

**Cardpoint Cash Machine Limited (formerly Securicor
Cash Machine Limited)**

Financial statements

For the year ended 30 September 2003



Company No. 1336901

Company information

Company registration number :	1336901
Registered office :	St James's Court Brown Street Manchester M2 2JF
Directors :	M R Mills N J Mills D C Hanson
Secretary :	H L Secretaries Limited
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

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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 2003.

Principal activity

Until 30 June 2003, the principal activity of the company was the operation of an independent network of ATMs. Since that date the company has been dormant.

Review of business

On 20 June 2003, the entire issued share capital of the company was acquired by Cardpoint Services Limited. On 26 June 2003 the company changed its name to Cardpoint Cash Machine Limited and on 30 June 2003, the trade and assets of the company were transferred to Cardpoint Services Limited at amounts equal to their book values.

Results and dividends

The profit for the year after taxation amounted to £3,201,000 (2002 : loss £694,000). The directors do not recommend the payment of a dividend (2002 : £Nil) and the profit has been transferred to reserves.

Directors

The directors who served during the year are listed below.

M R Mills (appointed 20 June 2003)
N J Mills (appointed 20 June 2003)
D C Hanson (appointed 20 June 2003)
J B Anderson (resigned 20 June 2003)
R D Dodd (resigned 20 June 2003)
G P Foster (appointed 1 October 2002, resigned 20 June 2003)
A D A Martin (resigned 20 June 2003)
A K Niven (resigned 19 June 2003)

M R Mills and D C Hanson are also directors of the ultimate parent undertaking, Cardpoint plc, and their interests in the shares of Cardpoint plc are disclosed in the financial statements of that company. The interests of N J Mills in the shares of the ultimate parent undertaking are disclosed in the financial statements of Cardpoint Group plc.

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.

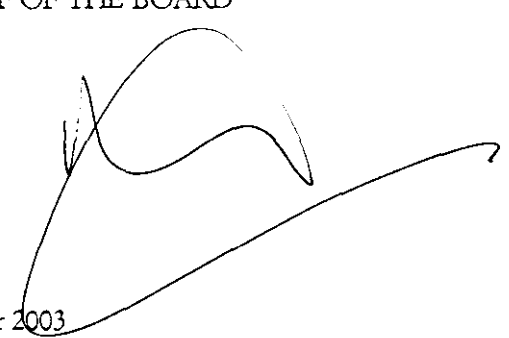
Auditors

Baker Tilly resigned as auditors on 20 June 2003 and Grant Thornton were appointed to fill the casual vacancy. 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

20 November 2003



Report of the independent auditors to the members of Cardpoint Cash Machine Limited (formerly Securicor Cash Machine Limited)

We have audited the financial statements of Cardpoint Cash Machine Limited (formerly Securicor Cash Machine 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.

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 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 any 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.

Grant Thornton 

Report of the independent auditors to the members of
Cardpoint Cash Machine Limited (formerly Securicor
Cash Machine Limited)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2003 and of its profit 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

3 March 2004

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 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.

Turnover

Turnover represents the net amount receivable by the company in respect of commission and other charges, net of VAT.

Development costs

Development costs on specific projects are capitalised when recoverability can be assessed with reasonable certainty and are amortised over the estimated period that the benefits will accrue. All other development costs are written off in the year of expenditure.

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 periods generally applicable are :

Equipment and vehicles	3 to 15 years
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Stocks

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

Retirement benefits

The company was included in the Securicor plc group defined benefit pension scheme and defined contribution scheme up until the acquisition of the company by Cardpoint Services Limited. Contributions to those schemes were charged to the profit and loss account on a basis that spreads the expected cost of pensions over the employees' working lives with the Securicor Group.

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.

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.

Profit and loss account

	Note	2003 £ 000	2002 £ 000
Turnover	1	7,944	8,105
Cost of sales		<u>(9,078)</u>	<u>(7,369)</u>
Gross (loss)/profit		(1,134)	736
Other operating income and expenses			
- write-off of intra-group loan		5,848	-
- other operating expenses		<u>(1,579)</u>	<u>(1,632)</u>
		4,269	(1,632)
Profit/(loss) on ordinary activities before taxation	1	<u>3,135</u>	<u>(896)</u>
Tax on profit/(loss) on ordinary activities	3	66	202
Profit/(loss) for the financial year	11	<u><u>3,201</u></u>	<u><u>(694)</u></u>

The results disclosed above relate wholly to discontinued operations.

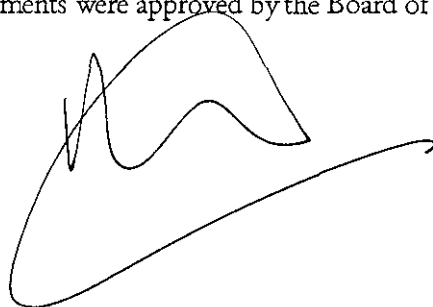
There were no recognised gains or losses other than the profit for the financial year.

Balance sheet

	Note	2003 £ 000	2002 £ 000
Fixed assets			
Intangible assets	5	-	419
Tangible assets	6	-	459
		-	878
Current assets			
Debtors	7	1,254	4,891
Cash at bank and in hand		-	14,963
		1,254	19,854
Creditors: amounts falling due within one year	8	-	(22,613)
Net current assets/(liabilities)		1,254	(2,759)
Total assets less current liabilities		1,254	(1,881)
Provisions for liabilities and charges	9	-	(66)
Net assets/(liabilities)		1,254	(1,947)
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	1,254	(1,947)
Equity shareholders' funds/(deficit)	12	1,254	(1,947)

The financial statements were approved by the Board of Directors on 20 November 2003.

M R Mills



Director

Notes to the financial statements

1 Turnover and profit/(loss) on ordinary activities before taxation

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

The profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	2003 £ 000	2002 £ 000
Depreciation – owned assets	289	62
Amortisation	92	56
Operating lease rentals	1,711	1,909
Auditors' remuneration – audit services	6	2
Loan account written off by former parent company	(5,848)	–

2 Directors and employees

Staff costs during the year were as follows :

	2003 £ 000	2002 £ 000
Wages and salaries	479	639
Social security costs	49	62
Pension contributions	32	32
	<u>560</u>	<u>733</u>

The average number of employees during the year was :

	2003 Number	2002 Number
Administration and management	<u>15</u>	<u>19</u>

Remuneration in respect of the directors has been borne by other group companies.

The company's share of the costs of Securicor plc group defined benefit pension scheme amounted to £32,000 (2002 : £32,000). The pension costs were assessed on the advice of independent qualified actuaries using the projected unit method. The most recent actuarial valuation was dated 5 April 2001. The assets of the scheme are held in separate trust administered funds.

Full particulars of this pension scheme are disclosed in the published accounts of Securicor plc.

3 Tax on profit/(loss) on ordinary activities

The tax credit for the year is as follows :

	2003 £ 000	2002 £ 000
United Kingdom corporation tax at 30%	-	(298)
Adjustment in respect of prior periods	-	30
	-	(268)
Deferred tax	(66)	66
	(66)	(202)

Factors affecting the corporation tax for the year

The corporation tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom of 30% (2002: 30%). The differences are explained as follows :

	2003 £ 000	2002 £ 000
Profit/(loss) on ordinary activities before taxation	3,135	(896)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30% (2002: 30%)	940	(269)
Effect of:		
Items not deductible/assessable for tax purposes	(1,585)	-
Capital allowances for the year in excess of depreciation	156	(29)
Losses transferred	489	-
Adjustment in respect of prior periods	-	30
Corporation tax credit for the year	-	(268)

4 Disposal of businesses

Under a group restructuring on 30 June 2003, the trade, assets and liabilities of the company were transferred to Cardpoint Services Limited, a fellow group company, at amounts equal to their book values. The assets and liabilities transferred were as follows :

	£ 000
Tangible fixed assets	790
Stock	988
Debtors and prepayments	855
Trade creditors and accruals	(1,379)
	1,254
Satisfied by:	
Intra-group loan	1,254

5 Intangible fixed assets

	Development costs £ 000
Cost	
At 1 October 2002	593
Transfer to former group company	(593)
At 30 September 2003	-
Depreciation	
At 1 October 2002	174
Provided in the year	92
Transfer to former group company	(266)
At 30 September 2003	-
Net book amount	
At 30 September 2003	-
At 30 September 2002	419

6 Tangible fixed assets

	Equipment and vehicles £ 000
Cost	
At 1 October 2002	541
Additions	1,182
Reclassification as current assets	(313)
Transfer to former group company	(354)
Disposals	(163)
Transfer of business (note 4)	(893)
At 30 September 2003	-
Depreciation	
At 1 October 2002	82
Provided in the year	289
Transfer to former group company	(105)
Disposals	(163)
Transfer of business (note 4)	(103)
At 30 September 2003	-
Net book amount	
At 30 September 2003	-
At 30 September 2002	459

7 Debtors

	2003 £ 000	2002 £ 000
Amounts owed by group undertakings	1,254	479
Corporation tax	-	421
Prepayments and accrued income	-	3,991
	<u>1,254</u>	<u>4,891</u>

8 Creditors : amounts falling due within one year

	2003 £ 000	2002 £ 000
Trade creditors	-	826
Amounts owed to group undertakings	-	20,860
Accruals and deferred income	-	927
	<u>-</u>	<u>22,613</u>

9 Provisions for liabilities and charges

	Deferred taxation £ 000
At 1 October 2002	66
Credited to profit and loss account	<u>(66)</u>
At 30 September 2003	<u>-</u>

Deferred taxation provided for in the financial statements relates entirely to accelerated capital allowances.
A tax rate of 30% has been used in the calculations.

10 Share capital

	2003 £	2002 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 Profit and loss account

	£ 000
At 1 October 2002	(1,947)
Retained profit for the year	3,201
At 30 September 2003	<u>1,254</u>

12 Reconciliation of movements in equity shareholders' funds/(deficit)

	2003 £ 000	2002 £ 000
Retained profit/(loss) for the financial year	3,201	(694)
Opening equity shareholders' deficit	<u>(1,947)</u>	<u>(1,253)</u>
Closing equity shareholders' funds/(deficit)	<u>1,254</u>	<u>(1,947)</u>

13 Leasing commitments

Operating lease payments amounting to £Nil (2002: £2,314,000) are due within one year. The leases to which these amounts relate expire as follows :

	2003 £ 000	2002 £ 000
Plant and machinery		
Between one and five years	<u>-</u>	<u>2,314</u>

14 Capital commitments

There were no capital commitments at 30 September 2003 or 30 September 2002.

15 Contingent liabilities

There were no contingent liabilities at 30 September 2003 or 30 September 2002.

16 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.

17 Immediate and ultimate parent undertaking

The immediate and ultimate parent undertakings are Cardpoint Services 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.