

CPP Merchandising Limited

Report and Accounts

**16 month period ended
31 December 2001**



CPP Merchandising Limited
Company Information

Directors

H M Ogston
A Blank
J Kitson

Secretary

J Kitson (resigned 28/11/01)
M Sowery (appointed 28/11/01)

Auditors

Deloitte & Touche
London

Registered office

Holgate Park
Holgate Road
York
YO24 4GA

Registered number

3180887

CPP Merchandising Limited

Directors' Report

The directors present their report and accounts for the 16 month period ended 31 December 2001.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions under s.246 Companies Act 1985 relating to small companies.

Principal activities

The company's principal activity during the period was providing services in connection with insurance.

Change in accounting reference date

On 20 August 2001, the company changed its accounting reference date from 31 August to 31 December. Therefore, the financial statements cover the 16 months from 1 September 2000 to 31 December 2001. The comparative amounts have not been restated and cover a twelve month period.

Directors

The directors who served during the period and up to the date of signing the accounts are shown on page 1.

No director during the period had interests in the issued share capital of the company.

H M Ogston, A Blank and J Kitson are directors of the parent company, CPP Holdings Limited. Their beneficial interests in the ordinary shares of the holding company are as follows:

	Ordinary "A" Shares	
	1p each	10p each
	2001	2000
H M Ogston	94,918,100	9,491,810

	Ordinary "C" Shares	
	of 1p each	
A Blank	3,848,031	-
J Kitson	1,282,677	-

CPP Merchandising Limited

Directors' Report

Directors' Responsibilities

United Kingdom Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

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

Auditors

A resolution to reappoint Deloitte & Touche as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 16 October 2002



A Blank
Director

CPP Merchandising Limited

Auditors' Report

Independent auditors' report

To the members of CPP Merchandising Limited

We have audited the financial statements of CPP Merchandising Ltd for the 16 month period ended 31 December 2001 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standard for Small Entities (effective March 2000).

Respective responsibilities of Directors and Auditors

As described in the Statement of Director's responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report 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 with the company is not disclosed.

We read the Directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

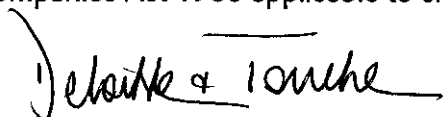
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

CPP Merchandising Limited
Auditors' Report

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the period 1 September 2000 to 31 December 2001 and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Deloitte & Touche
Chartered Accountants and Registered Auditors
London

Dated 17 October 2002

CPP Merchandising Limited
Profit and Loss Account
16 month period ended 31 December 2001

	Notes	16 months ended 31 December 2001 £	12 months ended 31 August 2000 £
Turnover - continuing operations	1	16,800	5,188
Cost of sales		-	(2,877)
Gross Profit		<u>16,800</u>	<u>2,311</u>
Administrative expenses		(6,130)	(55,004)
Operating profit - continuing operations		<u>10,670</u>	<u>(52,693)</u>
Interest receivable and similar income		416	1,232
Profit/ (loss) on ordinary activities before taxation		<u>11,086</u>	<u>(51,461)</u>
Tax on profit/(loss) on ordinary activities	4	(2,719)	-
Profit/(loss) on ordinary activities after taxation		<u>8,367</u>	<u>(51,461)</u>
Retained profit/(loss) for the financial period	8	<u>8,367</u>	<u>(51,461)</u>

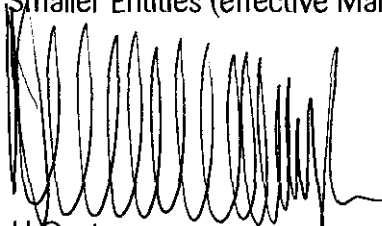
Statement of Total Recognised Gains and Losses

The company has no recognised gains or losses other than as stated above. No reconciliation in shareholders' funds has been prepared as all movements in shareholders' funds are represented by the recognised gains and losses.

CPP Merchandising Limited
Balance Sheet
31 December 2001

	Notes	31 December 2001		31 August 2001	
		£	£	£	£
Current assets					
Stocks		-		5,836	
Debtors	5	-		3,525	
Cash at bank and in hand		21,196		18,004	
		<u>21,196</u>		<u>27,365</u>	
Creditors: amounts falling due within one year					
	6	(82,951)		(97,487)	
		<u></u>		<u></u>	
Net current liabilities			(61,755)		(70,122)
Net Liabilities			<u>(61,755)</u>		<u>(70,122)</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss account	8		(61,756)		(70,123)
Shareholder's deficit			<u>(61,755)</u>		<u>(70,122)</u>

The accounts have been prepared in accordance with the special provisions of section 246 of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).



H Ogston
Chairman

Approved by the Board on 16 October 2002

CPP Merchandising Limited
Notes to the Accounts
16 month period ended 31 December 2001

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention. The financial statements have been prepared on the going concern basis which assumes the company will continue to receive financial support from the holding and group companies. The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax, in respect of the sale of goods to customers.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charge for taxation is based on the results for the period as adjusted for disallowable items. The provision for taxation is calculated at current rates.

2 Directors, Employees, Auditors and Filing Fees

All remuneration of the directors in respect of services provided to the company is borne by Card Protection Plan Limited. There were no employees in the current or prior period. Audit and filing fees have been borne by another group company.

3 Write off of stocks

£5,607 (2000: £21,168) of stock has been written off through the profit and loss account.

4 Taxation

	16 months ended 31 December 2001 £	Year ended 31 August 2000 £
UK Corporation tax at 20% (2000: 20%)	2,719	-

CPP Merchandising Limited
Notes to the Accounts
16 month period ended 31 December 2001

5 Debtors	2001	2000
	£	£
Other debtors	<u>-</u>	<u>3,525</u>
6 Creditors: amounts falling due within one year	2001	2000
	£	£
Trade creditors	-	563
Amounts owed to group undertakings	80,232	80,230
Corporation tax	2,719	-
Other taxes and social security costs	-	492
Accruals and deferred income	<u>-</u>	<u>16,202</u>
	<u>82,951</u>	<u>97,487</u>
7 Called up share capital	2001	2000
	£	£
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
1 ordinary share of £1	<u>1</u>	<u>1</u>
8 Profit and loss account	2001	2000
	£	£
At 1 September 2000	(70,123)	(18,662)
Retained profit/(loss)	<u>8,367</u>	<u>(51,461)</u>
At 31 December 2001	<u>(61,756)</u>	<u>(70,123)</u>

9 Parent Undertaking and Related parties

The company is a wholly owned subsidiary of CPP Holdings Limited which is incorporated in the UK and controlled by its shareholder Mr. H M Ogston. Advantage has been taken of the related party disclosure exemptions in respect of group transactions on the grounds that consolidated accounts are prepared by the parent company CPP Holdings Limited. Copies of these accounts may be obtained from the company's registered office at Holgate Park, Holgate Road, York YO26 4GA.