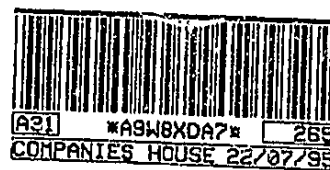


CCN GROUP LIMITED

(Registration No. London 653331)

REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
31 MARCH 1995



## DIRECTORS REPORT

The directors present their report and the audited accounts for the year ended 31 March 1995.

### DIRECTORS

The directors holding office during the year were as follows:-

Mr E M Barnes - Chairman  
Mr J Peace  
Mr D S Bird  
Mr J N Saunders  
Mr R M Aubrook  
Mr R J Webber  
Mrs J L Barber

On 3 April 1995 Mr I M Stewart was appointed a director.

### ACTIVITIES

The company provides bureau and information services for consumer credit control, business information, direct marketing and credit card management.

In addition to the company's interests in overseas investments (see note 11), the company has branch operations in France, Italy, Spain and South Africa.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were satisfactory and the directors expect that the level of activity will again be increased during the present year.

### RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 4. A special interim dividend of £12,928,000 was paid on 31 March 1995. (1994: £NIL). The directors propose a final dividend of £6,240,000 (1994: £4,364,000). The balance of £6,688,000 was transferred from reserves (1994: £4,364,000 transferred to reserves).

### FIXED ASSETS

Details of changes in the fixed assets of the company are shown in notes 10 and 11 to the accounts.

### CHARITABLE DONATIONS

During the year the company made donations to United Kingdom charitable organisations amounting to £2,427 (1994: £1,363).

### AUTHORITY FOR COMPANY TO PURCHASE OWN SHARES

At the board meeting held on 29 July 1994 it was resolved that the company, under section 162 of the Companies Act 1985 could purchase certain of its own shares. In accordance with sections 160 and 162 of the same act the shares acquired were subsequently cancelled.

The company purchased during the year 4,784 ordinary shares having a nominal value of £4,784 (representing 0.97% of the company's share capital at 31 March 1994) for an aggregate consideration of £927,665. The shares were purchased and subsequently cancelled following the exercise of options by three directors in respect of the CCN Share Option Scheme, which has now expired.

## DIRECTORS' REPORT (continued)

### EMPLOYMENT OF DISABLED PERSONS

The company's policy and practice is to encourage and assist the employment of disabled people, their recruitment, training and promotion and the retention of employees who become disabled, having regard to the requirements and demands of employment opportunities which are available.

### EMPLOYEE INVOLVEMENT

It has been the established practice of the company for many years by way of a formal corporate communications programme, together with staff meetings on a broader scale, to disclose to staff at all levels information on matters of concern to them as employees.

These activities are also an essential requirement of management in achieving a common awareness by all employees of the financial and economic factors affecting the performance of the company and will, as a matter of policy, continue to be so.

### ENVIRONMENT

During the year the company continued to improve and develop environmental practice including among other things matters such as introducing energy saving lighting and the use of recycled products in respect of the purchase of stationery and other office equipment.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that 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 and loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1995. The directors also confirm 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, for taking reasonable steps to safeguard the assets of the company, and to prevent and detect fraud and other irregularities.

#### Registered office:

Talbot House  
Talbot Street  
Nottingham  
NG1 5HF

By order of the Board  
GA Young

  
Secretary

30 June 1995

## REPORT OF THE AUDITORS TO THE MEMBERS OF CCN GROUP LIMITED

We have audited the financial statements set out on pages 4 to 16.

### Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

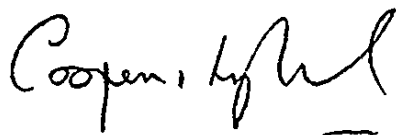
### Basis of opinion

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 affairs of the company at 31 March 1995 and of the profit and total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers and Lybrand  
Chartered Accountants and Registered Auditors  
Nottingham

30 June 1995

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1995**

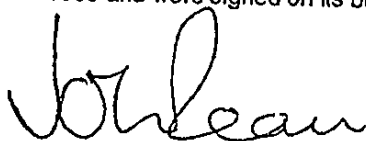
	Notes	1995 £'000	1994 £'000
<b>TURNOVER</b> - Continuing operations	2	77,884	65,499
Cost of sales		<u>(50,048)</u>	<u>(44,654)</u>
<b>GROSS PROFIT</b>		27,836	20,845
Distribution costs		(5,428)	(4,131)
Administrative expenses		<u>(4,874)</u>	<u>(3,977)</u>
<b>OPERATING PROFIT</b> - Continuing operations		17,534	12,737
Investment income	3	1,653	1,435
Interest payable	4	(539)	(938)
Share of profit/(loss) of Associate Company	5		(12)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	18,653	13,222
Taxation	8	<u>(6,173)</u>	<u>(4,494)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		12,480	8,728
Dividends	9	(19,168)	(4,364)
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>	19	<u>(6,688)</u>	<u>4,364</u>
<b>STATEMENT OF TOTAL RECOGNISED GAINS &amp; LOSSES</b>			
Profit for the financial year		12,480	8,728
Prior year adjustment	22c	-	(155)
Total gains recognised since last annual report		<u>12,480</u>	<u>8,573</u>

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

## BALANCE SHEET AS AT 31 MARCH 1995

	Notes	1995 £'000	1994 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	14,311	9,809
Investments	11	1,966	1,961
		<u>16,277</u>	<u>11,770</u>
<b>CURRENT ASSETS</b>			
Stocks and Work in Progress	12	1,895	2,268
Debtors : amounts falling due within one year	13	32,535	38,839
Debtors : amounts falling due after one year	14	1,111	596
Cash at bank and in hand		4,260	3,432
		<u>39,801</u>	<u>45,135</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	15	(30,790)	(26,004)
Net current assets		<u>9,011</u>	<u>19,131</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		25,288	30,901
Creditors: amounts falling due after one year	16	(4,778)	(3,100)
<b>NET ASSETS</b>		<u>20,510</u>	<u>27,801</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	490	490
Share premium account	19	320	-
Capital redemption reserve	19	5	-
Profit and loss account	19	19,695	27,311
		<u>20,510</u>	<u>27,801</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
		<u>20,510</u>	<u>27,801</u>

The financial statements on pages 4 to 16 were approved by the Board of Directors on 30 June 1995 and were signed on its behalf by:-



J Peace

Director

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995**

- 1 The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies, which are summarised below, have been consistently applied, except as noted in (b) below.

**a) Basis of Accounting**

The accounts have been prepared under the historical cost basis of accounting. As permitted by Section 228(1) of the Companies Act 1985, group accounts have not been included in these financial statements.

**b) Changes in Accounting Policies**

The new UITF Abstract 6 'Accounting for post retirement benefits other than pensions' require the adoption of accounting policies which differ from those previously adopted by the company. Accordingly, the following changes have been made. Comparative figures have been amended where necessary for the changes.

With effect from 1 April 1993, the company has changed the method of accounting for post retirement health care for pensioners to reflect the total anticipated liability as assessed by qualified actuaries, in accordance with UITF Abstract 6. Previously such benefits were accounted for on the basis of cash payments made. Following the change in accounting policy, deferred taxation has been provided in full (see note 17 and 22).

**c) Cash Flow Statement**

The company is a wholly owned subsidiary of The Great Universal Stores Plc and the cash flows of the company are included in the consolidated cash flow statement of The Great Universal Stores Plc, consequently the company is exempt under the terms of Financial Reporting Standard Number 1 from publishing a cash flow statement.

**d) Tangible Fixed Assets**

Fixed assets are shown at cost.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Plant and machinery	- 20% to 33 $\frac{1}{3}$ % per annum
Fixtures and fittings	- 10% to 20% per annum
Leased assets	- over the period of the lease

**e) Leased Assets**

Fixed assets held under finance leases are capitalised. The finance charges are allocated using the actuarial method over the primary period of the lease at a constant rate of interest on the capital element outstanding.

**f) Investments**

Investments in group companies are valued at cost less any provisions necessary for permanent diminution in value.

The company's share of associated companies' profits/(losses) is included in the profit and loss account and its share of net assets is included in the balance sheet as an investment.

# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## g) Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

## h) Deferred Taxation

Provision is made for deferred taxation on all timing differences. Deferred taxation assets, relating to the provision of employee pensions and post retirement benefits, are recognised where there is a reasonable probability that such assets will be realised in the foreseeable future.

## i) Turnover

Turnover comprises the value of services (excluding value added tax) performed in the normal course of business.

## j) Pension Costs and Post Retirement Benefits

The company provides pension benefits to eligible employees through membership of a pension plan operated by its parent company. The plan has rules which specify the benefits to be paid and is financed accordingly with assets being held in independently administered funds. The cost of providing retirement benefits, which is based on pension costs across the group as a whole, is charged to profit and loss account over the expected period of employment in accordance with recommendations made by qualified actuaries.

The cost of providing other post retirement benefits for pensioners is recognised on a basis similar to that adopted for pensions.

## k) Foreign Currency Translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Profits and losses on exchange arising in the normal course of trading and exchange differences arising on the translation of foreign currency balances are dealt with in the profit and loss account.

## 2 TURNOVER

An analysis of turnover by geographical market and the analysis of turnover and profit before taxation by class of business has not been given.

## 3 INVESTMENT INCOME

	1995 £'000	1994 £'000
Interest receivable	1,653	1,338
Dividends receivable	-	97
	<u>1,653</u>	<u>1,435</u>

## 4 INTEREST PAYABLE

	1995 £'000	1994 £'000
On finance leases	539	938
	<u>539</u>	<u>938</u>



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## 5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	1995 £'000	1994 £'000
Depreciation charge for the year		
- tangible owned fixed assets	1,228	605
- tangible fixed assets held under finance lease	2,949	3,987
Auditors' remuneration - Audit fee	33	27
Auditors' remuneration - Other UK fees	23	32
Staff costs (see Note 6)	31,304	25,125
Operating leases:		
- property	715	675
- plant & equipment	1,490	1,292

## 6 STAFF COSTS AND EMPLOYEES

Particulars of employees (including executive directors) are as shown below:

Staff costs during the year:

	1995 Full time £'000	1995 Part time £'000	1994 Full time £'000	1994 Part time £'000
Wages and salaries	27,858	295	22,211	252
Social security costs	2,625	20	2,152	23
Other pension costs	506	-	487	-
	<u>30,989</u>	<u>315</u>	<u>24,850</u>	<u>275</u>

The average weekly number of persons employed by the company during the year was as follows:

	1995 Number employed		1994 Number employed	
	Full time	Part time	Full time	Part time
Production	1,196	72	1,074	64
Distribution/sales	132	-	84	-
Administrative	34	-	28	-
	<u>1,362</u>	<u>72</u>	<u>1,186</u>	<u>64</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## 7 DIRECTORS REMUNERATION

Aggregate emoluments (excluding pension contributions) of the company's directors were:

	1995 £'000	1994 £'000
Management remuneration	806	1,516
Emoluments (excluding pension contributions) of the Chairman	141	66
Emoluments (excluding pension contributions) of the highest paid director	141	374

The number of directors (including the chairman and highest paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1995 Number	1994 Number
£15,001-£20,000	-	1
£25,001-£30,000	-	1
£35,001-£40,000	-	1
£45,001-£50,000	1	-
£55,001-£60,000	2	-
£65,001-£70,000	2	-
£75,001-£80,000	-	1
£85,001-£90,000	1	-
£95,001-£100,000	1	1
£105,001-£110,000	-	1
£115,001-£120,000	-	1
£125,001-£130,000	-	1
£135,001-£140,000	-	1
£145,001-£150,000	-	1
£155,001-£160,000	-	1
£165,001-£170,000	-	1
£175,001-£180,000	-	1

The figures shown above represent emoluments earned during the relevant financial year, but also includes in 1994 bonuses payable after the year end to 4 directors in respect of the Phantom Share Option Scheme. Such bonuses were earned over the four year period from 1990/91 to 1993/94.

## 8 TAXATION

	1995 £'000	1994 £'000
UK Corporation tax at 33% (1994: 33%)		
Current	6,123	4,517
Deferred	197	(53)
Under/(Over) provision in prior years:		
Current	5	(13)
Deferred	(152)	28
Overseas tax	-	15
	<u>6,173</u>	<u>4,494</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## 9 DIVIDENDS

	1995 £'000	1994 £'000
Ordinary:		
Special Interim dividend paid	12,928	-
Final - proposed	6,240	4,364
	<u>19,168</u>	<u>4,364</u>

## 10 TANGIBLE FIXED ASSETS

	Plant and machinery £'000	Fixtures and fittings £'000	Leased assets £'000	Total £'000
<b>COST</b>				
At 1 April 1994	1,887	4,541	30,324	36,752
Additions	2,363	1,426	4,893	8,682
Disposals	-	(6)	(9167)	(9,173)
Exchange adjustments	-	1	-	1
At 31 March 1995	<u>4,250</u>	<u>5,962</u>	<u>26,050</u>	<u>36,262</u>
<b>DEPRECIATION</b>				
At 1 April 1994	188	2,753	24,002	26,943
Charge for the year	715	513	2,949	4,177
Disposals	-	(4)	(9,166)	(9,170)
Exchange adjustments	-	1	-	1
At 31 March 1995	<u>903</u>	<u>3,263</u>	<u>17,785</u>	<u>21,951</u>
<b>NET BOOK VALUE</b>				
At 31 March 1995	<u>3,347</u>	<u>2,699</u>	<u>8,265</u>	<u>14,311</u>
At 31 March 1994	<u>1,699</u>	<u>1,788</u>	<u>6,322</u>	<u>9,809</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## 11 FIXED ASSET INVESTMENTS

	Subsidiary undertakings	Associated undertakings	Other unquoted investments	Total investments
	£'000	£'000	£'000	£'000
<b>Shares at cost:</b>				
At 1 April 1994	1,938	22	1	1,961
Additions	-	-	-	-
Share of profit/(loss) after tax	-	5	-	5
At 31 March 1995	<u>1,938</u>	<u>27</u>	<u>1</u>	<u>1,966</u>

The principal subsidiary undertakings, whose activities are the same as the company, are as follows:

CCN Asia Pacific Pty incorporated and registered in Australia, 100% owned.

CCN Group BV incorporated and registered in the Netherlands, 100% owned.

CCN Datacom BV incorporated and registered in the Netherlands, 100% owned.

CCN Marketing Systemen BV incorporated and registered in the Netherlands, 100% owned.

CCN Finance NV incorporated and registered in the Dutch Antilles, 100% owned.

Conet Corporate Communications Network GmbH incorporated and registered in Germany, 100% owned.

CCN South Africa Pty incorporated and registered in South Africa, 70% owned.

The principal associated undertakings are as follows:

CCN Verwaltungs GmbH incorporated and registered in Germany, 50% owned.

CCN Deutschland GmbH & Co KG incorporated and registered in Germany, 50% owned.

CCN Card Finanz GmbH incorporated and registered in Germany, 50% owned.

CCN MOSAIC Iberia SA incorporated and registered in Spain, 50% owned.

## 12 STOCKS AND WORK IN PROGRESS

	1995 £'000	1994 £'000
Raw materials and consumables	129	84
Work in Progress	1,766	2,184
	<u>1,895</u>	<u>2,268</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## 13 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £'000	1994 £'000
Trade debtors	13,365	12,868
Due from ultimate parent undertaking	13,848	21,209
Due from subsidiary undertakings	528	966
Due from fellow subsidiary undertakings	410	191
Due from associated undertakings	343	157
Prepayments and accrued income	4,041	3,448
	<u>32,535</u>	<u>38,839</u>

## 14 DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	1995 £'000	1994 £'000
Due from associated undertakings	560	-
Deferred Taxation (see Note 17)	551	596
	<u>1,111</u>	<u>596</u>

## 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £'000	1994 £'000
Trade creditors	4,766	3,379
Due to subsidiary undertakings	8	596
Due to fellow subsidiary undertakings	235	213
Corporation tax	6,204	4,504
Other taxation and social security	2,449	2,237
Proposed dividend	6,240	4,364
Accruals and deferred income	8,183	8,367
Obligations under finance leases	2,705	2,344
	<u>30,790</u>	<u>26,004</u>

## 16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	1995 £'000	1994 £'000
Obligations under finance leases due between 2 and 5 years	4,469	2,720
Obligations under finance leases due after more than 5 years	78	149
Accrual for post retirement benefits	231	231
	<u>4,778</u>	<u>3,100</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## 17 PROVISIONS FOR LIABILITIES/(ASSETS) AND CHARGES

	Deferred Taxation 1995 £'000
At 1 April 1994	(520)
Pr or year adjustment (see note 22c)	(76)
Restated at 1 April 1994	(596)
Profit and loss account:	
Current year	197
Prior years	(152)
At 31 March 1995	(551)

The deferred taxation asset and the amount unprovided are analysed as follows:

	1995 Liability /(asset) provided £'000	1995 Liability /(asset) unprovided £'000	1994 Liability /(asset) provided £'000	1994 Liability /(asset) unprovided £'000
Accelerated capital allowances	497	-	387	-
Other	(1048)	-	(983)	-
	(551)	-	(596)	-

## 18 CALLED UP SHARE CAPITAL

	1995	1994
Authorised		
505,000 ordinary shares of £1 each	£505,000	£505,000
Allotted, called up and fully paid		
489,850 ordinary shares of £1 each	£489,850	£489,850

During the year 4784 shares were issued at par value for a consideration of £325,312. The shares were bought back and cancelled by the company on 8 July 1994.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## 19 RESERVES

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 April 1994 as originally reported	-	-	27,466
Prior year adjustment (see note 22c)	-	-	(155)
At 1 April 1994 as restated	-	-	27,311
Retained profit/(loss) for the year	-	-	(6,688)
Transfer between reserves	-	5	(5)
Shares issued	320	-	-
Premium paid on purchase of own shares	-	-	(923)
At 31 March 1995	<u>320</u>	<u>5</u>	<u>19,695</u>

## 20 MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £'000	1994 £'000
Profit for the financial year	12,480	8,728
Dividends	<u>(19,168)</u>	<u>(4,364)</u>
New share capital issued	(6,688)	4,364
Capital distribution	<u>320</u>	-
	(923)	-
Net addition/(reduction) in shareholders' funds	<u>(7,291)</u>	<u>4,364</u>
Opening shareholders' funds as originally reported	27,801	23,592
Prior year adjustment (see note 22c)	-	(155)
Opening shareholders' funds as restated	<u>27,801</u>	<u>23,437</u>
Closing shareholders' funds	<u>20,510</u>	<u>27,801</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)

## 21 DIRECTORS' INTERESTS

None of the directors had any interests at the beginning or end of the year in the shares of the company. During the year the following shares were allotted to directors:

	No. of shares
Mr J. Peace	3,190
Mr R.M. Aubrook	797
Mr J.N. Saunders	797

The shares were bought back and cancelled by the company on 8 July 1994.

Other than stated above, no director was interested in the shares of the company or any of its fellow subsidiary undertakings or, except for Mr E M Barnes, its ultimate parent undertaking. The interest of Mr Barnes in the shares of the ultimate parent undertaking is disclosed in that company's directors report.

There were no contracts of significance subsisting during or at the end of the financial year in which a director of the company was materially interested.

## 22 FINANCIAL COMMITMENTS

	1995 £'000	1994 £'000
a) Capital commitments		
Contracted but not provided for	170	103
Authorised but not contracted for	137	124
	<u>307</u>	<u>227</u>

## b) Lease commitments

The company had annual commitments under non cancellable operating leases as follows:

	1995 Land & Buildings £'000	1995 Plant & Equipment £'000	1994 Land & Buildings £'000	1994 Plant & Equipment £'000
Expiring within one year	770	1,870	664	1,500
Expiring within two to five years inclusive	316	-	21	-
Expiring in over five years	-	-	-	-
	<u>1,086</u>	<u>1,870</u>	<u>685</u>	<u>1,500</u>



---

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1995 (continued)****22 FINANCIAL COMMITMENTS (continued)****c) Pension and post retirement benefit commitments**

The company provides pension benefits to eligible employees through membership of a pension plan operated by its ultimate parent undertaking The Great Universal Stores Plc. The plan has rules which specify the benefits to be paid and is financed accordingly with assets being held in independently administered funds.

The total pension cost was £506,000 (1994: £487,000) and this is based on pension costs across the group as a whole. The pension cost is assessed in accordance with the advice of a qualified actuary and the results of the latest valuation are reported in the accounts of The Great Universal Stores Plc.

In the prior year and in accordance with UITF Abstract 6, the method of accounting for obligations to pensioners for post retirement health care has been changed from a cash basis to a basis similar to that adopted for pension obligations. The actuarial value of the obligation has been determined in accordance with the advice of qualified actuaries. It amounts to £231,000 and has been treated as a prior year adjustment. In addition a deferred taxation asset of £76,000 has been established, resulting in a net prior year adjustment for post retirement health care benefits of £155,000. The principal assumption, used in determining the required provision, is that medical cost inflation would be 10% per annum for five years and 7% for the longer term.

**23 ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent undertaking is The Great Universal Stores PLC, which is registered in England and Wales. Copies of that company's consolidated financial statements may be obtained from the Secretary, The Great Universal Stores PLC, Universal House, Devonshire Street, Manchester, M60 1XA.