

Company Number: 4725147

TradePro Holdings Limited

**Director's Report and Consolidated Financial
Statements**

for the Year Ended 31 December 2010

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TradePro Holdings Limited

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TradePro Holdings Limited
Company Information

Directors	C M Allan
	J R Clark
	C M Sales (resigned 5 January 2010)
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 Holdings Limited

Directors' Report for the Year Ended 31 December 2010

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

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 group and the company and of the profit or loss of the group 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 group is the provision of sales and marketing, operating and administrative services. The principal activity of the company is as an investing company. The directors do not foresee any changes to the company's activities.

Business review

Fair review of the business

The results for the year show a pre-tax loss of £5,343,000 (2009: £5,596,000), the group has been trading profitably at the EBITDA level (earnings before interest, tax, depreciation and amortisation) during the year.

During 2010 the group has successfully expanded the service offering to provide an outsourced solution for debt collection for clients in the Financial Services, Commercial and Local Authority sectors as well as collecting on debts purchased by the group.

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

Principal risks and uncertainties

The company's and group's operations expose it to a variety of financial risks that include the effects of changes in credit risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring the aforementioned risks on an on-going basis.

The group does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department and, in 2008, by the newly formed risk department.

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before credit cards are issued. The amount of exposure to any individual customer is subject to a limit, which is reassessed periodically by the credit committee. No significant credit exposures to individual customers are held due to the large and diversified nature of the customer base.

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

..... **continued**

Results and Dividends

The results for the group are set out in the financial statements

There is no Director's recommendation for dividend payments in any company

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

C M Allan

J R Clark


C M Sales (resigned 5 January 2010)

Disclosure of information to 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 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 18 July 2011 and signed on its behalf by



C M Allan
Director

Independent Auditor's Report to the Members of TradePro Holdings Limited

We have audited the financial statements of TradePro Holdings Limited for the year ended 31 December 2010, set out on pages 6 to 19. 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 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 group's and parent 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's 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 Holdings Limited**

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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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

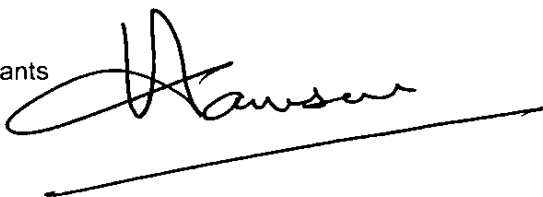
Jubilee House

32 Duncan Close

Moulton Park

Northampton

NN3 6WL



18 July 2011

TradePro Holdings Limited
Consolidated Profit and Loss Account for the Year Ended 31 December 2010

	Note	2010 £ 000	2009 £ 000
Turnover	2	4,772	5,550
Cost of sales		-	-
Gross profit		4,772	5,550
Administrative expenses		(6,706)	(7,160)
Group operating loss	5	(1,934)	(1,610)
Share of operating profit in associates	6	1,558	-
Interest payable and similar charges	7	(4,967)	(3,986)
Loss on ordinary activities before taxation		(5,343)	(5,596)
Tax on loss on ordinary activities	8	-	-
Loss for the financial year attributable to members of the parent company	17	(5,343)	(5,596)

Turnover and operating profit derive wholly from continuing operations

The Group has no recognised gains or losses other than those shown for the year above and therefore no separate statement of total recognised gains and losses has been presented

TradePro Holdings Limited
(Registration number: 04725147)
Consolidated Balance Sheet at 31 December 2010

	Note	£ 000	2010 £ 000	2009 £ 000
Fixed assets				
Tangible fixed assets	11		389	719
Investment in associate	12		<u>141</u>	<u>-</u>
			530	719
Current assets				
Debtors	13	10,070		12,185
Cash at bank and in hand		<u>350</u>		<u>340</u>
		10,420		12,525
Creditors Amounts falling due within one year	14	<u>(6,875)</u>		<u>(8,490)</u>
Net current assets			<u>3,545</u>	<u>4,035</u>
Total assets less current liabilities			4,075	4,754
Creditors Amounts falling due after more than one year	15		<u>(23,453)</u>	<u>(18,789)</u>
Net liabilities			<u>(19,378)</u>	<u>(14,035)</u>
Capital and reserves				
Called up share capital	16	1,300		1,300
Share premium account	17	29,700		29,700
Profit and loss account	17	<u>(50,378)</u>		<u>(45,035)</u>
Shareholders' deficit	18		<u>(19,378)</u>	<u>(14,035)</u>

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




C M Allan
Director

TradePro Holdings Limited
(Registration number: 04725147)
Company Balance Sheet at 31 December 2010

	Note	2010 £ 000	2009 £ 000
Fixed assets			
Investments	12	30,000	30,000
		30,000	30,000
Creditors Amounts falling due within one year	14	(272)	(265)
Net assets		29,728	29,735
Capital and reserves			
Called up share capital	16	1,300	1,300
Share premium account	17	29,700	29,700
Profit and loss account	17	(1,272)	(1,265)
Shareholders' funds	18	29,728	29,735

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



C M Allan
Director

TradePro Holdings Limited

Consolidated Cash Flow Statement for the Year Ended 31 December 2010

	Note	2010 £ 000	2009 £ 000
Reconciliation of operating loss to net cash flow from operating activities			
Operating loss		(1,934)	(1,610)
Depreciation, amortisation and impairment charges		345	424
Loss/(profit) on disposal of fixed assets		153	(2)
Decrease in debtors		2,115	2,550
Increase/(decrease) in creditors		910	(952)
Net cash inflow from operating activities		1,589	410
Net cash received from associates		1,417	-
Returns on investments and servicing of finance			
Interest paid		(303)	(306)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(168)	(158)
Sale of tangible fixed assets		-	9
		(168)	(149)
Net cash inflow/(outflow) before management of liquid resources and financing		2,535	(45)
Financing			
Deep discount bond		-	3,000
Increase in cash	20	2,535	2,955
Reconciliation of net cash flow to movement in net debt			
	Note	2010 £ 000	2009 £ 000
Increase in cash		2,535	2,955
Cash inflow from increase in other debt		-	(3,000)
Non cash movement		(4,664)	(3,680)
Change in net debt resulting from cash flows	20	(2,129)	(3,725)
Movement in net debt	20	(2,129)	(3,725)
Net debt at 1 January	20	(25,683)	(21,958)
Net debt at 31 December	20	(27,812)	(25,683)

TradePro Holdings Limited

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

1 Accounting policies

Basis of preparation

The financial statements are prepared in compliance with the 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and all its subsidiaries ('the group'). All subsidiaries within the group have been wholly owned throughout the prior and current financial years and the results of these entities are therefore fully consolidated throughout both periods.

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

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 group'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.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Depreciation

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets to write off the cost, less the estimated residual value, of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	2-4 years
Computers and terminals	5 years
Office equipment	5 years

Impairment of fixed assets

Impairment reviews are undertaken if events or changes in circumstances indicate that the carrying value of tangible fixed assets may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows. Impairment is assessed by comparing the carrying value of the asset to the lower of net present value of future cash flows derived from the underlying assets or their recoverable amount.

TradePro Holdings Limited

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

..... *continued*

Fixed asset investments

Fixed asset investments are stated at historical cost, less any provision for impairment

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 will be sufficient taxable profits from which the future reversal of any underlying timing differences could be 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

2 Turnover

Turnover is recognised in accordance with the policy in note 1 and is wholly derived from the performance of the group's principle activity in the United Kingdom

3 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows

	2010 No	2009 No.
Office and management	<u>63</u>	<u>44</u>

The aggregate payroll costs were as follows

	2010 £ 000	2009 £ 000
Wages and salaries	1,491	1,056
Social security costs	<u>144</u>	<u>97</u>
	<u>1,635</u>	<u>1,153</u>

TradePro Holdings Limited

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

..... *continued*

4 Directors' remuneration

The directors' remuneration for the year was as follows

	2010 £ 000	2009 £ 000
Aggregate emoluments	<u>120</u>	<u>92</u>

In respect of the highest paid director

	2010 £ 000	2009 £ 000
Aggregate emoluments	<u>120</u>	<u>92</u>

5 Operating loss

Operating loss is stated after charging

	2010 £ 000	2009 £ 000
Operating leases - land and buildings	209	197
Loss/(profit) on sale of tangible fixed assets	153	(2)
Depreciation of owned assets	345	424
Auditor's remuneration	<u>23</u>	<u>23</u>

The audit fee charged in respect of the company was £1,000 (2009 £1,000) and has been borne by another group company

6 Share of operating profit in associates

	2010 £ 000	2009 £ 000
Associates	<u>1,558</u>	<u>-</u>

Share of operating profit in associates represents the attributable profit receivable from MKDP LLP, see note 12

7 Interest payable and similar charges

	2010 £ 000	2009 £ 000
Interest on deep discount bonds (see note 15)	4,664	3,680
Interest payable on bank facility (see note 14)	<u>303</u>	<u>306</u>
Group interest payable and similar charges	<u>4,967</u>	<u>3,986</u>

TradePro Holdings Limited

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

..... *continued*

8 Taxation

Tax on loss on ordinary activities

	2010 £ 000	2009 £ 000
Total tax on loss on ordinary activities	-	-

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	(5,343)	(5,596)
Corporation tax at standard rate	(1,496)	(1,567)
Expenses not deductible for tax purposes	1,308	1,031
Movement in unrecognised deferred tax in relation to losses including adjustment in respect of prior year	188	536
Total current tax	-	-

The group has a potential deferred tax asset of £8,400,000 (2009 £10,524,000) at the year end which has not been recognised. This relates almost entirely to losses incurred by group companies in recent years.

9 Parent company profit and loss account

TradePro Holdings Limited has not presented a Company profit and loss account as permitted by section 408 of the Companies Act 2006. The amount of the parent company's loss for the financial year was £7,000 (2009 £9,000) (See note 17)

10 Intangible fixed assets

During 2003, the Group acquired the "Camel" brand name from Camel Financial Services Limited. This brand name was fully utilised in 2003 by the Group and was therefore fully amortised as at 31 December 2003.

TradePro Holdings Limited

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

..... continued

11 Tangible fixed assets

(a) Group

	Leasehold improvements £ 000	Office equipment £ 000	Computers and terminals £ 000	Total £ 000
Cost				
At 1 January 2010	164	62	2,388	2,614
Additions	88	3	77	168
Disposals	-	-	(1,233)	(1,233)
At 31 December 2010	252	65	1,232	1,549
Depreciation				
At 1 January 2010	40	32	1,823	1,895
Charge for the year	23	11	311	345
Eliminated on disposals	-	-	(1,080)	(1,080)
At 31 December 2010	63	43	1,054	1,160
Net book value				
At 31 December 2010	189	22	178	389
At 31 December 2009	124	30	565	719

(b) Company

The company holds no tangible fixed assets

12 Investments held as fixed assets

Group

The group has the following aggregate interests in associates

	2010 £ 000	2009 £ 000
Share of turnover	1,559	-
Share of current assets	142	-

TradePro Holdings Limited

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

..... continued

Company

Interests
within
group
undertakings
£

Cost and Net book value

As at 1 January 2010 and 31 December 2010

30,000,001

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
TradePro Finance Limited	Ordinary shares	100%	Finance company
Compello Operations Limited	Ordinary shares	100%	Servicing company
TradePro Card Services Limited	Ordinary shares	100%	Card services
CDC Debt Collection Limited	Ordinary shares	100%	Dormant
Associates			
MKDP LLP	Non controlling corporate partner	50%	Management of distressed consumer portfolios

All the subsidiaries are incorporated in England and Wales

The investment in TradePro Finance Limited is held directly by TradePro Holdings Limited. All other investments are subsidiaries and associates of TradePro Finance Limited, which is an intermediate holding company within the group structure.

Under UITF 38 the group is deemed to control TradePro Holdings Share Trust, an employee share ownership plan (ESOP) set up for the benefit of the group's employees.

13 Debtors

	Group		Company	
	2010 £ 000	2009 £ 000	2010 £ 000	2009 £ 000
Trade debtors	9,780	11,417	-	-
Other debtors	-	457	-	-
Prepayments and accrued income	290	311	-	-
	<u>10,070</u>	<u>12,185</u>	<u>-</u>	<u>-</u>

TradePro Holdings Limited

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

..... continued

14 Creditors: Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£ 000	£ 000	£ 000	£ 000
Trade creditors	1,678	920	-	-
Bank loans and overdrafts (secured)	4,709	7,234	-	-
Amounts owed to group undertakings	-	-	268	263
Other taxes and social security	101	51	-	-
Other creditors	199	106	-	-
Accruals and deferred income	188	179	4	2
	<u>6,875</u>	<u>8,490</u>	<u>272</u>	<u>265</u>

Bank loans and overdrafts

Bank loans and overdrafts include the drawdown on a £6.7m with Centric SPV1 Limited (2009: £9m 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 (the holders of the deep discount bonds - see note 15) hold fixed and floating charges over the assets of all group companies.

15 Creditors: Amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£ 000	£ 000	£ 000	£ 000
Deep discount bonds	<u>23,453</u>	<u>18,789</u>	<u>-</u>	<u>-</u>

During 2010, the group had deep discount bonds in issue of £11,729,000 (2009: £11,729,000), incurring finance costs of £4,664,000 (2009: £3,680,000) thereon. During the year, the group issued debt with a nominal value of £nil (2009: £4,274,000) at a discounted price of £nil (2009: £3,000,000), incurring interest of £nil (2009: £682,000).

TradePro Holdings Limited

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

..... continued

16 Share capital

Allotted, called up and fully paid shares

	2010		2009	
	No	£	No.	£
Ordinary A shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Ordinary B shares of £0.10 each	1,000	100	1,000	100
Ordinary C shares of £0.10 each	2,065	207	2,065	207
Ordinary D shares of £0.01 each	30,000,000	300,000	30,000,000	300,000
	<u>31,003,065</u>	<u>1,300,307</u>	<u>31,003,065</u>	<u>1,300,307</u>

Each A, B, C and D shareholder is entitled to receive notice of, and to attend general meetings of the Company. The holders of A shares are entitled to vote at general meetings. B, C and D shares carry no voting rights.

Any amounts available for distribution shall be applied in certain proportions between A, B and C shareholders ranging from 88.4% to 49.1% for A shareholders, 10% to 50% for B shareholders and 1.6% to 0.9% for C shareholders. D shareholders have the same distribution rights as A shareholders.

20 Ordinary B shares are held by the TradePro Holdings Employee Share Trust (see note 12).

17 Reserves

Group

	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2010	29,700	(45,035)	(15,335)
Loss for the year	-	(5,343)	(5,343)
At 31 December 2010	<u>29,700</u>	<u>(50,378)</u>	<u>(20,678)</u>

Company

	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2010	29,700	(1,265)	28,435
Loss for the year	-	(7)	(7)
At 31 December 2010	<u>29,700</u>	<u>(1,272)</u>	<u>28,428</u>

TradePro Holdings Limited

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

..... continued

18 Reconciliation of movement in shareholders' funds

Group

	2010 £ 000	2009 £ 000
Loss attributable to the members of the group	(5,343)	(5,596)
Net reduction to shareholders' funds	(5,343)	(5,596)
Shareholders' deficit at 1 January	(14,035)	(8,439)
Shareholders' deficit at 31 December	<u>(19,378)</u>	<u>(14,035)</u>

Company

	2010 £ 000	2009 £ 000
Loss attributable to the members of the company	(7)	(9)
Net reduction to shareholders' funds	(7)	(9)
Shareholders' funds at 1 January	29,735	29,744
Shareholders' funds at 31 December	<u>29,728</u>	<u>29,735</u>

19 Commitments

Operating lease commitments

As at 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2010 £ 000	2009 £ 000
Land and buildings		
Over five years	<u>225</u>	<u>203</u>

20 Analysis of net debt

	At 1 January 2010 £ 000	Cash flow £ 000	At 31 December 2010 £ 000
Cash at bank and in hand	340	10	350
Bank overdraft	(7,234)	2,525	(4,709)
	<u>(6,894)</u>	<u>2,535</u>	<u>(4,359)</u>
Debt due after more than one year	(18,789)	(4,664)	(23,453)
Net debt	<u>(25,683)</u>	<u>(2,129)</u>	<u>(27,812)</u>

TradePro Holdings Limited

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

..... continued

21 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 Group entered into transactions with companies under common control or Directors as follows

As noted in note 14 the group has a banking facility with Centric SPV1 Limited, a company with a common director and under common control At the year end the balance outstanding was £4,706,000 (2009 - £nil)

As noted in note 15, the group has deep discount bonds in issue Of the bonds outstanding, £23,174,000 (2009 £18,539,000) have been issued to CS Capital Partners II LP, a shareholder

During the year the group recharged costs to MKDP LLP of £nil (2009 £30,670) a associate undertaking At the year end the group was owed £nil (2009 £30,670) in respect of those costs

During the year the group received a profit share from MKDP LLP totalling £1,558,572 (2009 - £nil) At the year end the group was owed £76,507 (2009 - £nil) in respect of the profit share

During the year the group received monies on behalf of MKDP LLP, at the year end the group owed £47,032 (2009 - £nil) to MKDP LLP in respect of monies collected

Furthermore, MKDP LLP also received monies on behalf of the group At the year end the company was owed £12,408 (2009 - £nil) by MKDP LLP in respect of monies collected

22 Control

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