current assets			
Debtors	6	19,757,550	131,500
		<u>19,757,550</u>	<u>131,500</u>
Creditors - amounts falling due within one year	7	(19,626,050)	-
Net current assets		<u>131,500</u>	<u>131,500</u>
Net assets		<u><u>131,500</u></u>	<u><u>131,500</u></u>
 Capital and reserves			
Called up share capital	8	131,500	131,500
Profit and loss account	9	-	-
Shareholders' funds	10	<u>131,500</u>	<u>131,500</u>
Attributable to equity shareholders		111,500	110,520
Attributable to non-equity shareholders		20,000	20,980

Approved by the Board on 20 October 2005 and signed on its behalf by:

J J CORR - Director



SHOPACHECK FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2004

1. Accounting policies

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Accounting convention

The financial statements are prepared under the historical cost convention.

2. Interest receivable

	2004	2003
	£	£
Income from loan to ultimate parent company	1,292,550	-
	<u>1,292,550</u>	<u>-</u>

3. Directors' emoluments

The directors receive no emoluments in respect of their services for Shopacheck Financial Services Limited.

4. Tax on profit on ordinary activities

	2004	2003
	£	£
Based on the profit for the year:		
Current tax:		
UK corporation tax at 30% (2003: 30%)	387,765	-
	<u>387,765</u>	<u>-</u>

SHOPACHECK FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2004

5. Dividends

	2004	2003
	£	£
Final proposed – on ordinary shares	902,951	-
On redeemable preference shares:		
Arrears - proposed	(980)	-
Appropriated in 2003	980	980
Current year - proposed	854	-
	<u>854</u>	<u>980</u>
	<u>903,805</u>	<u>980</u>

6. Debtors

	2004	2003
	£	£
Amounts owed by ultimate parent company	19,757,550	131,500
	<u>19,757,550</u>	<u>131,500</u>

The loan made to the ultimate parent company provides for interest to be charged at a rate of 7% per annum. The right to receive this interest was applied in 2004, having been waived in 2003.

7. Creditors: amounts falling due within one year

	2004	2003
	£	£
Amounts owed to group undertakings	18,334,480	-
Corporation tax	387,765	-
Dividends payable	903,805	-
	<u>19,626,050</u>	<u>-</u>

SHOPACHECK FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2004

8. Share capital

	Authorised			
	2004	2003	2004	2003
	No	No	£	£
Ordinary shares of £1 each	111,500	111,500	111,500	111,500
Redeemable preference shares of £1 each	173,000,000	173,000,000	173,000,000	173,000,000
	<u>173,111,500</u>	<u>173,111,500</u>	<u>173,111,500</u>	<u>173,111,500</u>
Allotted, called up and fully paid				
	2004	2003	2004	2003
	No	No	£	£
Ordinary shares of £1 each	111,500	111,500	111,500	111,500
Redeemable preference shares of £1 each	20,000	20,000	20,000	20,000
	<u>131,500</u>	<u>131,500</u>	<u>131,500</u>	<u>131,500</u>

The redeemable preference shares have the following rights:

- (i) to receive first out of profits a dividend equal to the redemption yield on the 2016 2.5% Index Linked Gilt plus 2.562% increased each year in line with the Retail Prices Index from the date of issue of the initial preference shares of 6 March 2001;
- (ii) to attend and vote on any resolution at a general meeting of the company only on the question of abrogating, varying or modifying any of the rights or privileges of their holders;
- (iii) in a winding up, to receive repayment of capital in preference to all other classes of share;
- (iv) the shares are redeemable on 6 March 2016 for £1.8697 per share uplifted in line with the Retail Prices Index starting on the date of issue of the initial preference shares and ending 15 years thereafter.

9. Profit and loss account

	£
As at 1 January 2004	-
Retained profit for the year	980
Preference shares appropriation	(980)
	<u>-</u>
As at 31 December 2004	<u>-</u>

During 2004 the company had sufficient distributable reserves to enable it to declare the cumulative preference dividends in arrears of £980, in addition to the current year's appropriation.

SHOPACHECK FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2004

10. Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
Profit after taxation for the year	904,785	-
Dividends	(903,805)	(980)
Preference shares appropriation	(980)	980
	<hr/>	<hr/>
Movement in shareholders' funds	-	-
Shareholders' funds at 1 January	131,500	131,500
	<hr/>	<hr/>
Shareholders' funds at 31 December	<u>131,500</u>	<u>131,500</u>

11. Contingent liabilities

The company, together with other companies in the group, has entered into an unsecured unlimited multilateral bank guarantee.

12. Cash flow statement

As the company is a wholly owned subsidiary undertaking of Cattles plc, a company registered in England and Wales, a cash flow statement has not been prepared. The parent company prepares consolidated financial statements which include a consolidated cash flow statement dealing with the cash flows of the group.

13. Related party transactions

The company has taken advantage of the exemption available under FRS 8 'Related party transactions' from disclosing transactions between the company and other undertakings that are part of the Cattles plc group on the grounds that all the voting rights of the company are controlled by Cattles plc.

14. Ultimate parent undertaking

The ultimate parent undertaking and controlling party of this company is Cattles plc, registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Cattles plc. The consolidated financial statements of this group are available to the public and may be obtained from the Registered Office, Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, WF17 9TD.