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Creation Financial Services Limited  
Annual report and financial statements  
for the year ended 31 December 2009

Registered number 01091883

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# **Creation Financial Services Limited**

## **Annual report and financial statements for the year ended 31 December 2009**

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# **Creation Financial Services Limited**

## **Directors and advisors**

### **Directors**

J P Charles  
J Darrieu  
S A R Hunt  
P A R Reffay  
M Philippin  
B D'Halluin

### **Company secretaries**

J S McCulloch

### **Registered office**

Chadwick House  
Blenheim Court  
Solihull  
B91 2AA

### **Independent auditors**

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

# **Creation Financial Services Limited**

## **Directors' report for the year ended 31 December 2009**

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2009

### **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 continued through 2009, presented the Company with unprecedented risks and opportunities. Continuing challenges in the 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 as 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**

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**

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.

#### *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 2009 (continued)**

### **Financial risk management (continued)**

#### *Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the continued support of the ultimate parent company, treasury maintains flexibility in funding by maintaining availability under committed credit lines.

### **Future Developments**

The Company will continue to develop new products and develop into different areas of the consumer market.

### **Trading results**

The profit before tax for the year amounted to £9,989,905 (2008 £3,199,786).

### **Dividend and transfer to reserves**

The profit for the financial year after tax of £9,332,975 (2008 £798,491) has been transferred to reserves. The directors do not recommend the payment of a dividend (2008 £nil).

### **Directors**

The directors listed below have held office during the whole of the period from 1 January 2009 up to the date of signing the financial statements, unless otherwise stated.

J P Charles

J Darrieu

S A R Hunt

J M Chanavas (resigned 18 September 2009)

B D'Halluin (appointed 18 September 2009)

M Philippin (appointed 18 September 2009)

C Lory (resigned 28 February 2009)

P A R Refray (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.

# **Creation Financial Services Limited**

## **Directors' report for the year ended 31 December 2009 (continued)**

### **Directors' indemnities**

The Company maintains liability insurance for its directors and officers

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- Select appropriate accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether appropriate UK 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **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

By order of the board

  
**J S McCulloch**  
**Company secretary**

23 April 2010

Creation Financial Services Limited

Registered number 01091883

## **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 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

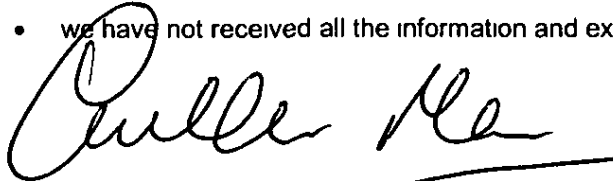
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read 'Andrew Mair', with a long horizontal line extending from the end of the signature.

**Andrew Mair (Senior Statutory Auditor)**  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
23 April 2010



# Creation Financial Services Limited

## Profit and loss account for the year ended 31 December 2009

		2009	2008
	Note	£	£
<b>Turnover</b>	1	<b>44,809,161</b>	49,574,803
Administrative expenses		<b>(32,897,820)</b>	(42,696,499)
<b>Operating profit</b>	2	<b>11,911,341</b>	6,878,304
Interest receivable and similar income	5	<b>12,112,331</b>	16,118,966
Interest payable and similar charges	6	<b>(14,033,767)</b>	(19,797,484)
<b>Profit on ordinary activities before taxation</b>		<b>9,989,905</b>	3,199,786
Tax on profit on ordinary activities	7	<b>(656,930)</b>	(2,401,295)
<b>Profit for the financial year</b>	16	<b>9,332,975</b>	798,491

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 financial years includes all recognised gains and losses for the years, therefore no separate statement of total recognised gains and losses has been presented

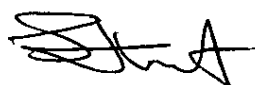
All the amounts above relate to the continuing operations of the Company

# Creation Financial Services Limited

## Balance sheet as at 31 December 2009

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Intangible assets	8	-	178,495
Tangible assets	9	5,742,268	6,809,906
Investments	10	51,575,836	33,001,836
		<b>57,318,104</b>	<b>39,990,237</b>
<b>Current assets</b>			
Debtor amounts falling due within one year	11	477,329,108	437,698,777
Debtors amounts falling due after more than one year	11	67,760,000	-
Cash at bank and in hand		3,351,913	1,532,167
		<b>548,441,021</b>	<b>439,230,944</b>
Creditors amounts falling due within one year	12	(429,765,910)	(304,644,284)
<b>Net current assets</b>		<b>118,675,111</b>	<b>134,857,079</b>
<b>Total assets less current liabilities</b>		<b>175,993,215</b>	<b>174,847,316</b>
Creditors amounts falling due after more than one year	13	(67,721,000)	(76,000,000)
Provisions for liabilities	14	(362,343)	-
<b>Net assets</b>		<b>107,909,872</b>	<b>98,576,897</b>
<b>Capital and reserves</b>			
Called up share capital	15	59,702,640	59,702,640
Profit and loss account	16	48,207,232	38,874,257
<b>Total shareholders' funds</b>	17	<b>107,909,872</b>	<b>98,576,897</b>

The financial statements on pages 7 to 23 were approved by the board of directors on 23 April 2010 and were signed on its behalf by



**S A R Hunt**  
Director

# **Creation Financial Services Limited**

## **Notes to the financial statements for the year ended 31 December 2009**

### **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 2006 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 400 of the Companies Act 2006 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 service 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 and is recognised on an accruals basis, when the services are supplied.

#### **Tangible fixed assets**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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

Fixtures and fittings	10% - 33%
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Assets in course of construction represents computers 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.

# **Creation Financial Services Limited**

## **Notes to the financial statements for the year ended 31 December 2009 (continued)**

### **1 Principal accounting policies (continued)**

#### **Investments**

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

#### **Impairment of assets**

Impairment reviews are undertaken if events or changes in circumstances indicate that the carrying value of tangible, intangible fixed assets or 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 LaSer Cofinoga group of companies defined contribution pension scheme.

#### **Bad debt provision**

Provision is calculated on the basis of the expected 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.

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 1 Principal accounting policies (continued)

#### 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 FRS number 1 (revised 1996) from publishing a cash flow statement

#### Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction or the rate of exchange of a related foreign exchange contract. 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

	2009	2008
	£	£
Operating profit is stated after charging		
Amortisation of intangible fixed assets (see note 8)	178,495	646,384
Depreciation of tangible fixed assets (see note 9)	1,388,648	1,336,832
Auditors' remuneration - as auditors	72,643	49,738
- audit of associates	9,660	9,870
- corporate finance	2,938	76,629
Operating lease rentals		
- hire of plant and machinery	228,870	130,177
- other, including buildings	511,923	523,365

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 3 Directors' emoluments

The directors' emoluments for the year were as follows

	2009	2008
	£	£
Aggregate emoluments	235,411	355,210

Emoluments of the highest paid director are £235,411 (2008 £219,248)

J M Chanavas, J P Charles and J Darrieu received their pay from LaSer Cofinoga S A and hence their emoluments are disclosed in the accounts of that company

Retirement benefits are accruing for 1 Director (2008 1) under the defined contribution scheme The total value of the contributions paid into the defined contribution scheme was £19,200 (2008 £18,450)

### 4 Employees

	2009	2008
	£	£
<b>Summary of costs (including directors)</b>		
Wages and salaries	5,931,313	5,617,675
Social security costs	638,259	651,304
Other pension costs (see note 20)	504,023	449,160
	7,073,595	6,718,139

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 4 Employees (continued)

Average number of employees (including directors):	2009	2008
Full time	134	125
Part time	21	19
	155	144

	Number	Number
Average monthly number of persons employed by the company (including executive directors) during the year by activity		
Administration and sales	155	144

### 5 Interest receivable and similar income

	2009	2008
	£	£
Interest receivable from bank	9,886	104,330
Interest receivable from group undertakings	12,102,445	16,014,636
	12,112,331	16,118,966

### 6 Interest payable and similar charges

	2009	2008
	£	£
Interest payable to group undertakings	14,033,767	19,797,484

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 7 Tax on profit on ordinary activities

	2009	2008
	£	£
<b>Current tax</b>		
UK corporation tax on profits of the year	39,090	(1,035,596)
Adjustments in respect of previous periods	-	1,356,928
Total current tax	39,090	321,332
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 14)	617,840	2,079,963
Total deferred tax	617,840	2,079,963
Tax charge on profit on ordinary activities	656,930	2,401,295

The tax charge is lower than the standard rate of 28% due to the availability of losses from other group companies. 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 2009 (continued)

### 7 Tax charge on profit on ordinary activities (continued)

The tax assessed for the year is lower (2008 lower) than the standard rate of corporation tax in the UK 28% (2008 28.5%). The differences are explained below

	2009	2008
	£	£
<b>Profit on ordinary activities before taxation</b>	<b>9,989,905</b>	<b>3,199,786</b>
Profit on ordinary activities multiplied by standard rate in the UK 28% (2008 28.5%)	<b>2,797,173</b>	911,940
Effects of		
Expenses not deductible for tax purposes	<b>79,661</b>	148,414
Accelerated capital allowances	<b>(178,269)</b>	(53,710)
Timing differences in respect of losses	<b>(291,480)</b>	(1,645,310)
Group relief claimed not paid for	<b>(2,123,555)</b>	-
Utilisation of unrecognised trading losses brought forward	<b>(244,440)</b>	-
Adjustments in respect of previous periods	-	1,356,928
Other timing differences	-	(380,943)
Impact of change in rate	-	(15,987)
<b>Current tax charge for the year</b>	<b>39,090</b>	<b>321,332</b>

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 8 Intangible assets

	Premium on acquisition of debt portfolio	Licenses and similar intangible assets	Total
	£	£	£
<b>Cost</b>			
At 1 January 2009 and 31 December 2009	2,921,349	1,493,069	4,414,418
<b>Accumulated amortisation</b>			
At 1 January 2009	2,742,854	1,493,069	4,235,923
Charge for the year	178,495	-	178,495
At 31 December 2009	2,921,349	1,493,069	4,414,418
<b>Net book amount</b>			
At 31 December 2009	-	-	-
At 31 December 2008	178,495	-	178,495

The premium on acquisition has been 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

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 9 Tangible assets

	Fixtures and fittings	Assets in course of con- struction	Total
	£	£	£
<b>Cost</b>			
At 1 January 2009	12,141,693	18,883	12,160,576
Additions	300,089	20,921	321,010
<b>At 31 December 2009</b>	<b>12,441,782</b>	<b>39,804</b>	<b>12,481,586</b>
<b>Accumulated depreciation</b>			
At 1 January 2009	5,350,670	-	5,350,670
Charge for the year	1,388,648	-	1,388,648
<b>At 31 December 2009</b>	<b>6,739,318</b>	<b>-</b>	<b>6,739,318</b>
<b>Net book amount</b>			
<b>At 31 December 2009</b>	<b>5,702,464</b>	<b>39,804</b>	<b>5,742,268</b>
At 31 December 2008	6,791,023	18,883	6,809,906

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 10 Investments

	2009	2008
	£	£
Alders Financial Services Limited	1	1
Creation Consumer Finance Limited	49,417,735	31,293,735
Creation Insurance Limited	2,158,000	1,708,000
West Midlands Debt Collections Limited	100	100
	51,575,836	33,001,836

The directors believe that the carrying value of the investments is supported by their underlying value of the subsidiaries

The Company holds 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 increase of investments in Creation Consumer Finance Limited relates to an additional capital contribution during the year.

The Company holds the whole of the issued ordinary share capital of Creation Insurance Limited (CIL), 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. In 2008, Creation Consumer Finance Limited had made a capital contribution of £250,000 to CIL, on behalf of the Company. During the year, this investment has been transferred back to the Company and an additional £200,000 capital contribution was also provided. The reason for the increase is due to the fluctuations between sterling and euro rates in 2009, and the contributions have been made to ensure the minimum guarantee fund in CIL is sufficient to protect CIL against any further sterling weaknesses.

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 2009 (continued)

### 11 Debtors

	2009	2008
	£	£
<b>Amounts falling due within one year</b>		
Trade debtors	105,445,039	118,957,336
Amounts owed by fellow group companies	1,811,907	1,300,000
Amounts owed by subsidiary undertakings	367,357,198	314,804,686
Corporation tax debtor	853,150	557,240
Other debtors	772,634	1,054,078
Prepayments	1,089,180	769,940
Deferred tax asset (see note 14)	-	255,497
	<b>477,329,108</b>	<b>437,698,777</b>
<b>Amounts falling due after more than one year</b>		
Amounts owed by subsidiary undertakings	67,760,000	-

Amounts owed by fellow group companies are unsecured, interest free and are repayable on demand

Included in amounts owed by subsidiary undertakings is a secured funding facility provided to Creation Consumer Finance Limited which is interest bearing and is reviewed on a regular basis. The interest rate at 31 December 2009 was 2.22% (2008 5.61%)

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 12 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	1,984,990	2,021,634
Amounts owed to group undertakings	422,019,967	294,635,759
Other taxation and social security	357,541	313,124
Accruals	5,403,412	7,673,767
	<b>429,765,910</b>	<b>304,644,284</b>

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

Amounts owed to other group undertakings are unsecured, incur interest and are repayable on demand.

Interest is charged at one month LIBOR rate plus 13bps (2008 plus 13bps). The interest rate as at 31 December 2009 was 2.22% (2008 5.61%).

### 13 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
In more than one year, but not more than two years	67,721,000	70,500,000
In more than two years, but not more than five years	-	5,500,000
<b>Amounts owed to group undertakings</b>	<b>67,721,000</b>	<b>76,000,000</b>

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 14 Deferred taxation

	2009	2008
	£	£
Capital allowances	(369,343)	(189,392)
Tax losses	-	437,889
Other short term timing differences	7,000	7,000
<b>Deferred tax (liability)/asset</b>	<b>(362,343)</b>	<b>255,497</b>

The movement on the deferred tax account was as follows

	£
Asset at 1 January 2009	255,497
Movement in respect of current year	(617,840)
<b>Liability at 31 December 2009</b>	<b>(362,343)</b>

Total unused losses from Alders Financial Services Limited at 31 December 2009 was £1,461,964 (2008 £2,335,205)

### 15 Called up share capital

	2009	2008
	£	£
<b>Authorised, allotted and fully paid</b>		
59,702,640 ordinary shares of £1 each	59,702,640	59,702,640

### 16 Profit and loss account

	£
At 1 January 2009	38,874,257
Profit for the financial year	9,332,975
<b>At 31 December 2009</b>	<b>48,207,232</b>

# Creation Financial Services Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 17 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit for the financial year	9,332,975	798,491
49,702,540 ordinary shares issued and fully paid in the year	-	49,702,540
Opening total shareholders' funds	98,576,897	48,075,866
Closing total shareholders' funds	107,909,872	98,576,897

### 18 Capital commitments

There were no capital commitments at the balance sheet date (2008 £nil)

### 19 Operating lease commitments

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

	2009		2008	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire				
Within 2 to 5 years	511,923	177,539	523,365	130,177

### 20 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 £504,023 (2008 £449,160). There were no outstanding or prepaid contributions at the year end (2008 £nil).



# **Creation Financial Services Limited**

## **Notes to the financial statements for the year ended 31 December 2009 (continued)**

### **21 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 companies 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.

### **22 Related party disclosures**

The Company has taken advantage of the relief available under FRS 8, Related Party Disclosures, not to disclose related party transactions with other related parties that are 100% members of the LaSer Cofinoga SA group of companies.