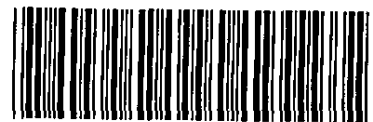


COMPANY REGISTRATION NUMBER: NI032565

**CREATION CONSUMER FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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CREATION CONSUMER FINANCE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the members	5
Profit and loss account	7
Statement of total recognised gains and losses	8
Balance sheet	9
Notes to the financial statements	10

CREATION CONSUMER FINANCE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

G Rennison
S Makaritis
S A R Hunt
J P Charles

Company secretary

J S McCulloch

Registered office

Royston House
34 Upper Queen Street
Belfast
BT1 6FD

Independent auditors

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

CREATION CONSUMER FINANCE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2011

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of a finance company offering point of sale credit facilities for retail clients, the provision of insurance premium financing facilities for insurance brokers, and the provision of personal loan and credit insurance to consumers.

The global financial crisis, challenging consumer environment and increasing levels of individual insolvencies continued to have an adverse impact on the results for the year. However, the Company continues to develop new products, new retail partners and development of e-commerce solutions to minimise the impact of the challenging consumer environment. In addition, the Company continues to review strategies to minimise the impact of bad debts in accordance with LaSer Cofinoga group strategies.

The Company's directors are of the opinion that an analysis using KPIs 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. The results for the year reflect changes in the Company's income recognition policy, which gave rise to prior year adjustments and have been reflected in the restatement of the financial statements for the year ended 31 December 2010.

The effects of these changes on the financial statements for the year ended 31 December 2010 and 2011 is disclosed in note 1.

As part of a review of the bad debt provisioning methodology this year, certain specific provisions have been made which reflect specific identified risks which the company faces. The total of these specific provisions made is £6.4m (2010: £nil) which is in addition to our general provisioning methodology.

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.

The directors have considered the Company's policy on payment protection insurance (PPI) following the regulatory review in the UK and considered the amount of potential PPI mis-selling claims to be immaterial to the accounts.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £21,511,000 (2010: £11,237,000 (as restated)). The directors have not recommended the payment of a dividend.

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.

CREATION CONSUMER FINANCE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

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.

Interest rate risk

The Company has both interest bearing assets and interest bearing liabilities to minimise the exposure to interest risks. Interest receivable on debtor balances is based on LIBOR adjusted for risk factors, whilst funding costs are primarily on a 12 month LIBOR. The Company reviews the rates on a regular basis with LaSer Cofinoga Group Treasury to ensure that interest rate exposure is managed.

Credit risk

The Company is exposed to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when due. The current economic climate, 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 therefore carefully manages its exposure to credit risk and continues to review and update the product offerings in the market as well as performing credit checks on all customers before credit is approved.

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.

FUTURE DEVELOPMENTS

The Company will continue to develop new products and develop into different areas of the consumer credit market. Whilst growth in product offering is important to the business, the directors recognise management of credit and operational risks is necessary to facilitate the long term growth of the Company.

CREATION CONSUMER FINANCE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

DIRECTORS

The directors who served the company during the year were as follows:

G Rennison
S Makaritis
S A R Hunt
J P Charles

The Company maintains liability insurance for its directors and officers.

DIRECTORS' RESPONSIBILITIES

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 prepared 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 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed by order of the directors


J S McCulloch
Company Secretary

Approved by the directors on 22 August 2012
Company Registration Number: NI032565

CREATION CONSUMER FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATION CONSUMER FINANCE LIMITED

We have audited the financial statements of Creation Consumer Finance Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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 INDEPENDENT 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 and express an opinion on 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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 MATTERS 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.

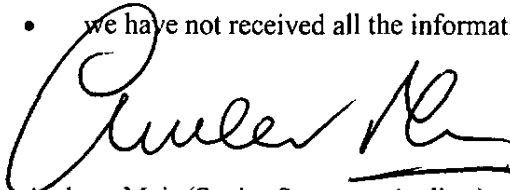
CREATION CONSUMER FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATION CONSUMER FINANCE 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.



Andrew Mair (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Birmingham

22 August 2012

CREATION CONSUMER FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £000	2010 (restated) £000
TURNOVER	2	128,414	97,595
Administrative expenses		(86,067)	(71,785)
OPERATING PROFIT	3	42,347	25,810
Interest receivable and similar income	6	37	20
Interest payable and similar charges	7	(15,221)	(10,258)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,163	15,572
Tax on profit on ordinary activities	8	(5,652)	(4,335)
PROFIT FOR THE FINANCIAL YEAR	23	21,511	11,237

All results derive from continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on page 7 form part of these financial statements.

CREATION CONSUMER FINANCE LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2011

	2011	2010
	£000	(restated) £000
Profit for the financial year attributable to the shareholders	21,511	11,237
Actuarial (loss)/gain in respect of defined benefit pension scheme	(72)	183
Deferred tax in respect of defined benefit pension scheme	19	(51)
Total recognised gains and losses relating to the year	21,458	11,369
Prior year adjustment (see note 9)	(2,993)	
Total gains and losses recognised since the last annual report	18,465	

The notes on page 8 form part of these financial statements.

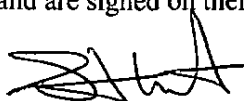
CREATION CONSUMER FINANCE LIMITED

BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £000	2010 (restated) £000
FIXED ASSETS			
Tangible assets	10	2,508	1,750
Investments	11	50	50
		<u>2,558</u>	<u>1,800</u>
CURRENT ASSETS			
Stocks	12	33	6
Debtors due within one year	13	262,111	267,297
Debtors due after one year	13	688,801	538,997
Cash at bank		–	1,763
		<u>950,945</u>	<u>808,063</u>
CREDITORS: Amounts falling due within one year	15	<u>(580,845)</u>	<u>(536,896)</u>
NET CURRENT ASSETS		<u>370,100</u>	<u>271,167</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>372,658</u>	<u>272,967</u>
CREDITORS: Amounts falling due after more than one year	16	<u>(291,090)</u>	<u>(230,700)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>81,568</u>	<u>42,267</u>
Defined benefit pension scheme liability	17	(95)	(102)
NET ASSETS INCLUDING PENSION LIABILITY		<u>81,473</u>	<u>42,165</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	15,000	15,000
Other reserves	22	50,179	32,329
Profit and loss account	23	16,294	(5,164)
SHAREHOLDERS' FUNDS	24	<u>81,473</u>	<u>42,165</u>

These financial statements were approved by the directors and authorised for issue on 22 August 2012, and are signed on their behalf by:



S A R Hunt
Director

The notes on page 9 form part of these financial statements.

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.

The financial statements have been prepared on a going concern basis, and the following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements, except as detailed below.

The financial statements contain information about Creation Consumer Finance 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 intermediate parent, LaSer Cofinoga SA, a company incorporated in France.

Change in accounting policy

The Directors have decided to change the Company's policies on the recognition of certain administrative fees which were previously recognised as income immediately. These fees are now being spread over the term of the loan in order to increase the relevance, understandability, and comparability of the Company's financial reporting.

The change in policy has required restatement of the prior year profit and loss account, statement of total recognised gains and losses, balance sheet, and the related notes. The effect of the adjustment on the opening position as at 1 January 2010 was to reduce the opening reserves by £2,483,000. This is the net impact of income decreasing, and hence liabilities increasing by £3,378,000, along with the deferred tax income and the deferred tax asset increasing by £895,000.

The effect of the change in accounting policy for the year ended 31 December 2011 was to increase turnover by £230,000 (2010: 694,000 decrease), and to decrease deferred tax by £61,000 (2010: £184,000 increase).

The cumulative impact of this results in a decrease in net assets of £2,993,000 as at 1 January 2011.

Cash flow statement

The Company is a wholly owned subsidiary of Creation Financial Services Limited 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.

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Turnover

Turnover, which is stated net of value added tax, represents commissions earned from the merchants based on a percentage of the credit provided, as well as administration fees, arrears fees and interest charges on late payments from customers. Commissions and administration fees are spread over the life of the agreements in place. All turnover is attributable to one continuing activity, being the provision of unsecured credit finance and is recognised on an accruals basis.

Where the collection of debt on loan is in significant doubt due to changes of customer circumstances, the recognition of interest is suspended and no longer recognised in the profit and loss account.

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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	10% - 20%
Computer equipment	-	20% - 33%

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Pension costs and other post-retirement benefits

The Company's employees are members of either the Creation Consumer Finance Limited defined benefit pension scheme or the defined contribution scheme.

The Company operates a defined benefit scheme for certain employees. The assets of the scheme are held separately from those of the Company. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The increase in the present value of the liabilities of the Company's defined benefit pension scheme arising from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The Company operates a defined contribution scheme for those employees not covered by the above scheme. The cost of funding the defined contribution scheme is charged to the profit and loss account as incurred.

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.

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 retranslated 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.

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Investments

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

Bad debt provision

Provision is calculated on the basis of the rate of expected 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.

2. TURNOVER

Turnover relates to the Company's main activity which is carried out in the United Kingdom and Republic of Ireland.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2011 £000	2010 £000
Directors' remuneration (note 5)	—	—
Depreciation of owned fixed assets	670	606
Operating lease costs:		
- Plant and equipment	74	84
- Other	176	176
Auditor's remuneration - Audit of the financial statements	49	42

CREATION CONSUMER FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2011

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2011	2010
	No	No
Number of administrative staff	<u>189</u>	<u>171</u>

The aggregate payroll costs of the above were:

	2011	2010
	£000	£000
Wages and salaries	4,158	4,117
Social security costs	386	362
Other pension costs	315	140
	<u>4,859</u>	<u>4,619</u>

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income (see note 6) and amounts recognised in the statement of recognised gains and losses.

5. DIRECTORS' EMOLUMENTS

The directors of the Company did not receive any emoluments for their services during the year ended 31 December 2011 (2010: £nil). All the directors are employed and remunerated by Creation Financial Services Limited.

No retirement benefits are accruing to any directors (2010: none) under defined benefit schemes or under money purchase schemes (2010: none).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£000	£000
Net finance income in respect of defined benefit pension schemes	<u>37</u>	<u>20</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£000	£000
Interest payable to group undertakings	<u>15,221</u>	<u>10,258</u>

CREATION CONSUMER FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2011

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011 £000	2010 (restated) £000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	5,614	1,558
Adjustments to tax in respect of previous periods	5	-
Total current tax	<u>5,619</u>	<u>1,558</u>
Deferred tax:		
Origination and reversal of timing differences	54	2,834
Change in tax rate	19	10
Adjustment in respect of prior periods	(40)	(67)
Total deferred tax (note 14)	<u>33</u>	<u>2,777</u>
Tax on profit on ordinary activities	<u>5,652</u>	<u>4,335</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2010: lower than) the standard rate of corporation tax in the UK of 26.50% (2010 - 28%).

	2011 £000	2010 (restated) £000
Profit on ordinary activities before taxation	<u>27,163</u>	<u>15,572</u>
Profit on ordinary activities by rate of tax	7,199	4,360
Expenses not deductible for tax purposes	18	18
Capital allowances for period in excess of depreciation	7	7
Utilisation of tax losses	-	(3,016)
Group relief not paid for	(1,554)	-
Depreciation on assets not qualifying for capital allowances	5	4
Adjustments to tax in respect of previous periods	5	-
Other timing differences	(61)	185
Total current tax (note 8(a))	<u>5,619</u>	<u>1,558</u>

During the year, as a result of the change in the UK main corporation tax rate to 25% that was substantively enacted on 5 July 2011 and that will be effective from 1 April 2012, the relevant deferred tax balances have been remeasured. On 21 March 2012 the government announced in the budget that the rate applying from 1 April 2012 would be further reduced to 24%.

The United Kingdom government has announced further planned reductions to the rate of corporation tax. The proposed rate will be 24% applying from 1 April 2013, and 23% from 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

9. PRIOR YEAR ADJUSTMENT

The accounts have been restated to account for a change in the Company's income recognition policy (See note 1).

10. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £000	Computer Equipment £000	Total £000
COST			
At 1 January 2011	590	6,355	6,945
Additions	22	1,406	1,428
At 31 December 2011	<u>612</u>	<u>7,761</u>	<u>8,373</u>
DEPRECIATION			
At 1 January 2011	383	4,812	5,195
Charge for the year	32	638	670
At 31 December 2011	<u>415</u>	<u>5,450</u>	<u>5,865</u>
NET BOOK VALUE			
At 31 December 2011	<u>197</u>	<u>2,311</u>	<u>2,508</u>
At 31 December 2010	<u>207</u>	<u>1,543</u>	<u>1,750</u>

11. INVESTMENTS

	Total £000
COST	
At 1 January 2011 and 31 December 2011	<u>50</u>
NET BOOK VALUE	
At 31 December 2011 and 31 December 2010	<u>50</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Investments relate to shares held in the following subsidiaries:

Name	Country of incorporation	Proportion of ordinary shares held	Nature of business
Creation Marketing Services Limited	England	100%	Marketing Services
Consumer Collection Limited	Northern Ireland	100%	Dormant

CREATION CONSUMER FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2011

12. STOCKS

	2011 £000	2010 £000
Stock	<u>33</u>	<u>6</u>

13. DEBTORS

	2011 £000	2010 (restated) £000
Trade debtors	931,806	785,882
Prepaid commission payable	14,772	14,996
Other debtors	1,110	1,064
Prepayments and accrued income	1,926	3,046
Deferred taxation (note 14)	<u>1,298</u>	<u>1,306</u>
	<u>950,912</u>	<u>806,294</u>

Included in trade debtors is an amount of £688,801,000 which is due after more than one year (2010 - £538,997,000).

14. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2011 £000	2010 (restated) £000
Included in debtors (note 13)	1,298	1,306
Included in pension (note 17)	<u>32</u>	<u>38</u>
	<u>1,330</u>	<u>1,344</u>

The movement in the deferred taxation balances during the year was:

	2011 £000	2010 (restated) £000
At 1 January	1,344	4,172
Profit and loss account movement arising during the year (note 8)	(33)	(2,777)
Statement of total recognised gains and losses movement arising during the year, relating to the pension scheme	<u>19</u>	<u>(51)</u>
At 31 December	<u>1,330</u>	<u>1,344</u>

The balance of the deferred taxation account (note 13) consists of the tax effect of timing differences in respect of:

	2011 £000	2010 (restated) £000
Accelerated capital allowances	240	227
Other timing differences	<u>1,058</u>	<u>1,079</u>
	<u>1,298</u>	<u>1,306</u>

CREATION CONSUMER FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2011

15. CREDITORS: Amounts falling due within one year

	2011	2010
	£000	(restated) £000
Overdrafts	1,913	–
Trade creditors	10,203	15,269
Amounts owed to group undertakings	519,544	486,664
Corporation tax	3,412	1,057
Other taxation and social security	98	147
Other creditors	266	243
Accruals and deferred income	3,027	2,571
Deferred income subsidy receivable	42,382	30,945
	<u>580,845</u>	<u>536,896</u>

Included in the amounts owed to group undertakings is a committed funding facility of £797,578,000 (2010: £711,882,600) provided by Creation Financial Services which is reviewed on a regular basis. £506,488,000 (2010: £481,182,600) is due within a year.

The remaining amounts owed to group undertakings due within one year related to inter-group trading balances of £13,056,242 (2010: £5,481,400) which are unsecured, interest free and are repayable on demand.

The interest rate ruling at 31 December 2011 was 2.52% (2010: 1.59%).

16. CREDITORS: Amounts falling due after more than one year

The funding facility provided by Creation Financial Services Limited is due for repayment after more than one year and is as follows:

	2011	2010
	£000	£000
Amounts repayable:		
In more than one year, but not more than two years	178,590	181,200
In more than two years, but not more than five years	112,500	49,500
	<u>291,090</u>	<u>230,700</u>

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

17. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The company operates a defined benefit pension scheme with assets held in separate trustee administered funds. The company also operates a defined contribution pension scheme.

The company was unable to identify its share of the underlying assets and liabilities of the defined benefit scheme on a consistent and reasonable basis for periods prior to 2006 and therefore, as required by FRS 17 "retirement benefits", accounted for the scheme in those years as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account for comparative periods represented the contributions payable to the scheme in respect of those periods.

The defined contribution charge for the year ended 31 December 2011 amounted to £195,000 (2010: £101,000).

A full actuarial valuation of the scheme using the projected unit basis was carried out at 1 January 2010. The valuation was carried out by Scottish Widows, professionally qualified actuaries.

For the purposes of FRS 17 "Retirement benefits", the following financial assumptions were used by the actuaries in updating the full valuation to 31 December 2011.

	2011	2010
Rate of increase in salaries	2.4%	3.9%
Rate of increase in pensions in payment	2.4%	3.6%
Discount rate	4.8%	5.5%
Inflation assumption	2.4%	3.6%

Assuming retirement at age 65, the life expectancy in years are as follows:-

	2011	2010
For a male aged 65 now	23.0	22.8
At 65 for a male member aged 45 now	24.9	24.7
For a female aged 65 now	26.3	26.0
At 65 for a female member aged 45 now	28.3	28.1

CREATION CONSUMER FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2011

17. PENSIONS AND OTHER POST RETIREMENT BENEFITS (*continued*)

The fair value of assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 2011 %	Value at 2011 £000	Long term rate of return expected at 2010 %	Value at 2010 £000
Equities	6.5%	1,828	7.7%	1,947
Other	0.5%	64	0.5%	76
		<u>1,892</u>		<u>2,023</u>

The expected contributions to be made by Creation Consumer Finance Limited in 2012 are approximately £147,000.

The following amounts at 31 December 2011 were measured in accordance with the requirements of FRS 17:

	2011 £000	2010 £000
Total fair value of scheme assets	1,892	2,023
Present value of scheme liabilities	(2,019)	(2,163)
Deficit in the scheme	<u>(127)</u>	<u>(140)</u>
Related deferred tax assets	32	38
Net pension deficit	<u>(95)</u>	<u>(102)</u>

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

17. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

Analysis of amounts charged to operating profit in respect of the defined benefit scheme:

	2011 £000	2010 £000
Operating cost		
Current service cost	–	39
Past service cost	120	–
Analysis of amount charged to other finance income		
Expected return on pension assets	156	131
Interest on pension scheme liabilities	(119)	(111)
	(37)	(20)
Statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	(271)	181
Experience gains and losses arising on the scheme liabilities	(30)	3
Changes in assumptions underlying the present value of the scheme liabilities	229	(1)
Actuarial gain/(loss) recognised in STRGL	(72)	183

Reconciliation of fair value of scheme assets:

	2011 £000	2010 £000
Opening fair value of plan assets	2,023	1,699
Expected return on assets	156	131
Actuarial (losses)/gains	(271)	181
Contributions	168	53
Benefits paid	(184)	(41)
Closing fair value of plan assets	1,892	2,023

Reconciliation of fair value of scheme liabilities:

	2011 £000	2010 £000
Opening fair value of scheme liabilities	(2,163)	(2,056)
Current service cost	–	(39)
Past service cost	(120)	–
Interest on scheme liabilities	(119)	(111)
Actuarial gain	199	2
Benefits paid	184	41
Closing present value of scheme liabilities	(2,019)	(2,163)

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

17. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Present value of scheme liabilities	(2,019)	(2,163)	(2,056)	(1,480)	(1,615)
Fair value of scheme assets	1,892	2,023	1,699	1,418	1,868
(Deficit)/surplus	(127)	(140)	(357)	(62)	253
Difference between the expected and actual return on scheme assets:					
- amount (£000)	271	181	183	(571)	44
- % of scheme assets	14.3%	9%	40.3%	40.0%	2.0%
Experience gains and losses on scheme liabilities:					
- amount (£000)	30	3	(10)	(6)	(40)
- % of the present value of the scheme liabilities	1.4%	0%	0.5%	0.4%	2.0%
Total amount recognised in statement of total recognised gains and losses:					
- Amount (£000)	(72)	183	(308)	(370)	(166)
- % of the present value of the scheme liabilities (%)	3.5%	8%	15.0%	25.0%	10.0%

The agreed contribution rate for the current year and for the next three years is 24.2%.

18. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date (2010: £nil).

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below.

	2011		2010	
	Land and buildings £000	Other Items £000	Land and buildings £000	Other Items £000
Operating leases which expire:				
Within 1 year	-	3	-	-
Within 2 to 5 years	176	47	181	30
	<u>176</u>	<u>50</u>	<u>181</u>	<u>30</u>

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption 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.

21. SHARE CAPITAL

Authorised share capital:

	2011	2010
	£000	£000
20,000,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2011		2010	
	No	£000	No	£000
15,000,000 Ordinary shares of £1 each	<u>15,000,000</u>	<u>15,000</u>	<u>15,000,000</u>	<u>15,000</u>

22. OTHER RESERVES

	2011	2010
	£000	£000
Capital Reserve:		
Balance brought forward	32,329	18,124
Capital contribution from parent undertaking	<u>17,850</u>	<u>14,205</u>
	<u>50,179</u>	<u>32,329</u>

On 10 June 2011 a capital contribution of £17,850,000 was made by Creation Financial Services Limited. In the prior year a contribution of £14,205,200 was made on 12 July 2010 by the same company.

23. PROFIT AND LOSS ACCOUNT

	2011	2010
	£000	<i>(restated)</i> £000
Balance brought forward as previously reported	(2,171)	(14,050)
Prior year adjustment (see note 9)	<u>(2,993)</u>	<u>(2,483)</u>
Balance brought forward restated	(5,164)	(16,533)
Profit for the financial year	21,511	11,237
Actuarial (loss)/gain recognised in pension scheme	(72)	183
Movement on deferred tax relating to pension scheme	<u>19</u>	<u>(51)</u>
Balance carried forward	<u>16,294</u>	<u>(5,164)</u>

CREATION CONSUMER FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2011

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£000	(restated) £000
Profit for the financial year	21,511	11,237
Actuarial (loss)/gain recognised in pension scheme	(72)	183
Movement on deferred tax relating to pension scheme	19	(51)
Capital contribution from parent undertaking	17,850	14,205
Net addition to shareholders' funds	39,308	25,574
Opening shareholders' funds as previously reported	45,158	19,074
Prior year adjustment (see note 9)	(2,993)	(2,483)
Closing shareholders' funds	81,473	42,165

25. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company at the year end was Creation Financial Services Limited, a company registered in the UK. The intermediate parent at the year end was LaSer Cofinoga SA, a company registered in France. The ultimate parent companies and controlling parties are BNP Paribas SA and Galeries Lafayette Group SA, who each own 50% of the LaSer Cofinoga Group. Copies of the annual reports are available from the registered offices of Creation Financial Services Limited, Chadwick House, Blenheim Court, Solihull, West Midlands, B91 2AA, United Kingdom.