

Company Number: 4746414

TradePro Operations Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2009

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TradePro Operations Limited

Annual report and financial statements for the year ended 31 December 2009

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Directors and advisors

Directors

C M Allan (appointed 28th January 2009 and resigned 18th December 2009)
D G Bloom (resigned 28th January 2009)
J R Clark
C M Sales (resigned 5th January 2010)
R J McDougall (resigned 28th January 2009)

Secretary

C M Allan (appointed 28th January 2009)
D G Bloom (resigned 28th January 2009)

Registered office

TradePro House
Seebeck Place
Knowlhill
Milton Keynes
MK5 8FR

Auditors

Hawsons Chartered Accountants
Jubilee House
32 Duncan Close
Moulton Park
Northampton, NN3 6WL

Solicitors

Pinsent Masons
CityPoint
One Ropemaker Street
London
EC2Y 9AH

Bankers

Barclays Bank
Level 28
1 Churchill Place
London
E14 5HP

TradePro Operations Limited

Directors' report for the year ended 31 December 2009

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009

Activities and Prospects

The principal activity of the company is the provision of sales and marketing, operating and administrative services to a fellow subsidiary company, namely TradePro Card Services Limited

Business review

The operating results for the year are in line with the Directors' expectations and the Directors expect the level of operating activity will be increased in the foreseeable future

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.

Review of results

The results for the year are shown in the profit and loss account on page 7

The Directors do not recommend the payment of a dividend (2008: £nil)

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.

TradePro Operations Limited

Directors' report for the year ended 31 December 2009 (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 January 2010, the Group renewed its senior financing.

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

The Directors who held office during the year were as follows

C M Allan	(appointed 28 th January 2009 and resigned 18 th December 2009)
D G Bloom	(resigned 28 th January 2009)
J R Clark	
C M Sales	(resigned 5 th January 2010)
R J McDougall	(resigned 28 th January 2009)

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report as set out above confirm that

- 1) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- 2) the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

TradePro Operations Limited

Directors' report for the year ended 31 December 2009 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

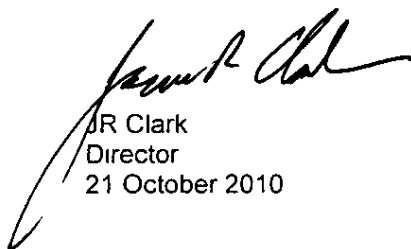
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

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 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.

By order of the Board



J.R. Clark
Director
21 October 2010

Independent auditors' report to the shareholders of TradePro Operations Limited

We have audited the financial statements of TradePro Operations Limited for the year ended 31st December 2009, set out on pages 7 to 18. 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 auditors' 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 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 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.

Independent auditors' report to the shareholders of TradePro Operations Limited (continued)

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2009 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

Matters on which we are 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 disclosure 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

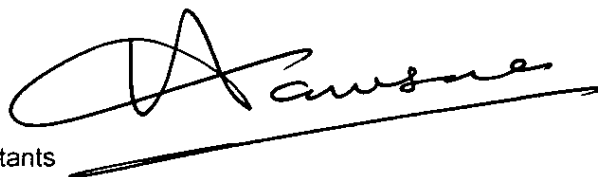
Jubilee House

32 Duncan Close

Moulton Park

Northampton

NN3 6WL



25 October, 2010 .

TradePro Operations Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009	2008
		£'000	£'000
Turnover	2	3,189	5,870
Administrative expenses		(3,056)	(5,535)
Operating profit	4	133	335
Interest payable and similar charges		-	-
Other income		-	-
Profit on ordinary activities before taxation		133	335
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation		133	335
Profit for the financial year	11	133	335

All results derive from continuing operations

TradePro Operations Limited

Statement of total recognised gains and losses for the year ended 31 December 2009

	2009	2008
	£'000	£'000
Profit for the financial year	133	335
Write back of Intercompany Creditor	26,176	-
Write off of Intercompany Debtor	(1,787)	-
Total recognised gains for the year	24,522	335

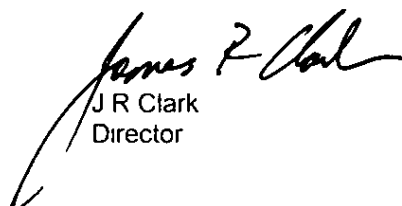
TradePro Operations Limited

Balance sheet as at 31 December 2009

Company registration number 4746414

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	6	719	992
Investments	7	-	-
		719	992
Current assets			
Debtors	8	3,458	3,431
Cash at bank and in hand		1	-
		3,459	3,431
Creditors amounts falling due within one year	9	(391)	(25,158)
Net current Assets / (liabilities)		3,068	(21,727)
Net Assets / (liabilities)		3,787	(20,735)
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	3,787	(20,735)
Total shareholders' deficit	12	3,787	(20,735)

These financial statements on page 7 to 18 were approved by the Board of Directors on 21 October 2010 and were signed on its behalf by


J R Clark
Director

Trade Pro Operations Limited

Notes to the financial statements for the year ended 31 December 2009

1. Accounting policies

The principal accounting policies adopted are described below

Basis of accounting

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.

Exemption from consolidation

TradePro Operations Limited has claimed the exemption available from the preparation of consolidated financial statements as it is a wholly owned subsidiary of a Group in which the ultimate parent company prepares consolidated financial statements, which are publicly available and within which the results of TradePro Operations Limited are included.

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 January 2010, the Group renewed its senior financing.

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 fees in relation to sales and marketing, operations and administrative services provided to a fellow subsidiary, TradePro Card Services Limited and is calculated in accordance with agreed terms and rates between the two entities and recognised on an accruals basis. Turnover is based on the number of cardholders recruited in the period and the value of spend on each card.

TradePro Operations Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

1. Accounting policies (continued)

Leases

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

Fixed assets and 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

Fixed asset investments

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

Taxation

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 substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

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

Trade Pro Operations Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

2. Turnover

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

3. Directors' emoluments and staff costs

(a) Employees

The average number of employees during the year was made up as follows (including Directors)

	2009	2008
	Number	Number
Office and management	44	70

Staff costs during the year were as follows (including Directors)

	2009	2008
	£'000	£'000
Wages and salaries	1,056	2,007
Social security costs	97	168
	1,153	2,175

(b) Directors

All Directors are also Directors of TradePro Holdings Limited, the ultimate parent undertaking hence emoluments of the Directors are presented in the accounts of that Company

4. Operating profit/(loss)

Operating profit is stated after charging	2009	2008
	£'000	£'000
Depreciation	424	700
(Profit)/Loss on disposal of fixed assets	(2)	50
Operating lease rentals - land and buildings	197	206
Auditors' remuneration - audit	23	23

Audit fees for the year are payable to Hawsons Chartered Accountants. The company pays audit fees for all Group companies. No recharge is made for the costs incurred.

The proportion of the auditors' remuneration above in respect of TradePro Operations Limited is £7,000 (2008: £7,000).

Trade Pro Operations Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

5. Tax on profit on ordinary activities

	2009	2008
	£'000	£'000
Current tax	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (28%)
The differences are explained below

	2009	2008
	£ 000	£'000
Profit on ordinary activities before tax	133	335
Profit on ordinary activities multiplied by standard rate in the UK 28% (2008 28%)	37	94
Expenses not deductible for tax purposes	-	-
Depreciation for year in excess of capital allowances	-	-
Movement in unrecognised deferred tax in relation to losses including adjustments in respect of prior year	(37)	(94)
Total current tax charge	-	-

The company has a potential deferred tax asset of £6,597,000 (2008 £6,111,000) at the year end which has not been recognised as there is insufficient evidence of future profits against which these losses can be offset

Trade Pro Operations Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

6. Tangible fixed assets

	Leasehold improvements	Computers and terminals	Office equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2009	172	2,233	60	2,465
Additions at cost	1	155	2	158
Disposals	(9)	-	-	(9)
At 31 December 2009	164	2,388	62	2,614
Accumulated depreciation				
At 1 January 2009	25	1,428	20	1,473
Charge for the year	17	395	12	424
Disposals	(2)	-	-	(2)
At 31 December 2009	40	1,823	32	1,895
Net book value				
At 31 December 2009	124	565	30	719
At 31 December 2008	147	805	40	992

Trade Pro Operations Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

7. Investments

	2009	2008
	£	£
Cost and net book value at 31 December 2009	1	1

The investment relates to the company's subsidiary, CDC Debt Collection Limited, a debt collection company, which is wholly owned and incorporated in England and Wales

8. Debtors

	2009	2008
	£'000	£'000
Amounts owed by Group undertakings	3,303	3,253
Prepayments and accrued income	155	178
	3,458	3,431

9. Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Bank loans and overdrafts	111	-
Amounts owed to Group undertakings	-	24,299
Taxation and social security	51	60
Other creditors	85	333
Accruals and deferred income	144	466
	391	25,158

Barclays Bank Plc and CS Capital Partners II LP hold fixed and floating charges over the assets of the Group companies, including this company

Amounts owed to Group undertakings relate to loans with fellow Group companies TradePro Finance Limited of £nil (2008 £24,145,000) which has interest payable at 12% p a (waived in 2009 and 2008) and TradePro Card Services Limited of £nil (2008 £154,000)

Trade Pro Operations Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

10 Called up share capital

	2009	2008
	£	£
Issued, allotted, called up and fully paid		
1 ordinary share of £1	1	1

11. Reserves

	Profit and Loss account	Other reserves	Total
	£'000	£'000	£'000
At 1 January 2009	(20,735)	-	(20,735)
Write back of Intercompany Creditor	-	26,176	26,176
Write off of Intercompany Debtor	-	(1,787)	(1,787)
Other reserve transfer	24,389	(24,389)	-
Profit for the financial year	133	-	133
At 31 December 2009	3,787	-	3,787

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

Trade Pro Operations Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

12. Reconciliation of movement in shareholders' funds / (deficit)

	2009	2008
	£'000	£'000
Profit/(loss) for the financial year	133	335
Write back of Intercompany Creditor	26,176	-
Write off of Intercompany Debtor	(1,787)	-
Opening shareholders' funds / (deficit)	(20,735)	(21,070)
Closing shareholders' funds / (deficit)	3,787	(20,735)

13. Commitments

There were no capital commitments at the end of the financial year

Annual commitments under non-cancellable operating leases are as follows

	2009	2008
	£'000	£'000
Land and buildings		
- Expiring in less than one year	-	-
- Expiring in between two and five years	-	-
- Expiring in more than five years	203	180
	203	180

14. 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 recharged costs to MKDP LLP of £21,520 (2008 £nil) of which TradePro Operations Limited is a corporate partner. At the year end the company was owed £21,520 (2008 £nil) in respect of those costs

Trade Pro Operations Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

15. Ultimate parent company

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 2009, 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.