

CITY CARDS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended

31 December 1997

REGISTERED NUMBER 671158



CITY CARDS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 1997.

PRINCIPAL ACTIVITY

The Company did not trade during the year.

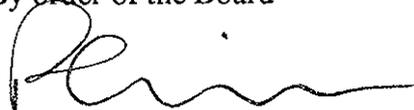
DIRECTORS

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

H J Kay
R A Harper
P M Gardiner (appointed 1 October 1997)

None of the directors had any interest in any of the shares of the company.

By order of the Board



P M Gardiner
Secretary

28 October 1998

Hallmark House
Station Road
Henley on Thames
Oxon RG9 1LQ

CITY CARDS LIMITED

BALANCE SHEET AT 31 DECEMBER 1997

	Note	1997 £	1996 £
CURRENT ASSETS			
Debtors	3	700	700
		—	—
		<u>700</u>	<u>700</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>700</u>	<u>700</u>

The company was dormant throughout the year ended 31 December 1997 within the meaning of section 252 of the Companies Act 1985. The company has taken advantage of section 252 and has passed a resolution not to appoint auditors.

These financial statements were approved by the board of directors and were signed on its behalf by:



Director

28 October 1998

CITY CARDS LIMITED

NOTES (FORMING PART OF THE FINANCIAL STATEMENTS)

1. PRINCIPAL ACCOUNTING POLICY

Basis of accounting

Items are stated in the financial statements under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

2. REMUNERATION OF DIRECTORS

No directors received any emoluments during the year.

3. DEBITORS

	1997	1996
	£	£
Amount due from fellow subsidiary undertaking	700	700
	<u> </u>	<u> </u>

4. SHARE CAPITAL

	1997	1996
	£	£
Authorised; issued & fully paid:		
600 deferred shares of £1 each	600	600
100 ordinary shares of £1 each	100	100
	—	—
	700	700
	<u> </u>	<u> </u>

5. PROFIT AND LOSS ACCOUNT

The Company did not trade during the financial year and the preceding financial period and received no income and incurred no expenditure. Consequently during those years the Company made neither a profit nor a loss.

6. ULTIMATE PARENT UNDERTAKING

The Company is a subsidiary undertaking of Hallmark Cards (Holdings) Limited registered in England and Wales. Hallmark Cards (Holdings) Limited considers its ultimate parent undertaking to be Hallmark Cards Incorporated, a company incorporated in the State of Missouri, United States of America.