

Registration number: 04007855

Intelligent Processing Solutions Limited

Annual Report and Financial Statements

For the year ended 31 December 2022



Intelligent Processing Solutions Limited

Directors and Advisors

Directors

I Graham
D Grant
J Martin
C Becker-Smith
D Bundy
C Ambrose
S Wyatt

**Company
secretary**

R Gajree

Chair

I Graham

**Registered
number**

04007855

Registered office

Enigma
Wavendon Business Park
Milton Keynes
MK17 8LX

**Independent
Auditors**

PricewaterhouseCoopers LLP
Statutory Auditors
4th Floor, One Reading Central
23 Forbury Road
Reading
RG1 3JH

Intelligent Processing Solutions Limited

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Intelligent Processing Solutions Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activities, review of the business and future developments

The principal activity of Intelligent Processing Solutions Limited (iPSL or the Company) is the processing of cheques and provision of back office services for retail banks in the United Kingdom. The Company's main activities in 2022 were the signing of the new Shareholder Agreement, ensuring continued operations until 2026, and the continuation of the Virtualisation (Cloud) project, which is migrating iPSL's cheque clearing infrastructure to a cloud-based platform. This project has been delayed and is now expected to complete in 2024. The Board are monitoring progress on this project on an ongoing basis. The company has also focussed on evolving ways of working within its operational teams in order to continue to deliver high quality service within a lean, agile model, and has continued to reduce the cost base where possible throughout the business.

The directors monitor the Company's progress against strategic business objectives and the financial performance of the Company's operations on a regular basis. As part of this process, and the Company's annual budget process, the most significant key performance indicators used by the Company are turnover, cost management, operational efficiency, profitability and cash flow.

Turnover for the year ended 31 December 2022 was £76,752,000 (2021: £75,080,000), a 2.2% increase (2021: 6.4% decrease) over the prior year. The revenue increase of £1,672,000 is in line with increased project expenditure related to the Virtualisation (Cloud) programme, offset by anticipated reductions in costs due to ongoing cost saving initiatives throughout the business, and cheque volume decline.

The gross loss amounted to £428,000 (2021: £17,000). When added to the interest income generated of £428,000 (2021: £17,000), iPSL's operating result before tax and pension adjustments is nil, which is in line with the Shareholder Agreement expectation. This increase of £411,000 is wholly due to the interest received in the year from the Company's rolling deposit fund, which, due to Bank of England Base Rate increases, has resulted in significantly higher interest yields.

The Company is in a net current liabilities position of £8,824,000 as at 31 December 2022 (2021: £7,363,000), excluding the pension asset. The net current liabilities include £40,039,000 (2021: 43,419,000) of deferred income which is settled through providing services and not cash payment. The company had cash reserves at the end of 2022 of £34,935,000 (2021: £38,366,000).

During 2023, iPSL continues to deliver its Virtualisation (Cloud) programme, which modernises IPSL's cheque clearing infrastructure and creates ongoing strategic flexibility.

Principal risks, financial risks and uncertainties

The Company has a Risk Management Committee which meets regularly to evaluate areas within the Company's operations including but not limited to financial, business, process, IT and people risks.

Both the Risk Committee and Finance Committee assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the audit process and the Company's process for monitoring compliance with laws and regulations and the code of conduct.

Intelligent Processing Solutions Limited

Strategic Report **for the Year Ended 31 December 2022**

In 2022, the Company faced the following principal risks:

As in prior years, cheque volumes continued to decline in 2022. iPSL remains committed to managing its cost base to ensure that the delivery of services results in the lowest possible cost for our clients whilst maintaining the highest levels of service.

In March 2021 the Board approved a project to move the image based clearing platform to the cloud, facilitating a greater level of strategic flexibility. The project has been delayed, and is now expected to complete within 2024. The Directors continue to closely monitor the project.

The current service agreements were extended on 30th September 2022 through to 31 December 2026. The Directors consider that the agreement signed in September 2022 with the Shareholders to govern the structure of revenue and charges between 2023 and 2026 will continue to protect the future cash flow of the Company and further mitigate principal risks and uncertainties. Following on from this, iPSL do not consider there to be a principal risk to revenue at this time.

The Shareholder agreement signed in September 2022 between iPSL and Shareholders protects future revenue to ensure that the Company has low exposure to liquidity risk, as sufficient cash flows are generated to ensure the Company satisfies its obligations with respect to its financial liabilities. As at 31 December 2022, cash reserves were £34,935,000 (2021: £38,366,000) of which £313,000 (2021: £313,000) was restricted.

In 2022, and continuing into 2023, the UK economy saw exceptionally high inflation, largely driven by the war in Ukraine and local currency deflation, driving up the cost of living throughout the country. The Shareholder agreement signed in September 2022 between iPSL and the Shareholders protects iPSL from inflationary increases by ensuring that all costs incurred by the business are matched to revenues and that adequate monies are available for iPSL to meet supplier demands. iPSL has continued to focus on creating the leanest possible cost base and has worked with suppliers to mitigate as much inflationary risk as possible. iPSL have also considered the impact of the inflationary environment on colleagues within the business, and, in line with client bank shareholders, and with Board approval, paid a discretionary sum to targeted employees to support colleagues with cost of living pressures.

The Company is exposed to counter party risk as cash balances are invested in short-term deposits and fixed interest overnight deposits with reputable UK banks. Regular reviews in advance of any short-term deposits are conducted to ensure bank's ratings meet the level of risk the Company is willing to accept. The Company only trades with reputable high street banks, large financial institutions and fellow group companies and as such the directors consider the Company has only a low exposure to credit risk in respect of trading balances.

The Directors recognise that significant revenues are earned from a few key clients who are also Shareholders with whom the Company has strong relationships. Overall, we do not consider there to be any significant risk to the Company which may threaten the long-term viability of our business.

Intelligent Processing Solutions Limited

Strategic Report

for the Year Ended 31 December 2022

s172(1) Statement

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard to a range of matters when making decisions. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

The Board makes decisions with a long-term view in mind and with the highest standards of conduct. Where possible, decisions are discussed with the affected groups and therefore fully understood and supported when taken. Reports are regularly made to the Board from the Executive Management Team about the Company and the strategy and key performance decisions which are made. Regular reporting enables the Board to stay in touch and make the decisions with the best interests of the Company in mind. In addition, the Board contains members from each of the shareholders so that their views are constantly considered when long term decisions are made.

The Board is aware of the impact decisions may have on the wider community and holds our reputation to the highest standards as the market leader in cheque processing, ensuring that the Company is compliant with laws and regulations whilst delivering the best service possible to our customers. We engage with key external stakeholders through a range of industry consultations and meetings and keep up to date with government regulations ensuring that any changes are acted on swiftly. In addition, we have regular regulatory audits to ensure that the controls operating with the Company are operating effectively. The Board is updated on legal and regulatory requirements and any control deficiencies on a regular basis and takes these into account when considering future actions.

Community and the Environment

iPSL has policies in place aligned to the parent Company, Unisys Limited, which consider the Company's impact on the environment, social matters, human rights and anti-corruption and anti-bribery including the global environmental, safety, health, security and energy/resource conservation policy, the code of ethics and business conduct, the anti-bribery policy and the global respectful workplace policy. These are all available on the internal internet home page and can be accessed by all employees and contractors at any time and take into consideration the impact of the Company's activity on these areas. Training is mandatory in all areas for all employees and is refreshed on a regular basis.

iPSL works with the community throughout the year facilitated by our Corporate Social Responsibility team which organises events and fundraisers to support the community.

Streamlined Energy and Carbon Reporting (SECR)

The Executive Management Team is constantly working with the Facilities team to ensure that iPSL is considering the environment when carrying out day to day services and that the facilities used enable employees to contribute. iPSL continues to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements. The SECR disclosure presents iPSL's carbon footprint within the United Kingdom across Scope 1, 2 and to some extent scope 3 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial year.

Intelligent Processing Solutions Limited

Strategic Report

for the Year Ended 31 December 2022

	<i>Year to 31st December 2022</i>	<i>Year to 31st December 2021</i>
Energy consumption used to calculate emissions (kWh)	6,052,458	6,684,801
Emissions from combustion of gas (Scope 1) tCO ₂ e	329	381
Emissions from combustion of fuel for transport purposes (Scope 1) tCO ₂ e	2	2
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) tCO ₂ e	4	6
Emissions from purchased electricity (Scope 2, location-based) tCO ₂ e	817	968
Total gross tCO ₂ e based on above (location-based)	1,152	1,357
Intensity ratio No. 1 (tCO ₂ e/Million Cheques) (location-based)	5.98	9.14
Intensity ratio No. 2 (tCO ₂ e/Floor area m ²) (location-based)	0.07773	0.14
Emissions from purchased electricity (Scope 2, market-based) tCO ₂ e	-	N/A
Total gross tCO ₂ e based on above (market-based)	334	N/A
Intensity ratio No. 1 (tCO ₂ e/Million Cheques) (market-based)	0.000002	N/A
Intensity ratio No. 2 (tCO ₂ e/Floor area m ²) (market-based)	0.02253	N/A

Energy Efficiency Action Summary

Intelligent Processing Solutions Limited continues to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements, including;

- Replacement of any failed lights in Northfields with Energy Efficient LED light fittings (Total of 164 replaced).
- Replacement lighting in BPH with Energy Efficient LED light fittings (Total of 490 replaced).
- Maintained Service and maintenance of mechanical parts to maintain / improve efficiency.
- Continued with communication and recycling education.
- Re-introduction of Car sharing.
- Heaters above Sara Door Turned off for 10 months of the year.
- Water Heating options in Northfields reviewed and most energy efficient option implemented reducing Gas usage to near zero.
- Obtained REGO (Renewable Energy Guarantees of Origin) for our Electricity supply.
- CDP, Emerald Standard and Unisys Questionnaires' all completed.
- Many PCs removed from sites as part of the Virtualisation project reducing energy consumption in total. Barclays Workstation removed 290 Across Both Sites, Lloyds Workstations removed 311 Across both sites.

Intelligent Processing Solutions Limited

Strategic Report

for the Year Ended 31 December 2022

METHODOLOGY NOTES

Reporting Period	1st January 2022 – 31st December 2022
Boundary (consolidation approach)	Operational approach.
Alignment with financial reporting	SECR disclosure has been prepared in line with Intelligent Processing Solutions Limited's annual accounts made up to 31st December 2022.
Reporting Method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
Emissions factor source	DEFRA, 2022 for all emissions factors - https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Conversion factor source	U. S. Energy Information Administration for diesel https://www.eia.gov/totalenergy/data/monthly/pdf/sec12_2.pdf Federal Register EPA for natural gas and gasoline (petrol) https://www.ecfr.gov/cgi-bin/text-idx?SID=ae265d7d6f98ec86fcd8640b9793a3f6&mc=true&node=pt40.2.3.98&rgn=div5#ap40.23.98_138.1 EPA GHG Emission Factors Hub for natural gas and gasoline (petrol) https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub
Calculation method	Activity Data x Emission Factor = GHG emissions Activity Data x Conversion Factor = kWh consumption
Other relevant information on calculation	As we do not keep records on the type of employee-owned cars, we have used the Vehicle Licensing Statistics (VEH1103a) to divide business mileage by fuel type. The mileage data was first converted into kWh and then litre using DEFRA 2022 factors.
Dual reporting	Dual reporting allows us to compare our purchasing decision (market-based approach – green electricity) to the overall GHG-intensity of the grid (location-based approach – grid electricity)
Amount of renewable electricity (kWh) imported from the grid and backed by REGO	4,228,300 kWh
Information on renewable electricity	The renewable electricity supplied to Intelligent Processing Solutions Limited by Drax during the period FY 2022 has been generated from 100% renewable sources. It is backed by Renewable Energy Guarantees of Origin (REGOs) for the period April 2021 to March 2022. A new REGO for the remaining period (April – Dec 2022) will be available in Aug 2023. Using the GHG Protocol Corporate Standards' market-based approach the above enables us to report "0" emissions under Scope 2.
Reason for the intensity measurement choice	Intelligent Processing Solutions Limited uses both the total number of cheques in million and the area in square meters to calculate intensity ratios as these allow emissions to be monitored over time taking into account the usage of our facilities. These factors provide the greatest degree of accuracy and are the metrics best aligned to the nature of our business.
Rounding	Due to rounding there might be minor differences compared to the actual GHG emissions (no more than 1%).

Intelligent Processing Solutions Limited

Strategic Report

for the Year Ended 31 December 2022

Employee Engagement

We use a range of regular communication channels to keep employees briefed on the strategic and financial progress and any ongoing initiatives that may affect them. This is a two-way process and employees are actively encouraged to share ideas and opinions with senior management. All our employees at all levels attend one to one meetings with their line managers to discuss their career progression and individual opinions further.

Directors liaise with employees through the Executive Management Team who are on-site and part of the individual teams throughout the business. During 2022, all employees were encouraged to take part in a company-wide staff engagement survey which was run by an independent third party provider, and had full support from the Board. Since the results of the survey, the Executive Management Team has been working with employees from all areas of the Company to implement improvements based on employee feedback. Management also hold Town Hall meetings (via video conferencing) to ensure employees are up-to-date with principal decisions taken by the Company during the financial year, and regular internal communications are shared as and when important decisions are made.

In 2023, iPSL continues to focus on employee development by delivering a series of workshops aimed at creating high performing teams within the business. iPSL have also focussed on Diversity and Inclusion initiatives in the year, with the aim of cultivating the best possible environment for all employees, whatever their physical ability, age, gender, sexual orientation, religion or ethnic origin.

Business Relationships

The success of our business is dependent on the support of both customers and suppliers, and in order to keep the services to the banks operating effectively, it is essential the Company fosters business relationships with them, and works together with both towards shared goals. Consideration at Board level and throughout the Company is made on a regular basis. The Company only trades with reputable high street banks, large financial institutions and fellow group companies, and has a contract in place with each of the four shareholders of the Company who are also its customers. Meetings have been held with all of the shareholders on a regular basis throughout 2022 (continuing through into 2023) to ensure the relationships continue to be successful. In addition, the Client Relations team review the Service Level Agreements in place and ensure any issues are dealt with. The Procurement function liaises with our suppliers on a regular basis to ensure they are meeting the Service Level Agreements that they have in place and will follow up on any suppliers where the service provided is not meeting the agreed targets. When suppliers are consistently not meeting the standards required, action plans will be put in place to rectify this or change the supplier where possible.

The Company sets goals and measures performance using the “5C” methodology, considering performance through the lenses of Cost, Client, Change, Control and Colleague. This method provides a balanced view of performance, and is used consistently across internal communications, client updates, and reporting at Board level.

Intelligent Processing Solutions Limited

Strategic Report

for the Year Ended 31 December 2022

Basis of preparation - going concern

The directors have considered the appropriateness of the going concern basis of preparation of the financial statements taking into account the Company's current and projected performance, including considerations for the impact of recent increases in inflation in the UK.

The Company has long term agreements with its customers (who are also shareholders) that result in a full reimbursement of the costs of the business over the life of the agreements. In September 2022, the Company and its four main customers extended the existing agreements until 31 December 2026. This ensures that any risks relating to inflationary increases are mitigated.

The agreements also commit customers to pay in advance for services and related capital expenditure to enable the operations to be funded. Albeit the Company is in a net current liability position of £8,824,000 as at 31 December 2022 (2021: £7,363,000), excluding the pension asset. The net current liabilities include £40,039,000 (2021: £43,419,000) of deferred income which are settled through providing services and not cash payment.

Cash flow forecasts are prepared regularly to review the cash position of the Company and confirm that adequate resources are available for at least the next 12 months. These are updated on a weekly basis to ensure that they are continually up to date and reflect the dynamic position of the Company. Cash flow forecasts reflect only guaranteed cash receipts such that the worst-case scenarios are reflected, yet confirm that the Company continues to have adequate resources.

Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at the least the next 12 months from the date of approval of these financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

19 September 2023

Approved by the Board on and signed on its behalf by:

DocuSigned by:

Irene Graham

.....521741588113496.....

I Graham

Director

Date: Sep-22-2023

Registered No. 04007855

Intelligent Processing Solutions Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors of the Company

The directors of the company who were in the office during the year and up to the date of the signing of the financial statements were:

I Graham
D Grant
C Caldwell (Resigned 22 March 2023)
J Martin
C Becker-Smith
D Bundy
C Ambrose
S Wyatt (Appointed 22 March 2023)

The directors at 31 December 2022 had no interests, nor options, in the ordinary share capital of the Company at the beginning or end of the year.

During the year, and up to the date of this report and approval of the financial statements, the Company had in place third party indemnity provision for the benefit of all directors of the Company.

Dividends

The directors do not propose any dividends for the year (2021: £nil).

Employees

iPSL's continuing success is reliant on having the best people in all areas of our businesses. Our employees are considered for employment, training, career development and promotion on the basis of their abilities and aptitudes, regardless of physical ability, age, gender, sexual orientation, religion or ethnic origin.

Full and fair consideration (having regard to the person's particular aptitudes and abilities) is given to applications for employment and the career development of disabled persons. We take all practicable steps to ensure that if an employee becomes disabled during the time they are employed, their employment can continue. We continue to review both performance and potential as a key part of our annual performance management, career development and succession planning processes.

Employee Engagement

Considerations surrounding employee engagement have been included in the s172(1) statement which can be found in the Strategic Report.

Financial Risk Management

Requirements relating to the financial risk management of iPSL have been considered in the Strategic Report.

Business Relationships

Considerations surrounding business relationships have been included in the s172(1) statement which can be found in the Strategic Report.

Intelligent Processing Solutions Limited

Directors' Report

for the Year Ended 31 December 2022

Political donations

No political donations were made during the year (2021: £nil).

Future developments

Requirements relating to the future developments of iPSL have been considered in the Strategic Report.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; 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 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.

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Intelligent Processing Solutions Limited

Directors' Report


for the Year Ended 31 December 2022

Independent Auditors

Pursuant to section s485 of the Companies Act 2006, the auditors, Pricewaterhousecoopers LLP, as auditors of all the Unisys group's global entities, will resign upon completion of the 2022 financial statements. Grant Thornton LLP have been appointed as auditors for 2023.

The financial statements on pages 15 to 35 were approved by the Board of Directors on
19 September 2023

..... and signed on its behalf by:

DocuSigned by:

52474168B112496:.....

I Graham
Director

Sep-22-2023
Date:
Registered No. 04007855
Enigma
Wavendon Business Park
Milton Keynes
MK17 8LX

Intelligent Processing Solutions Limited

Independent Auditors' Report

to the Members of Intelligent Processing Solutions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Intelligent Processing Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Balance Sheet as at 31 December 2022; Profit and Loss Account, Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Intelligent Processing Solutions Limited

Independent Auditors' Report **to the Members of Intelligent Processing Solutions Limited**

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Intelligent Processing Solutions Limited

Independent Auditors' Report

to the Members of Intelligent Processing Solutions Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, Corporate Tax Legislation and Pension Regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to "topside" journals between the ledger and financial statements. Audit procedures performed by the engagement team included:

- Enquiry of management to identify any instances of non-compliance with laws and regulations, or instances of actual or suspected fraud;
- Review of minutes of board meetings;
- Auditing the risk of management override of controls, through testing a sample of journal entries and other adjustments for appropriateness and challenging the assumptions used in management's accounting estimates; and
- Evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Intelligent Processing Solutions Limited

Independent Auditors' Report

to the Members of Intelligent Processing Solutions Limited

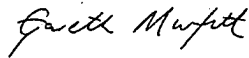
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Gareth Murfitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

22 September 2023
Date:

Intelligent Processing Solutions Limited

Profit and Loss Account
 for the year ended 31 December 2022

	<i>Note</i>	<i>2022</i> <i>£ 000</i>	<i>2021</i> <i>£ 000</i>
Turnover	4	76,752	75,080
Cost of sales		<u>(77,180)</u>	<u>(75,097)</u>
Gross loss	5	(428)	(17)
Interest receivable and similar income		428	17
Net pension income	11	<u>1,455</u>	<u>941</u>
Profit before tax		1,455	941
Tax on profit	8	<u>(95)</u>	<u>(2,167)</u>
Profit/(loss) for the financial year		<u>1,360</u>	<u>(1,226)</u>

The above results were derived from continuing operations.

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Statement of Comprehensive Income

for the Year Ended 31 December 2022

	2022 £ 000	2021 £ 000
Profit/(loss) for the year	1,360	(1,226)
Remeasurement (loss)/ gain on defined benefit pension scheme	(26,902)	12,642
Deferred tax related to the remeasurement of defined benefit scheme	6,726	(3,921)
Total other comprehensive (loss)/ income	(20,176)	8,721
Total comprehensive (loss)/ income for the year	(18,816)	7,495

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

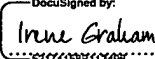
Balance Sheet

as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Intangible assets	9	12,624	25,246
Tangible assets	10	1,780	3,158
Pension asset	11	55,387	80,834
		<u>69,791</u>	<u>109,238</u>
Current assets			
Debtors (includes £16k (2021: £888k) of debtors due after more than one year)	12	7,840	6,725
Cash at bank and in hand	13	34,935	38,366
		<u>42,775</u>	<u>45,091</u>
Creditors: Amounts falling due within one year	14	<u>(51,599)</u>	<u>(52,454)</u>
Net current liabilities		<u>(8,824)</u>	<u>(7,363)</u>
Total assets less current liabilities		60,967	101,875
Creditors: Amounts falling due after more than one year	14	-	(14,038)
Provisions for liabilities			
Other provisions	18	(1,234)	(1,664)
Deferred tax liabilities	8	(6,853)	(14,477)
Net assets		<u>52,880</u>	<u>71,696</u>
Capital and reserves			
Called up share capital	15	-	-
Share premium account	16	17,500	17,500
Profit and loss account		<u>35,380</u>	<u>54,196</u>
Total equity		<u>52,880</u>	<u>71,696</u>

The financial statements on pages 15 to 35 were approved and authorised for issue by the Board on 19 September 2023

..... and were signed on its behalf by:

DocuSigned by:


 52774584715482

I Graham
 Director
 Date: Sep-22-2023

Registered No: 04007855

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Statement of Changes in Equity

for the Year Ended 31 December 2022

	<i>Called up share capital £ 000</i>	<i>Share premium account £ 000</i>	<i>Profit and loss account £ 000</i>	<i>Total £ 000</i>
At 1 January 2021	-	17,500	46,701	64,201
Loss for the year	-	-	(1,226)	(1,226)
Other comprehensive income for the year	-	-	12,642	12,642
Deferred tax related to the remeasurement of the defined benefit pension scheme	-	-	(3,921)	(3,921)
At 31 December 2021	-	17,500	54,196	71,696
Profit for the year	-	-	1,360	1,360
Other comprehensive loss for the year	-	-	(26,902)	(26,902)
Deferred tax related to the remeasurement of the defined benefit pension scheme	-	-	6,726	6,726
At 31 December 2022	-	17,500	35,380	52,880

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

1 Basis of preparation

Accounting convention

The financial statements have been prepared under historical cost convention and in accordance with applicable accounting standards as defined in section 464 of the Companies Act 2006 with the exception of certain financial instruments which have been shown at fair value.

Going concern

The directors have considered the appropriateness of the *going concern* basis of preparation of the financial statements taking into account the Company's current and projected performance, including considerations for the impact of the UK wide inflation crisis.

The Company has long term agreements with its customers (who are also shareholders) that result in a full reimbursement of the costs of the business over the life of the agreements. In September 2022, the Company and its four main customers extended the existing agreements until 31 December 2026. This ensures that any risks relating to inflationary increases are mitigated.

The agreements also commit customers to pay in advance for services and related capital expenditure to enable the operations to be funded. Albeit the Company is in a net current liability position of £8,824,000 as at 31 December 2022 (2021: £7,363,000), excluding the pension asset. The net current liabilities include £40,039,000 (2021: £43,419,000) of deferred income which are settled through providing services and not cash payment.

Cash flow forecasts are prepared regularly to review the cash position of the Company and confirm that adequate resources are available for at least the next 12 months. These are updated on a weekly basis to ensure that they are continually up to date and reflect the dynamic position of the Company. Cash flow forecasts reflect only guaranteed cash receipts such that the worst-case scenarios are reflected, yet confirm that the Company continues to have adequate resources.

Accordingly, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at the least the next 12 months from the date of approval of these financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

2 Accounting policies

iPSL is a private company limited by shares, incorporated in the United Kingdom, and registered and domiciled in England.

The company's registered office is: Enigma, Wavendon Business Park, Wavendon, Milton Keynes, MK17 8LX. These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The presentational and functional currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

2 Accounting policies (continued)

The Company's ultimate parent undertaking, Unisys Corporation, 801 Lakeside Drive, Suite 100, Blue Bell, Pennsylvania, USA, includes the Company in its consolidated financial statements. The consolidated financial statements of Unisys Corporation are available to the public and may be obtained from First Floor, Enigma, Wavendon Business Park, Wavendon, Milton Keynes, MK17 8LX. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Related party transactions with wholly owned group companies.

As the consolidated financial statements of Unisys Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and,
- FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Revenue recognition

Revenue from fixed tariffs and other fixed charges is recognised as services are rendered in accordance with the terms of each contract. Additional revenue is recognised based on the activity based costing mechanism. Revenue from other services is recognised as the services are rendered.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

Fixed assets are depreciated over their estimated useful economic life using the straight line method. The useful economic life of fixed assets is reviewed on an annual basis.

The estimated useful economic lives of furniture, fittings and equipment are between 1 and 3 years.

The estimated useful economic life of land & buildings are the shorter of the period of purchase to lease expiration or the related service contract expiry date.

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

2 Accounting policies (continued)

Translation of foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, and the resulting exchange differences are dealt with in the determination of the Company's results for the financial year.

Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Defined benefit pension obligation

The Company operates a defined benefit scheme which requires contributions to be made to a separately administered fund. The scheme is now closed but in accordance with FRS 102, any service cost of providing retirement benefits to employees during the year, together with the costs of any benefits relating to past service is charged to the profit and loss account in the year. The net interest charge/credit based on net balance sheet asset/liability is included in the profit and loss account. The difference between actual and expected returns on assets and the difference arising from changes in assumptions are recognised in other comprehensive income. The difference between the market value of assets and the present value of accrued pension liabilities is shown as an asset or liability in the balance sheet.

When the defined benefit pension scheme is in a surplus position, a pension asset is recognised as the entity has the contractual right to receive surplus assets once outstanding pension obligations have been settled at the end of the plan.

During 2022 iPSL was a participating employer in a defined benefit pension scheme that shares risks between entities under common control. Unisys Limited is the sponsoring employer for the plan.

Defined contribution pension obligation

The Company also participates in a defined contribution scheme operated by Unisys Limited, the Company's immediate parent company, which is open to new employees and employees wishing to transfer from the defined benefit schemes. Contributions are charged to the profit and loss account as and when they fall due.

Taxation

The charge for taxation is based on the result for the year 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 in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non discounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

2 Accounting policies (continued)

Intangible assets

Intangible assets are initially measured at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation

Intangible assets are amortised over their estimated useful economic life using the straight line method. The useful life of intangible assets is reviewed on an annual basis. An assessment is carried out at each reporting date to test if there is any indication of impairment. The ICS software useful life is assessed to be the current term of the service agreement with the shareholders. All intangible assets are due to be written down by December 2023.

Direct costs incurred in developing equipment and software for use in the provision of outsourcing contracts are capitalised once technical feasibility has been established. These outsourcing assets are depreciated over the shorter of their life or the term of the contract.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. There is also an amount of restricted cash, which is generated as a result of the clause in the agreements signed with the shareholders in September 2022 which stated that iPSL will hold any surplus funds of its customers on trust and that the funds will only be used for deposit, holding and payment at the clients' discretion.

Financial Instruments

In accordance with FRS 102, iPSL have elected to apply Section 11 & Section 12 of FRS 102 in relation to the recognition and measurement of all basic and other financial instruments. The only financial instruments recognised by iPSL are Cash, Debtors and Creditors.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The directors have considered the use of judgements and estimates in the valuation of the pension scheme.

Defined benefit pension obligation

The liability recognised in respect of retirement benefit obligations is dependent on a number of estimates agreed with the Scheme actuary, including those relating to mortality, inflation, salary increases and the rate at which liabilities are discounted. Any change in these assumptions would impact the retirement benefit obligations recognised. Further details on these estimates and sensitivities are provided in note 11.

4 Turnover

Turnover comprises the invoice value of goods and services supplied by the Company to third parties and group companies, stated exclusive of value added tax.

Turnover, results before taxation and net assets are attributable to one continuing activity, being the provision of cheque clearing and settlement services in the United Kingdom.

	2022 £ 000	2021 £ 000
United Kingdom	<u>76,752</u>	<u>75,080</u>

Turnover includes sales to Unisys Payment Services Limited, a wholly owned subsidiary company of Unisys Limited, of £485,000 (2021: £569,000).

5 Gross loss

The gross loss is stated after charging:

	2022 £ 000	2021 £ 000
Depreciation expense	1,624	1,489
Amortisation expense	12,622	12,622
Restructuring costs	1,048	1,416
Operating lease expense - property	2,055	1,873
Auditors' remuneration - audit services	<u>48</u>	<u>41</u>

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

6 Directors' remuneration

No directors exercised any share options nor were any shares received or receivable under a long term incentive scheme during the current or previous year.

Two (2021: Two) of the directors are also directors of other companies within the Unisys Corporation group of companies. These director's services to the Company do not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental service to the Company during the years ended 31 December 2022 and 31 December 2021. Five (2021: Five) directors are not members of the other companies within the Unisys Corporation group of companies. For Four (2021: Four) of these directors, their services to the Company did not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental services to the Company during the years ended 31 December 2022 and 31 December 2021. The other director was the chair, who was remunerated for her services. This is included under related parties as disclosed in Note 17.

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	21,756	22,813
Social security costs	2,191	2,196
Other pension costs	3,714	3,803
	<u>27,661</u>	<u>28,812</u>

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Operations	<u>627</u>	<u>695</u>

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

8 Tax on profit

Tax charged in the profit and loss:

	2022 £ 000	2021 £ 000
Current taxation		
UK Corporation tax	993	537
UK Corporation tax adjustment to prior periods	-	(107)
Total current tax	993	430
Deferred taxation		
Arising from origination and reversal of timing differences	(682)	(334)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(12)	107
Arising from changes in tax rates and laws	(204)	1,964
Total deferred taxation	(898)	1,737
Tax charge in profit and loss	95	2,167

The tax on profit for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	1,455	941
Corporation tax at standard rate of 19% (2021: 19%)	276	179
Non deductible expenses	43	37
Super-deduction expenditure	(8)	(13)
Decrease in UK and foreign current tax from adjustment for prior periods	(12)	-
(Decrease)/increase from effect of different UK tax rates on some earnings	(204)	1,964
Total tax charge	95	2,167

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

8 Tax on profit (continued)

As announced in the UK Government's Budget on 3 March 2021 the main UK corporation tax rate will increase to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021. As a result, existing temporary differences on which deferred tax has been provided may unwind in periods subject to the 25% rate.

Deferred tax

	2022 £ 000	2021 £ 000
Depreciation in advance of capital allowances	6,734	5,463
Dilapidations	-	231
Deferred tax on pension asset	(13,587)	(20,171)
Total deferred tax liability	(6,853)	(14,477)

	<i>Deferred tax</i> £ 000
At 1 January 2022	14,477
Adjustment in respect of prior years credited to profit and loss account	(12)
Deferred tax credit to profit and loss account	(886)
Deferred tax credit to other comprehensive income	(6,726)
At 31 December 2022	6,853

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

9 Intangible assets

	<i>Software</i> <i>£ 000</i>
Cost	
At 1 January 2022 & 31 December 2022	<u>74,398</u>
Accumulated Amortisation	
At 1 January 2022	49,152
Charge for the year	<u>12,622</u>
At 31 December 2022	<u>61,774</u>
Net Book Value	
At 31 December 2022	<u><u>12,624</u></u>
At 31 December 2021	<u><u>25,246</u></u>

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

10 Tangible assets

	<i>Land and buildings £ 000</i>	<i>Furniture, fittings and equipment £ 000</i>	<i>Total £ 000</i>
Cost			
At 1 January 2022	2,900	33,404	36,304
Additions	192	54	246
At 31 December 2022	3,092	33,458	36,550
Accumulated Depreciation			
At 1 January 2022	2,568	30,578	33,146
Charge for the year	344	1,280	1,624
At 31 December 2022	2,912	31,858	34,770
Net book value			
At 31 December 2022	180	1,600	1,780
At 31 December 2021	332	2,826	3,158

11 Pension commitments

Defined benefit and defined contribution pension schemes

The Company provides pension arrangements to the majority of employees of the Company through a defined benefit scheme, the Unisys Payment Services Limited Pension Scheme ('UPSL scheme') and a defined contribution scheme, the Unisys Defined Contribution Plan. The schemes are funded by the payment of contributions to separately administered funds. The contributions to the UPSL scheme are determined with the advice of independent qualified actuaries on the basis of annual calculations using the projected unit method. The Company accounts for the UPSL scheme in accordance with FRS 102 "Retirement Benefits". The UPSL scheme closed to future service accrual at 31 March 2011. Members were offered the opportunity to join the Unisys Defined Contribution Plan.

An amount of £190,000 (2021: £196,000) of unpaid contributions relating to the defined contribution pension scheme was outstanding at the year end.

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

11 Pension commitments (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2022 £ 000	2021 £ 000
Fair value of scheme assets	307,733	463,176
Present value of defined benefit obligation	<u>(252,346)</u>	<u>(382,342)</u>
Defined benefit pension scheme surplus	<u>55,387</u>	<u>80,834</u>

Defined benefit obligation

Changes in the present value of the defined benefit obligation are as follows:

	2022 £ 000	2021 £ 000
At 1 January	382,342	392,420
Interest expense	6,761	5,391
Benefits paid	(13,449)	(14,710)
Effects of changes in assumptions	(143,834)	4,607
Effects of experience adjustments	<u>20,526</u>	<u>(5,366)</u>
Present value at end of year	<u>252,346</u>	<u>382,342</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2022 £ 000	2021 £ 000
At 1 January	463,176	459,671
Interest income	8,216	6,332
Actual return on plan assets	(150,210)	11,883
Benefits paid	<u>(13,449)</u>	<u>(14,710)</u>
At 31 December	<u>307,733</u>	<u>463,176</u>

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

11 Pension commitments (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	2022 £ 000	2021 £ 000
Equities	126,761	123,978
Bonds	178,300	336,221
Cash	2,672	2,977
	<u>307,733</u>	<u>463,176</u>

	2022 £ 000	2021 £ 000
Analysis of profit and loss credit		
Interest	(6,761)	(5,391)
Interest income	8,216	6,332
Total credit recognised in profit and loss	<u>1,455</u>	<u>941</u>

	2022 £ 000	2021 £ 000
Analysis of remeasurement gain recognised in other comprehensive (expense)/income		
Changes in assumptions	143,834	(4,607)
Actual return on plan assets	(150,210)	11,883
Effect of experience adjustments	<u>(20,526)</u>	<u>5,366</u>
Total remeasurement (loss)/gain recognised in other comprehensive (expense)/income	<u>(26,902)</u>	<u>12,642</u>

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

11 Pension commitments (continued)

Principal actuarial assumptions

A full actuarial valuation was carried out at 31 March 2020 and updated to 31 December 2022 by a qualified independent actuary. The main assumptions used by the actuary for FRS 102 purposes were:

	2022 %	2021 %
Discount rate	4.94	1.80
Rate of increase in deferred pensions	2.63	2.75
Rate of increase in pensions in payment	2.60	1.95
Inflation	<u>3.18</u>	<u>3.25</u>

Weighted Average life expectancy for mortality tables used to determine benefit obligations

	2022 Years	2021 Years
Member age 65 (current life expectancy)	21.4	20.5
Member age 45 (life expectancy at age 65)	<u>22.4</u>	<u>22.4</u>

12 Debtors

	2022 £ 000	2021 £ 000
Trade debtors	3,397	2,339
Amounts owed by group undertakings	-	107
Prepayments and accrued income	<u>4,443</u>	<u>4,279</u>
	<u>7,840</u>	<u>6,725</u>

Prepayments and accrued income include non-current prepayments of £16,000 (2021: £888,000) due after more than one year.

Amounts owed by group undertakings are unsecured and repayable on demand.

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

13 Cash at bank and in hand

Included within cash is £313,000 (2021: £313,000) of cash which is restricted. This is a result of the clause in the agreements signed with the shareholders in September 2022 which stated that iPSL will hold any surplus funds of its customers on trust and that the funds will only be used for deposit, holding and payment at the clients' discretion. Cash and cash equivalents have been measured at fair value.

14 Creditors

	<i>Note</i>	<i>2022</i> <i>£ 000</i>	<i>2021</i> <i>£ 000</i>
Amounts falling due within one year			
Trade creditors		2,014	2,517
Amounts owed to group undertakings	17	1,169	818
Taxation and social security		1,234	1,123
Accruals and deferred income		47,182	47,996
		<u>51,599</u>	<u>52,454</u>
Amounts falling due after more than one year			
Other non-current financial liabilities		-	387
Accruals and deferred income		-	13,651
		<u>-</u>	<u>14,038</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

15 Called up share capital

Allotted, called up and fully paid shares

	<i>2022</i>		<i>2021</i>	
	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary Shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

16 Share premium account

Share premium relates to the excess over nominal value of a share at share issue.

17 Related party transactions

During the year, the Company entered into transactions in the ordinary course of business with its shareholders, Barclays Bank plc, HSBC Bank plc, Lloyds' Banking Group plc, and Unisys Limited. The company also entered into transactions in the ordinary course of business with other wider Unisys Corporation Group entities, as well as with the Chairperson Irene Graham.

Transactions entered into, and trading balances outstanding at 31 December 2022 and 31 December 2021 are as follows.

	<i>Sales to related party £ 000</i>	<i>Purchases from related party £ 000</i>	<i>Amounts owed from related party £ 000</i>	<i>Amounts owed to related party £ 000</i>
Barclays Bank plc;				
2022	14,638	-	37	185
2021	14,642	-	818	-
HSBC Bank plc;				
2022	29,203	-	1,669	-
2021	27,868	-	1,156	-
Lloyds' Banking Group plc;				
2022	32,426	-	1,678	1
2021	31,749	-	296	-
Unisys Limited;				
2022	-	1,483	-	918
2021	-	835	-	125
Unisys Payment Services Limited;				
2022	485	-	-	-
2021	569	-	-	-

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

17 Related party transactions (continued)

	<i>Sales to related party £ 000</i>	<i>Purchases from related party £ 000</i>	<i>Amounts owed from related party £ 000</i>	<i>Amounts owed to related party £ 000</i>
Unisys Corporation;				
2022	-	490	-	44
2021	-	847	-	73
Unisys Global Services - India;				
2022	-	15	-	21
2021	-	15	-	4
Unisys Europe Limited;				
2022	-	-	-	-
2021	-	48	-	-
Unisys Brazil;				
2022	-	4	-	-
2021	-	5	-	-
Irene Graham;				
2022	-	100	-	-
2021	-	75	-	-

18 Other provisions

Restructuring costs

Provision is made for redundancy costs arising from the Company's current outsourcing contracts with Barclays Bank plc, Lloyds' Banking Group plc, HSBC Bank plc and Unisys Payment Services Limited.

Dilapidations provisions

Provision is made for the estimated costs of returning leasehold properties to their original state in accordance with contract terms. The provision relates to properties leased by iPSL, and would only be realised should iPSL leave these sites.

The notes on pages 19 to 35 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2022

18 Other provisions (continued)

	<i>Dilapidations provision £ 000</i>	<i>Restructuring provision £ 000</i>	<i>Total £ 000</i>
At 1 January 2022	926	738	1,664
Amounts utilised during the year	(31)	(738)	(769)
Additional provision in the year	-	339	339
At 31 December 2022	<u>895</u>	<u>339</u>	<u>1,234</u>

19 Commitments

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was:

	<i>Leasehold land and buildings</i>	
	<i>2022 £ 000</i>	<i>2021 £ 000</i>
Within one year	2,064	2,029
In two to five years	3,839	5,799
Over five years	-	111
	<u>5,903</u>	<u>7,939</u>

20 Ultimate parent undertaking and controlling party

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Unisys Corporation, 801 Lakeside Drive, Suite 100, Blue Bell, Pennsylvania, USA incorporated in the State of Delaware, United States of America. Unisys Corporation is a public company listed on the New York Stock Exchange. Copies of the group financial statements of Unisys Corporation are available from Unisys Limited, Enigma, Wavendon Business Park, Wavendon, Milton Keynes, MK17 8LX.

The directors consider Unisys Corporation to be the Company's controlling party and the ultimate parent undertaking.

The immediate parent company is Unisys Limited, Enigma, Wavendon Business Park, Milton Keynes, England, MK17 8LX.

The notes on pages 19 to 35 form an integral part of these financial statements.