

**Certegy Card Services Limited (formerly Equifax Card Solutions
Limited)**

Financial statements 31 December 2001
together with directors' and auditors' reports

Registered number: 3517639



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Certegy Card Services Limited**Directors' Report**

For the year ended 31 December 2001

The directors present their annual report on the affairs of the company and the audited financial statements for the year ended 31 December 2001.

Principal activity

The company's principal activity during the year was the processing of store cards and related services.

Results and Dividends

The loss for the year, after taxation, was £3,076,968 (2000: £2,865,601). The directors are unable to recommend the payment of an ordinary dividend for the year.

Change of Ownership

On 29 June 2001 Equifax plc disposed of its investment in Certegy Card Services Limited by way of a distribution in specie. From 7 July 2001 the new ultimate parent company is Certegy Inc., a company incorporated in the USA.

Change of Name

On 29 June 2001 the company changed its name from Equifax Card Solutions Limited to Certegy Card Services Limited.

Directors and their interests

The directors who served during the year were as follows:

Charles Hoff	(Resigned 26 February 2001)
Larry J Towe	
Gerald Hines	(Resigned 24 April 2002)
Richard McCrohan	(Resigned 3 August 2001)
Jerry Marshall	(Appointed 24 April 2002, resigned 11 August 2003)
Michael Volkommer	(Appointed 24 April 2002)
Bruce Richards	(Appointed 24 April 2002, resigned 19 August 2002)
Walter Korchun	(Appointed 26 February 2001, resigned 19 July 2001, re-appointed 14 October 2002)
John Gillies	(Appointed 11 August 2003)

The directors in office at the end of the year held no interests in the shares of the company at either their date of appointment or at 31 December 2001.

There are no other interests required to be disclosed by section 234 of the Companies Act 1985.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Certegy Card Services Limited

Directors' Report (continued)

Employee consultation

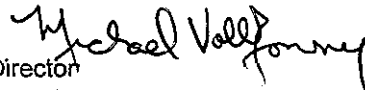
The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings.

Auditors

On 31 July 2002 Arthur Andersen resigned as auditors. Deloitte & Touche were appointed to fill the casual vacancy arising. On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company has given its consent to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003. Accordingly the financial statements have been signed in the name of Deloitte & Touche LLP.

Approved by the Board of Directors and signed on their behalf :

Tricom House
51 – 53 Hagley Road
Edgbaston
Birmingham
West Midlands
B16 8TU


Director
Oct. 1, 2003

Certegy Card Services Limited**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 as at the end of the financial year and of the profit or loss of the company for that year. 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; 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

To the Shareholders of Certegy Card Services Limited

We have audited the financial statements of Certegy Card Services Limited for the year ended 31 December 2001, which comprise the Profit and loss account, Statement of total recognised gains and losses and the Balance sheet and the related notes numbered 1 to 16. 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 audit 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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.

Independent auditors' report (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Leeds

16 October 2003

Certegy Card Services Limited

**Deloitte
& Touche**

Profit and loss account

For the year ended 31 December 2001

	Notes	2001 £	2000 £
Turnover	2	24,834,604	19,826,815
Cost of sales		(13,587,631)	(11,085,286)
Gross profit		<u>11,246,973</u>	<u>8,741,529</u>
Administrative expenses		(13,892,503)	(10,901,992)
Operating loss		<u>(2,645,530)</u>	<u>(2,160,463)</u>
Interest payable and similar charges	3	(431,438)	(621,649)
Loss on ordinary activities before taxation	4	<u>(3,076,968)</u>	<u>(2,782,112)</u>
Tax on loss on ordinary activities	6	-	(83,489)
Loss on ordinary activities after taxation and retained loss for the year	13	<u>(3,076,968)</u>	<u>(2,865,601)</u>

There are no recognised gains or losses for the current financial year and preceding financial year, other than the losses shown above. All results derive from continuing activities and there were no acquisitions in the period.

The accompanying notes are an integral part of this profit and loss account.

Certegy Card Services Limited

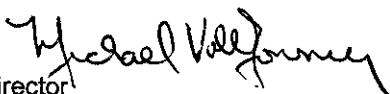
**Deloitte
& Touche**

Balance sheet
At 31 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	7	5,747,874	5,804,361
Current assets			
Stocks	8	1,876,021	2,468,050
Debtors	9	8,212,882	8,306,816
Cash at bank and in hand		1,403,459	1,498,322
		<u>11,492,362</u>	<u>12,273,188</u>
Creditors: Amounts falling due within one year	10	<u>(5,762,618)</u>	<u>(7,157,309)</u>
Net current assets		<u>5,729,744</u>	<u>5,115,879</u>
Total assets less current liabilities		11,477,618	10,920,240
Creditors: Amounts falling due after more than one year	11	<u>(16,080,869)</u>	<u>(12,446,523)</u>
Net liabilities		<u>(4,603,251)</u>	<u>(1,526,283)</u>
Capital and reserves			
Called-up share capital	12	1,000	1,000
Capital contribution	13	4,295,488	4,295,488
Profit and loss account	13	<u>(8,899,739)</u>	<u>(5,822,771)</u>
Shareholders' deficit (attributable to equity shareholders)	13	<u>(4,603,251)</u>	<u>(1,526,283)</u>

The financial statements on pages 6 to 14 were approved by the Board of Directors on
and signed on their behalf:

Oct. 1, 2003


Director

The accompanying notes are an integral part of this balance sheet.

Certegy Card Services Limited**Notes to the financial statements**

Year ended 31 December 2001

1 Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and during the preceding year, is set out below:

Basis of accounting

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

Under the provisions of FRS 1 "Cash flow statements (Revised 1996)", the company has not prepared a cash flow statement, because its parent company, Certegy Limited, has prepared consolidated financial statements which include the financial statements of the company, which contain a cash flow statement, and which are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office equipment	3-10 years
Software development costs	3-8 years

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Stocks

Stocks are stated at the lower of cost and net realisable value. The stock includes cards, statements, letters etc, which will be used in the management of the store card processing. It also includes contract costs incurred, but not yet billed, in the establishment of services to clients. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Pension costs

Until April 2002 the company was part of the Equifax Group plc defined contribution scheme. From this date employees were entitled to transfer to the Certegy Limited defined contribution scheme. The amounts charged to the profit and loss account are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Certegy Card Services Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of services in the normal course of business.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Finance costs

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

2 Segment information

The whole of the company's turnover relates to its principal activity and continuing operations and arose wholly within the UK.

3 Interest payable and similar charges

	2001 £	2000 £
On loans due to the parent undertaking	36,103	422,923
Other loans	392,274	198,726
Bank charges	3,061	-
	<u>431,438</u>	<u>621,649</u>

The interest payable on other loans arose on the loan to the former immediate parent company, Equifax plc.

Certegy Card Services Limited

Notes to the financial statements (continued)

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets - owned	1,253,005	1,502,816
Operating lease rentals - plant and machinery	301,885	211,671
Operating lease rentals - other	411,971	398,584
Auditors' remuneration - audit	35,000	43,250
- taxation services	82,100	53,450
	<u>7,615,993</u>	<u>7,235,815</u>

5 Staff costs

Particulars of employees (including executive directors) are as shown below:

	2001 £	2000 £
Employee costs during the year amounted to:		
Wages and salaries	6,763,668	6,430,322
Social security costs	570,008	551,831
Other pension costs	282,317	253,662
	<u>7,615,993</u>	<u>7,235,815</u>

The average monthly number of persons employed by the company during the year was as follows:

	2001 Number	2000 Number
Operations	318	326
Administration	36	31
	<u>354</u>	<u>357</u>

Directors' remuneration

The directors were not paid any remuneration by Certegy Card Services Limited during either the current or the prior year.

Certegy Card Services Limited

Notes to the financial statements (continued)

6 Tax charge on loss on ordinary activities

	2001 £	2000 £
Surrender of losses to minority shareholders under consortium relief provisions	-	(83,489)

At 31 December 2001 there were tax losses of £2.2m to carry forward to offset against future trading profits. No deferred tax asset has been recognised in respect of these losses as their recoverability in the foreseeable future is uncertain.

7 Tangible fixed assets

	Software development costs £	Office equipment £	Total £
Cost			
At 1 January 2001	7,292,087	813,352	8,105,439
Additions	938,751	257,767	1,196,518
At 31 December 2001	<u>8,230,838</u>	<u>1,071,119</u>	<u>9,301,957</u>
Depreciation			
At 1 January 2001	1,830,436	470,642	2,301,078
Charge	1,051,939	201,066	1,253,005
At 31 December 2001	<u>2,882,375</u>	<u>671,708</u>	<u>3,554,083</u>
Net book value			
At 31 December 2001	<u>5,348,463</u>	<u>399,411</u>	<u>5,747,874</u>
At 31 December 2000	<u>5,461,651</u>	<u>342,710</u>	<u>5,804,361</u>

8 Stocks

	2001 £	2000 £
Stocks of stationery and cards	221,505	118,836
Contract work in progress	1,654,516	2,349,214
	<u>1,876,021</u>	<u>2,468,050</u>

Certegy Card Services Limited

Notes to the financial statements (continued)

9 Debtors

	2001 £	2000 £
Amounts falling due within one year:		
Trade debtors	3,693,284	3,033,982
Other debtors	494,281	849,928
Prepayments and accrued income	759,442	742,193
Amounts owed by group undertaking	3,032,120	3,350,269
	<u>7,979,127</u>	<u>7,976,372</u>
Amounts falling due after more than one year: other debtors	233,755	330,444
	<u>8,212,882</u>	<u>8,306,816</u>

10 Creditors: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	168,692	417,666
Amounts owed to group undertakings	2,828,890	3,144,794
Taxation and social security	439,264	552,658
Other creditors	251,330	434,194
Accruals and deferred income	2,074,442	2,607,997
	<u>5,762,618</u>	<u>7,157,309</u>

11 Creditors: Amounts falling due after more than one year

	2001 £	2000 £
Loan from parent company	11,980,000	11,230,000
Amounts owed to group undertakings	4,100,869	1,216,523
	<u>16,080,869</u>	<u>12,446,523</u>

From 29 June 2001, the date on which the ultimate ownership of the company changed, the interest relating to £11.23 million of the unsecured loan has been waived. The balance of the loan of £0.75 million is interest bearing.

Certegy Card Services Limited

**Deloitte
& Touche**

Notes to the financial statements (continued)

12 Called-up share capital

	2001 £	2000 £
<i>Authorised, allotted, called up and not paid</i>		
510 A ordinary shares of £1 each	510	510
490 B ordinary shares of £1 each	490	490
	<u>1,000</u>	<u>1,000</u>

The two classes of shares rank pari passu in all respects.

13 Reconciliation of shareholders' deficit and movement on reserves

	Share capital £	Capital contribution £	Profit and loss account £	Total £
At 1 January 2001	1,000	4,295,488	(5,822,771)	(1,526,283)
Loss for the year	-	-	(3,076,968)	(3,076,968)
At 31 December 2001	<u>1,000</u>	<u>4,295,488</u>	<u>(8,899,739)</u>	<u>(4,603,251)</u>

14 Guarantees and other financial commitment

a) Capital commitments

The value of capital expenditure contracted for but not provided at 31 December 2001 was £300,000 (31 December 2000 £75,250)

b) Lease commitments

At 31 December 2001 the company was committed to making the following payments during the year in respect of operating leases

	Land and buildings 2001 £	Other 2001 £	Land and buildings 2000 £	Other 2000 £
Operating leases which expire				
- within one year	372,800	-	-	46,664
- between two and five years	38,835	70,965	372,800	88,223
	<u>411,635</u>	<u>70,965</u>	<u>372,800</u>	<u>134,887</u>

Certegy Card Services Limited

Notes to the financial statements (continued)

15 Pension Commitments

The company was a member of the Equifax Group plc pension scheme during the year. This is a defined contribution scheme and is funded by contributions from the employer and employee, for the benefit of individual members.

The pension charge for the year was £282,317 (2000: £253,662).

16 Immediate Parent Undertaking and related party disclosures

On 29 June 2001, Equifax plc disposed of its investment in Certegy Card Services Limited by way of a distribution in specie. From 7 July 2001 the new ultimate parent company is Certegy Inc a company incorporated in the USA.

The smallest group in which the results of the company are consolidated is that headed by Certegy Limited, a company registered in England and Wales, whose financial statements are obtainable at the registered office at Tricom House, 51/53 Hagley Road, Edgbaston, Birmingham, B16 8TO.

The largest group in which the results of the company are consolidated is that headed by the ultimate parent company, Certegy Inc, 11720 Amber Park Drive, Suite 600, Alpharetta, Georgia, 30004 and copies of the group financial statements are available from this address.

As a subsidiary undertaking of Certegy Limited, the company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' not to disclose transactions with other members of the group headed by Certegy Limited.

Between 29 June 2001, when the company ceased to be a subsidiary of Equifax Inc, and 31 December 2001, the company took part in the following related party transactions with Equifax Europe Limited.

	£
Pension and payroll administration	26,397
IT systems and related support	431,760
Other services	36,195
	<hr/>
	494,352
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The balance owed by the company to Equifax Europe Limited at the year end was £nil.