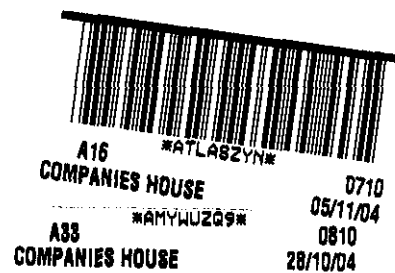


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003**

FOR

EFTPOS UK LIMITED

(Registered Number 1952127)



EFTPOS UK LIMITED

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EFTPOS UK LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2003

DIRECTORS:

C G Pearson
D G Black
D Tomlinson
C Baillie
G G Noel
C J Clarke
K R Girling
J N Turner
S Adams

SECRETARY:

E G M Stamp

REGISTERED OFFICE:

MERCURY HOUSE
TRITON COURT
14 FINSBURY SQUARE
LONDON
EC2A 1LQ

REGISTERED NUMBER:

1952127 (England and Wales)

AUDITORS:

KPMG LLP
Chartered Accountants
Registered Auditors
Salisbury Square
LONDON
EC4Y 8BB

EFTPOS UK LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31 December 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of sub-landlord for the premises situated at 12 Finsbury Square, London.

DIRECTORS

The directors during the year under review were:

C G Pearson
D G Black
G S Thomson (resigned 26.6.03)
C J Clarke
K R Girling
J N Turner
S Adams
D Tomlinson
C Baillie
G G Noel

ALTERNATE DIRECTORS:

A Shaw	
T D P Frost	I T Stewart
T D Morrison	K Hutchison

The directors holding office at 31 December 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 31 December 2003.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 accounting standards have been followed, subject to any material departure 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

The auditors, KPMG LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

EFTPOS UK LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2003**

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'E G M', written over a dotted line.

Signed on behalf of the Board
E G M Stamp - SECRETARY

Dated: **27 AUG 2004**

EFTPOS UK LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF EFTPOS UK LIMITED

We have audited the financial statements on pages five to nine.

This report is made solely to the Company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page two, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG - LLP

KPMG LLP
Chartered Accountants
Registered Auditors
Salisbury Square
LONDON
EC4Y 8BB

Dated: *2 September 2004*

EFTPOS UK LIMITED

BALANCE SHEET 31 December 2003

		<u>2003</u>	<u>2002</u>
	Notes	£	£
CURRENT ASSETS:			
Debtors	6	1,208,178	906,500
Cash at bank and in hand		<u>341,683</u>	<u>527,498</u>
		1,549,861	1,433,998
CREDITORS: Amounts falling due within one year	7	<u>(1,535,358)</u>	<u>(1,419,495)</u>
NET CURRENT ASSETS:		<u>14,503</u>	<u>14,503</u>
DEBTORS: Due after more than one year	6	<u>2,722,000</u>	<u>2,671,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		2,736,503	2,685,503
CREDITORS: Amounts falling due after more than one year	8	<u>(2,722,000)</u>	<u>(2,671,000)</u>
		<u>£14,503</u>	<u>£14,503</u>
CAPITAL AND RESERVES:			
Called up share capital	10	15	15
Profit and loss account	11	<u>14,488</u>	<u>14,488</u>
SHAREHOLDERS' FUNDS:		<u>£14,503</u>	<u>£14,503</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



.....
C G Pearson - DIRECTOR

27 AUG 2004

Approved by the Board on

The notes form part of these financial statements

EFTPOS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

- (a) The Company is exempt from the requirements of Financial Reporting Standard 1 (revised 1996) to prepare a cash flow statement as it is entitled to the exemption as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies, as set out in paragraph 5(f) of Financial Standard 1 (revised 1996).
- (b) The company does not trade on its own account, but acts as an agency for its member institutions, all costs being reimbursed by them. Consequently it makes neither a profit nor a loss during any financial period and therefore does not prepare a profit and loss account. Member institutions make advance payments to the company to cover the costs. Amounts invoiced to member institutions are included in 'Debtors – Other amounts due from shareholders' until payment is received. All amounts invoiced to or paid by shareholders in advance of the related costs being incurred by the Company are included as 'Amounts due to shareholders' within creditors. This disclosure differs from the treatment adopted last year and comparatives have been reclassified accordingly.
- (c) Operating lease charges are shown in the period in which they occur.

2. EMPLOYEES

There were no employees during the year (2002: nil).

3. DIRECTORS

No Director of the company received any emoluments from the Company during the year (2002: nil).

4. OPERATING RESULT

The operating result on activity is stated after charging:

	Year Ended 31.12.03 £	Year Ended 31.12.02 £
Auditors' remuneration		
Audit Fees	7,500	5,875
Non audit services	2,500	-
Services provided by APACS (Administration) Limited	<u>65,900</u>	<u>50,000</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

5. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2003 nor for the period ended 31 December 2002.

EFTPOS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2003

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Trade debtors	213,244	-
Other Debtors	8,684	-
Prepayments	262,250	262,500
Amounts due from Shareholders (Note 9)	424,000	394,000
Other amounts due from Shareholders	<u>300,000</u>	<u>250,000</u>
	<u>1,208,178</u>	<u>906,500</u>
Amounts due after more than one year		
Amounts recoverable from Shareholders (Note 9)	<u>2,722,000</u>	<u>2,671,000</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Amounts due to shareholders relating to:		
Payments in advance not yet received	300,000	250,000
Payments in advance received	805,358	510,372
Accrued expenses	6,000	263,179
Provision for rental payments (Note 9)	424,000	394,000
Trade creditors	-	1,944
	<u>1,535,358</u>	<u>1,419,495</u>

**8. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
Lease Obligations (Note 9)	<u>2,722,000</u>	<u>2,671,000</u>

EFTPOS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2003

9 PROVISIONS FOR LIABILITIES AND CHARGES

	Lease Obligations	
	2003	2002
	£	£
Balance at 1 January 2003	3,065,000	1,310,000
Amounts used during the year	(258,000)	(268,000)
Increase during the year on the discounted amount from the passage of time, the effect of changes in the discount rate, and changes in assumptions on future rental income	<u>339,000</u>	<u>2,023,000</u>
Balance at 31 December 2003	<u>3,146,000</u>	<u>3,065,000</u>

Included in creditors as:

	Lease Obligations	
	2003	2002
	£	£
Amounts due within one year	<u>424,000</u>	<u>394,000</u>
Amounts due after more than one year	<u>2,722,000</u>	<u>2,671,000</u>

The Company's obligation to meet future rental payments under its leasehold contract for premises known as Livingstone House and situated at 12 Finsbury Square, London EC2 which expires in September 2012, is greater than the expected income from sub-leases. Provision has been made under Financial Reporting Standard 12 and has been calculated as the discounted net rental payment deficits, using an assumption that the periodic rent reviews will achieve 3% per annum rent increase, and a discount rate of 4.78%. Certain of the Company's Shareholders are legally bound to indemnify the Company for future payments. The Company expects, therefore, that future rental deficiencies shall be funded by calls on its Shareholders as has already occurred in previous years. Assets of £3,146,000 (2002: £3,065,000) included within Amounts recoverable from Shareholders in Note 6, reflects the Company's entitlement to be reimbursed by its Shareholders.

10. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2003	2002
			£	£
10,000	Ordinary Shares	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003	2002
			£	£
15	Ordinary Shares	£1	<u>15</u>	<u>15</u>

EFTPOS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2003

11. RESERVES

	2003 £	2002 £
Profit and Loss Account At 31 December 2003 and 31 December 2002	<u>14,488</u>	<u>14,488</u>

12. OTHER FINANCIAL COMMITMENTS

Annual commitments under leases of land and buildings expiring in more than five years amount to £1,049,000 (2002: £1,049,000).

13. RELATED PARTY DISCLOSURES

(a) Management Charges

The Company paid £65,900 (2002: £50,000) during the year for management services to APACS (Administration) Limited, a company with common ownership. In addition, the Company received £230,639 rental income and £77,323 service charge (2002: £198,601 and £63,970) for the use of space by APACS (Administration) Limited.

(b) Debtors & Creditors

The amounts due from and to member companies are set out in Notes 6 and 7.

(c) Calls from Shareholders

Calls were made to member companies for £550,000 (2002: £600,000) during the year to reimburse expenses incurred by the Company.