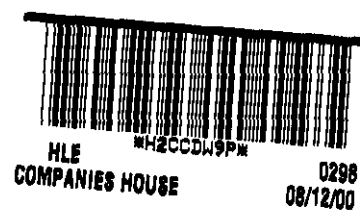


3180887

**CPP Merchandising Limited**

**Report and Accounts**

**31 August 2000**



**CPP Merchandising Limited**  
**Company Information**

**Directors**

H M Ogston  
A Blank (appointed 15/11/99)  
C Whitehair (resigned 11/11/99)  
J Kitson (appointed 05/06/00)

**Secretary**

H M Ogston (resigned 11/09/00)  
J Kitson (appointed 11/09/00)

**Auditors**

Deloitte & Touche  
Stonecutter Court  
1 Stonecutter Street  
London  
EC4A 4TR

**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 year ended 31 August 2000.

#### **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 year continued to be the sale of security products by direct mail.

#### **Directors**

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

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

In addition, H M Ogston, C R K Whitehair and A Blank were directors of the parent company, CPP Holdings Limited. Their beneficial interests in the Ordinary Shares of the holding company are as follows:

	<b>£1 Ordinary shares</b>	
	<b>2000</b>	<b>1999</b>
H M Ogston	9,491,810	9,491,810
C R K Whitehair (resigned 15/11/99)	-	-
A Blank (appointed 15/11/99)	-	-
J Kitson (appointed 05/06/00)	-	-

#### **Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company as at the end of the financial year 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

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.

**CPP Merchandising Limited**  
**Directors' Report**

**Auditors**

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

**BY ORDER OF THE BOARD**



A Blank  
**Director**

Dated

24 November 2000

**CPP Merchandising Limited**  
**Auditors' Report**

**Report of the auditors**  
**to the member of CPP Merchandising Limited**

We have audited the financial statements on pages 5 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities and under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of the financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

**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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2000 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants and Registered Auditors

Stonecutter Court  
1 Stonecutter Street  
London  
EC4A 4TR

Dated *28 November 2000*

**CPP Merchandising Limited**  
**Profit and Loss Account**  
**for the year ended 31 August 2000**

	Notes	2000 £	1999 £
<b>Turnover</b>	1	5,188	21,670
Cost of sales		(2,877)	(20,152)
<b>Gross Profit</b>		2,311	1,518
Administrative expenses		(55,004)	(2,670)
<b>Operating (loss)</b>		(52,693)	(1,152)
Interest receivable and similar income		1,232	1,231
<b>(Loss)/Profit on ordinary activities before taxation</b>		(51,461)	79
Tax credit on profit on ordinary activities	4	-	199
<b>(Loss)/Profit on ordinary activities after taxation</b>		(51,461)	278
<b>Retained (loss) / profit for the financial year</b>	8	(51,461)	278

**Statement of Total Recognised Gains and Losses**

The company has no recognised gains or losses other than the loss for the year. 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**  
**as at 31 August 2000**

	Notes	2000 £	1999 £
<b>Current assets</b>			
Stocks		5,836	37,594
Debtors	5	3,525	1,033
Cash at bank and in hand		18,004	35,634
		<u>27,365</u>	<u>74,261</u>
<b>Creditors: amounts falling due within one year</b>			
	6	(97,487)	(92,923)
		<u></u>	<u></u>
<b>Net current liabilities</b>		(70,122)	(18,662)
<b>Net Liabilities</b>		<u>(70,122)</u>	<u>(18,662)</u>
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Profit and loss account	8	(70,123)	(18,663)
<b>Shareholder's deficit</b>		<u>(70,122)</u>	<u>(18,662)</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

24 November 2000

**CPP Merchandising Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2000**

**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 year 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 year. Audit and filing fees have been borne by another group company.

**3 Write off of stocks**

£21,168 (1999-nil) of stock has been written off through the profit and loss account.

<b>4 Taxation</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
UK Corporation tax based on the profit for the year	-	24
Overprovision from previous periods	-	(223)
	<u>-</u>	<u>(199)</u>
 <b>5 Debtors</b>	 <b>2000</b>	 <b>1999</b>
	<b>£</b>	<b>£</b>
Other debtors	<u>3,525</u>	<u>1,033</u>
 <b>6 Creditors: amounts falling due within one year</b>	 <b>2000</b>	 <b>1999</b>
	<b>£</b>	<b>£</b>
Trade creditors	563	3,653
Amounts owed to group undertakings	80,230	70,231
Corporation tax	-	24
Other taxes and social security costs	492	(176)
Other accruals	<u>16,202</u>	<u>19,191</u>
	<u>97,487</u>	<u>92,923</u>



**CPP Merchandising Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2000**

<b>7 Called up share capital</b>			<b>2000</b>	<b>1999</b>
			<b>£</b>	<b>£</b>
Authorised:				
1,000 ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>8 Profit and loss account</b>			<b>2000</b>	<b>1999</b>
			<b>£</b>	<b>£</b>
At 1 September			(18,662)	(18,940)
Retained (loss) / profit			<u>(51,461)</u>	<u>278</u>
			<u>(70,123)</u>	<u>(18,662)</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 YO24 4GA.