

Cardpoint Limited
Annual Report and Financial Statements
Year Ended 31 December 2014
Registration Number: 04098226

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Cardpoint Limited

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Cardpoint Limited

Strategic Report

The directors' present their strategic report for the year ended 31 December 2014 as follows:

Business Overview

The company's principal activity is that of an intermediate holding company of a group engaged in the operation of an estate of independent automated teller machines ("ATM's") in the United Kingdom. On 8 August 2013, Cardpoint Limited was acquired by Cardtronics Europe Limited.

Business Strategy

Cardpoint Limited was formed to manage and hold Cardtronics Europe Limited's UK and German related ATM businesses.

Business Financial Performance

The company made a profit of £44,271k for the year ended 31 December 2014 (2013: 15 months: £20,395k) which mainly comprised of £148,917k net impairment charges related to investments in group undertakings, dividend income of £132,186k received from group undertakings and £62,961k reversal of impairment provision related to intercompany balances as part of a capital and business re-organisation within the group. Further, the company also incurred interest charges and foreign currency translation losses of £2,075k on term loans with other group undertaking.

Principal Risk and Uncertainties

Cardpoint Limited is a wholly owned company of the Cardtronics Europe Limited and its risks and uncertainties are linked to those within the wider Cardtronics group.

Risk Management Process

Cardtronics Inc, the ultimate parent company, operates a formalised Enterprise Risk Management ("ERM") program that seeks to identify the major risks group faces. The risks are prioritised, assigned to a member of the respective management team who develops mitigation plans, monitors the risk activity, and is responsible for implementation of the mitigation plan, if necessary. The risks, plans, and activities are monitored by group management team and group Board of Directors on a regular basis.

By order of the board



Jonathan Simpson-Dent
Director

31 July 2015

Cardpoint Limited

Directors Report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year was £44,271k (2013: profit for the 15 months £20,395k). The directors do not recommend the payment of a dividend (2013: £nil).

Going concern

The directors have reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future and going concern has been adopted in preparing these financial statements.

Directors

The directors who served during the year are as follows:

| | |
|----------------|------------------------|
| J Brewster | (resigned 25/06/2015) |
| M Keller | |
| J Hile | (appointed 15/09/2014) |
| J Simpson-Dent | (appointed 25/02/2015) |
| J Kraft | (resigned 30/09/2014) |

Political and charitable contributions

The Company made no political or charitable contributions during the year (2013: £Nil), or incurred any political expenditure during the year (2013: £Nil).

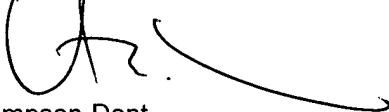
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Jonathan Simpson-Dent
Director

31 July 2015

Cardpoint Limited

Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 UK Accounting Standards have been followed, subject to any material departures disclosure 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.



KPMG LLP

58 Clarendon Road

Watford

WD17 1DE

United Kingdom

Independent Auditor's Report to the Members of Cardpoint Limited

We have audited the financial statements of Cardpoint Limited for the year ended 31 December 2014 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Cardpoint Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kelly Dunn (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
Herts
WD17 1DE

6 August 2015

Cardpoint Limited

Profit and Loss Account For the year ended 31 December 2014

| | Notes | Year ended 31 December 2014 £'000 | 15 month period ended 31 December 2013 £'000 |
|--|-------|--|--|
| Administrative expenses | 3 | 62,961 | 22,561 |
| Operating profit | | 62,961 | 22,561 |
| Income from shares in group undertakings | 6 | 132,186 | - |
| Interest receivable and similar income | 4 | 116 | - |
| Amounts written off investments | 8 | (148,917) | - |
| Interest payable and similar charges | 5 | (2,075) | (2,166) |
| Profit on ordinary activities before taxation | | 44,271 | 20,395 |
| Tax on profit on ordinary activities before taxation | 7 | - | - |
| Profit for the financial period | | 44,271 | 20,395 |

The results disclosed above relate entirely to continuing operations.

There were no recognised gains or losses other than the profit for the financial period, and therefore no separate statement of total recognised gains and losses has been presented.

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

The notes on pages 8 to 13 form part of these financial statements.

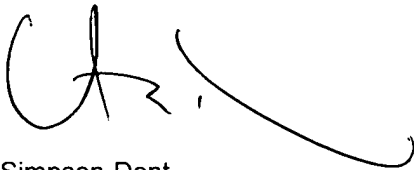
Cardpoint Limited

Balance Sheet As at 31 December 2014

| | Notes | As at 31 December 2014 £'000 | As at 31 December 2013 £'000 |
|---|-------|---------------------------------------|---------------------------------------|
| Fixed assets | | | |
| Investments | 8 | <u>75,155</u> | <u>131,141</u> |
| Current assets | | | |
| Debtors | 9 | <u>102,202</u> | <u>1,530</u> |
| Creditors: amounts falling due within one year | 10 | <u>(2,496)</u> | <u>(512)</u> |
| Net current assets | | <u>84,940</u> | <u>1,018</u> |
| Creditors: amounts falling due after one year | 11 | <u>(32,197)</u> | <u>(33,766)</u> |
| Net assets | | <u>142,664</u> | <u>98,393</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 5,804 | 5,804 |
| Share premium account | 13 | 173,123 | 173,123 |
| Profit and loss account | 13 | <u>(36,263)</u> | <u>(80,534)</u> |
| Shareholder's funds | 14 | <u>142,664</u> | <u>98,393</u> |

The notes on pages 8 to 13 form part of these financial statements.

These accounts were approved by the Board of Directors on 31 July 2015 and were signed on its behalf by:



Jonathan Simpson-Dent
Director

Registered No. 04098226

Cardpoint Limited

Notes to the Financial Statements

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules, on a going concern basis and in accordance with applicable accounting standards.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. The consolidated financial statements of Cardtronics, Inc., within which this company is included, can be obtained from www.sec.gov/edgar.shtml.

These financial statements present information about the Company as an individual undertaking and not about its group.

As the company is a wholly owned subsidiary of Cardtronics, Inc., the company has taken advantage of the exemption contained in FRS 8 "Related party transactions" and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Under FRS 1 "Cash flow statements", the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking in a group whose consolidated financial statements are publicly available.

Investments

Investments are stated at cost less provision for any diminution in value.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred tax".

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Foreign currencies

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

Notes to the Financial Statements – continued

2 Profit on ordinary activities before taxation

The remuneration of the directors has been borne by other group companies (2013:£nil).

Remuneration in respect of the company's auditors was settled by a fellow group undertaking (2013: £nil).

3 Administrative expenses

| | Year ended 31 December 2014 £'000 | Period ended 31 December 2013 £'000 |
|------------------------------|--|--|
| Reversal of past impairments | 62,961 | 22,561 |

During the year ended 31 December 2014 in order to simplify and streamline the structure of the Cardtronics Europe subgroup, the group business and capital restructuring was undertaken which has resulted in the reversal of a previously recognised impairment provision on inter-group balances.

4 Interest receivable and similar income

| | Year ended 31 December 2014 £'000 | Period ended 31 December 2013 £'000 |
|--|--|--|
| Interest receivable from group undertaking | 116 | - |

5 Interest payable and similar charges

| | Year ended 31 December 2014 £'000 | Period ended 31 December 2013 £'000 |
|---------------------------------------|--|--|
| Interest payable to group undertaking | 1,985 | 2,166 |
| Foreign exchange loss | 90 | - |
| | <u>2,075</u> | <u>2,166</u> |

6 Income from shares in group undertakings

| | Year ended 31 December 2014 £'000 | Period ended 31 December 2013 £'000 |
|---|--|--|
| Amount received from group undertakings | 132,186 | - |

During the year ended 31 December 2014 in order to simplify and streamline the structure of the Cardtronics Europe subgroup, the group business & capital restructuring was undertaken which has resulted in the settlement of intercompany balance through dividends.

Notes to the Financial Statements – continued

7 Tax charge on profit on ordinary activities

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the United Kingdom 21.5%, (2013: 23.4%) The differences are explained below:

| | Year ended 31 December 2014 £'000 | Period ended 31 December 2013 £'000 |
|---|--|--|
| Profit on ordinary activities before taxation | <u>44,271</u> | <u>20,395</u> |
| Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.4%) | 9,518 | 4,772 |
| <i>Effect of:</i> | | |
| Group relief surrendered | 422 | 507 |
| Non-deductible expenses | 32,017 | 13 |
| Non-taxable income | (41,957) | (5,292) |
| | <u>-</u> | <u>-</u> |
| Current tax charge for the period | <u>-</u> | <u>-</u> |

The corporation tax rate was reduced from 23% to 21% with effect from 1 April 2014, and from 21% to 20% with effect from 1 April 2015. The change in the rate of Corporation tax will affect the tax payable in future periods.

8 Investments

| | Shares in group undertakings £'000 |
|-----------------------------|---|
| Cost | |
| At 1 January 2014 | 173,739 |
| Additions | 92,931 |
| Impairment write-off | <u>(191,515)</u> |
| At 31 December 2014 | <u>75,155</u> |
| Impairment provision | |
| At 1 January 2014 | 42,598 |
| Impairment losses | <u>(42,598)</u> |
| At 31 December 2014 | <u>-</u> |
| Net book value | |
| At 31 December 2014 | <u>75,155</u> |
| At 31 December 2013 | <u>131,141</u> |

Notes to the Financial Statements – continued

8 Investments - continued

The company had interests in the following subsidiary undertakings as at 31 December 2014:

| Name of subsidiary | Proportion held | Nature of business | Country of incorporation |
|--------------------------------------|------------------------|--------------------------------------|---------------------------------|
| Cardtronics Limited | 100% | Intermediate holding company | United Kingdom |
| Cardpoint Services Limited | 100% | Dormant | United Kingdom |
| Cardpoint Technical Services Limited | 100% | Dormant | United Kingdom |
| Omnicash Limited | 100% | Dormant | United Kingdom |
| *Moneybox Deutschland GmbH Limited | 100% | ATM operations | Germany |
| *Cardpoint GmbH Limited | 100% | ATM operations | Germany |
| *Bank Machine (Acquisition) Limited | 100% | Intermediary holding company | United Kingdom |
| *Cardtronics UK Limited | 100% | ATM operations | United Kingdom |
| *New Wave ATM Installations Limited | 100% | Provision of ATM associated services | United Kingdom |
| *Green Team Services Limited | 100% | Provision of ATM associated services | United Kingdom |

* Held indirectly through Cardtronics Limited.

9 Debtors

| | Year ended 31 December 2014 £'000 | As at 31 December 2013 £'000 |
|--|--|---|
| Other debtors | 116 | - |
| Loan notes due from group undertakings | 14,766 | - |
| Amount owed by group undertaking | <u>87,320</u> | <u>1,530</u> |
| | <u>102,202</u> | <u>1,530</u> |

Amount owed by group undertaking are interest free, unsecured and repayable on demand.

Debtors include loan notes of £14,766k (2013: £Nil) due from group undertakings after more than one year. These comprise of unsecured loan notes receivable on various terms and conditions as stipulated in the respective loan notes instruments. The loan notes represent unsecured loan notes of £2.3m and £12.4m receivable from Cardtronics UK Limited which are redeemable on 24 November 2016 or on such earlier dates in accordance with the conditions stipulated in the loan note instrument. Interest of 3% per annum is charged on the outstanding loan note amount.

Notes to the Financial Statements – continued

| | | |
|---|--|--|
| 10 Creditors: amounts falling due within one year | As at 31 December 2014 £'000 | As at 31 December 2013 £'000 |
| Amount owed to group undertaking | <u>2,496</u> | <u>512</u> |
| 11 Creditors: amounts falling due after one year | As at 31 December 2014 £'000 | As at 31 December 2013 £'000 |
| Loan note owed to group undertaking | <u>32,197</u> | <u>33,766</u> |
| Represents an unsecured loan note of £32.2m (2013: £33.7m) payable to Cardtronics Europe Limited which is redeemable on 6 August 2021 or on such earlier dates in accordance with the conditions stipulated in the loan note instrument. Interest of 6% per annum is charged on the outstanding loan note amount. | | |
| 12 Called up share capital | As at 31 December 2014 £'000 | As at 31 December 2013 £'000 |
| Authorised: | | |
| 240,000,000 ordinary shares of 5p each | <u>12,000</u> | <u>12,000</u> |
| Allotted, called up and fully paid: | | |
| 116,071,835 ordinary shares of 5p each | <u>5,804</u> | <u>5,804</u> |
| 13 Reserves | Share premium account £'000 | Profit & loss account £'000 |
| At 31 December 2013 | 173,123 | (80,534) |
| Profit for the financial period | - | 44,271 |
| | <u>173,123</u> | <u>(36,263)</u> |
| 14 Reconciliation of movements in shareholder's funds | Year ended 31 December 2014 £'000 | Period ended 31 December 2013 £'000 |
| Profit for the financial period | 44,271 | 20,395 |
| Capital re-organisation | - | 75,154 |
| Opening shareholder's funds | 98,393 | 2,844 |
| Closing shareholder's funds | <u>142,664</u> | <u>98,393</u> |

Notes to the Financial Statements – continued

15 Ultimate parent undertaking

The company's immediate parent undertaking is Cardtronics Europe Limited, a company incorporated in the United Kingdom.

The company's ultimate parent undertaking and controlling party is Cardtronics, Inc. a company incorporated in the USA, which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of Cardtronics Inc consolidated financial statements may be obtained from www.sec.gov/edgar.shtml