

Creation Financial Services Limited
Annual report and financial statements
for the year ended 31 December 2008

Registered number: 1091883

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Creation Financial Services Limited

Annual report and financial statements for the year ended 31 December 2008

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Creation Financial Services Limited

Directors and advisors

Directors

J M Chanavas
J P Charles
J Darrieu
S A R Hunt
P A R Reffay

Secretaries

J S McCulloch

Registered office

Chadwick House
Blenheim Court
Solihull
B91 2AA

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Creation Financial Services Limited

Directors' report for the year ended 31 December 2008

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

Principal activities

The principal activity of the Company is that of a finance company offering a store card service. In addition, the Company offers other personal credit facilities.

Review of business

The global financial crisis, which started in the second half of 2008, presented the Company with unprecedented risks and opportunities. Continuing challenges in consumer environment and increasing levels of individual insolvencies has had an impact on the results for the year. However, the Company continues to take this opportunity to develop new products and to look into new areas of business to minimise the impacts of the changing consumer environment when credit becomes more difficult for consumers generally. In addition, the Company has developed and will continue to review strategies to minimise the impact of bad debts.

The Company's directors are of the opinion that an analysis using KPI's is not necessary for an understanding of the development, performance or position of the business and hence this has not been presented. The results for the year are set out in the profit and loss account on page 7.

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks, but in particular credit risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring the exposure.

Changes in government policy, legislation or regulatory interpretation applying to companies in the financial services industry may adversely affect the Company's product range, capital requirements and, consequently, reported results and financing requirements.

Financial risk management

Credit risk

The Company takes on exposure to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when due. Significant changes in the economy, or in the health of a particular retail sector that represents a concentration of the Company's portfolio, could result in losses that are different to those provided at the balance sheet date. Management carefully manages its exposure to credit risk, and this is monitored by the risk department who work closely with the finance department. In addition, the Company continues to implement policies to ensure appropriate credit checks are carried on potential customers. During the year, additional procedures have been implemented which have improved the collection performance of customers in arrears.

Interest rate risk

The Company has loans from group companies which are interest bearing and based on LIBOR. As a result the company is exposed to fluctuations in LIBOR. However part of this is offset against loans issued to other group companies.

Creation Financial Services Limited

Directors' report for the year ended 31 December 2008 (continued)

Trading results

The profit before tax for the year amounted to £3,199,786 (2007: £5,807,980).

Dividend and transfer to reserves

The profit for the financial year after tax of £798,491 (2007: £3,655,980) has been transferred to reserves. The directors do not recommend the payment of a dividend (2007: £nil).

Directors

The directors listed below have held office during the whole of the period from 1 January 2008 to the date of this report unless otherwise stated:

J M Chanavas
J P Charles
J Darrieu
S A R Hunt
C Lory (resigned 28 February 2009)
P A R Reffay (appointed 5 January 2009)
J Y Granger (resigned 5 January 2009)

Employment policy

During the year the Company has continued to maintain, as far as practicable, close consultation with employees or their representative 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.

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.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

Creation Financial Services Limited

Directors' report for the year ended 31 December 2008 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements (continued)

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 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 confirm that they have complied with the above requirements in preparing the financial statements.

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

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that they 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.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board


J S McCulloch
Company Secretary
22 April 2009

Independent auditors' report to the members of Creation Financial Services Limited

We have audited the financial statements of Creation Financial Services Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

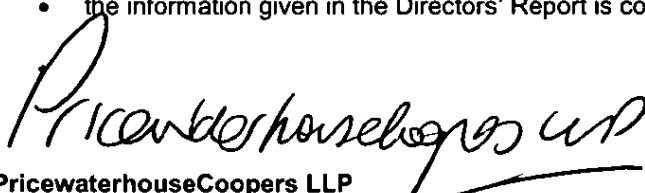
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Creation Financial Services Limited (continued)

Opinion

In our opinion:

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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
22 April 2009

Creation Financial Services Limited

Profit and loss account for the year ended 31 December 2008

		2008	2007
	Notes	£	£
Turnover	1	49,574,803	52,226,352
Administrative expenses		(42,696,499)	(39,555,475)
Operating profit	2	6,878,304	12,670,877
Interest receivable and similar income		16,118,966	14,380,997
Interest payable and similar charges	5	(19,797,484)	(21,243,894)
Profit on ordinary activities before taxation		3,199,786	5,807,980
Tax charge on profit on ordinary activities	6	(2,401,295)	(2,152,000)
Profit for the financial year	15	798,491	3,655,980

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

The profit for the year includes all recognised gains and losses for the year, therefore no separate statement of total recognised gains and losses has been presented.

All the amounts above relate to the continuing operations of the Company.

Creation Financial Services Limited

Balance sheet as at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Intangible assets	7	178,495	824,879
Tangible assets	8	6,809,906	6,930,551
Investments	9	33,001,836	33,001,836
		39,990,237	40,757,266
Current assets			
Debtors: amounts falling due within one year	10	437,698,777	397,955,729
Debtors: amounts falling due after more than one year	10	-	2,083,316
Cash at bank and in hand		1,532,167	3,273,327
		439,230,944	403,312,372
Creditors: amounts falling due within one year	11	(304,644,284)	(300,493,772)
Net current assets		134,586,660	102,818,600
Total assets less current liabilities		174,576,897	143,575,866
Creditors: amounts falling due after more than one year	12	(76,000,000)	(95,500,000)
Net assets		98,576,897	48,075,866
Capital and reserves			
Called up share capital	14	59,702,640	10,000,100
Profit and loss account	15	38,874,257	38,075,766
Total shareholders' funds	16	98,576,897	48,075,866

The financial statements on pages 7 to 22 were approved by the board of directors on 22 April 2009 and were signed on its behalf by:


J.P. Charles
Director

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008

1 Principal accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

The financial statements contain information about Creation Financial Services Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included by full consolidation in the consolidated accounts of its immediate parent, LaSer Cofinoga SA, a company incorporated in France.

Turnover

Turnover represents interest and servicing charges applied to cardholder accounts and commissions earned from the merchants based on a percentage of the cardholder spend. Servicing and collection charges are applied to the cardholders' accounts, unless recoverability of the balance is doubtful, and recognised in the period to which they relate. All turnover is derived from operations in the United Kingdom.

Tangible fixed assets

All tangible fixed assets are initially recorded at cost and depreciated at the following annual rates:

Fixtures & fittings 10% - 33%

Assets are depreciated on a straight-line basis over their useful lives. Assets in course of construction represents computer and other equipment where the asset is being developed in house. These assets are not depreciated until they are fully commissioned and brought into use.

Intangible fixed assets

Payments to secure contracts are capitalised as intangible assets and amortised over the life of the contract, which do not exceed 20 years.

Payments to acquire licences are capitalised as intangible assets and amortised to match the benefits associated with the licence over a period not exceeding 20 years.

Payments made to acquire debt portfolios in excess of the fair value of the debt are capitalised and amortised over the estimated life of the portfolio.

Investments

Fixed asset investments are stated at their purchase cost less any provision for diminution in value.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Principal accounting policies (continued)

Impairment of assets

Impairment reviews are undertaken if events or changes in circumstances indicate that the carrying value of tangible, intangible fixed assets and investments may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows. Impairment is assessed by comparing the carrying value of the asset to the higher of net present value of future cash flows derived from the underlying assets or their recoverable amount.

Operating leases

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Pension costs

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

Bad debt provision

Provision is calculated on the basis of the rate of final loss established from statistical analysis of the debtor population for each product. These rates are then applied to all balances outstanding in order to calculate the provision for irrecoverable debts.

Cash flow statement

The Company is a wholly owned subsidiary of LaSer Cofinoga SA and the cash flows of the Company are included in the consolidated group cash flow statement of LaSer Cofinoga SA. Consequently the Company is exempt under the terms of Financial Reporting Standard No. 1 (revised 1996) from publishing a cash flow statement.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Principal accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the exchange rate of a related foreign exchange contract where appropriate. The resulting gain or loss is dealt with in the profit and loss account.

2 Operating profit

	2008	2007
	£	£
Operating profit is stated after charging:		
Amortisation of intangible fixed assets (see note 7)	646,384	225,183
Depreciation of tangible fixed assets (see note 8)	1,336,832	1,036,522
Exceptional items (see below)	600,000	-
Auditors' remuneration - as auditors	49,738	49,176
- audit of associates	18,803	18,644
- taxation services	-	24,117
- corporate finance	76,629	-
- other costs	-	470
Operating lease rentals:		
- hire of plant and machinery	130,177	218,817
- other, including buildings	523,365	606,917

During the year, £300,000 relating to the goodwill on the acquisition of Adams portfolio was impaired when Adams Childrens Wear Ltd went into receivership. A further £300,000 prepayment on advance commissions to Adams Childrens Wear Ltd was also written off this year (see note 7).

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

3 Directors' emoluments

The Directors emoluments for the year were as follows:

	2008	2007
	£	£
Aggregate emoluments	355,210	434,688

Emoluments of the highest paid director are £219,248 (2007: £229,755).

Retirement benefits are accruing for 1 Director (2007: 1) under the defined contribution scheme. Total value of the contribution paid into the defined contribution scheme was £18,450 (2007: £16,500).

4 Employees

	2008	2007
	£	£
Summary of costs (including directors):		
Wages & salaries	5,617,675	5,695,842
Social security costs	651,304	651,668
Other pension costs (see note 19)	449,160	374,586
	6,718,139	6,722,096

Average number of employees (including directors):	2008	2007
Full time	125	127
Part time	19	18
	144	145

	Number	Number
Average monthly number of persons employed by the company (including executive directors) during the year by activity:		
Administration and sales	144	145

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

5 Interest payable and similar charges

	2008	2007
	£	£
Interest payable to group undertakings	19,797,484	21,243,894

6 Tax charge on profit on ordinary activities

	2008	2007
	£	£
Current tax		
UK corporation tax on profits of the period	(1,035,596)	-
Adjustment in respect of previous periods	1,356,928	-
Total current tax	321,332	-
Deferred tax		
Origination and reversal of timing differences (note 13)	2,079,963	2,076,778
Impact of change in tax rate	-	75,222
Total deferred tax	2,079,963	2,152,000
Tax on profit on ordinary activities	2,401,295	2,152,000

The total tax charge for the year is higher than the standard rate of 28.5%, as additional tax was paid in respect of prior periods following resolution of queries with UK tax authorities. In addition, in prior periods the company had claimed group relief by utilising losses of other group companies however it was subsequently decided to carry back available losses within the company to prior periods instead.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

6 Tax charge on profit on ordinary activities (continued)

The tax assessed for the year is lower (2007: lower) than the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before taxation	3,199,786	5,807,980
Profit on ordinary activities multiplied by average standard rate of UK corporation tax of 28.5% (2007: 30%)	911,940	1,742,394
Effects of:		
Expenses not deductible for tax purposes	148,414	21,784
Accelerated capital allowances	(53,710)	(175,446)
Timing differences in respect of losses	(1,645,310)	(1,772,276)
Other timing differences	(380,943)	(129,056)
Adjustments to tax charge in respect of previous periods	1,356,928	-
Group relief surrendered/(claimed)	-	312,600
Impact of change in rate	(15,987)	-
Current tax charge for the year	321,332	-

The current year corporate tax rate equates to 28.5%, reflecting the reduction in UK corporation tax rate to 28% from 1 April 2008.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

7 Intangible fixed assets

	Premium on acquisition of debt portfolio	Licenses & similar intangible assets	Total
	£	£	£
Cost			
At 1 January 2008 and 31 December 2008	533,624	1,493,069	2,026,693
Amortisation			
At 1 January 2008	108,769	1,093,045	1,201,814
Charge for the year	246,360	400,024	646,384
At 31 December 2008	355,129	1,493,069	1,848,198
Net book amount			
At 31 December 2008	178,495	-	178,495
At 31 December 2007	424,855	400,024	824,879

The premium on acquisition is amortised in line with the diminution in the portfolio as the debt book is repaid, hence amortisation is matched to the contribution earned in the year.

During the year, £300,000 relating to the goodwill on the acquisition of Adams portfolio was impaired when Adams Childrens Wear Ltd went into receivership. A further £300,000 prepayment on advance commissions to Adams Childrens Wear Ltd was also written off this year.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

8 Tangible fixed assets

	Fixtures & fittings	Assets in course of construction	Total
	£	£	£
Cost			
At 1 January 2008	9,366,116	1,578,273	10,944,389
Additions	347,120	869,067	1,216,187
Transfers	2,428,457	(2,428,457)	-
At 31 December 2008	12,141,693	18,883	12,160,576
Accumulated depreciation			
At 1 January 2008	4,013,838	-	4,013,838
Charge for the year	1,336,832	-	1,336,832
At 31 December 2008	5,350,670	-	5,350,670
Net book amount			
At 31 December 2008	6,791,023	18,883	6,809,906
At 31 December 2007	5,352,278	1,578,273	6,930,551

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

9 Investments

	2008	2007
	£	£
Alders Financial Services Limited	1	1
Creation Consumer Finance Limited	31,293,735	31,293,735
Creation Insurance Services Limited	1,708,000	1,708,000
West Midlands Debt Collections Limited	100	100
	33,001,836	33,001,836

The Company held the whole of the issued ordinary share capital of Alders Financial Services Limited, a company incorporated in the United Kingdom. The company did not trade during the year.

The Company holds the whole of the issued ordinary share capital of Creation Consumer Finance Limited, a company incorporated in the United Kingdom. The principal activity of the company is the provision of point of sale credit facilities for retail clients.

The Company holds the whole of the issued ordinary share capital of Creation Insurance Services Limited, a company incorporated in the Republic of Ireland. The principal activity was an insurance company for consumer payment protection plan insurance policies. The company ceased writing new business on 30 June 2004

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

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

10 Debtors

	2008	2007
	£	£
Amounts falling due within one year		
Trade debtors	118,957,336	127,996,700
Amounts owed by fellow group companies	1,300,000	1,127
Amounts owed by subsidiary undertakings	314,804,686	267,193,231
Corporation tax debtor	557,240	380,592
Other debtors	1,054,078	1,472,531
Prepayments	769,940	659,404
Deferred tax asset (see note 13)	255,497	252,144
	437,698,777	397,955,729
Amounts falling due after more than one year		
Deferred tax asset (see note 13)	-	2,083,316

Amounts owed by group undertakings are unsecured and are repayable on demand and incur interest based on LIBOR.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

11 Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	2,021,634	1,391,715
Amounts owed to group undertakings	294,635,759	291,704,986
Other creditors	-	8,536
Other taxation and social security	313,124	258,008
Accruals	7,673,767	7,130,527
	304,644,284	300,493,772

Funding for Creation Financial Services Limited is provided by LaSer Cofinoga S.A on a revolving basis. The funding facility is secured with LaSer Cofinoga S.A and is reviewed on a regular basis.

Amounts due to other group undertakings are unsecured and are repayable on demand.

Interest is charged at one month LIBOR rate plus 13bps. The rate ruling as at 31 December 2008 was 5.61%.

12 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
In more than one year, but not more than two years	70,500,000	70,500,000
In more than two years, but not more than five years	5,500,000	25,000,000
Amounts owed to group undertakings (see note 11)	76,000,000	95,500,000

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

13 Deferred taxation

	2008	2007
	£	£
Capital allowances	(189,392)	(136,712)
Tax losses	437,889	2,083,316
Other short term timing differences	7,000	388,856
	255,497	2,335,460

Tax losses carried forward estimated at £1,563,892 at 31 December 2008, are available to offset against future profits of the same trade. Full recognition of the deferred tax asset relating to these losses is made, as the directors believe these timing differences will reverse in the foreseeable future.

The movement on the deferred tax of £2,079,963 account can be analysed as follows:

	£
Balance at 1 January 2008	2,335,460
Bad debt provision reclassification to tax purposes	(380,943)
Changes of brought forward losses utilisation since 2007	(654,653)
Movement in respect of current year	(1,044,367)
Balance at 31 December 2008	255,497

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

14 Called up share capital

	2008	2007
	£	£
Authorised, issued and fully paid		
59,702,640 ordinary shares of £1 each	59,702,640	10,000,100

On 10 January 2008, LaSer Cofinoga SA subscribed for £49,702,540 of additional share capital in Creation Financial Services. This was made up of the same number of £1 ordinary shares.

15 Profit and loss account

	£
At 1 January 2008	38,075,766
Profit for the year	798,491
At 31 December 2008	38,874,257

16 Reconciliation of movements in total shareholders' funds

	2008	2007
	£	£
Profit for the year	798,491	3,655,980
49,702,540 ordinary shares issued and fully paid in the year (see note 14)	49,702,540	-
Opening total shareholders' funds	48,075,866	44,419,886
Closing total shareholders' funds	98,576,897	48,075,866

17 Capital commitments

There were no capital commitments at the balance sheet date (2007: £nil).

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

18 Operating lease commitments

Commitments to make annual payments under non-cancellable operating leases are as follows:

	2008		2007	
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
Operating leases which expire:				
Within 2 to 5 years	523,365	216,220	606,917	218,817
	523,365	216,220	606,917	218,817

19 Pension costs

The Company 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 LaSer Cofinoga group of companies and further particulars are set out in the Annual Report of that Company.

The total pension cost for the Company was £449,160 (2007: £374,586). There were no outstanding or prepaid contributions at the period end.

20 Parent undertaking and controlling party

The immediate parent company and controlling party is LaSer Cofinoga SA; a company incorporated in France. The largest undertaking of which the company is a member, and for which group financial statements are prepared, is LaSer Cofinoga SA. Group financial statements for this company are prepared and are available to the public from 66 Rue des Archives, 75003 Paris, France.

The ultimate parent and controlling parties are BNP Paribas SA and Galeries Lafayette Group SA, who each own 50% of the LaSer Group, and are incorporated in France. Copies of the annual reports are available from the registered offices of these Companies.

21 Related party disclosures

The Company has taken advantage of the relief available under FRS 8, Related Party Disclosures, where subsidiary undertakings whose voting rights are 90 per cent or more controlled within the group are not required to disclose transactions with entities that are fellow group companies or investees of the group qualifying as related parties.