

CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED REPORT AND ACCOUNTS
12 MONTHS ENDED 31st DECEMBER 2000

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DIRECTORS

M R Philippin
J L Camblin
L G Schmoll
A J Burgi
J F Varlet
J L Bonnafe
G Chaurand
P Decla

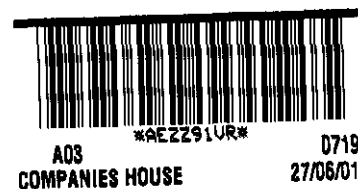
SECRETARY AND REGISTERED OFFICE

S Phillips, Radcliffe House, Blenheim Court, Solihull, B91 2AA

Company Number: 1091883

AUDITORS

PricewaterhouseCoopers, Temple Court, 35 Bull Street, Birmingham, B4 6JT



CREATION FINANCIAL SERVICES LIMITED
REPORT OF THE DIRECTORS

The directors present their annual report together with the audited accounts for the year ended 31st December 2000.

BUSINESS REVIEW

The principal activity of the Company and Group is that of a finance company offering a credit card service. The results for the period are set out in the profit and loss account on page 5.

On the 15th September 2000, the company sold its 49% share in Equifax Card Solutions Ltd to the other joint venture partner Equifax plc (formerly Equifax Europe (UK) Ltd). The service provided by Equifax Card Solutions Ltd to the company of account processing was unchanged by the sale.

TRADING RESULTS

The loss before tax for the 12 months amounted to £530,528 (11 months ended 31st December 1999: £84,606 loss).

DIVIDEND AND TRANSFER TO RESERVES

The loss after taxation of £324,528 has been transferred to reserves. The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors below have held office during the period from 1st January 2000 to the date of this report:

M R Philippin
J L Camblin
L G Schmoll
A J Burgi
J F Varlet
J L Bonnafe
G Chaurand
P Decla

The interests of the directors holding office as at 31st December 2000, in options over shares of BNP Paribas were:

| | 31 st December 1999 | Granted | Exercised | 31 st December 2000 |
|-------------|-----------------------------------|---------|-----------|-----------------------------------|
| G Chaurand | 7,000 | - | - | 7,000 |
| J F Varlet | 12,500 | - | - | 12,500 |
| J L Bonnafe | 23,500 | - | - | 23,500 |
| P Decla | 3,500 | - | - | 3,500 |

EMPLOYMENT POLICY

During the period the Company has continued to maintain, as far as practicable, close consultation with employees or their representatives on matters likely to affect their interests. By means of meetings and staff publications, the Company has endeavoured to keep employees informed about the progress of their Company and the Group of which it is a member.

It is the policy of the Company to ensure that the talents and resources of employees are utilised to the full and that no job applicant or employee receives less favourable treatment on the grounds of gender, marital status, social class, colour, race, ethnic origin, creed or disability or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. Close attention is always given to employees' health and safety with particular regard to the requirements of the Health and Safety at Work Legislation.

PAYMENT POLICY

It is not the Company's policy to follow a code of standard payment practice. Payments are made in accordance with terms agreed in advance with each individual supplier. The Company's trade creditors at 31st December 2000 equated to 21 days on a weighted average basis over the period.

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, 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;

State whether applicable 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;

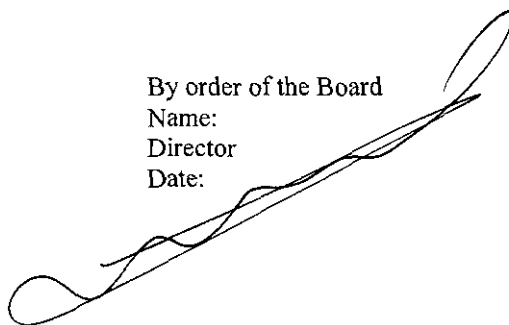
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The directors propose that PricewaterhouseCoopers be re-appointed auditors of the Company at the Annual General Meeting.

Radcliffe House
Blenheim Court
Solihull
B91 2AA

By order of the Board
Name:
Director
Date:



L. G. Schmolli

May 21st 2001

PricewaterhouseCoopers
Temple Court
35 Bull Street
Birmingham B4 6JT
Telephone +44 (0) 121 265 5000
Facsimile +44 (0) 121 265 5050
Fax +44 (0) 121 265 5100

Auditors' report to the members of Creation Financial Services Limited

We have audited the financial statements on pages 5 to 20.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

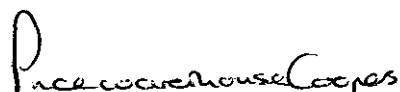
Basis of audit opinion

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 affairs of the company and the group at 31 December 2000 and of the loss and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

21 May 2001

CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 12 MONTHS ENDED 31st DECEMBER 2000

| | Note | 12 months ended 31 st December 2000 | 11 months ended 31 st December 1999 |
|--|------|---|---|
| | | £ | £ |
| Turnover: Group and Share of Joint Venture | | 51,863,009 | 41,757,181 |
| Less: Share of Joint Venture | | (6,217,008) | (4,156,444) |
| Group Turnover | | 45,646,001 | 37,600,737 |
| Administration Expenses | | (38,458,476) | (30,950,777) |
| Exceptional Items | 2a | - | 948,107 |
| Administrative Expenses Including Exceptional Items | | (38,458,476) | (30,002,670) |
| Group Operating Profit | | 7,187,525 | 7,598,067 |
| Share of Operating Loss in Joint Venture | | (2,089,727) | (1,724,024) |
| | | 5,097,798 | 5,874,043 |
| Profit on the Sale of Joint Venture | 2b | 2,558,573 | - |
| | | 7,656,371 | 5,874,043 |
| Share of Joint Venture Interest Payable | | (190,701) | (54,269) |
| Interest Receivable | | 344,128 | 315,390 |
| Interest Payable | 6 | (8,340,326) | (6,219,770) |
| Loss on Ordinary Activities Before Taxation | | (530,528) | (84,606) |
| Taxation on Loss on Ordinary Activities | 7 | 206,000 | (336,371) |
| Loss on Ordinary Activities After Taxation | 15 | (324,528) | (420,977) |

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE 12 MONTHS ENDED 31st DECEMBER 2000

| | Note | 12 months ended 31 st December 2000 £ | 11 months ended 31 st December 1999 £ |
|---|------|--|--|
| (Loss) for the Financial Year | | (324,528) | (420,977) |
| Unrealised gain arising on contribution of assets to joint venture | 16 | - | 1,221,855 |
| Total Recognised Gains and Losses for the Financial Year | | <u>(324,528)</u> | <u>800,878</u> |

Due to the sale during the year of the interest in the Joint Venture, the unrealised gain recognised in 1999 of £1,221,855 became realised.

CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET
AT 31st DECEMBER 2000

| | Note | 31 st December 2000 | | 31 st December 1999 | |
|--|------|--------------------------------|---------------|--------------------------------|---------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible Assets | 8 | | 760,528 | | 444,841 |
| Investment in Joint Venture: | | | | | |
| Share of gross assets | 9 | - | | 7,968,748 | |
| Share of gross liabilities | 9 | - | | (7,474,182) | |
| | | | | | |
| | | | - | | 494,566 |
| | | | 760,528 | | 939,407 |
| Current Assets | | | | | |
| Debtors: amounts falling due within one year | 10 | 164,827,168 | | 164,617,121 | |
| Debtors: amounts falling due after more than one year | 10 | 2,472,536 | | 2,393,823 | |
| Cash at bank and in hand | | 2,000,000 | | 34,934,037 | |
| | | | | | |
| | | 169,299,704 | | 201,944,981 | |
| Creditors: Amounts Falling Due Within One Year | 11 | (28,812,872) | | (61,312,500) | |
| Net Current Assets | | | 140,486,832 | | 140,632,481 |
| Total Assets Less Current Liabilities | | | 141,247,360 | | 141,571,888 |
| Creditors: Amounts Falling Due After More Than One Year | 12 | | (120,000,000) | | (120,000,000) |
| Equity Minority Interest | | | (26) | | (26) |
| Net Assets | | | 21,247,334 | | 21,571,862 |
| Capital and Reserves | | | | | |
| Called up share capital | 14 | | 10,000,100 | | 10,000,100 |
| Reserves | 15 | | 11,247,234 | | 11,571,762 |
| Equity Shareholders Funds | 16 | | 21,247,334 | | 21,571,862 |

Approved by the Board of Directors on 21 May 2001 and signed on its behalf by:

Name:
Director

L. G. Schmolli
May 21st 2001

CREATION FINANCIAL SERVICES LIMITED
BALANCE SHEET
AT 31ST DECEMBER 2000

| | Note | 31 ST December 2000 | | 31 ST December 1999 | |
|--|------|--------------------------------|-------------------|--------------------------------|-------------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible Assets | 8 | | 760,528 | | 444,841 |
| Investments | 9 | | 174 | | 883,598 |
| | | | <u>760,702</u> | | <u>1,328,439</u> |
| Current Assets | | | | | |
| Debtors: amounts falling due within one year | 10 | 8,931,618 | | 9,236,960 | |
| Debtors: amounts falling due after more than one year | 10 | 36,090,233 | | 35,916,998 | |
| Cash at bank and in hand | | 2,000,000 | | 34,934,037 | |
| | | <u>47,021,851</u> | | <u>80,087,995</u> | |
| Creditors: Amounts Falling Due Within One Year | 11 | (26,542,219) | | (59,455,714) | |
| Net Current Assets | | | <u>20,479,632</u> | | <u>20,632,281</u> |
| Total Assets Less Current Liabilities | | | <u>21,240,334</u> | | <u>21,960,720</u> |
| Creditors: Amounts Falling Due After More Than One Year | 12 | | - | | - |
| Net Assets | | | <u>21,240,334</u> | | <u>21,960,720</u> |
| Capital and Reserves | | | | | |
| Called up share capital | 14 | | 10,000,100 | | 10,000,100 |
| Profit and loss account | 15 | | 11,240,234 | | 11,960,620 |
| Equity Shareholders Funds | 16 | | <u>21,240,334</u> | | <u>21,960,720</u> |

Approved by the Board of Directors on 21 May 2001 and signed on its behalf by:

Name:
Director

L. G. Schmall

CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE 12 MONTHS ENDED 31st DECEMBER 2000

| | | 12 months ended 31 st December 2000 | 11 months ended 31 st December 1999 |
|--------------------------------------|------|---|---|
| | Note | £ | £ |
| Net Cash Inflow / (Outflow) from | | | |
| Operating Activities | 21 | 8,258,228 | (22,772,121) |
| Returns on Investment and | | | |
| Servicing of Finance | 20 | (7,716,198) | (5,875,489) |
| Taxation | | (740,600) | - |
| Capital Expenditure | 20 | (617,119) | (402,119) |
| Acquisitions and Disposals | 20 | 2,878,605 | 26 |
| | | <u>2,062,916</u> | <u>(29,049,703)</u> |
| Equity Dividends Paid | | - | - |
| Cash flow before financing | | <u>2,062,916</u> | <u>(29,049,703)</u> |
| Management of Liquid Resources | | - | - |
| Financing | 20 | (37,500,000) | 54,527,571 |
| (Decrease) / Increase in Cash | | <u>(35,437,084)</u> | <u>25,477,868</u> |

BASIS OF ACCOUNTS

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

BASIS OF CONSOLIDATION

The group accounts consolidate the accounts of Creation Financial Services Limited and its' subsidiary and associated undertakings.

Acquisitions are accounted for under the acquisition method. The results of subsidiaries acquired are consolidated from the date on which control passes.

In the group accounts, investments in joint ventures are accounted for using the equity method. The consolidated profit and loss account includes the groups' share of the joint venture profits or losses, while the group's share of the net assets of the joint venture is shown in the consolidated balance sheet.

TURNOVER

Turnover represents service charges receivable from cardholders and commission on financed sales.

FIXED ASSETS AND DEPRECIATION

All tangible fixed assets are depreciated at the following annual rates:

Fixtures & Fittings 20% - 33%

Assets are depreciated on a straight-line basis over their useful lives.

OPERATING LEASES

Rentals payable under operating leases are dealt with on a straight line basis over the lease term.

DEFERRED TAXATION

Deferred tax is provided in respect of the tax effect of all timing differences to the extent that it is probable that the liability or asset will crystallise in the foreseeable future, at the rate of tax expected to apply when the timing differences reverse.

PENSION COSTS

Pension costs charged to the profit and loss account reflect the contributions to the Group's defined contribution pension scheme.

CREATION FINANCIAL SERVICES LIMITED
NOTES TO THE ACCOUNTS
31st DECEMBER 2000

1. OPERATING PROFIT

| | 12 Months ended 31 st December 2000 | 11 Months ended 31 st December 1999 |
|--|---|---|
| Operating profit is stated after charging / (crediting): | £ | £ |
| Depreciation (see note 8) | 301,432 | 327,751 |
| Auditors' remuneration – as Auditors | 35,000 | 29,375 |
| - Other | 29,279 | 5,000 |
| (Profit) on disposal of fixed assets | - | (4,700) |
| Operating lease rentals: | | |
| Hire of plant and machinery | 244,114 | 160,909 |
| Others – Buildings | 177,196 | 81,191 |
| Recovery of VAT on debts previously written off | - | (28,184) |
| Receipt of VAT under 13 th Directive Claim | (150,000) | - |

2a. EXCEPTIONAL ITEMS

| | 12 Months ended 31 st December 2000 | 11 Months ended 31 st December 1999 |
|---------------------|---|---|
| | £ | £ |
| Equifax USA Receipt | - | 948,107 |
| | <hr/> | <hr/> |
| | - | 948,107 |

The receipt from Equifax USA Inc. (\$1,500,000) was in consideration for Creation Financial Services Ltd entering into a joint venture agreement with Equifax Europe (UK) Ltd (now Equifax PLC). This amount was repaid to Equifax PLC in the current year as part of the agreement for the sale of the Joint Venture share to Equifax PLC, and has therefore been included in the calculation of the profit on the sale of Joint Venture of £2,558,573 shown in note 2b below.

2b. PROFIT ON THE SALE OF JOINT VENTURE

| | 12 months ended 31 st December 2000 | 11 months ended 31 st December 1999 |
|-------------------------------------|---|---|
| | £ | £ |
| Profit on the sale of Joint Venture | 2,558,573 | - |
| | <hr/> | <hr/> |
| | 2,558,573 | - |

On the 15th September 2000 the company sold its 49% share of Equifax Card Solutions Ltd to the other joint venture partner Equifax plc (formerly Equifax Europe (UK) Ltd).

3. DIRECTORS' EMOLUMENTS

None of the directors received emoluments relating to their services from the company. All the directors are employed by the ultimate parent undertakings of the company – Cofinoga SA or BNP Paribas.

4. DIRECTORS' INTERESTS

The directors at the year-end are employed by the ultimate parent undertakings, Cofinoga SA and BNP Paribas. Their interests in their respective company's shareholdings are disclosed in the Directors Report on page 3.

5. EMPLOYEES

| | 12 Months ended 31 st December 2000 | 11 Months ended 31 st December 1999 |
|---|---|---|
| | £ | £ |
| Summary of costs (including directors): | | |
| Wages & salaries | 2,800,430 | 2,149,603 |
| Social security costs | 284,276 | 189,011 |
| Other pension costs | 170,482 | 110,337 |
| | <u>3,255,188</u> | <u>2,448,951</u> |

| | 12 Months ended 31 st December 2000 | 11 Months ended 31 st December 1999 |
|--|---|---|
| Average number of employees (including directors): | | |
| Full time | 99 | 91 |
| Part time | 17 | 14 |
| | <u>116</u> | <u>105</u> |

6. INTEREST PAYABLE

| | 12 Months ended 31 st December 2000 | 11 Months ended 31 st December 1999 |
|---|---|---|
| | £ | £ |
| Interest payable to group undertakings | - | 1,874,833 |
| Interest payable on bank loans & overdrafts | 8,340,326 | 4,344,937 |
| | <u>8,340,326</u> | <u>6,219,770</u> |

In the 11 months to 31st December 1999, the group undertaking was BNP Paribas, London office.

7. TAXATION ON (LOSS) ON ORDINARY ACTIVITIES

| | 12 Months ended 31 st December 2000 | 11 Months ended 31 st December 1999 |
|--|---|---|
| | £ | £ |
| UK Corporation tax at 30% (11 months ended 31 st December 1999 – 30%) | (177,000) | 579,579 |
| Prior Period Adjustment | (187,000) | - |
| Consortium Relief from Joint Venture | - | (167,580) |
| Deferred tax | (104,000) | (75,628) |
| Taxation before exceptional items | <u>(468,000)</u> | <u>336,371</u> |
| Tax relating to the profit on sale of Joint Venture: | | |
| Current tax | 791,000 | - |
| Deferred tax | (529,000) | - |
| | <u>(206,000)</u> | <u>336,731</u> |

The previous year charge to corporation tax was partially offset by Consortium Relief, from the 49% joint venture share of Equifax Card Solutions Ltd.

8. TANGIBLE FIXED ASSETS

| <u>Group and Company</u> | <u>Fixtures & Fittings</u> <u>£</u> | <u>Total</u> <u>£</u> |
|-----------------------------------|--|--------------------------|
| Cost: | | |
| At 1 st January 2000 | 2,299,245 | 2,299,245 |
| Additions | 617,119 | 617,119 |
| Disposals | (1,636,627) | (1,636,627) |
| | <hr/> | <hr/> |
| At 31st December 2000 | 1,279,737 | 1,279,737 |
| | <hr/> | <hr/> |
| Depreciation: | | |
| At 1 st January 2000 | 1,854,404 | 1,854,404 |
| Charge for the period | 301,432 | 301,432 |
| Disposals | (1,636,627) | (1,636,627) |
| | <hr/> | <hr/> |
| At 31 st December 2000 | 519,209 | 519,209 |
| | <hr/> | <hr/> |
| Net Book Value: | | |
| At 31 st December 2000 | <u>760,528</u> | <u>760,528</u> |
| At 1 st January 2000 | <u>444,841</u> | <u>444,841</u> |

9. INVESTMENTS

| <u>Group</u> | <u>31st December 2000</u> <u>£</u> | <u>31st December 1999</u> <u>£</u> |
|---------------------------------------|--|--|
| Equifax Card Solutions Limited: | | |
| Share of Assets | | |
| Share of fixed assets | - | 2,893,656 |
| Share of current assets | - | 5,075,092 |
| | <hr/> | <hr/> |
| | | 7,968,748 |
| Share of Liabilities | | |
| Liabilities due within one year | - | (4,919,851) |
| Liabilities due in more than one year | - | (2,554,331) |
| | <hr/> | <hr/> |
| Share of Net Assets | - | 494,566 |
| | <hr/> | <hr/> |

On the 15th September 2000 the company sold its 49% holding of the authorised and issued share capital of Equifax Card Solutions Limited, a joint venture company incorporated in the United Kingdom.

9. INVESTMENTS (continued)

| | 31 st December 2000 | 31 st December 1999 |
|--|--------------------------------|--------------------------------|
| | £ | £ |
| <u>Company</u> | | |
| Equifax Card Solutions Limited – Joint Venture | - | 883,424 |
| Attendstar Limited | 74 | 74 |
| West Midlands Debt Collections Limited | 100 | 100 |
| | <u>174</u> | <u>883,598</u> |

The Company holds the whole of the authorised and issued share capital of West Midlands Debt Collections Limited, a company incorporated in the United Kingdom, which did not trade during the year.

The Company holds 74% of the issued share capital of Attendstar Limited, a special purpose vehicle company incorporated in the United Kingdom.

10. DEBTORS

| | 31 st December 2000 | | 31 st December 1999 | |
|---|--------------------------------|-------------------|--------------------------------|-------------------|
| | <u>Group</u> | <u>Company</u> | <u>Group</u> | <u>Company</u> |
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | 162,363,169 | 6,358,964 | 157,194,380 | 1,814,219 |
| Loan owed by Joint Venture | - | - | 2,230,000 | 2,230,000 |
| Amounts owed by Subsidiary | - | 108,655 | - | - |
| Amounts owed by Joint Venture | - | - | 3,450,395 | 3,450,395 |
| Other Debtors | 497,856 | 497,856 | 494,445 | 494,445 |
| Prepayments | 788,043 | 788,043 | 702,801 | 702,801 |
| Taxation – deferred tax asset (see note 13) | 1,178,100 | 1,178,100 | 545,100 | 545,100 |
| | <u>164,827,168</u> | <u>8,931,618</u> | <u>164,617,121</u> | <u>9,236,960</u> |
| Amounts falling due after more than one year: | | | | |
| Trade debtors | 2,472,536 | 96,837 | 2,393,823 | 27,628 |
| Amounts owed by Subsidiary | - | 35,993,396 | - | 35,889,370 |
| | <u>2,472,536</u> | <u>36,090,233</u> | <u>2,393,823</u> | <u>35,916,998</u> |

The Loan to the Joint Venture in the previous year was an uncommitted facility, and was repaid in 2000 as part of the sale of the joint venture.

10. DEBTORS (continued)

Within the Group's trade debtors, £155,993,396 is held by Attendstar Ltd, (1999 £155,889,370) – transferred to the subsidiary from the parent company as part of the Societe Generale securitisation funding agreement.

11. CREDITORS

| | 31 st December 2000 | | 31 st December 1999 | |
|--------------------------------------|--------------------------------|----------------|--------------------------------|----------------|
| | <u>Group</u> | <u>Company</u> | <u>Group</u> | <u>Company</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Amounts falling due within one year: | | | | |
| Bank overdraft | 2,503,047 | 2,503,047 | - | - |
| Bank Loans | 12,500,000 | 12,500,000 | 50,000,000 | 50,000,000 |
| Trade creditors | 6,548,691 | 4,162,183 | 5,346,774 | 3,489,788 |
| Amounts owed to Joint Venture | - | - | 2,744,801 | 2,744,801 |
| Amounts owed to Subsidiary | - | 555,436 | - | 200 |
| Other Taxes | 216,267 | 216,267 | 369,250 | 369,250 |
| Accruals | 6,778,888 | 6,342,307 | 2,614,222 | 2,614,222 |
| Corporation Tax | 265,979 | 262,979 | 237,453 | 237,453 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 28,812,872 | 26,542,219 | 61,312,500 | 59,455,714 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

The short term bank loan is due to HSBC (formerly Credit Commercial de France), under a committed £30m GBP sterling facility. During the year, the committed £20m GBP sterling facility with Credit Agricole Indosuez was repaid.

12. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 31 st December 2000 | | 31 st December 1999 | |
|---|--------------------------------|----------------|--------------------------------|----------------|
| | <u>Group</u> | <u>Company</u> | <u>Group</u> | <u>Company</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Bank loans & overdrafts – repayable between 2 & 5 years | 120,000,000 | - | 120,000,000 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |

In December 1999 a five year non-recourse facility was arranged with Societe Generale Nederland Bank NV, through the 74% owned subsidiary Attendstar Ltd. The facility amount is dependent on the level of receivable balances, with any principal and interest repaid from the settlement of these receivable balances. The amount that can be drawn down under the facility is approximately 77% of the total receivable balance, being £156 million at 31st December 2000 (£156 million at 31st December 1999). There is an overall facility cap of £135 million.

The interest on the non-recourse debt is variable and at 31st December 2000 was 5.98%, (5.8% as at 31st December 1999).

13. DEFERRED TAXATION

Group and Company

| | Recognised 31 st December 2000 £ | Full Potential 31 st December 2000 £ | Recognised 31 st December 1999 £ | Full Potential 31 st December 1999 £ |
|-------------------------------|--|--|--|--|
| Excess capital allowances | - | 241,698 | - | 242,646 |
| Short term timing differences | 1,178,100 | 1,178,100 | 545,100 | 545,100 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,178,100 | 1,419,798 | 545,100 | 787,746 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Full recognition of the deferred tax asset relating to short term timing differences is made, as the directors believe these timing differences will crystallise in the foreseeable future.

The movement on the deferred tax account was as follows:

| | £ |
|--|-----------|
| Balance at 31 st December 1999 | 545,100 |
| Credited to the profit and loss account in respect of current period | 633,000 |
| | <hr/> |
| Balance at 31 st December 2000 | 1,178,100 |
| | <hr/> |

14. SHARE CAPITAL

| | 31 st December 2000 £ | 31 st December 1999 £ |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Ordinary shares of £1 each | | |
| Authorised, issued and fully paid | 10,000,100 | 10,000,100 |

15. PROFIT AND LOSS ACCOUNT

| | Group £ | Company £ |
|-----------------------------------|------------|--------------|
| At 31 st December 1999 | 11,571,762 | 11,960,620 |
| (Loss) for the period | (324,528) | (720,386) |
| At 31 st December 2000 | 11,247,234 | 11,240,234 |

As permitted by Section 230 of the Companies Act 1985, Creation Financial Services Limited has not presented its own profit and loss account.

The loss for the 12 months to 31st December 2000 of the Company was £720,386.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 12 months ended 31 st December 2000 | | 11 months ended 31 st December 1999 | |
|--|---|--------------|---|--------------|
| | Group £ | Company £ | Group £ | Company £ |
| (Loss) for the financial period | (324,528) | (720,386) | (420,977) | 1,189,736 |
| Unrealised gain arising on contribution of assets to joint venture | - | - | 1,221,855 | - |
| Net Addition to shareholders' funds | (324,528) | (720,386) | 800,878 | 1,189,736 |
| Opening shareholders' funds | 21,571,862 | 21,960,720 | 20,770,984 | 20,770,984 |
| Closing shareholders' funds | 21,247,334 | 21,240,334 | 21,571,862 | 21,960,720 |

17. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date (31st December 2000 - £NIL)

18. OPERATING LEASE COMMITMENTS

Group and Company

| | 31 st December 2000 | | 31 st December 1999 | |
|--|--------------------------------|----------------|--------------------------------|----------------|
| Commitments to make annual payments under non-cancellable operating leases are as follows: | Land & Buildings | Other | Land & Buildings | Other |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Within 2 to 5 years | 174,516 | 244,114 | 113,672 | 160,909 |
| After 5 years | - | - | - | - |
| | <u>174,516</u> | <u>244,114</u> | <u>113,672</u> | <u>160,909</u> |

19. PENSION COSTS

The Group is a member of a defined contribution scheme, the assets of which are held in trustee administered funds. The scheme is open to certain employees of the BNP Paribas group of companies and further particulars are set out in the Annual Report of that company. The total pension cost for the Company was £170,482 (11 months ended 31st December 1999 - £110,337).

20. GROSS CASH FLOWS

| | 12 months ended 31 st December 2000 | | 11 months ended 31 st December 1999 | |
|---|---|--------------|---|-------------|
| | £ | £ | £ | £ |
| Returns on Investment and Servicing of Finance | | | | |
| Interest received | 344,128 | | 315,390 | |
| Interest Paid | (8,060,326) | | (6,190,879) | |
| | | (7,716,198) | | (5,875,489) |
| Capital Expenditure | | | | |
| Payments to acquire tangible fixed assets | (617,119) | | (406,819) | |
| Receipts from sales of tangible fixed assets | - | | 4,700 | |
| | | (617,119) | | (402,119) |
| Acquisitions and Disposals | | | | |
| Sale of Interest in Subsidiary Undertaking | - | | 26 | |
| | | - | | 26 |
| Sale of Interest in Joint Venture | 2,878,605 | | - | |
| | | 2,878,605 | | - |
| Management of Liquid Resources | | - | | - |
| Financing | | | | |
| Repayments of loan capital | (37,500,000) | | (115,472,429) | |
| New loan finance | - | | 170,000,000 | |
| | | (37,500,000) | | 54,527,571 |

21. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES

| | 12 months ended 31 st December 2000 £ | 11 months ended 31 st December 1999 £ |
|---|--|--|
| Operating Profit | 7,187,525 | 7,598,067 |
| Depreciation charges | 301,432 | 327,751 |
| Profit on sale of fixed assets | - | (4,700) |
| Decrease / (Increase) in Debtors | 344,240 | (35,033,562) |
| Increase / (Decrease) in Creditors | 425,031 | 4,340,323 |
| Net Cash Inflow / (Outflow) from Operating Activities | 8,258,228 | (22,772,121) |

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 12 months ended 31 st December 2000 £ | 11 months ended 31 st December 1999 £ |
|---|--|--|
| (Decrease) / Increase in Cash in Period | (35,437,084) | 25,477,868 |
| Cash paid to repay Bank Loans | 37,500,000 | 115,472,429 |
| Cash received from new Bank Loans | - | (170,000,000) |
| Change in Net Debt | 2,062,916 | (29,049,703) |
| Net Debt at start of financial period | (135,065,963) | (106,016,260) |
| Net Debt at end of financial period | (133,003,047) | (135,065,963) |

23. ANALYSIS OF CHANGES IN NET DEBT

| | 1 st January 2000 £ | Cash Flows £ | 31 st December 2000 £ |
|------------------------------------|-----------------------------------|-----------------|-------------------------------------|
| Cash in Hand | 34,934,037 | (32,934,037) | 2,000,000 |
| Debt due within 1 year - overdraft | - | (2,503,047) | (2,503,047) |
| Debt due within 1 year - loan | (50,000,000) | 37,500,000 | (12,500,000) |
| Debt due after 1 year | (120,000,000) | - | (120,000,000) |
| Net Debt | (135,065,963) | 2,062,916 | (133,003,047) |

24. RELATED PARTY TRANSACTIONS

During the 12 months to 31st December 2000, the company paid Equifax Card Solutions Ltd £16,052,939 (11 months ended 31st December 1999 - £8,454,171) for card processing services.

During the 12 months to 31st December 2000, the company paid Nil (11 months ended 31st December 1999: £1,874,834) interest on uncommitted loans to BNP Paribas- 50% shareholder. These loans were taken out and repaid during the period to the 31st December 1999.

25. PARENT UNDERTAKINGS

The ultimate parent companies and controlling parties are Groupe Cofinoga SA and BNP Paribas; both companies are incorporated in France. Copies of their respective annual reports are available from the registered offices of Creation Financial Services Limited.