

Company Number: 4695476

TradePro Card Services Limited
Directors' Report and Financial Statements
for the Year Ended 31 December 2010

WEDNESDAY



ASKPNVZS

A03

20/07/2011

331

COMPANIES HOUSE

TradePro Card Services Limited

Contents

Company Information	1
Directors' Report	2 to 3
Independent Auditors' Report	4 to 5
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9 to 12

TradePro Card Services Limited

Company Information

Directors	J R Clark C M Sales (resigned 5 January 2010) C M Allan
Company secretary	C M Allan
Registered office	TradePro House Seebeck Place Knowlhill Milton Keynes MK5 8FR
Solicitors	Pinsent Masons CityPoint One Ropemaker Street London EC2Y 9AH
Bankers	Barclays Bank Level 28 1 Churchill Place London E14 5HP
Auditors	Hawsons Chartered Accountants Jubilee House 32 Duncan Close Moulton Park Northampton NN3 6WL

TradePro Card Services Limited

Directors' Report for the Year Ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Statement of 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 elected to prepare 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 these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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.

Principal activity

The principal activity of the company is to issue, operate and administer trade credit cards and store cards for use in UK builders' merchants.

Business review

Fair review of the business

During 2008 and 2009 the company has successfully launched a number of store cards with major merchants which are expected to generate new business growth in 2010. The company continues to promote the TradePro card and TradePro fuel card and will look to drive further growth from increased usage of these products.

The company has taken steps to mitigate the risks, as well as capitalising on the opportunities posed by the current market environment.

The directors of the company manage the operations as part of the group, TradePro Holdings Limited. For this reason, the company's Directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business. The key performance indicators and performance of the group, which includes the company, is given on page 2 of the group's annual report which does not form part of this report.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of TradePro Holdings Limited, which include those of the company, are discussed on page 2 of the group's annual report which does not form part of this report.

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

TradePro Card Services Limited
Directors' Report for the Year Ended 31 December 2010

..... *continued*

Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons. The Group met its day to day working capital requirements through facilities provided by the company's bankers supported, as necessary, by its shareholders.

In April 2010 the Group entered into a new 3 year facility for its senior financing with a renewal date of April 2013. The Directors are confident that the agreed level of funding within the facility will support the continuing successful growth of the business.

On the basis of cash flow forecasts, and the commitment and support of its shareholder, the Directors have a reasonable expectation that the Group will continue to operate within both available and prospective facilities. Accordingly the financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should this or alternative finance not be made available.

Directors of the company

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

J R Clark

C M Sales (resigned 5 January 2010)

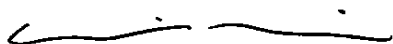
C M Allan

Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 18 July 2011 and signed on its behalf by



C M Allan
Director

Independent Auditor's Report to the Members of TradePro Card Services Limited

We have audited the financial statements of TradePro Card Services Limited for the year ended 31 December 2010, set out on pages 6 to 12. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors responsibilities (set out on page 2), 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 (APB's) Ethical Standards for Auditors.

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 the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 the 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 2010 and of its loss 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 matter 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.

**Independent Auditor's Report to the Members of
TradePro Card Services 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

Philip Lomas

Senior Statutory Auditor

For and on behalf of Hawsons Chartered Accountants

Statutory Auditor

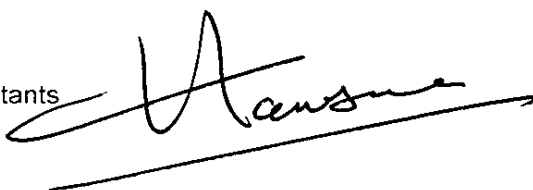
Jubilee House

32 Duncan Close

Moulton Park

Northampton

NN3 6WL

A handwritten signature in black ink, appearing to read 'Hawsons', is written over a horizontal line.

18 July 2011

TradePro Card Services Limited
Profit and Loss Account for the Year Ended 31 December 2010

	Note	2010 £ 000	2009 £ 000
Turnover	2	4,404	5,550
Administrative expenses		<u>(5,459)</u>	<u>(7,287)</u>
Operating loss	4	(1,055)	(1,737)
Interest payable and similar charges	5	<u>(302)</u>	<u>(306)</u>
Loss on ordinary activities before taxation		(1,357)	(2,043)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss for the financial year	10	<u><u>(1,357)</u></u>	<u><u>(2,043)</u></u>

Turnover and operating profit derive wholly from continuing operations

TradePro Card Services Limited

Statement of Total Recognised Gains and Losses for the Year Ended 31 December 2010

	Note	2010 £ 000	2009 £ 000
Loss for the financial year		(1,357)	(2,043)
Write back of intercompany creditor		-	17,652
Write off of intercompany debtor		-	(2,295)
Total recognised gains and losses relating to the year		<u>(1,357)</u>	<u>13,314</u>

TradePro Card Services Limited
(Registration number: 04695476)
Balance Sheet at 31 December 2010

	Note	2010 £ 000	2009 £ 000
Current assets			
Debtors	7	9,960	12,178
Cash at bank and in hand		<u>340</u>	<u>339</u>
		10,300	12,517
Creditors Amounts falling due within one year	8	<u>(10,426)</u>	<u>(11,286)</u>
Net (liabilities)/assets		<u>(126)</u>	<u>1,231</u>
Capital and Reserves			
Called up share capital	9	-	-
Profit and loss account	10	<u>(126)</u>	<u>1,231</u>
Shareholders' (deficit)/funds	11	<u>(126)</u>	<u>1,231</u>

Approved by the Board on 18 July 2011 and signed on its behalf by



C M Allan
Director

TradePro Card Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2010

1 Accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis in compliance with Companies Act 2006 and applicable Financial Reporting Standards in the United Kingdom and under the historical cost convention. These have been applied in dealing with items which are considered material in relation to the company's financial statements and on a basis consistent with prior years.

Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons. The Group met its day to day working capital requirements through facilities provided by the company's bankers supported, as necessary, by its shareholders.

In April 2010 the Group entered into a new 3 year facility for its senior financing with a renewal date of April 2013. The Directors are confident that the agreed level of funding within the facility will support the continuing successful growth of the business.

On the basis of cash flow forecasts, and the commitment and support of its shareholder, the directors have a reasonable expectation that the group will continue to operate within both available and prospective facilities. Accordingly the financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should this or alternative finance not be made available.

Turnover

Turnover represents servicing and debt collection charges applied to the company's cardholder accounts and commissions earned from the merchants based on a percentage of the cardholder spend. Servicing and debt collection charges include interest, late payment and external legal fees and are applied to the cardholders' balances unless recoverability of the balances is doubtful, and are recognised in the period to which they relate. Other fees, including debt recovery fees, are recognised on a cash received basis when collected from the cardholder.

Trade debtors

The trade debtors balance comprises balances outstanding on cardholder accounts, net of any provision for credit losses and bad debt. The value of balances outstanding on cardholder accounts comprises the value of any spend completed using TradePro cards, plus any interest and fees charged to the account, where considered recoverable.

Bad debt provision

Provision is calculated on the basis of the age of the debt at the end of the financial year. Provision is made on a sliding scale for debts that are 4 months and over. Once a debt reaches 7 months it is fully provided for.

Current and deferred tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that had 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, had occurred at the balance sheet date. Deferred tax assets are only recognised when it is considered more likely than not that there would have been suitable taxable profits from which the future reversal of any underlying timing differences could have been deducted. Deferred tax is measured at the average tax rates that were expected to apply in the periods in which the timing differences were expected to reverse based on tax rates and laws that had been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Exemption from preparing a cash flow statement

The company is a wholly owned subsidiary of TradePro Holdings Limited, and the cash flows of the company are included in the consolidated group cash flow statement of that company. Consequently, the company is exempt under the terms of Financial Reporting Standard No. 1 (revised) from publishing a cash flow statement.

TradePro Card Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

..... *continued*

2 Turnover

All turnover is derived from the performance of the company's principal activity in the United Kingdom

3 Director's emoluments and staff costs

Staff costs and emoluments are borne by a fellow subsidiary undertaking and not recharged to the company. Accordingly, no details in respect of staff costs and emoluments have been included in these financial statements

4 Operating loss

The fee charged in respect of the 2010 audit of TradePro Card Services Limited was £15,000 (2009 £15,000). Audit fees are borne by a fellow subsidiary undertaking and are not recharged to the company

5 Interest payable and similar charges

	2010 £ 000	2009 £ 000
Interest on bank borrowings	<u>302</u>	<u>306</u>

6 Taxation

Tax on loss on ordinary activities

	2010 £ 000	2009 £ 000
Total tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

The differences are reconciled below

	2010 £ 000	2009 £ 000
Loss on ordinary activities before taxation	<u>(1,357)</u>	<u>(2,043)</u>
Corporation tax at standard rate	(389)	(572)
Movement in unrecognised deferred tax - in relation to losses and other timing differences	<u>389</u>	<u>572</u>
Total current tax	<u>-</u>	<u>-</u>

The company has a potential deferred tax asset of £3,125,000 (2009 - £3,186,000) at the year end which has not been recognised. This relates almost entirely to losses and general bad debt provisions

TradePro Card Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

..... continued

7 Debtors

	2010 £ 000	2009 £ 000
Trade debtors	9,780	11,418
Amounts owed by group undertakings	152	148
Other debtors	-	457
Prepayments and accrued income	28	155
	<u>9,960</u>	<u>12,178</u>

8 Creditors. Amounts falling due within one year

	2010 £ 000	2009 £ 000
Trade creditors	1,678	920
Bank loans and overdrafts	4,708	7,124
Amounts owed to group undertakings	3,907	3,189
Other taxes and social security	5	-
Accruals and deferred income	128	53
	<u>10,426</u>	<u>11,286</u>

Bank loans and overdrafts include the drawdown on a £6.7m with Centric SPV1 Limited (2009 £9m facility with Barclays Bank Plc) Interest is payable at LIBOR plus 4% (2009 LIBOR plus 4%) and total interest and utilisation fee charges incurred in the year were £573,000 (2009 £430,000) This facility is secured over a portion of the non-arrears element of the credit card receivable balances recorded within trade debtors

Barclays Bank Plc, Centric SPV1 Limited and CS Capital Partners II LP hold fixed and floating charges over the assets of the group companies, including the company

Amounts owed to group undertakings include a loan of £3,907,000 (2009 £3,189,000) which is payable on demand and interest is payable at 12% p a Interest on this loan was waived during 2010 and 2009

9 Share capital

Allotted, called up and fully paid shares

	2010		2009	
	No	£	No	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Reserves

	Profit and loss account £ 000
At 1 January 2010	1,231
Loss for the year	<u>(1,357)</u>
At 31 December 2010	<u>(126)</u>

TradePro Card Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

.... *continued*

11 Reconciliation of movement in shareholders' funds

	2010 £ 000	2009 £ 000
Loss attributable to the members of the company	(1,357)	(2,043)
Write back of intercompany creditor	-	17,652
Write off of intercompany debtor	-	(2,295)
Shareholders' funds/(deficit) at 1 January 2010	1,231	(12,083)
Shareholders' (deficit)/funds at 31 December 2010	(126)	1,231

Following a board meeting on the 29th December 2009, the directors took the decision to forgive all historic intercompany loans as at 31st December 2009

12 Related party transactions

As the consolidated financial statements of TradePro Holdings Limited are publicly available, the Company has taken advantage of the relief available under FRS 8, Related Party Disclosure, not requiring subsidiary undertakings whose voting rights are 100 per cent or more controlled within a Group to disclose transactions with entities that are fellow Group companies

During the year the company entered into transactions with companies under common control of directors as follows

As noted in note 8 the company has a banking facility with Centric SPV1 Limited. A company with a common director and under common control. At the balance sheet date the amount due to Centric SPV1 Limited was £4,706,000 (2009 - £nil)

Compello Operations Limited, a fellow subsidiary, is a corporate partner of MKDP LLP. During the year the company recharged costs to MKDP LLP of £nil (2009 - £9,150). At the balance sheet date the amount due from MKDP LLP was £nil (2009 - £9,150)

During the year the company received monies on behalf of MKDP LLP. At the balance sheet date the amount due to MKDP LLP was £47,032 (2009 - £nil)

13 Control

The directors regard TradePro Finance Limited, a company registered in England and Wales as the immediate parent company of the company and TradePro Holdings Limited, a company incorporated in the United Kingdom as the largest and smallest group within which the company is consolidated. Copies of the group accounts for TradePro Holdings Limited can be obtained by writing to the company secretary at the following address

TradePro House
Seebeck Place
Knowlhill
Milton Keynes
MK5 8FR

TradePro Holdings Limited has indicated that it will provide such financial support as necessary to enable the company to continue operations for the foreseeable future

At 31 December 2010, CS Capital Partners II LP was a majority shareholder of shares in TradePro Holdings Limited and is considered by the directors to be the ultimate parent company of the group