

# **Transacsys Limited**

Financial statements

For the year ended 30 September 2007

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**Company No. 03221130**

## Company information

<b>Company registration number :</b>	03221130
<b>Registered office :</b>	Transaction House Skyways Commercial Campus Amy Johnson Way Blackpool FY4 3RS
<b>Directors :</b>	P F Smyth P N Lanigan
<b>Secretary :</b>	P N Lanigan
<b>Bankers :</b>	Bank of Scotland 155 Bishopsgate London EC2M 3YB  Royal Bank of Scotland 280 Bishopgate London EC2M 4RB
<b>Solicitors :</b>	Eversheds LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
<b>Auditors :</b>	Grant Thornton UK LLP Registered Auditors Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3 EB

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## Report of the directors

The directors present their report together with the audited financial statements for the year ended 30 September 2007

### Principal activity

The principal activity of the company is to act as an intermediate holding company

### Results and dividends

The loss for the year after taxation amounted to £248,000 (2006 £Nil) The directors do not recommend the payment of a dividend (2006 £Nil)

### Directors

The directors who served during the year are as follows

R A Gregson (resigned 31 May 2007)

P F Smyth

P Saxton (appointed 16 April 2007, resigned 5 December 2007)

P N Lanigan (appointed 16 April 2007)

### Financial risk management objectives and policies

The company is an intermediate holding company and does not trade or have any assets or liabilities due from or to third parties or non group companies Financial risk is therefore minimal and there is no requirement for formal policies or procedures for the management of financial risk

### Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial period 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 judgments 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 maintaining 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 1985 They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**Auditors**

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'P N Lanigan', with a long horizontal stroke extending to the right.

P N Lanigan  
Director

14 December 2007

## Report of the independent auditors to the members of Transacsys Limited

We have audited the financial statements of Transacsys Limited for the year ended 30 September 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 10. These financial statements have been prepared in accordance with 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 directors' report and the financial statements in accordance with 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 if, 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. Our responsibilities do not extend to any other information.

### **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 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.

## Report of the independent auditors to the members of Transacsys Limited

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and 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

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
MANCHESTER

14 December 2007

## Principal accounting policies

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is exempt from preparing consolidated financial statements on the grounds that it qualifies under Section 229 of the Companies Act 1985 as a wholly owned subsidiary of a company registered in England and Wales for which consolidated financial statements are prepared. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below. The directors have reviewed the accounting policies in accordance with FRS 18 and consider them to be the most appropriate to the company's circumstances.

### **Investments**

Investments are stated at cost less amounts written off.

### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **Cash flow statement**

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with FRS 1 (Revised) on the basis that the ultimate parent undertaking has prepared a consolidated cash flow statement.



## Profit and loss account

	Note	2007 £000	2006 £000
Loss on disposal of investments	3	(248)	—
<b>Loss on ordinary activities before taxation</b>	1	<b>(248)</b>	—
Tax on loss on ordinary activities	2	—	—
<b>Loss for the financial year</b>	6	<b>(248)</b>	—

The results disclosed above relate entirely to discontinued operations


There were no recognised gains or losses other than the results disclosed above

The accompanying accounting policies and notes form part of these financial statements.

## Balance sheet

	Note	2007 £000	2006 £000
<b>Fixed assets</b>			
Investments	3	—	3,200
<b>Current assets</b>			
Debtors	4	2,957	—
Cash at bank and in hand		—	5
<b>Net current assets</b>		2,957	5
<b>Net assets</b>		<u>2,957</u>	<u>3,205</u>
<b>Capital and reserves</b>			
Called up share capital	5	2,428	2,428
Share premium account	6	27,696	27,696
Profit and loss account	6	(27,167)	(26,919)
<b>Shareholders' funds</b>	7	<u>2,957</u>	<u>3,205</u>

The financial statements were approved by the Board of Directors on 14 December 2007



P N Lanigan

Director

## Notes to the financial statements

### 1 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is attributable to the principal activity of the company which is carried out entirely within the United Kingdom

Remuneration in respect of the company's auditors is borne by Cardpoint Services Limited, a fellow group undertaking

### 2 Tax on loss on ordinary activities

There was no tax charge for the year (2006 £Nil) due to the losses incurred

#### Factors affecting the tax charge for the year

The difference between the actual tax assessed and the expected tax charged based on the standard rate of corporation tax in the United Kingdom of 30% (2006 30%) is explained as follows

	2007 £000	2006 £000
Loss on ordinary activities before taxation	<u>(248)</u>	<u>—</u>
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(74)	—
Effect of Expenses not deductible for tax purposes	<u>74</u>	<u>—</u>
Current tax charge for the year	<u>—</u>	<u>—</u>

### 3 Fixed asset investments

	Subsidiary undertakings £000
<b>Cost</b>	
At 1 October 2006	6,400
Disposals	<u>(6,400)</u>
At 30 September 2007	<u>—</u>
<b>Amounts written off</b>	
At 1 October 2006	3,200
Disposals	<u>(3,200)</u>
At 30 September 2007	<u>—</u>
<b>Net book amount</b>	
At 30 September 2007	<u>—</u>
At 30 September 2006	<u>3,200</u>

### Fixed asset investments (continued)

During the year the company disposed of its interest in G2 Integrated Solutions Limited for a consideration, net of costs, of £2,952,000, realising a loss on disposal of £248,000

#### 4 Debtors

	2007 £000	2006 £000
Amounts owed by group undertakings	2,957	—

#### 5 Share capital

	2007 £000	2006 £000
<b>Authorised</b>		
247,600,000 Ordinary shares of 2 5p each	6,190	6,190
2,400,000 Deferred shares of 2 5p	60	60
	6,250	6,250
<b>Allotted, called up and fully paid</b>		
94,744,226 Ordinary shares of 2 5p each	2,368	2,368
2,400,000 Deferred convertible shares of 2 5p	60	60
	2,428	2,428

The rights attaching to each class of share are detailed in the company's Articles of Association

#### 6 Reserves

	Share premium account £000	Profit and loss account £000
At 1 October 2006	27,696	(26,919)
Loss for the financial year	—	(248)
At 30 September 2007	27,696	(27,167)

#### 7 Reconciliation of movements in shareholders' funds

	2007 £000	2006 £000
Loss for the financial year	(248)	—
Opening shareholders' funds	3,205	3,205
Closing shareholders' funds	2,957	3,205

**8 Contingent assets and liabilities**

In 2007 the company entered into a cross company guarantee with its parent, Cardpoint plc. This guaranteed new bank facilities of up to £98 million. If Cardpoint plc defaults on that loan the company will become liable. At 30 September 2007 the maximum potential liability was £77.9 million. The directors believe the financial condition of Cardpoint plc is such that this guarantee will not be called upon.

**9 Related party transactions**

As a wholly owned subsidiary of Cardpoint Plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Cardpoint Plc.

**10 Ultimate parent company**

The ultimate parent company is Cardpoint plc, a company incorporated in England and Wales. Copies of the group financial statements may be obtained from Companies House.