

CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED REPORT AND ACCOUNTS
11 MONTHS ENDED 31ST DECEMBER 1999

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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

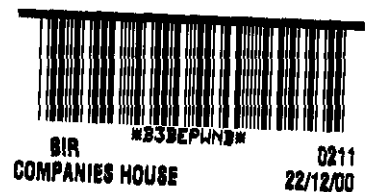
SECRETARY AND REGISTERED OFFICE

B Cavelier, 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 period ended 31st December 1999.

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 6.

In March 1998 the Company entered into a Joint Venture agreement with Equifax, the worlds largest provider of card services. The Company has a 49% share in this joint venture whose business purpose is the provision of account-processing services for the Company and for other external companies.

The Joint Venture commenced trading on the 1st June 1999 as Equifax Card Solutions Ltd, a company registered in England and Wales.

On 23rd February 1999 the Company was sold by Sears plc to Groupe Cofinoga SA and the Banque Nationale de Paris (now BNP Paribas), both parent companies are registered in France.

In December 1999, the Company entered into a securitisation funding agreement with Societe Generale Bank Nederland SGBN. The Company set up a subsidiary Attendstar Limited, a company registered in England and Wales, to act as a special purpose vehicle for the outstanding receivables securitised and the funding monies from SGBN. The Company owns 74% of Attendstar Limited, the remaining 26% is owned by SG Hambros Trust Company Limited.

The Company has changed its financial year-end from 31st January to 31st December to coincide with that of its new parent undertakings; as a result the following Report and Accounts are for the 11-month period ended 31st December.

POST BALANCE SHEET EVENT

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).

TRADING RESULTS

The loss before tax for the 11 months amounted to £84,606 (12 months ended 31st January 1999: £4,489,155 profit).

DIVIDEND AND TRANSFER TO RESERVES

The loss after taxation of £420,977 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 as shown:

D J Allmey	Resigned 24 th February 1999
S A R Hunt	Resigned 24 th February 1999
S Phillips	Resigned 24 th February 1999
G Rennison	Resigned 24 th February 1999
K M Elwell	Resigned 23 rd February 1999
R Kimberley	Resigned 23 rd February 1999
M R Philippin	Appointed 23 rd February 1999
J L Camblin	Appointed 23 rd February 1999
L G Schmoll	Appointed 23 rd February 1999
A J Burgi	Appointed 23 rd February 1999
J F Varlet	Appointed 23 rd February 1999
J L Bonnafe	Appointed 23 rd February 1999
G Chaurand	Appointed 23 rd February 1999
P Decla	Appointed 23 rd February 1999

CREATION FINANCIAL SERVICES LIMITED
REPORT OF THE DIRECTORS (continued)

The interests of the directors holding office as at 31st December 1999, in options over shares of BNP Paribas were:

G Chaurand	Options held at year end – 3,000 shares – all awarded 22 nd December 1999
J F Varlet	Options held at year end – 3,000 shares – all awarded 22 nd December 1999
J L Bonnaffe	Options held at year end – 10,000 shares – all awarded 22 nd December 1999

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 1999 equated to 33 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.

YEAR 2000

The Company fully recognised the Millennium date systems problems. There were three primary areas for concern, operational management systems with machine embedded chips, IT Functions and equivalent areas at suppliers. Work continued during 1999 on identifying all areas of the business, which may have been affected from bankcard system to first tier suppliers. System changes were carried out to ensure all areas of the business were year 2000 compliant before December 1999. As a result, there were no problems at the start of the new-year.

CREATION FINANCIAL SERVICES LIMITED
REPORT OF THE DIRECTORS (continued)

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: *J. L. Camblin*

Director

Date:

A large, stylized handwritten signature in black ink, likely belonging to J. L. Camblin, is written over the date field.

30.11.00

PricewaterhouseCoopers

Temple Court
35 Bull Street
Birmingham B4 6JT
Telephone +44 (0) 121 265 5000
Facsimile +44 (0) 121 265 5050
Direct Fax +44 (0) 121 265 5200

Auditors' report to the members of Creation Financial Services Limited

We have audited the financial statements on pages 6 to 21.

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 1999 and of the loss and cash flows of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

30 November 2000

CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 11 MONTHS ENDED 31st DECEMBER 1999

	Note	11 months ended 31 st December 1999	12 months ended 31 st January 1999
		£	£
Turnover: Group and Share of Joint Venture		41,757,181	36,329,959
Less: Share of Joint Venture		(4,156,444)	-
Group Turnover		<u>37,600,737</u>	<u>36,329,959</u>
Administration Expenses		(30,950,777)	(26,215,968)
Exceptional Items	2	948,107	500,000
Administrative Expenses Including Exceptional Items		<u>(30,002,670)</u>	<u>(25,715,968)</u>
Group Operating Profit		<u>7,598,067</u>	<u>10,613,991</u>
Share of Operating Loss in Joint Venture		(1,724,024)	-
		<u>5,874,043</u>	<u>10,613,991</u>
Share of Joint Venture Interest Payable		(54,269)	-
Interest Receivable		315,390	253,618
Interest Payable	6	(6,219,770)	(6,378,454)
(Loss) / Profit on Ordinary Activities Before Taxation		<u>(84,606)</u>	<u>4,489,155</u>
Taxation on (Loss) / Profit on Ordinary Activities	7	(336,371)	1,400
(Loss) / Profit on Ordinary Activities After Taxation	15	<u>(420,977)</u>	<u>4,490,555</u>

The (loss) / profit for the period is derived wholly from continuing operations.

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 11 MONTHS ENDED 31st DECEMBER 1999

	Note	11 months ended 31 st December 1999 £	12 months ended 31 st January 1999 £
(Loss) / Profit for the Financial Year		(420,977)	4,490,555
Unrealised gain arising on contribution of assets to joint venture	9	1,221,855	-
Total Recognised Gains and Losses for the Financial Year		<u>800,878</u>	<u>4,490,555</u>

CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET
AT 31st DECEMBER 1999

	Note	31 st December 1999		31 st January 1999	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		444,841		1,080,513
Investment in Joint Venture:					
Share of gross assets	9	7,968,748		-	
Share of gross liabilities	9	(7,474,182)		-	
			494,566		-
			939,407		1,080,513
Current Assets					
Debtors: amounts falling due within one year	10	164,617,121	130,182,929		
Debtors: amounts falling due after more than one year	10	2,393,823	1,887,019		
Cash at bank and in hand		34,934,037	9,456,169		
		201,944,981	141,526,117		
Creditors: Amounts Falling Due Within One Year	11	(61,312,500)	(33,562,956)		
Net Current Assets			140,632,481		107,963,161
Total Assets Less Current Liabilities			141,571,888		109,043,674
Creditors: Amounts Falling Due After More Than One Year	12		(120,000,000)		(88,272,690)
Equity Minority Interest			(26)		-
Net Assets			21,571,862		20,770,984
Capital and Reserves					
Called up share capital	14		10,000,100		10,000,100
Reserves	15		11,571,762		10,770,884
Equity Shareholders Funds	16		21,571,862		20,770,984

Approved by the Board of Directors on 30.11.00 and signed on its behalf by:

Name: J. L. Camblin.
Director



CREATION FINANCIAL SERVICES LIMITED
BALANCE SHEET
AT 31st DECEMBER 1999

	Note	31 st December 1999		31 st January 1999	
		£	£	£	£
Fixed Assets					
Tangible Assets	8	444,841		1,080,513	
Investments	9	883,598		100	
		<u>1,328,439</u>		<u>1,080,613</u>	
Current Assets					
Debtors: amounts falling due within one year	10	9,236,960	130,182,929		
Debtors: amounts falling due after more than one year	10	35,916,998	1,887,019		
Cash at bank and in hand		34,934,037	9,456,169		
		<u>80,087,995</u>	<u>141,526,117</u>		
Creditors: Amounts Falling Due Within One Year	11	(59,455,714)	(33,563,056)		
Net Current Assets		<u>20,632,281</u>		<u>107,963,061</u>	
Total Assets Less Current Liabilities		<u>21,960,720</u>		<u>109,043,674</u>	
Creditors: Amounts Falling Due After More Than One Year	12	-		(88,272,690)	
Net Assets		<u>21,960,720</u>		<u>20,770,984</u>	
Capital and Reserves					
Called up share capital	14	10,000,100		10,000,100	
Profit and loss account	15	11,960,620		10,770,884	
Equity Shareholders Funds	16	<u>21,960,720</u>		<u>20,770,984</u>	

Approved by the Board of Directors on 30.11.00 and signed on its behalf by:

Name: J. L. Camblin.
Director



CREATION FINANCIAL SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE 11 MONTHS ENDED 31st DECEMBER 1999

		11 months ended 31 st December 1999 £	12 months ended 31 st January 1999 £
	Note		
Net Cash Outflow from Operating Activities	21	(22,772,121)	5,466,485
Returns on Investment and Servicing of Finance	20	(5,875,489)	(6,081,727)
Taxation		-	(4,177,222)
Capital Expenditure	20	(402,119)	(429,589)
Acquisitions and Disposals	20	26	-
		<u>(29,049,703)</u>	<u>(5,222,053)</u>
Equity Dividends Paid		-	-
Cash flow before financing		<u>(29,049,703)</u>	<u>(5,222,053)</u>
Management of Liquid Resources		-	-
Financing	20	54,527,571	(7,279,902)
Increase / (Decrease) in Cash		<u>25,477,868</u>	<u>(12,501,955)</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:

Motor Vehicles	33%
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

During the year, the company transferred to the defined contribution scheme of Banque Nationale de Paris (now BNP Paribas).

Pension costs charged to the profit and loss account reflect the costs of those contributions.

1. OPERATING PROFIT

	11 Months ended 31 st December 1999	12 Months ended 31 st January 1999
	£	£
Operating profit is stated after charging / (crediting):		
Depreciation (see note 8)	327,751	818,350
Auditors' remuneration – as Auditors	29,375	35,837
- Other	5,000	1,212
(Profit) on disposal of fixed assets	(4,700)	-
Operating lease rentals:		
Hire of plant and machinery	160,909	81,651
Others – Buildings	81,191	695,322
Recovery of VAT on debts previously written off	(28,184)	(660,589)

2. EXCEPTIONAL ITEMS

	11 Months ended 31 st December 1999	12 Months ended 31 st January 1999
	£	£
Equifax USA Receipt	948,107	-
VAT Reclaim	-	500,000
	<u>948,107</u>	<u>500,000</u>

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).

3. DIRECTORS' EMOLUMENTS

	11 Months ended 31 st December 1999	12 Months ended 31 st January 1999
	£	£
Management services	27,562	580,766
Emoluments of:		
Highest paid director	9,125	149,721

The directors of the Company as at 1st February resigned on the 23rd or the 24th February 1999 as shown on page 2, therefore only those emoluments relating to their services for that period are disclosed. The directors appointed on the 23rd February are employed by the ultimate parent undertakings of the Company – Cofinoga SA or Banque Nationale de Paris (now BNP Paribas).

4. DIRECTORS' INTERESTS

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

5. EMPLOYEES

	11 Months ended 31 st December 1999	12 Months ended 31 st January 1999
	£	£
Summary of costs (including directors):		
Wages & salaries	2,149,603	6,353,462
Social security costs	189,011	490,585
Other pension costs	110,337	19,517
	<u>2,448,951</u>	<u>6,863,564</u>

	11 Months ended 31 st December 1999	12 Months ended 31 st January 1999
Average number of employees (including directors):		
Full time	91	230
Part time	14	327
	<u>105</u>	<u>557</u>

6. INTEREST PAYABLE

	11 Months ended 31 st December 1999	12 Months ended 31 st January 1999
	£	£
Interest payable to group undertakings	1,874,833	2,339,566
Interest payable on bank loans & overdrafts	4,344,937	4,038,888
	<u>6,219,770</u>	<u>6,378,454</u>

In the 11 months to 31st December 1999, the group undertaking is Banque Nationale de Paris (now BNP Paribas), London office. In the previous year, group undertaking was Sears Plc.

7. TAXATION ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

	11 Months ended 31 st December 1999	12 Months ended 31 st January 1999
	£	£
UK Corporation tax charge based on the results for the period at 30% (1999 – 30%)	579,579	-
Consortium Relief from Joint Venture – 100%	(342,000)	-
51% Equifax UK Ltd - Consortium Relief share	174,420	-
Deferred tax (Note 13)	(75,628)	(1,400)
	<u>336,371</u>	<u>(1,400)</u>

The current year charge to corporation tax has been partially off-set by Consortium Relief, from the 49% joint venture share of Equifax Card Solutions Ltd.

8. TANGIBLE FIXED ASSETS

<u>Group and Company</u>	<u>Motor Vehicles</u> £	<u>Fixtures & Fittings</u> £	<u>Total</u> £
Cost:	41,701	3,168,213	3,209,914
At 1 st February 1999			
Additions	-	406,819	406,819
Disposals	(41,701)	(1,275,787)	(1,317,488)
	<hr/>	<hr/>	<hr/>
At 31 st December 1999	-	2,299,245	2,299,245
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 st February 1999	35,054	2,094,347	2,129,401
Charge for the period	851	326,900	327,751
Disposals	(35,905)	(566,843)	(602,748)
	<hr/>	<hr/>	<hr/>
At 31 st December 1999	-	1,854,404	1,854,404
	<hr/>	<hr/>	<hr/>
Net Book Value:			
At 31 st December 1999	-	<u>444,841</u>	<u>444,841</u>
At 1 st February 1999	<u>6,647</u>	<u>1,073,866</u>	<u>1,080,513</u>

9. INVESTMENTS

<u>Group</u>	<u>31st December 1999</u> £	<u>31st January 1999</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	<u>494,566</u>	-

The Company holds a 49% holding of the authorised and issued share capital of Equifax Card Solutions Limited, a joint venture company incorporated in the United Kingdom. The additional disclosure is due to the turnover of the joint venture representing more than 15% of the investing group's turnover.

9. INVESTMENTS (continued)

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

During the year the Company acquired 100 shares of £1 each (the whole of the issued share capital) for consideration of £100 in Attendstar Limited, a special purpose vehicle company incorporated in the United Kingdom. Subsequently, 26 shares of £1 each were sold to the SG Hambros Trust Company Limited for consideration of £26.

Consideration for the 49% share of Equifax Card Solutions Limited was given in the form of assets contributed to the joint venture with a total book value of £883,424. The book value of the share of the joint ventures assets at the date of acquisition was £2,105,279, giving rise to an unrealised gain of £1,221,855. There were no differences between book values and fair values in the transaction.

10. DEBTORS

	31 st December 1999		31 st January 1999	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	157,194,380	1,814,219	126,700,333	126,700,333
Loan owed by Joint Venture	2,230,000	2,230,000	-	-
Amounts owed by Joint Venture	3,450,395	3,450,395	-	-
Other Debtors	494,445	494,445	2,274,430	2,274,430
Prepayments	702,801	702,801	738,694	738,694
Taxation – deferred tax asset	545,100	545,100	469,472	469,472
(see note 13)				
	<u>164,617,121</u>	<u>9,236,960</u>	<u>130,182,929</u>	<u>130,182,929</u>
Amounts falling due after more than one year:				
Trade debtors	2,393,823	27,628	1,887,019	1,887,019
Amounts owed by Subsidiary	-	35,889,370	-	-
	<u>2,393,823</u>	<u>35,916,998</u>	<u>1,887,019</u>	<u>1,887,019</u>

The Loan to the joint venture is an uncommitted facility.

10. DEBTORS (continued)

Within the Group's trade debtors, £157,746,356 is held by Attendstar Ltd – transferred to the subsidiary from the parent company as part of the Societe Generale securitisation funding agreement.

11. CREDITORS

	31 st December 1999		31 st January 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:				
Trade creditors	5,346,774	3,489,788	4,169,252	4,169,252
Bank Loans	50,000,000	50,000,000	27,199,739	27,199,739
Amounts owed to Joint Venture	2,744,801	2,744,801	-	-
Amounts owed to Subsidiary	-	200	-	-
Other Taxes	369,250	369,250	281,675	281,675
Accruals	2,614,222	2,614,222	1,912,290	1,912,390
Corporation Tax	237,453	237,453	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	61,312,500	59,455,714	33,562,956	33,563,056
	<hr/>	<hr/>	<hr/>	<hr/>

The short term bank loans are due to Credit Agricole Indosuez, an uncommitted £20m GBP Sterling facility and Credit Commercial de France, a committed £30m GBP sterling facility.

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

	31 st December 1999		31 st January 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	-	88,272,690	88,272,690
	<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 1999. There is an overall facility cap of £135 million.

The interest on the non-recourse debt is variable and at 31st December 1999 was 5.8%.

The previous years' balance refers to a non-recourse facility from Warburg Dillon Read, which was terminated and fully reimbursed on the 19th July 1999.

13. DEFERRED TAXATION

Group and Company

	Provided 31 st December 1999 £	Full Potential 31 st December 1999 £	Provided 31 st January 1999 £	Full Potential 31 st January 1999 £
Excess capital allowances	-	242,646	-	242,646
Short term timing differences	545,100	545,100	469,472	469,472
	<hr/> 545,100 <hr/>	<hr/> 787,746 <hr/>	<hr/> 469,472 <hr/>	<hr/> 712,118 <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 January 1999	469,472
Credited to the profit and loss account in respect of current period	75,628
	<hr/>
Balance at 31 st December 1999	545,100
	<hr/>

14. SHARE CAPITAL

	31 st December 1999 £	31 st January 1999 £
Ordinary shares of £1 each		
Authorised, issued and fully paid	<u>10,000,100</u>	<u>10,000,100</u>

15. PROFIT AND LOSS ACCOUNT

	Group £	Company £
At 31 st January 1999	10,770,884	10,770,884
(Loss) / Profit for the period	(420,977)	1,189,736
Unrealised gain arising on contribution of assets to joint venture (note 9)	1,221,855	-
At 31 st December 1999	<u>11,571,762</u>	<u>11,960,620</u>

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

The profit for the 11 months to 31st December 1999 of the Company was £1,189,736.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	11 months ended 31 st December 1999		12 months ended 31 st January 1999	
	Group £	Company £	Group £	Company £
(Loss) / Profit for the financial period	(420,977)	1,189,736	4,490,555	4,490,555
Unrealised gain arising on contribution of assets to joint venture (note 9)	<u>1,221,855</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Addition to shareholders' funds	800,878	1,189,736	4,490,555	4,490,555
Opening shareholders' funds	<u>20,770,984</u>	<u>20,770,984</u>	<u>16,280,429</u>	<u>16,280,429</u>
Closing shareholders' funds	<u>21,571,862</u>	<u>21,960,720</u>	<u>20,770,984</u>	<u>20,770,984</u>

17. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date (31st January 1999 - £NIL)

18. OPERATING LEASE COMMITMENTS

Group and Company

Commitments to make annual payments under non-cancellable operating leases are as follows:	31 st December 1999 £	31 st January 1999 £
Operating leases which expire:		
Within 1 to 5 years	274,581	696,000
After 5 years	-	-
	<u>274,581</u>	<u>696,000</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 Banque Nationale de Paris group of companies and further particulars are set out in the Annual Report of that company. The total pension cost for the Company was £110,337 (12 months ended 31st January 1999 - £19,517).

20. GROSS CASH FLOWS

	11 months ended 31 st December 1999 £	12 months ended 31 st January 1999 £
Returns on Investment and Servicing of Finance		
Interest received	315,390	253,618
Interest Paid	(6,190,879)	(6,335,345)
	<u>(5,875,489)</u>	<u>(6,081,727)</u>
Capital Expenditure		
Payments to acquire tangible fixed assets	(406,819)	(884,387)
Receipts from sales of tangible fixed assets	4,700	454,798
	<u>(402,119)</u>	<u>(429,589)</u>
Acquisitions and Disposals		
Sale of Interest in Subsidiary Undertaking	26	-
	<u>26</u>	<u>-</u>
Management of Liquid Resources	<u>-</u>	<u>-</u>
Financing		
Repayments of loan capital	(115,472,429)	(65,439,632)
New loan finance	170,000,000	58,159,730
	<u>54,527,571</u>	<u>(7,279,902)</u>

21. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	11 months ended 31 st December 1999 £	12 months ended 31 st January 1999 £
Operating Profit	7,598,067	10,613,991
Depreciation charges	327,751	818,350
Profit on sale of fixed assets	(4,700)	0
(Increase) in Debtors	(35,033,562)	(7,453,979)
Decrease in Creditors	4,340,323	1,488,123
Net Cash (Outflow) / Inflow from Operating Activities	(22,772,121)	5,466,485

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

	11 months ended 31 st December 1999 £	12 months ended 31 st January 1999 £
Increase / Decrease in Cash in Period	25,477,868	(12,501,955)
Cash paid to repay Bank Loans	115,472,429	65,439,632
Cash received from new Bank Loans	(170,000,000)	(58,159,730)
Change in Net Debt	(29,049,703)	(5,222,053)
Net Debt at start of financial period	(106,016,260)	(100,794,207)
Net Debt at end of financial period	(135,065,963)	(106,016,260)

23. ANALYSIS OF CHANGES IN NET DEBT

	1 st February 1999 £	Cash Flows £	31 st December 1999 £
Cash in Hand	9,456,169	25,477,868	34,934,037
Debt due within 1 year	(27,199,739)	(22,800,261)	(50,000,000)
Debt due after 1 year	(88,272,690)	(31,727,310)	(120,000,000)
Net Debt	(106,016,260)	(29,049,703)	(135,065,963)

24. RELATED PARTY TRANSACTIONS

During the 11 months to 31st December 1999 the Company paid £1,874,834 (12 months ended 31st January 1999: Nil) interest on uncommitted loans to Banque Nationale de Paris (now BNP Paribas) – 50% shareholder. These loans were taken out and repaid during the period to 31st December 1999. During the period to 31st December 1999, the Group paid the joint venture – Equifax Card Solutions Ltd £8,454,171 (12 months ended 31st January 1999: Nil) for card processing transactions.

25. PARENT UNDERTAKING

The ultimate parent companies and controlling parties are Groupe Cofinoga SA and Banque Nationale de Paris (now 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.

26. POST BALANCE SHEET EVENT

On the 15th September 2000, the Company sold its 49% share in the joint venture Equifax Card Solutions Ltd, to the other partner Equifax PLC (formerly Equifax Europe (UK) Ltd).