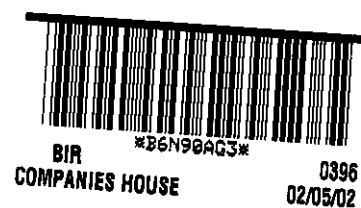


Creation Financial Services Limited
Annual report and accounts
for the year ended 31 December 2001

Registered Number: 1091883



Creation Financial Services Limited

Annual report and accounts for the year ended 31 December 2001

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Creation Financial Services Limited

Directors and advisers for the year ended 31 December 2001

Directors

M R Philippin

J L Camblin

L G Schmoll

A J Burgi

J F Varlet Resigned 28th June 2001

J L Bonnafe Resigned 28th June 2001

G Chaurand Resigned 28th June 2001

P Decla Resigned 28th June 2001

Secretary

S Phillips

Registered Office

Radcliffe House

Blenheim Court

Solihull

B91 2AA

Auditors

PricewaterhouseCoopers

Temple Court

35 Bull Street

Birmingham

B4 6JT

Creation Financial Services Limited

Directors' report for the year ended 31 December 2001

The directors present their annual report together with the audited financial statements for the year ended 31 December 2001.

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.

The Company's ordinary share capital is now 100% owned by the parent undertaking Cofinoga SA (a company incorporated in France) following the acquisition in the year of the 50% shareholding of BNP-Paribas.

Trading results

The profit before tax for the year amounted to £1,728,343 (year ended 31 December 2001- £530,528 loss).

Dividend and transfer to reserves

The retained profit of £1,208,523 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 whole of the year from 1 January 2001 to the date of this report unless otherwise stated:

M R Philippin	
J L Camblin	
L G Schmoll	
A J Burgi	
J F Varlet	Resigned 28 th June 2001
J L Bonnafe	Resigned 28 th June 2001
G Chaurand	Resigned 28 th June 2001
P Decla	Resigned 28 th June 2001

There were no interests of the directors holding office as at 31 December 2001, in options over shares of Cofinoga SA or any other Cofinoga group company.

Employment policy

During the period 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 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 31 December 2001 equated to 29 days on a weighted average basis over the period.

Creation Financial Services Limited

Directors' report for the year ended 31 December 2001 (continued)

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 Group, and of the profit or loss of the Group 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 the reasonable accuracy at any time the financial position of the Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

By order of the Board:



S Phillips
Company Secretary
23 April 2002

Creation Financial Services Limited

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 4, 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 the Company's and Group's affairs at 31 December 2001 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Birmingham

23 April 2002

Creation Financial Services Limited

Consolidated profit and loss account for the year ended 31 December 2001

	Notes	31 December 2001 £	31 December 2000 (restated) £
Turnover: Group and Share of Joint Venture		50,951,283	51,863,009
Less: Share of Joint Venture		-	(6,217,008)
Group Turnover		50,951,283	45,646,001
Administration Expenses		(41,413,143)	(38,458,476)
Group Operating Profit		9,538,140	7,187,525
Share of Operating Loss in Joint Venture		-	(2,089,727)
		9,538,140	5,097,798
Profit on the Sale of Joint Venture	2	-	2,558,573
		9,538,140	7,656,371
Share of Joint Venture Interest Payable		-	(190,701)
Interest Receivable		70,919	344,128
Interest Payable	6	(7,880,716)	(8,340,326)
Profit/(Loss) on Ordinary Activities Before Taxation		1,728,343	(530,528)
Taxation on Profit/(Loss) on Ordinary Activities	7	(518,000)	206,000
Profit/(Loss) on Ordinary Activities After Taxation		1,210,343	(324,528)
Equity Minority Interests		(1,820)	(1,820)
Profit/(Loss) for the financial year	16	1,208,523	(326,348)

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.

The profit for the year is derived wholly from continuing operations and includes all recognised gains and losses for the year.

The prior year comparatives for the Group have been restated to reanalyse capital and reserves between the minority interest share and the Group share.

The movement in shareholders' funds is set out in note 17.

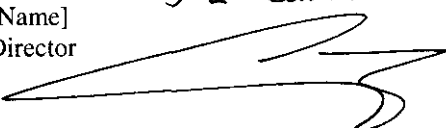
Creation Financial Services Limited

Consolidated balance sheet as at 31 December 2001

	Notes	31 December 2001 £	31 December 2000 (restated) £
Fixed Assets			
Intangible Assets	8	1,364,250	-
Tangible Assets	9	<u>655,873</u>	<u>760,528</u>
		2,020,123	760,528
Current Assets			
Debtors: amounts falling due within one year	11	188,468,923	164,827,168
Debtors: amounts falling due after more than one year	11	2,940,960	2,472,536
Cash at bank and in hand		<u>-</u>	<u>2,000,000</u>
		191,409,883	169,299,704
Creditors: amounts falling due within one year	12	<u>(35,972,303)</u>	<u>(28,812,872)</u>
Net Current Assets		155,437,580	140,486,832
Total Assets Less Current Liabilities		157,457,703	141,247,360
Creditors: amounts falling due after more than one year	13	(135,000,000)	(120,000,000)
Net Assets		<u>22,457,703</u>	<u>21,247,360</u>
Capital and Reserves			
Called up share capital	15	10,000,100	10,000,100
Reserves	16	<u>12,453,937</u>	<u>11,245,414</u>
Equity Shareholders Funds	17	22,454,037	21,245,514
Equity Minority Interest		3,666	1,846
Capital Employed		<u>22,457,703</u>	<u>21,247,360</u>

Approved by the Board of Directors on 23 April 2002 and signed on its behalf by:

[Name]
Director

S. L. Camblin


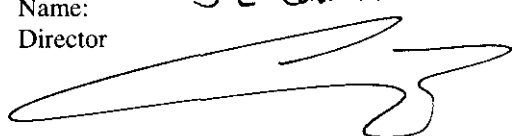
Creation Financial Services Limited

Company balance sheet as at 31 December 2001

	Notes	31st December 2001 £	31st December 2000 £
Fixed Assets			
Intangible Assets	8	1,364,250	-
Tangible Assets	9	655,873	760,528
Investments	10	174	174
		<u>2,020,297</u>	<u>760,702</u>
Current Assets			
Debtors: amounts falling due within one year	11	4,986,610	8,931,618
Debtors: amounts falling due after more than one year	11	48,930,292	36,090,233
Cash at bank and in hand		-	2,000,000
		<u>53,916,902</u>	<u>47,021,851</u>
Creditors: amounts falling due within one year	12	<u>(33,493,522)</u>	<u>(26,542,219)</u>
Net Current Assets		<u>20,423,380</u>	<u>20,479,632</u>
Total Assets Less Current Liabilities		<u>22,443,677</u>	<u>21,240,334</u>
Creditors: amounts falling due after more than one year	13	-	-
Net Assets		<u>22,443,677</u>	<u>21,240,334</u>
Capital and Reserves			
Called up share capital	15	10,000,100	10,000,100
Reserves	16	12,443,577	11,240,234
Equity Shareholders Funds	17	<u>22,443,677</u>	<u>21,240,334</u>

Approved by the Board of Directors on 23 April 2002 and signed on its behalf by:

Name:
Director

J.L. Cambin


Creation Financial Services Limited

Consolidated cash flow statement for the year ended 31 December 2001

	Notes	31 December 2001 £	31 December 2000 £
Net Cash (Outflow)/Inflow from Operating Activities	22	(14,056,171)	8,258,228
Returns on Investment and Servicing of Finance	21	(7,864,380)	(7,716,198)
Taxation		(293,349)	(740,600)
Capital Expenditure	21	(1,588,766)	(617,119)
Acquisitions and Disposals	21	-	2,878,605
Equity Dividends Paid		-	-
Cash flow before financing	24	(23,802,666)	2,062,916
Management of Liquid Resources		-	-
Financing	21	22,500,000	(37,500,000)
(Decrease) in Cash		(1,302,666)	(35,437,084)

Creation Financial Services Limited

Accounting Policies as at 31 December 2001

Basis of accounts

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

The requirements of FRS 18 (Accounting Policies) have been implemented during the year. There is no financial impact.

Basis of consolidation

The group financial statements consolidate the financial statements 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 financial statements, 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 for financial products which the company charges to its cardholders and commission on financed sales.

Fixed assets and depreciation

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

Fixtures & Fittings 20% - 33%

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

Intangible 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.

Impairment of fixed assets

Impairment reviews are undertaken if events or changes in circumstances indicate that the carrying value of tangible and intangible fixed assets may not be recoverable.

Creation Financial Services Limited

Accounting Policies as at 31 December 2001 (continued)

Operating leases

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

Deferred taxation

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

Pension costs

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

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 loss in value of bad debts.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001

1. Operating Profit

	31 December 2001	31 December 2000
Operating profit is stated after charging / (crediting):	£	£
Depreciation (see note 9)	329,171	301,432
Auditors' remuneration – as auditors	35,000	35,000
– other	213,087	29,279
Operating lease rentals:		
- hire of plant and machinery	242,012	244,114
- other – buildings	202,631	177,196
Receipt of VAT under 13 th Directive Claim	-	(150,000)

2. Profit on the sale of joint venture

	31 December 2001	31 December 2000
	£	£
Profit on the sale of Joint Venture	-	2,558,573
	-	2,558,573

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

3. Directors' emoluments

None of the directors received emoluments relating to their services to the company. All the directors are employed by the ultimate parent undertaking of the company, Groupe Cofinoga SA.

4. Directors' interests

The directors at the year-end are employed by the ultimate parent undertaking, Groupe Cofinoga SA. There were no interests of the directors holding office as at 31 December 2001, in options over shares of Groupe Cofinoga SA or any other Cofinoga group company.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

5. Employees

	31 December 2001	31 December 2000
	£	£
Summary of costs (including directors):		
Wages & salaries	3,494,689	2,800,430
Social security costs	345,853	284,276
Other pension costs	222,862	170,482
	<u>4,063,404</u>	<u>3,255,188</u>
 Average number of employees (including directors):	 31 December 2001	 31 December 2000
Full time	105	99
Part time	23	17
	<u>128</u>	<u>116</u>

During the year an interest free loan was made by Creation Financial Services Limited (CFS) to Benoit Cavelier, a director of Attendstar Limited, and an officer of CFS. The amount of the loan outstanding at the year end was £25,000.

6. Interest Payable

	31 December 2001	31 December 2000
	£	£
Interest payable to group undertakings	-	-
Interest payable on bank loans & overdrafts	7,880,716	8,340,326
	<u>7,880,716</u>	<u>8,340,326</u>

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

7. Taxation on profit/(loss) on ordinary activities

	31 December 2001	31 December 2000
	£	£
UK Corporation tax at 30% (31 December 2000 – 30%)	391,367	(177,000)
Prior Period Adjustment	52,222	(187,000)
Deferred tax	74,411	(104,000)
Taxation before exceptional items	518,000	(468,000)
Tax relating to the profit on sale of Joint Venture:		
Current tax	-	791,000
Deferred tax (note 14)	-	(529,000)
	518,000	(206,000)

8. Intangible fixed assets

Group and Company	Licenses & similar intangible assets
	£
Cost:	
At 1 January 2001	-
Additions	1,364,250
At 31 December 2001	1,364,250
Amortisation:	
At 1 January 2001	-
Charge for the year	-
At 31 December 2001	-
Net Book Value:	
At 31 December 2001	1,364,250
At 31 December 2000	-

The Company has paid £1,000,000 to a major retailer in order to secure a ten year contract to supply credit card services to the retailer's customers. The sum will be amortised over the next ten years, beginning 1 January 2002, being the life of the contract. The other addition in the year represents a payment to acquire a licence, which will be amortised over the period expected to benefit from use of this licence.

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

9. Tangible fixed assets

Group and Company	Fixtures & fittings £
Cost:	
At 1 January 2001	1,279,737
Additions	224,516
Disposals	(23,821)
At 31 December 2001	<u>1,480,432</u>
Depreciation:	
At 1 January 2001	519,209
Charge for the year	329,171
Disposals	(23,821)
At 31 December 2001	<u>824,559</u>
Net Book Value:	
At 31 December 2001	<u>655,873</u>
At 1 January 2001	<u>760,528</u>

10. Investments

	31 December 2001	31 December 2000
Company:	£	£
Attendstar Limited	74	74
West Midlands Debt Collections Limited	100	100
	<u>174</u>	<u>174</u>

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

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

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

11. Debtors

	31 December 2001		31 December 2000	
	Group £	Company £	Group £	Company £
Amounts falling due within one year:				
Trade debtors	184,944,777	1,347,808	162,363,169	6,358,964
Amounts owed by Subsidiary	-	114,656	-	108,655
Other Debtors	397,029	397,029	497,856	497,856
Prepayments	2,023,428	2,023,428	788,043	788,043
Taxation – deferred tax asset (see note 14)	1,103,689	1,103,689	1,178,100	1,178,100
	<u>188,468,923</u>	<u>4,986,610</u>	<u>164,827,168</u>	<u>8,931,618</u>
Amounts falling due after more than one year:				
Trade debtors	2,940,960	184,777	2,472,536	96,837
Amounts owed by Subsidiary	-	48,745,515	-	35,993,396
	<u>2,940,960</u>	<u>48,930,292</u>	<u>2,472,536</u>	<u>36,090,233</u>

Within the Group's trade debtors, £183,745,515 is held by Attendstar Limited, (31 December 2000 £155,993,396) – transferred to the subsidiary from the parent company as part of the Societe Generale securitisation funding agreement.

12. Creditors – amounts falling due within one year

	31 December 2001		31 December 2000	
	Group £	Company £	Group £	Company £
Bank overdraft	1,805,713	1,805,713	2,503,047	2,503,047
Bank Loans	20,000,000	20,000,000	12,500,000	12,500,000
Trade creditors	7,839,259	5,231,622	6,548,691	4,162,183
Amounts owed to Subsidiary	-	466,766	-	555,436
Other Taxes	97,512	97,512	216,267	216,267
Accruals	5,813,600	5,478,690	6,778,888	6,342,307
Corporation Tax	416,219	413,219	265,979	262,979
	<u>35,972,303</u>	<u>33,493,522</u>	<u>28,812,872</u>	<u>26,542,219</u>

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

13. Creditors – amounts falling due after more than one year

	31 December 2001		31 December 2000	
	Group £	Company £	Group £	Company £
Bank loans & overdrafts - Repayable between 2 & 5 years	<u>135,000,000</u>	<u>-</u>	<u>120,000,000</u>	<u>-</u>

In December 1999 a five year non-recourse facility was arranged with Societe Generale Nederland Bank NV, through the 74% owned subsidiary Attendstar Limited. 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 73% of the total receivable balance, being £183.7 million at 31 December 2001 (£156.0 million at 31 December 2000). There is an overall facility cap of £135 million.

The interest on the non-recourse debt is variable and at 31 December 2001 was 4.03%, (5.8% at 31 December 2000).

14. Deferred taxation

Group and Company	Recognised 31 December 2001 £	Full Potential 31 December 2001 £	Recognised 31 December 2000 £	Full Potential 31 December 2000 £
Excess capital allowances	198,354	198,354	-	241,698
Short term timing differences	905,335	905,335	1,178,100	1,178,100
	<u>1,103,689</u>	<u>1,103,689</u>	<u>1,178,100</u>	<u>1,419,798</u>

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 1 January 2001	1,178,100
Movement in respect of current period	(305,534)
Movement in respect of prior periods	231,123
Balance at 31 December 2001	<u>1,103,689</u>

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

15. Share Capital

	31 December 2001	31 December 2000
	£	£
Ordinary shares of £1 each		
Authorised, issued and fully paid	<u>10,000,100</u>	<u>10,000,100</u>

16. Profit and Loss account

	Group	Company
	£	£
At 31 December 2000 (restated)	11,245,414	11,240,234
Profit for the year	1,208,523	1,203,343
At 31 December 2001	<u>12,453,937</u>	<u>12,443,577</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 year to 31 December 2001 of the Company was £1,203,343 (31 December 2000 – £720,386 loss).

The prior year comparatives for the Group have been restated to reanalyse capital and reserves between the minority interest share and the Group share.

17. Reconciliation of movements in shareholders' funds

	31 December 2001		31 December 2000	
	Group	Company	Group (restated)	Company
	£	£	£	£
Profit / (Loss) for the year	1,208,523	1,203,343	(326,348)	(720,386)
	<u>1,208,523</u>	<u>1,203,343</u>	<u>(326,348)</u>	<u>(720,386)</u>
Net Addition to shareholders' funds	1,208,523	1,203,343	(326,348)	(720,386)
Opening shareholders' funds	21,245,514	21,240,334	21,571,862	21,960,720
Closing shareholders' funds	<u>22,454,037</u>	<u>22,443,677</u>	<u>21,245,514</u>	<u>21,240,334</u>

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

18. Capital Commitments

There were no capital commitments at the balance sheet date (31 December 2001 - £Nil)

19. Operating lease commitments

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

Group and Company	31 December 2001		31 December 2000	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Operating leases which expire:				
Within 1 year	-	9,008		
Within 2 to 5 years	202,631	233,004	174,516	244,114
After 5 years	-	-	-	-
	<u>202,631</u>	<u>242,012</u>	<u>174,516</u>	<u>244,114</u>

20. 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 Cofinoga group of companies and further particulars are set out in the Annual Report of that company.

The total pension cost for the Group was £222,862 (31 December 2000 - £170,482).

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

21. Gross cash flows

	31 December 2001	31 December 2000
	£	£
Returns on Investment and Servicing of Finance		
Interest received	70,919	344,128
Interest Paid	(7,935,299)	(8,060,326)
	<u>(7,864,380)</u>	<u>(7,716,198)</u>
Capital Expenditure		
Payments to acquire tangible fixed assets	(224,516)	(617,119)
Payments to acquire intangible fixed assets	(1,364,250)	-
	<u>(1,588,766)</u>	<u>(617,119)</u>
Acquisitions and Disposals		
Sale of Interest in Joint Venture	-	2,878,605
	<u>-</u>	<u>2,878,605</u>
Financing		
Repayments of loan capital	-	(37,500,000)
New loan finance	22,500,000	-
	<u>22,500,000</u>	<u>(37,500,000)</u>

22. Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	31 December 2001	31 December 2000
	£	£
Operating Profit	9,538,140	7,187,525
Depreciation charges	329,171	301,432
Profit on sale of fixed assets	-	-
(Increase)/Decrease in Debtors	(24,184,590)	344,240
Increase in Creditors	261,108	452,031
Net Cash (Outflow)/Inflow from Operating Activities	<u>(14,056,171)</u>	<u>8,258,228</u>

Creation Financial Services Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

23. Reconciliation of net cash flow to movement in net debt

	31 December 2001 £	31 December 2000 £
(Decrease) / Increase in cash in period	(1,302,666)	(35,437,084)
Cash paid to repay bank loans	-	37,500,000
Cash received from new bank loans	(22,500,000)	-
Change in net debt	(23,802,666)	2,062,916
Net debt at start of financial period	(133,003,047)	(135,065,963)
Net debt at end of financial period	(156,805,713)	(133,003,047)

24. Analysis of changes in net debt

	1 January 2001 £	Cash Flows £	31 December 2001 £
Cash in hand	2,000,000	(2,000,000)	-
Debt due within 1 year – overdraft	(2,503,047)	697,334	(1,805,713)
Debt due within 1 year – loan	(12,500,000)	(7,500,000)	(20,000,000)
Debt due after 1 year	(120,000,000)	(15,000,000)	(135,000,000)
Net debt	(133,003,047)	(23,802,666)	(156,805,713)

25. Parent Undertakings

The ultimate parent company and controlling party is Groupe Cofinoga SA; the company is incorporated in France. Copies of the annual report are available from the registered offices of Creation Financial Services Limited. During the year, BNP-Paribas sold its 50% shareholding in Creation Financial Services Limited to Cofinoga SA, who now own 100% of the shareholding.

26. Related Party Disclosures

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