



**CARDPOINT SERVICES LIMITED
(FORMERLY CASH CARD
SERVICES LIMITED)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2002

Company Number : 3823774

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

Company Registration Number :

3823774

Registered Office :

St James's Court
Brown Street
Manchester
M2 2JF

Directors :

M R Mills
N J Mills
D C Hanson

Secretary :

M R Mills

Bankers :

Lloyds TSB
30 Corporation Street
Blackpool
FY1 1EN

Bank of Scotland
155 Bishopsgate
London
EC2M 3YB

Solicitors :

Halliwell Landau
St James's Court
Brown Street
Manchester
M2 2JF

Auditors :

Grant Thornton
Registered Auditors
Chartered Accountants
Heron House
Albert Square
Manchester
M60 8GT

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

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CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 30 September 2002.

Principal activity

The company's principal activity is the operation of an estate of independent automated teller machines ("ATMs") in the United Kingdom.

Results and dividends

The loss for the year after taxation amounted to £756,344 (2001: £1,271,307). The directors do not recommend the payment of a dividend and the loss has been transferred to reserves.

Change of name

On 31 December 2002 the name of the company was changed to Cardpoint Services Limited.

Directors

The directors of the company at the end of the year are listed below. All served on the Board throughout the year, unless otherwise indicated.

M R Mills

N J Mills

D C Hanson (appointed 10 September 2002)

None of the directors had an interest in the shares of the company. The interests of the directors in the shares of the ultimate parent undertaking, Cardpoint plc, are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

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 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 departures disclosed and explained in the financial statements
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for ensuring the directors' report is prepared in accordance with company law in the United Kingdom.

CARDPOINT SERVICES LIMITED (FORMERLY CASHCARD SERVICES LIMITED)

REPORT OF THE DIRECTORS

Auditors

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

ON BEHALF OF THE BOARD

M R Mills
Director

15 January 2003

A large, stylized handwritten signature in black ink, likely belonging to M R Mills, is written over the text 'ON BEHALF OF THE BOARD'.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)**

We have audited the financial statements of Cardpoint Services Limited (formerly Cash Card Services Limited) which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom accounting standards 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 United Kingdom auditing standards.

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.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 at 30 September 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER**

30 January 2003

CARDBOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

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 financial statements have been prepared on a going concern basis, notwithstanding the deficiency in net assets, because of an undertaking by the parent company to provide or procure sufficient financial support for the foreseeable future.

The principal accounting policies of the company have remained unchanged from the previous year, except for the mandatory adoption of FRS 19, and are set out below. The directors have reviewed the accounting policies in light of the introduction of FRS 18 and consider them to be the most appropriate to the company.

TURNOVER

Turnover represents the net amount receivable by the company in respect of cash processing and distribution fees, including VAT.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rate generally applicable is:

Office equipment and machines, including ATMs	20% per annum
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STOCKS

Stocks are valued at the lower of cost and net realisable value.

RETIREMENT BENEFITS

The company operates a stakeholder pension scheme for the benefit of the employees.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their expected useful lives. The interest element of leasing payments represent a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

PRINCIPAL ACCOUNTING POLICIES

DEFERRED TAX

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.

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 SEPTEMBER 2002**

	Note	2002 £	2001 £
Turnover – continuing operations	1	3,104,535	943,047
Cost of sales		<u>(2,728,223)</u>	<u>(1,187,263)</u>
Gross profit/(loss)		376,312	(244,216)
Administrative expenses		<u>(1,034,705)</u>	<u>(898,509)</u>
Operating loss – continuing operations		(658,393)	(1,142,725)
Net interest	3	<u>(97,951)</u>	<u>(128,582)</u>
Loss on ordinary activities before taxation	1	(756,344)	(1,271,307)
Tax on loss on ordinary activities	4	–	–
Loss for the financial year	12	<u>(756,344)</u>	<u>(1,271,307)</u>

There were no recognised gains or losses other than the loss for the financial year.

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

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

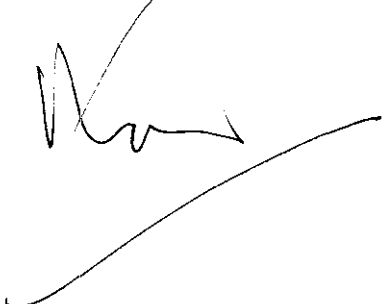
BALANCE SHEET AT 30 SEPTEMBER 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	5	<u>2,856,146</u>	<u>1,265,034</u>
Current assets			
Stocks	6	14,018	5,360
Debtors	7	155,507	78,354
Cash at bank and in hand		<u>726,206</u>	<u>124,491</u>
		895,731	208,205
Creditors: amounts falling due within one year	8	<u>(5,798,698)</u>	<u>(2,466,381)</u>
Net current liabilities		(4,902,967)	(2,258,176)
Total assets less current liabilities		<u>(2,046,821)</u>	<u>(993,142)</u>
Creditors: amounts falling due after more than one year	9	(215,589)	(512,924)
Net liabilities		<u>(2,262,410)</u>	<u>(1,506,066)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	<u>(2,262,412)</u>	<u>(1,506,068)</u>
Equity shareholders' deficit	13	<u>(2,262,410)</u>	<u>(1,506,066)</u>

The financial statements were approved by the Board of Directors on 15 January 2003.

M R Mills

Director



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

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss on ordinary activities before taxation are attributable to the principal activity of the company, and arise wholly within the United Kingdom.

The loss on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Depreciation:		
– owned assets	203,706	39,284
– assets held under finance leases and hire purchase contracts	214,146	218,160
Auditors' remuneration:		
– audit services	18,000	8,000
– non-audit services	5,000	72,509
Loss on sale of fixed assets	138	–

2 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows :

	2002 £	2001 £
Wages and salaries	704,220	502,171
Social security costs	48,488	41,543
Pension contributions	2,930	–
	<u>755,638</u>	<u>543,714</u>

The average number of employees during the year was :

	2002 Number	2001 Number
Administration and management	<u>11</u>	<u>10</u>

Remuneration in respect of directors was as follows :

	2002 £	2001 £
Remuneration and benefits in kind	371,949	182,500
Fees	5,925	–
Pension contributions	2,625	–
	<u>380,499</u>	<u>182,500</u>

Remuneration in respect of the highest paid director was as follows:

	2002 £	2001 £
Remuneration and other benefits in kind	214,083	104,167
Pension contributions	1,500	–
	<u>215,583</u>	<u>104,167</u>

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

3 NET INTEREST

	2002 £	2001 £
Hire purchase and finance lease interest	116,443	129,796
Bank interest receivable	(18,492)	(1,214)
	<u>97,951</u>	<u>128,582</u>

4 TAX ON LOSS ON ORDINARY ACTIVITIES

There was no tax charge for the year due to the losses incurred. The taxable losses are available to carry forward and offset against future trading profits.

Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the United Kingdom of 30% (2001: 30%). The differences are explained as follows :

	2002 £	2001 £
Loss on ordinary activities before taxation	<u>(756,344)</u>	<u>(1,271,307)</u>
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30% (2001: 30%)	(226,903)	(381,392)
Effect of:		
Expenses not deductible for tax purposes	345	6,011
Capital allowances for the year in excess of depreciation	(213,002)	(57,843)
Other timing differences	9,781	-
Trade losses	<u>429,779</u>	<u>433,224</u>
	<u>-</u>	<u>-</u>

Deferred taxation

A potential deferred tax asset of £671,000 (see note 10) has not been recognised in the financial statements. This asset will be recoverable to the extent that suitable profits arise in the future.

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2002

5 TANGIBLE FIXED ASSETS

	Office equipment and machines, including ATMs £
Cost	
At 1 October 2001	1,548,559
Additions	2,010,501
Disposals	(1,800)
At 30 September 2002	<u>3,557,260</u>
Depreciation	
At 1 October 2001	283,525
Provided in the year	417,852
Disposals	(263)
At 30 September 2002	<u>701,114</u>
Net book amount	
At 30 September 2002	<u>2,856,146</u>
Net book amount	
At 30 September 2001	<u>1,265,034</u>

The net book amount of equipment includes an amount of £615,372 (2001: £693,871) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged on those assets during the year was £214,146 (2001: £218,160).

6 STOCKS

	2002 £	2001 £
Parts stock	<u>14,018</u>	<u>5,360</u>

7 DEBTORS

	2002 £	2001 £
Trade debtors	12,540	—
Other debtors	17,488	1,200
Prepayments and accrued income	125,479	42,062
Other taxation and social security	—	26,092
Directors' loan account (note 16)	—	9,000
	<u>155,507</u>	<u>78,354</u>

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

8 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Obligations under finance leases and hire purchase contracts (note 9)	297,335	129,460
Trade creditors	1,034,522	623,646
Amounts owed to group undertakings	3,844,749	1,383,147
Other taxation and social security	27,020	29,284
Other creditors	17,621	4,080
Accruals and deferred income	577,451	296,764
	<u>5,798,698</u>	<u>2,466,381</u>

9 CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Obligations under finance leases and hire purchase contracts	<u>215,589</u>	<u>512,924</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate and are repayable as follows:

	2002 £	2001 £
Within one year	297,335	129,460
After one and within two years	184,337	297,335
After two and within five years	31,252	215,589
	<u>512,924</u>	<u>642,384</u>

10 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below. A tax rate of 30% has been used in the calculations.

	2002 £	2001 £
Accelerated capital allowances	(280,000)	(47,000)
Other timing differences	39,000	-
Trading losses	241,000	47,000
	<u>-</u>	<u>-</u>

In addition to the above, a potential deferred tax asset of £671,000 (2001: £422,000) in respect of trading losses has not been recognised in the financial statements. This asset will be recoverable to the extent that suitable profits arise in the future.

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 SEPTEMBER 2002****11 SHARE CAPITAL**

	2002 £	2001 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12 PROFIT AND LOSS ACCOUNT

	£
At 1 October 2001	(1,506,068)
Loss for the financial year	<u>(756,344)</u>
At 30 September 2002	<u>(2,262,412)</u>

13 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT

	2002 £	2001 £
Loss for the financial year	(756,344)	(1,271,307)
Opening equity shareholders' deficit	<u>(1,506,066)</u>	<u>(234,759)</u>
Closing equity shareholders' deficit	<u>(2,262,410)</u>	<u>(1,506,066)</u>

14 CAPITAL COMMITMENTS

There were no capital commitments at 30 September 2001 or 30 September 2001.

15 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 2002 or 30 September 2001.

CARDPOINT SERVICES LIMITED (FORMERLY CASH CARD SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

16 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

Amounts due in respect of loans

Name of director	Amount outstanding		Maximum liability during year £
	2002 £	2001 £	
M R Mills	—	4,500	4,500
N J Mills	—	4,500	4,500
	<u>—</u>	<u>9,000</u>	<u>9,000</u>

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.

During the year rent of £14,400 (2001 : £11,100) was paid to John Mills, the father of M R and N J Mills.

17 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent undertakings are Cardpoint Holdings Limited (formerly Cash Card Holdings Limited) and Cardpoint plc respectively, both of which are companies registered in England and Wales. Copies of those companies' financial statements can be obtained from Companies House.