

General Credit Co. (Manchester) Limited

Annual Report and Accounts

For the year ending
31 March 2002



General Credit Co. (Manchester) Limited
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Contents

Pages

| | |
|-----------------------------------|-------|
| Directors' report | 1 - 2 |
| Independent Auditors' report | 3 |
| Profit and Loss Account | 4 |
| Balance Sheet | 4 |
| Notes to the financial statements | 5 - 6 |

General Credit Co. (Manchester) Limited
Directors' Report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2002.

Principal activities, business review and future developments

During the year, the company has acted as an agent carrying out business on behalf of a fellow subsidiary undertaking and accordingly has not recorded any transactions in its own accounts. The company is expected to continue acting as agent of its fellow subsidiary for the foreseeable future.

Results and Dividends

The company does not trade, therefore has no retained profit for the current and prior year. The directors do not recommend the payment of a dividend for the current year (2001: £Nil).

Directors

The directors that held office during the year were as follows:

| | | | |
|--------------|--|------------|--------------------------|
| D Greenfield | Resigned 9 July 2001 | R W Joyce | Resigned 9 July 2001 |
| M J Hancox | Appointed 9 July 2001 | P Loft | Appointed 29 August 2002 |
| A D Milne | Appointed 5 September 2002 | A R Turpin | Resigned 9 July 2001 |
| C J Holmes | Appointed 9 July 2001, Resigned 29 August 2002 | | |

Director's Interests

No director had any beneficial interest in the shares of the Company. The interests of the directors, as defined by the Companies Act 1985, in the shares and share options of the ultimate parent company, GUS plc are as follows:

Shares and GUS Executive and Performance Share Plan Options and Schemes

| Director | Shares | | Share Options | | | |
|------------|------------------|------------------|------------------|-----------------|-------------------|------------------|
| | At 31 March 2001 | At 31 March 2002 | At 31 March 2001 | Options granted | Options exercised | At 31 March 2002 |
| C J Holmes | 342 | 352 | 8,118 | 5,574 | - | 13,692 |
| M J Hancox | - | - | - | 31,825 | - | 31,825 |

No options lapsed during the year apart from those relating to directors who resigned. The options issued on 7 April 2000 can be exercised between 7 April 2003 and 6 April 2010 and have an exercise price of £3.757. The options issued on 11 June 2001 can be exercised between 11 June 2004 and 10 June 2011 with an exercise price of £6.127. There are no conditions attached to the exercise of GUS Executive share options. The Performance Share Plan options may not be exercised unless, during a period of three consecutive financial years, Group earnings per share have increased by an average of at least 4 per cent per annum, more than the Retail Price Index.

General Credit Co. (Manchester) Limited
Directors' Report

GUS Save As You Earn Share Option Schemes

| Director | | Share Options | | |
|------------|---------------|---------------------|--------------------|----------------------|
| | | At 31 March 2001 | Options granted | Options exercised |
| C J Holmes | 3 Year Scheme | 2,522 | - | - |
| | | | | 2,522 |

The grant date of the SAYE scheme was 9 February 2001. The options can be exercised for the three-year scheme between 2 May 2004 and 1 November 2004. The options can be exercised for the five-year scheme between 2 May 2006 and 1 November 2006. The exercise price for both schemes is £3.84 per share.

Statement of Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year that 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 accounts, 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 accounts;
- Prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Elective Resolutions

The company has passed elective resolutions to dispense with the holding of annual general meetings and the laying of the annual reports and financial statements before the company in general meetings, until such time as the elections are revoked.

Auditors

The company has passed an elective resolution to dispense with the obligation to appoint auditors annually. PricewaterhouseCoopers therefore continue in office.

By order of the board


C J Holmes

Secretary

Date: 16 January 2003

General Credit Co. (Manchester) Limited

Independent Auditors' report to the members of General Credit Co. (Manchester) Limited

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board.

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 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.

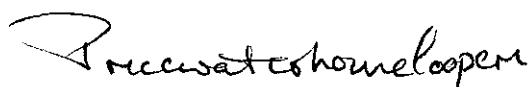
Basis of audit opinion

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 affairs at 31 March 2002 and of its result for the year then ended have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Manchester

Date : 28 January 2003

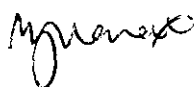
General Credit Co. (Manchester) Limited**Profit and Loss Account for the year ended 31 March 2002**

The company renders debt collection services to a fellow subsidiary, who in return, bear its operating expenses in proportion to these services. The company makes neither a profit or loss and thus no profit and loss account or statement of recognised gains and losses have been prepared for the current or prior year.

Balance Sheet as at 31 March 2002

| | Notes | 2002 £ | 2001 £ |
|--|-------|------------|------------|
| Current Assets | | | |
| Debtors | 4 | <u>100</u> | <u>100</u> |
| Net Current Assets | | <u>100</u> | <u>100</u> |
| Total Assets less Current liabilities | | <u>100</u> | <u>100</u> |
| Capital and Reserves | | | |
| Called up share capital | 5 | <u>100</u> | <u>100</u> |
| Equity shareholders' funds | | <u>100</u> | <u>100</u> |

The accounts on pages 4 to 6 were approved by the Board of Directors' and were signed on their behalf by



M Hancox

Director

Date: 16 January 2003

General Credit Co. (Manchester) Limited
Notes to the financial statements for the year ended 31 March 2002

1. Accounting Policies

Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards in the UK and the Companies Act 1985.

Cash flow statement and related party transactions

The company is a wholly-owned subsidiary of GUS plc and is included in the consolidated financial statements of GUS plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the group or investees of the group where the ultimate parent undertaking, GUS plc, owns 90% or more of the total shareholding.

2. Directors and employees

During the year the company acted as an agent in carrying out business on behalf of ARG Equation Limited and payments made in the year to employees and directors were for services to that company. Accordingly, the employment costs and numbers of employees are included in the financial statements of ARG Equation Limited.

None of the directors received any emoluments for services to the company during the year ended 31 March 2002 (2001: £Nil).

3. Auditor's remuneration

The cost of the annual audit of the financial statements of the company are borne by ARG Equation Limited.

| 4. Debtors | 2002 | 2001 |
|---|-------------|-------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 100 | 100 |
| | <u>100</u> | <u>100</u> |

General Credit Co. (Manchester) Limited**Notes to the financial statements for the year ended 31 March 2002****5. Share capital**

| | 2002 | 2001 |
|--|-------------------|-------------|
| | £ | £ |
| Authorised: | | |
| 100 (2001: 100) ordinary shares at £1 each | <u>100</u> | <u>100</u> |
| Allotted, called-up and fully paid: | | |
| 100 (2001: 100) ordinary shares at £1 each | <u>100</u> | <u>100</u> |

6. Reconciliation of movements in equity shareholders' funds

| | 2002 | 2001 |
|---|-------------------|--------------|
| | £'000 | £'000 |
| Profit for the year | - | - |
| Net addition to shareholders funds | <u>-</u> | <u>-</u> |
| Opening shareholders funds | <u>100</u> | <u>100</u> |
| Closing shareholders funds | <u>100</u> | <u>100</u> |

7. Ultimate parent undertakings

The company's immediate and ultimate parent undertaking is GUS plc, a company registered in England and Wales. The company's controlling and ultimate controlling party is GUS plc, by virtue of its 100% shareholding in the company. The largest and smallest group of undertakings for which group accounts have been prepared is that of GUS plc. Copies of these accounts are available from its registered office at Universal House, Devonshire Street, Manchester, M60 1XA.