

**Company Registration No. 3257901**

**3C Transac Limited**

**Report and Financial Statements**

**31 December 2006**

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# **3C Transac Limited**

## **Report and financial statements 2006**

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# **3C Transac Limited**

## **Report and financial statements 2006**

### **Officers and professional advisers**

#### **Directors**

Felix Georg Aeschlimann  
Michele Ferraris  
Ursula Claudia La Roche-Ender  
Thomas Mirko Oberholzer

#### **Secretary**

Thomas Mirko Oberholzer

#### **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

#### **Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

## **3C Transac Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements for 3C Transac Limited (the "company") for the year ended 31 December 2006

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities

#### **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 loss for the current financial year is £402,985 (2005 profit £ 531,133)

No dividends were paid or proposed in the year (2005 £ nil)

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

The directors who held office throughout the year ended 31 December 2006 are given below

Peter Scrope	(resigned 31 May 2006)
Michael Balzer	(resigned 31 May 2006)
Nouman Hashmi	(appointed 31 May 2006, resigned 29 May 2007)

None of the directors had beneficial interests in the share capital of the company during the year ended 31 December 2006

#### **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

#### Auditors

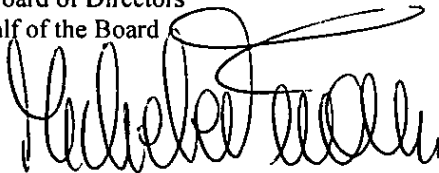
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Ernst & Young has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board

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

Michele Ferraris  
Director

20 March 2008

## **3C Transac Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and 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 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 then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 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.

## **Independent auditors' report to the members of 3C Transac Limited**

We have audited the company's financial statements for the year ended 31 December 2006 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 United Kingdom law and 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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London  
20 March 2008



## 3C Transac Limited

### Profit and loss account

Year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	3	1,810,944	2,637,467
Cost of sales		(1,535,284)	(1,377,413)
<b>Gross Profit</b>		<b>275,660</b>	<b>1,260,054</b>
Administrative expenses		(744,301)	(943,927)
<b>Operating profit</b>	4	<b>(468,641)</b>	<b>316,127</b>
Interest receivable and similar income	6	65,656	215,006
<b>(Loss)/ Profit on ordinary activities before taxation</b>		<b>(402,985)</b>	<b>531,133</b>
Tax on (loss)/profit on ordinary activities	7	-	-
<b>Retained (loss)/profit for the financial year</b>	12	<b>(402,985)</b>	<b>531,133</b>

The above results were derived entirely from continuing operations

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

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

## 3C Transac Limited

### Balance sheet 31 December 2006

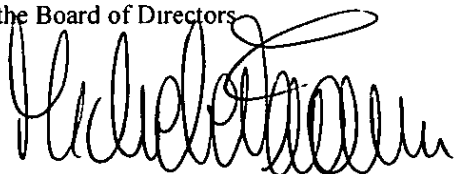
	Note	2006 £	2005 £
<b>Fixed assets</b>			
Tangibles assets	8	27,044	43,190
		<hr/>	<hr/>
<b>Current assets</b>			
Stock		---	35,860
Debtors	9	3,799,878	3,675,365
Cash at bank and in hand		858,393	1,258,472
		<hr/>	<hr/>
		4,658,271	4,969,697
<b>Creditors: amounts falling due within one year</b>	10	(2,679,863)	(2,604,450)
		<hr/>	<hr/>
<b>Net current assets</b>		1,978,408	2,365,247
		<hr/>	<hr/>
<b>Net assets</b>		<u>2,005,452</u>	<u>2,408,437</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	2,005,450	2,408,435
		<hr/>	<hr/>
		<u>2,005,452</u>	<u>2,408,437</u>

These financial statements were approved by the Board of Directors on 19 March 2008

Signed on behalf of the Board of Directors

Michele Ferraris  
Director

19 March 2008



## 3C Transac Limited

### Notes to the accounts

#### Year ended 31 December 2006

##### 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 are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below

##### **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

##### **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

##### **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

##### **Pension**

The company operates a defined contribution pension schemes, which requires contributions to be made to a separately administered fund. Contributions to the scheme are recognised in the income statement in the period in which they become payable

##### **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

## 3C Transac Limited

### Notes to the accounts

#### Year ended 31 December 2006

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

During the year under review, the company was 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, 103 13 Stockholm, Sweden.

#### 3. Turnover

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

#### 4. Operating profit

This is stated after charging/(crediting)

	2006 £	2005 £
Foreign exchange profit on operating activities denominated in foreign currencies	---	(16,376)
Auditors' remuneration – audit services	22,255	46,753
Depreciation of tangible fixed assets	20,180	10,569
Operating lease charges – other	20,317	77,598
Management charge	---	296,856

For 2006 Tele2 UK Services ceased recharging certain payroll costs which are now directly supported by the company (Note 5). Accordingly Tele2 AB Services has not charged the company with management fee in 2006 (2005 £296,856).

The remuneration of the company's auditors for provision of non-audit services to the company was £nil (2005-£nil).

#### 5. Staff costs

The payroll costs for the year are included in the cost of sales for £259,146 and in the administrative expenses for £139,323. These costs include

	2006 £	2005 £
Wages and salaries	324,567	104,857
Social security costs	38,240	17,246
Pension - defined contribution	35,662	19,491
	<u>398,469</u>	<u>141,594</u>

## 3C Transac Limited

### Notes to the accounts

#### Year ended 31 December 2006

The average number of persons employed by the company during the year was as follows

	2006	2005
	No.	No.
Sales and Operations	2	2
Technical	7	0
Business Management	4	5
	<u>13</u>	<u>7</u>

The directors did not receive any remuneration in respect of their services to the company during the period (2005- £nil) No directors were members of company pension schemes and the company made no pension contributions in respect of director's qualifying services (2005- £nil)

#### 6. Interest receivable and similar income

	2006	2005
	£	£
Bank interest	<u>65,656</u>	<u>215,006</u>

## 3C Transac Limited

### Notes to the accounts Year ended 31 December 2006

#### 7. Tax on (loss)/profit on ordinary activities

The taxation credit comprises

	2006 £	2005 £
<b>Current tax</b>		
Total current tax	-	-
<b>Tax reconciliation:</b>		
Profit on ordinary activities before taxation	(402,985)	531,133
Expected tax charge at 30%	(120,896)	159,340
<i>Effects of</i>		
Unrecognized tax loss carry forwards	125,945	---
Permanent items	---	(4,335)
Accelerated capital allowances and other timing differences	(5,049)	(392)
Group relief claimed for no consideration	---	(154,613)
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

	2006 £	2005 £
Unrecognised tax loss carry forwards	117,549	---
Accelerated capital allowances	23,542	30,282
Total potential deferred tax assets	141,091	30,282

As of 1 April 2008 the main rate of corporation tax will change from 30% to 28%. Due to the fact that all deferred tax balances in relation to tax losses will reverse after this date, deferred tax in relation to tax losses carried forward has been calculated at 28%. The main effect of this reduction in the tax rate is a reduction in the value of the unrecognised deferred tax asset of £10,077, from £151,168 to £141,091.

## 3C Transac Limited

### Notes to the accounts Year ended 31 December 2006

#### 8 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 1 January 2006	120,075
Additions	4,034
	<u>124,109</u>
At 31 December 2006	
<b>Accumulated depreciation</b>	
At 1 January 2006	76,885
Charge for the year	20,180
	<u>97,065</u>
At 31 December 2006	
<b>Net book value</b>	
At 31 December 2006	<u>27,044</u>
At 31 December 2005	<u>43,190</u>

#### 9 Debtors

	2006 £	2005 £
Trade debtors	935,160	885,467
Amounts owed by group undertakings	2,864,465	2,738,938
Corporation Tax	---	50,707
Prepayments and accrued income	253	253
	<u>3,799,878</u>	<u>3,675,365</u>

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

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

	2006 £	2005 £
Trade creditors	1,424,546	1,653,358
Amounts due to group undertakings	944,319	459,061
Taxation and social security	204,244	181,253
Accruals and deferred income	106,754	310,778
	<u>2,679,863</u>	<u>2,604,450</u>

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

## 3C Transac Limited

### Notes to the accounts Year ended 31 December 2006

#### 11. Called up share capital

	2006 £	2005 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Called up, allotted and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

#### 12 Retained (loss)/profit for the financial year

	2006 £
At 1 January 2006	2,408,435
Loss for the financial year	<u>(402,985)</u>
At 31 December 2006	<u>2,005,450</u>

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

	2006 £	2005 £
Shareholders's funds at 1 January 2006	2,408,437	1,877,304
Profit (loss) for the financial year	<u>(402,985)</u>	<u>531,133</u>
Shareholder's funds at 31 December 2006	<u>2,005,452</u>	<u>2,408,437</u>

#### 14 Capital and other commitments

There were no capital commitments at the end of the financial year (2005 £nil)

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

	2006 £	2005 £
<b>Operating leases which expire.</b>		
Within one year	---	---
In the second to fifth years	20,317	44,140
After five years	<u>---</u>	<u>---</u>
	<u>20,317</u>	<u>44,140</u>

#### 15 Post balance sheet events

There have been no events that have had a significant effect on the financial statements since 31 December 2006

As at September 19, 2007, Telekurs Holding Ltd , Zurich purchased from Tele2 AB 3C Communications International S A , and certain of its subsidiaries, including the company



## **3C Transac Limited**

### **Notes to the accounts Year ended 31 December 2006**

#### **16. Ultimate parent undertaking**

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

Starting June 30, 2007, the immediate parent company is 3C Communications International S A , Luxembourg

Until September 18, 2007 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

Starting September 19, 2007 Telekurs Holding Ltd , Zurich, a company incorporated Switzerland, is the ultimate parent undertaking and controlling party, 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