

Registration number: 04007855

Intelligent Processing Solutions Limited

Annual Report and Financial Statements

For the year ended 31 December 2020



Intelligent Processing Solutions Limited

Directors	I Graham C Caldwell D Grant J Martin C Becker-Smith D Bundy C Ambrose
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 3 Forbury Place 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 2020

The directors present their strategic report for the year ended 31 December 2020.

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 went through a consolidation year in 2020, moving from a paper-based clearing operation to a fully digital clearing operation in 2020 as part of the UK wide digital clearing project. The Company has operated and maintained continuous service throughout the Covid pandemic.

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 2020 was £80,174,000 (2019: £129,183,000), a 37.9% decrease (2019: 7.4% increase) over the prior year. The revenue decrease of £49,009,000 is in line with anticipated reductions in costs now that the digital clearing project is complete, and a change in client demands.

The gross profit amounted to £969,000 compared with the year ended 31 December 2019 of £15,703,000. This decrease of £14,734,000 is wholly due to the timing of redundancy payments against the provision created in 2017. The profit in 2020 is the result of the billing of the remaining restructuring costs which were originally recognised in 2017, as the Company continued to significantly reduce headcount and transition the business towards the image-based clearing system. This was completed in 2020.

The Company is in a net current liabilities position of £8,021,000 as at 31 December 2020 (2019: £6,469,000), excluding the pension asset. The net current liabilities include £45,027,000 (2019: 49,065,000) of deferred income which are settled through providing services and not cash payment. The company had cash reserves at the end of 2020 of £36,715,000 (2019: £42,924,000).

During 2021 and 2022, iPSL will be moving to a cloud based platform for its image based clearing services.

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.

A Finance Committee assists 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.

In 2020, aside from the Covid pandemic, the Company faced the following principal risks:

As in prior years, cheque volumes continued to decline in 2020. 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 move towards a more variable cost model.

Intelligent Processing Solutions Limited

Strategic Report

for the Year Ended 31 December 2020

The current service agreements were extended on 22 December 2017 through to 31 December 2023. The Directors consider that the agreement signed in December 2017 with the Shareholders to govern the structure of revenue and charges between 2019 and 2023 will continue to protect the future cash flow of the Company and further mitigate principal risks and uncertainties.

The Shareholder agreement signed December 2017 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 the respect to its financial liabilities. As at 31 December 2020, cash reserves were £36,715,000 (2019: £42,924,000) of which £1,133,000 (2019: £1,865,000) was restricted.

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. We have also considered the nature and extent of principal risks and uncertainties arising from Brexit and will continue to monitor developments. Overall, we do not consider there to be any significant risk to the Company which may threaten the long-term viability of our business.

During the year, the COVID-19 pandemic emerged as a significant risk across the Company. The initial impact was primarily operational. Our business continuity plans and processes were deployed to ensure we continued to provide the services and support clients whilst also ensuring the safety of our colleagues and complying with government and regulatory advice.

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 regulators 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.

Intelligent Processing Solutions Limited

Strategic Report

for the Year Ended 31 December 2020

Community and the Environment

iPSL has policies in place aligned to the parent Company, Unisys Ltd, 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. Although this activity has been impacted in 2020 due to the pandemic the Company still organised food donations for local food banks at Christmas and Easter and the Company support Pennies from Heaven through our payroll provider.

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.

	2020
UK energy use in kWh	6,945,373
GHG emissions associated with energy use (tCO ₂ e)	1,622
Emissions intensity ratio - tCO ₂ /m ² building area	0.16

Additional indirect energy and carbon emission savings have also been achieved through a range of measures, including implementing a new enterprise-level software application which provides quality assurance and data capture capabilities into one energy and carbon management solution. This provides audited and verified data on GHG emissions.

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 2020, 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 establish and reinforce new values and initiatives to take the Company forward. 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. During 2020, adaptations to the building have ensured that social distancing was observed and where possible employees have been encouraged to work from home.

In 2021, work has been undertaken to review the succession planning within the senior management of the company. In addition to this, iPSL has implemented a leadership development programme to enable the Company to develop its staff.

Intelligent Processing Solutions Limited

Strategic Report

for the Year Ended 31 December 2020

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 our customers and suppliers 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 2020 (continuing through into 2021) 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.

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 of the impact of the COVID-19 pandemic.

During the unprecedented times of COVID-19, the Company has been able to continue operate without issue. There has not been a period without revenue, with invoices continuing to be raised and paid. As the banks are the Company's only customers, the Company is continuing to supply services, with cheques processed in line with agreed service levels. The Company has ensured that the operational site is a safe environment for employees to attend following applicable government guidelines. As a consequence of this, services have continued operating despite the lockdowns imposed by the UK Government, albeit at lower volumes, which has had no significant impact on the Company as any cost savings from reduced volumes are passed onto the customers. The long-term agreements which the Company has in place continues to provide that all costs are fully reimbursed, which has meant that COVID-19 has not had a significant impact on the Company's trading.

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 December 2017, the Company and its four main customers extended the existing agreements until 31 December 2023.

The agreements also commit customers to pay in advance for services and related capital expenditure to enable the operations to be funded. The Company's customers will also fully fund the costs of the restructuring provision. Albeit the Company is in a net current liabilities of £8,021,000 as at 31 December 2020 (2019: £6,469,000), excluding the pension asset, the net current liabilities include £45,027,000 (2019: 49,065,000) 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.

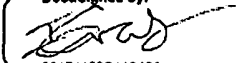
Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at the least the next 12 months from the date of approval of these financial statements. Thus, they continue to adopt the going concern basis in preparing the annual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

Intelligent Processing Solutions Limited

Strategic Report
for the Year Ended 31 December 2020

Approved by the Board on 14th September 2021 and signed on its behalf by:

DocuSigned by:



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I Graham

Director

Date: 16-Sep-21

Registered No. 04007855

Intelligent Processing Solutions Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

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

C Caldwell

J Clapham (resigned 15 February 2021)

D Grant

J Martin

C Becker-Smith

D Bundy (appointed 7 April 2020)

The following director was appointed after the year end:

C Ambrose (appointed 15 February 2021)

The directors at 31 December 2020 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 (2019: £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 will 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.

Intelligent Processing Solutions Limited

Directors' Report

for the Year Ended 31 December 2020

Business Relationships

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

Political donations

No political donations were made during the year (2019: £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;
- make judgements and estimates that are reasonable and prudent; and
- 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;
- 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.

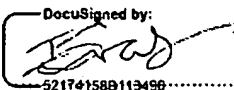
Intelligent Processing Solutions Limited

Directors' Report for the Year Ended 31 December 2020

Auditors

Pursuant to section s485 of the Companies Act 2006, the auditors, Pricewaterhousecoopers LLP, who were appointed auditors during the year, as auditors of all the Unisys group's global entities, has indicated their willingness to continue in office.

Approved by the Board on 14th September 2021 and signed on its behalf by:

DocuSigned by:

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I Graham
Director

Date: 16-Sep-21
Registered No. 04007855
Enigma
Wavendon Business Park
Milton Keynes
MK17 8LX

Intelligent Processing Solutions Limited

Independent Auditor's 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 2020 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, comprising 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 2020; 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 Auditor's 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 2020 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 Auditor's 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 Income Tax and Pension Regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 Auditor's 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.



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

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16 September 2021

Intelligent Processing Solutions Limited

Profit and Loss Account
 for the year ended 31 December 2020

	<i>Note</i>	<i>2020</i> <i>£ 000</i>	<i>2019</i> <i>£ 000</i>
Turnover	4	80,174	129,183
Cost of sales (including restructuring provision of £1.1m (2019: £1.7m))		<u>(79,205)</u>	<u>(113,480)</u>
Gross profit	5	969	15,703
Other interest receivable and similar income		61	306
Net pension income	13	<u>1,177</u>	<u>2,027</u>
Profit before tax		2,207	18,036
Tax on profit	8	<u>(1,086)</u>	<u>(3,205)</u>
Profit for the financial year		<u>1,121</u>	<u>14,831</u>

The above results were derived from continuing operations.

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Statement of Comprehensive Income
for the Year Ended 31 December 2020

	<i>Note</i>	<i>2020</i> <i>£ 000</i>	<i>2019</i> <i>£ 000</i>
Profit for the year		1,121	14,831
Remeasurement gain/(loss) on defined benefit pension scheme	13	10,272	(15,863)
Deferred tax related to the remeasurement of defined benefit scheme		<u>(2,000)</u>	<u>2,696</u>
Total other comprehensive income/(loss)		<u>8,272</u>	<u>(13,167)</u>
Total comprehensive income for the year		<u><u>9,393</u></u>	<u><u>1,664</u></u>

The notes on pages 17 to 34 form an integral part of these financial statements.

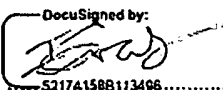
Intelligent Processing Solutions Limited

Balance Sheet

as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Intangible assets	9	37,868	50,489
Tangible assets	10	<u>4,311</u>	<u>5,778</u>
		<u>42,179</u>	<u>56,267</u>
Current assets			
Debtors (includes £1,916k (2019: £2,425k) of debtors due after more than one year)	11	8,461	9,991
Cash at bank and in hand	12	36,715	42,924
Pension asset	13	<u>67,251</u>	<u>56,034</u>
		112,427	108,949
Creditors: Amounts falling due within one year	14	<u>(53,197)</u>	<u>(59,384)</u>
Net current assets		<u>59,230</u>	<u>49,565</u>
Total assets less current liabilities		101,409	105,832
Creditors: Amounts falling due after more than one year	14	(27,358)	(41,365)
Provisions for liabilities			
Other provisions	18	(1,031)	(3,819)
Deferred tax liabilities	8	(8,819)	(5,840)
Net assets		<u>64,201</u>	<u>54,808</u>
Capital and reserves			
Called up share capital	15	-	-
Share premium account	16	17,500	17,500
Profit and loss account		<u>46,701</u>	<u>37,308</u>
Total equity		<u>64,201</u>	<u>54,808</u>

The financial statements were approved and authorised for issue by the Board on 14th September 2021 and were signed on its behalf by:

DocuSigned by:

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I Graham
 Director
 Registered No: 04007855

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Statement of Changes in Equity

for the Year Ended 31 December 2020

	<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 2019	-	17,500	35,644	53,144
Profit for the year	-	-	14,831	14,831
Other comprehensive loss	-	-	(15,863)	(15,863)
Deferred tax related to the remeasurement of the defined benefit pension scheme	-	-	2,696	2,696
At 31 December 2019	-	17,500	37,308	54,808
Profit for the year	-	-	1,121	1,121
Other comprehensive income	-	-	10,272	10,272
Deferred tax related to the remeasurement of the defined benefit pension scheme	-	-	(2,000)	(2,000)
At 31 December 2020	-	17,500	46,701	64,201

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

1 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 of the impact of the COVID-19 pandemic.

During the unprecedented times of COVID-19, the Company has been able to continue operate without issue. There has not been a period without revenue, with invoices continuing to be raised and paid. As the banks are the Company's only customers, the Company is continuing to supply services, with cheques processed in line with agreed service levels. The Company has ensured that the operational site is a safe environment for employees to attend following applicable government guidelines. As a consequence of this, services have continued operating despite the lockdowns imposed by the UK Government, albeit at lower volumes, which has had no significant impact on the Company as any cost savings from reduced volumes are passed onto the customers. The long-term agreements which the Company has in place continues to provide that all costs are fully reimbursed, which has meant that COVID-19 has not had a significant impact on the Company's trading.

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 December 2017, the Company and its four main customers extended the existing agreements until 31 December 2023.

The agreements also commit customers to pay in advance for services and related capital expenditure to enable the operations to be funded. The Company's customers will also fully fund the costs of the restructuring provision. Albeit the Company is in a net current liabilities of £8,021,000 as at 31 December 2020 (2019: £6,469,000), excluding the pension asset, the net current liabilities include £45,027,000 (2019: 49,065,000) 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.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

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 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.

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.

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.

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

2 Accounting policies (continued)

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 4 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.

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 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 2020 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.

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

2 Accounting policies (continued)

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.

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 December 2017 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.

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

2 Accounting policies (continued)

Financial Instruments

In accordance with FRS 102, iPSL have elected to apply Section 11 of FRS 102 in relation to the recognition and measurement of all basic financial instruments. The only financial instrument recognised by iPSL is cash.

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.

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 13.

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.

	2020 £ 000	2019 £ 000
United Kingdom	80,174	129,183

Turnover includes sales to Unisys Payment Services Limited, a wholly owned subsidiary company of Unisys Limited, of £507,000 (2019: £11,115,000).

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

5 Gross profit

The gross profit is stated after charging:

	2020 £ 000	2019 £ 000
Depreciation expense	1,518	1,223
Amortisation expense	12,621	12,623
Restructuring costs	1,119	1,726
Operating lease expense - property	1,861	1,886
Loss on disposal of property	7	-
Auditors' remuneration - audit services	48	48

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 (2019: One) 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 2020 and 31 December 2019. Five (2019: Six) directors are not members of the other companies within the Unisys Corporation group of companies. For four (2019: five) 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 2020 and 31 December 2019. 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:

	2020 £ 000	2019 £ 000
Wages and salaries	21,289	29,074
Social security costs	1,870	2,639
Other pension costs	3,576	4,951
	<u>26,735</u>	<u>36,664</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

7 Staff costs (continued)

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

	2020 No.	2019 No.
Operations	<u>767</u>	<u>1,055</u>

8 Tax on profit

Tax charged in the profit and loss:

	2020 £ 000	2019 £ 000
Current taxation		
UK Corporation tax	107	-
UK corporation tax adjustment to prior periods	<u>-</u>	<u>137</u>
Total current tax	<u>107</u>	<u>137</u>
Deferred taxation		
Arising from origination and reversal of timing differences	342	3,859
Arising from changes in tax rates and laws	639	(406)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>(2)</u>	<u>(385)</u>
Total deferred taxation	<u>979</u>	<u>3,068</u>
Tax charge in profit and loss	<u><u>1,086</u></u>	<u><u>3,205</u></u>

The tax on profit before tax for the year is higher than (2019: the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%).

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

8 Tax on profit (continued)

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	2,207	18,036
Corporation tax at standard rate of 19% (2019: 19%)	419	3,427
Increase/(decrease) from effect of different UK tax rates on some earnings	639	(406)
Non deductible expenses	30	32
Decrease in UK and foreign current tax from adjustment for prior periods	(2)	(248)
Current year losses carried back to prior periods	-	400
Total tax charge	1,086	3,205

Since the balance sheet date, it was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This change has not yet been substantively enacted. As a result, existing temporary differences on which deferred tax has been provided may unwind in periods subject to the 25% rate.

Deferred tax

	2020 £000	2019 £000
Depreciation in advance of capital allowances	3,612	3,342
Restructuring	25	83
Dilapidations	171	261
Deferred tax on pension asset	(12,778)	(9,526)
Tax losses	151	-
Total deferred tax liability	(8,819)	(5,840)

	Deferred tax £ 000
At 1 January 2020	(5,840)
Adjustment in respect of prior years	2
Deferred tax charge to profit and loss account	(981)
Deferred tax charge to other comprehensive income	(2,000)
At 31 December 2020	(8,819)

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements
for the Year Ended 31 December 2020

9 Intangible assets

Software
£ 000

Cost

At 1 January 2020 & 31 December 2020	<u>74,398</u>
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Amortisation

At 1 January 2020	23,909
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Charge for the year	<u>12,621</u>
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At 31 December 2020	<u>36,530</u>
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Net Book Value

At 31 December 2020	<u>37,868</u>
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At 31 December 2019	<u>50,489</u>
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The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

10 Tangible assets

	<i>Land and buildings £ 000</i>	<i>Furniture, fittings and equipment £ 000</i>	<i>Total £ 000</i>
Cost			
At 1 January 2020	4,825	61,207	66,032
Additions	37	22	59
Disposals	<u>(1,962)</u>	<u>(28,161)</u>	<u>(30,123)</u>
At 31 December 2020	<u>2,900</u>	<u>33,068</u>	<u>35,968</u>
Depreciation			
At 1 January 2020	4,057	56,197	60,254
Charge for the year	268	1,250	1,518
Eliminated on disposal	<u>(1,954)</u>	<u>(28,161)</u>	<u>(30,115)</u>
At 31 December 2020	<u>2,371</u>	<u>29,286</u>	<u>31,657</u>
Net book value			
At 31 December 2020	<u>529</u>	<u>3,782</u>	<u>4,311</u>
At 31 December 2019	<u>768</u>	<u>5,010</u>	<u>5,778</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

11 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	3,215	3,717
Prepayments and accrued income	<u>5,246</u>	<u>6,274</u>
	<u>8,461</u>	<u>9,991</u>

Debtors include prepayments of £1,916,000 (2019: £2,425,000) due after more than one year.

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

12 Cash at bank and in hand

Included within cash is £1,133,000 (2019: £1,865,000) of cash which is restricted. This is a result of the clause in the agreements signed with the shareholders in December 2017 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.

13 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 £138,000 (2019: £303,000) of unpaid contributions relating to the defined contribution pension scheme was outstanding at the year end.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

13 Pension commitments (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2020 £ 000	2019 £ 000
Fair value of scheme assets	459,671	429,800
Present value of defined benefit obligation	<u>(392,420)</u>	<u>(373,766)</u>
Defined benefit pension scheme surplus	<u>67,251</u>	<u>56,034</u>

Defined benefit obligation

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

	2020 £ 000	2019 £ 000
At 1 January	373,766	333,259
Interest expense	7,708	9,449
Benefits paid	(13,420)	(14,837)
Effects of changes in assumptions	27,486	45,895
Effects of experience adjustments	(3,352)	-
Loss on curtailment	232	-
Present value at end of year	<u>392,420</u>	<u>373,766</u>

Fair value of scheme assets

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

	2020 £ 000	2019 £ 000
At 1 January	429,800	403,129
Interest income	8,885	11,476
Actual return on plan assets	34,406	30,032
Benefits paid	<u>(13,420)</u>	<u>(14,837)</u>
At 31 December	<u>459,671</u>	<u>429,800</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

13 Pension commitments (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	2020 £ 000	2019 £ 000
Equities	120,177	68,970
Bonds	338,570	359,967
Cash	924	863
	<u>459,671</u>	<u>429,800</u>

	2020 £000	2019 £000
Analysis of profit and loss credit		
Loss on curtailment	(232)	-
Interest cost	(7,708)	(9,449)
Interest income	8,885	11,476
	<u>1,177</u>	<u>2,027</u>
Total credit recognised in profit and loss	<u>945</u>	<u>2,027</u>

	2020 £000	2019 £000
Analysis of remeasurement gain/(loss) recognised in other comprehensive income/(loss)		
Changes in assumptions	(27,486)	(45,895)
Actual return on plan assets	34,406	30,032
Effect of experience adjustments	3,352	-
Total remeasurement gain/(loss) recognised in other comprehensive income/(loss)	<u>10,272</u>	<u>(15,863)</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

13 Pension commitments (continued)

Principal actuarial assumptions

A full actuarial valuation was carried out at 31 March 2017 and updated to 31 December 2020 by a qualified independent actuary. The main assumptions used by the actuary for FRS 102 purposes were:

	2020 %	2019 %
Discount rate	1.40	2.10
Rate of increase in deferred pensions	2.20	2.15
Rate of increase in pensions in payment	1.70	2.15
Inflation	2.80	2.75

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

	2020 Years	2019 Years
Member age 65 (current life expectancy)	20.5	22.1
Member age 45 (life expectancy at age 65)	22.4	23.4

14 Creditors

	Note	2020 £ 000	2019 £ 000
Amounts falling due within one year			
Trade creditors		2,978	4,694
Amounts owed to group undertakings	17	1,463	1,663
Taxation and social security		760	1,432
Accruals and deferred income		47,996	51,595
		<u>53,197</u>	<u>59,384</u>
Amounts falling due after more than one year			
Deferred income		27,358	40,954
Other non-current financial liabilities		-	411
		<u>27,358</u>	<u>41,365</u>

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

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

15 Called up share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

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, Lloyd's 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, and companies where the previous CEO (resigned 31st October 2020) held board level roles, Tumultus Limited and Cirrus Response Limited.

Transactions entered into, and trading balances outstanding at 31 December 2020 and 31 December 2019 are as follows.

	<i>Sales to related party</i> £000	<i>Purchases from related party</i> £000	<i>Amounts owed from related party</i> £ 000	<i>Amounts owed to related party</i> £000
Barclays Bank plc;				
2020	31,794	-	372	-
2019	21,383	-	82	-
HSBC Bank plc;				
2020	15,603	-	456	-
2019	43,041	-	2,781	-
Lloyds Banking Group plc;				
2020	32,270	-	834	-
2019	53,610	-	-	814

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

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 Limited;				
2020	-	1,036	-	417
2019	-	2,946	-	947
Unisys Payment Services Limited;				
2020	507	160	-	-
2019	11,115	-	-	160
Unisys Corporation;				
2020	-	911	-	95
2019	-	1,036	-	63
Unisys Global Services - India;				
2020	-	19	-	1
2019	-	15	2	-
Unisys Global Services - Hungary;				
2020	-	10	-	10
2019	-	18	-	5
Unisys Europe Limited;				
2020	-	-	-	120
2019	-	10	-	-
Unisys Holdings;				
2020	-	92	-	940
2019	-	-	-	92
Unisys Finance Limited;				
2020	-	398	-	-
2019	-	-	-	398
Unisys Brazil;				
2020	-	1	-	-

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

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>
Irene Graham;				
2020	-	80	-	-
2019	-	80	-	80
Stellar Omada Limited				
2020	-	6,264	-	235
2019	-	4,377	-	68
Tumultus Limited;				
2020	-	355	-	144
2019	-	478	-	-
Cirrus Response Limited;				
2020	-	134	-	-

18 Other provisions

Redundancy 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. This provision was created following the completion of the ICS project in 2017 and has been released in line with ICS redundancies. It is expected that this will be fully utilised by the end of 2021.

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.

	<i>Dilapidations provision £ 000</i>	<i>Redundancy provision £ 000</i>	<i>Total £ 000</i>
At 1 January 2020	1,534	2,285	3,819
Amounts utilised during the year	(633)	(2,155)	(2,788)
At 31 December 2020	901	130	1,031

The notes on pages 17 to 34 form an integral part of these financial statements.

Intelligent Processing Solutions Limited

Notes to the Financial Statements

for the Year Ended 31 December 2020

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>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Within one year	795	1,891
In two to five years	<u>5,314</u>	<u>2,287</u>
	<u>6,109</u>	<u>4,178</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, Wavendon, Milton Keynes, MK17 8LX.