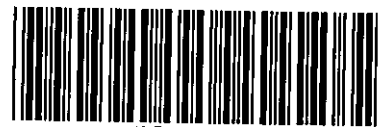


**Registered number 3257901**

**3C Transac Limited**

**Report and financial statements  
for the year ended 31 December 2005**

WEDNESDAY



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# **3C Transac Limited**

## **Annual report for the year ended 31 December 2005**

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# **3C Transac Limited**

## **Officers and professional advisers**

### **Directors**

Michael Balzer  
Nouman Hashmi

### **Secretary**

Nabi Ahmed Mer

### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

### **Bankers**

Lloyds TSB Bank plc  
Butler Place  
London SW1H 0PR

### **Solicitors**

Eversheds  
Senator House  
85 Queen Victoria Street  
London EC4V 4JL

### **Registered office**

Regal House  
70 London Road  
Twickenham  
Middlesex TW1 3QS

## **3C Transac Limited**

### **Directors' report for the year ended 31 December 2005**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

This report has been prepared in accordance with the special provisions relating to small companies under S246 of the Companies Act 1985.

#### **Principal activities**

The principal activities of the company continue to be credit card/charge card car parking services and integrated Transac credit card/charge card handling business.

#### **Review of business and future developments**

The directors are satisfied with the progress of the business and hope to see an improvement in trading next year.

#### **Results and dividends**

The profit and loss account for the year is set out on page 7. The company's profit for the current financial year is £531,133 (2004: £800,088).

No dividends were paid or proposed in the year (2004: £nil).

#### **Directors and their interests**

The directors who held office throughout the year ended 31 December 2005, except as noted, are given below:

Peter Scrope (resigned 31 May 2006)

Michael Balzer

Nouman Hashmi (appointed 31 May 2006)

None of the directors had a beneficial interests in the share capital of the company during the year ended 31 December 2005.

#### **Fixed assets**

The movements in fixed assets during the year are set out in note 8 to the financial statements.

## 3C Transac Limited

### Directors' report for the year ended 31 December 2005 (continued)

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- (d) prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business (may be omitted if a separate statement on going concern is made by the directors).

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

#### Auditors

A resolution to reappoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the board



Nouman Hashmi  
Director

Date..... 6/3/2007 .....

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3C TRANSAC LIMITED**

We have audited the financial statements of 3C Transac Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the directors' report for the above year 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

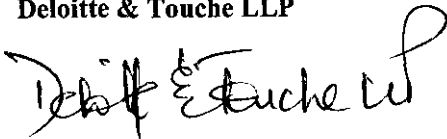
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3C TRANSAC  
LIMITED (CONTINUED)**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

**Deloitte & Touche LLP**

A handwritten signature in black ink, appearing to read 'Deloitte & Touche', with a large, stylized flourish at the end.

Chartered Accountants and Registered Auditors  
London

7 March 2007

## 3C Transac Limited

### Profit and loss account for the year ended 31 December 2005

		2005	2004
	Notes	£	£
Turnover	3	2,637,467	2,680,762
Cost of sales		(1,377,413)	(1,204,757)
Gross profit		1,260,054	1,476,005
Administrative expenses		(943,927)	(793,109)
Operating profit	4	316,127	682,896
Interest receivable and similar income	6	215,006	117,192
<b>Profit on ordinary activities before taxation</b>		<b>531,133</b>	<b>800,088</b>
Tax on profit on ordinary activities	7	-	-
<b>Retained profit for the financial year</b>	12	<b>531,133</b>	<b>800,088</b>

The above results were derived entirely from continuing operations.

The company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.



# 3C Transac Limited

## Balance sheet as at 31 December 2005

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	8	43,190	15,496
<b>Current assets</b>			
Debtors	9	3,675,365	2,590,918
Stock		35,860	70,297
Cash at bank and in hand		1,258,472	2,803,072
		<u>4,969,697</u>	<u>5,464,287</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(2,604,450)</u>	<u>(3,602,479)</u>
Net current assets		<u>2,365,247</u>	<u>1,861,808</u>
<b>Net assets</b>		<u>2,408,437</u>	<u>1,877,304</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	2,408,435	1,877,302
<b>Equity shareholder's funds</b>	13	<u>2,408,437</u>	<u>1,877,304</u>

The financial statements on pages 7 to 15 were approved by the board of directors on

6/3/2007 and were signed on its behalf by

*Nouman Hashmi*

Nouman Hashmi  
Director

# **3C Transac Limited**

## **Notes to the financial statements for the year ended 31 December 2005**

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost accounting rules.

#### **Turnover**

Turnover, which excludes valued added tax and trade discounts, represents the value of Transac and car parking commission, all of which are earned through charge and credit cards.

#### **Fixed assets and depreciation**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided by the company 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:

Plant and machinery	–	20% per annum
---------------------	---	---------------

The company reviews the economic useful life of fixed assets on an annual basis to ensure that the carrying values do not exceed the recoverable amount, being the higher of net realisable values and value in use.

#### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

# **3C Transac Limited**

## **Notes to the financial statements for the year ended 31 December 2005**

### **1 Accounting policies (continued)**

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax assets and liabilities in accordance with FRS 19, using full provision accounting, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

#### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

### **2 Cash flow statement and related party disclosures**

The company is a wholly-owned subsidiary of Tele2 AB and its financial performance is included in the consolidated financial statements of Tele2 AB, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities which are part of the group.

Copies of the group financial statements for Tele2 AB are available from its registered office: PO Box 2094, 10313 Stockholm, Sweden.

### **3 Turnover**

Turnover was derived from the principal activities of the company and arose solely in the United Kingdom.

## 3C Transac Limited

### Notes to the financial statements for the year ended 31 December 2005

#### 4 Operating profit

This is stated after charging/(crediting):

	2005 £	2004 £
Foreign exchange profit on operating activities denominated in foreign currencies	(16,376)	(6,508)
Auditors' remuneration – audit services	46,753	19,015
Depreciation of tangible fixed assets	10,569	20,554
Operating lease charges – other	77,598	15,641
Management charge (note 5)	296,856	248,156

#### 5 Staff costs

For the first seven months of the year the cost of employees and their average number are included in the financial statements of a fellow subsidiary, Tele2 UK Communications Limited that employed and paid them. During the year Tele2 UK Communications Limited recharged staff costs, as a management charge, in respect of services provided amounting to £296,856 (2004: £248,156).

From August 2005, seven staff were moved onto the 3C Transac payroll and the cost for the five month period is broken down as follows:

	2005 £	2004 £
Wages and salaries	104,857	-
Social security costs	17,246	-
Pension	19,491	-
Total cost	141,594	-

The average number of staff for the five month period was 7 (2004: nil).

No directors were members of company pension schemes. The directors who served during the current and preceding year did not receive any emoluments in respect of their services as directors of the company.

#### 6 Interest receivable and similar income

	2005 £	2004 £
Bank interest	215,006	117,192

# 3C Transac Limited

## Notes to the financial statements for the year ended 31 December 2005

### 7 Tax on profit on ordinary activities

	2005 £	2004 £
The taxation credit comprises:		
<b>Current tax:</b>		
Total current tax	-	-
<b>Tax reconciliation:</b>		
Profit on ordinary activities before taxation	531,133	800,088
Expected tax charge at 30%	159,340	240,026
Effects of:		
Permanent items	(4,335)	2,554
Accelerated capital allowances and other timing differences	(392)	(355)
Group Relief claimed for no consideration	(154,613)	(242,225)
Total amount of current taxation	-	-

In accordance with FRS 19 "Deferred Tax", no deferred tax asset has been recognised in the financial statements as it is insufficiently certain that suitable taxable profits will arise against which these timing differences can reverse. The unrecognised deferred tax asset is as follows:

	2005 £	2004 £
Accelerated capital allowances	30,282	22,527
Short term timing differences	-	-
Total potential deferred tax assets	30,282	22,527

# 3C Transac Limited

## Notes to the financial statements for the year ended 31 December 2005

### 8 Tangible fixed assets

	<i>Plant and machinery</i> £
<b>Cost:</b>	
At 1 January 2005	81,812
Additions	38,263
<b>At 31 December 2005</b>	<b>120,075</b>
<b>Depreciation:</b>	
At 1 January 2005	66,316
Charge for the year	10,569
<b>At 31 December 2005</b>	<b>76,885</b>
<b>Net book value:</b>	
<b>At 31 December 2005</b>	<b>43,190</b>
At 31 December 2004	15,496

### 9 Debtors

	<i>2005</i> £	<i>2004</i> £
Trade debtors	885,467	792,957
Amounts owed by group undertakings	2,738,938	1,797,503
Corporation Tax	50,707	-
Prepayments and accrued income	253	458
	<b>3,675,365</b>	<b>2,590,918</b>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

### 10 Creditors: amounts falling due within one year

	<i>2005</i> £	<i>2004</i> £
Trade creditors	1,653,358	2,288,498
Amounts due to group undertakings	459,061	456,804
Taxation and social security	181,253	249,581
Accruals and deferred income	310,778	607,596
	<b>2,604,450</b>	<b>3,602,479</b>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

## 3C Transac Limited

### Notes to the financial statements for the year ended 31 December 2005

#### 11 Called up share capital

	<i>2005</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
<b>Authorised</b>		
100 ordinary shares of £1 each	<b>100</b>	100
	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>
	<i>2005</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
<b>Called up, allotted and fully paid:</b>		
2 ordinary shares of £1 each	<b>2</b>	2
	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

#### 12 Profit and loss reserve

	<i>£</i>
At 1 January 2005	<b>1,877,302</b>
Profit for the financial year	<b>531,133</b>
<b>At 31 December 2005</b>	<b><u>2,408,435</u></b>

#### 13 Reconciliation of movements in shareholder's funds

	<i>2005</i>	<i>2004</i>
	<i>£</i>	<i>£</i>
Shareholder's funds at 1 January	<b>1,877,304</b>	1,077,216
Profit for the financial year	<b>531,133</b>	800,088
<b>Shareholder's funds at 31 December</b>	<b><u>2,408,437</u></b>	<u>1,877,304</u>

## 3C Transac Limited

### Notes to the financial statements for the year ended 31 December 2005

#### 14 Capital and other commitments

There were no capital commitments at the end of the financial year (2004: £nil).

Annual commitments under non-cancellable operating leases, none of which are in relation to land and buildings, are as follows:

	2005 £	2004 £
Operating leases which expire:		
Within one year	-	-
In the second to fifth years	44,140	15,641
	<u>44,140</u>	<u>15,641</u>

#### 15 Post balance sheet events

There have been no events that have had a significant effect on the financial statements since 31 December 2005.

#### 16 Ultimate parent undertaking

The company's immediate parent company is 3C Communications Limited.

The ultimate parent undertaking and controlling party is Tele2 AB, a company incorporated in Sweden, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the group financial statements for Tele2 AB are available from its registered office:  
PO Box 2094, 10313 Stockholm, Sweden.