YESpay International Limited

Annual report and financial statements
Registered company number 4509853
31 December 2021

Contents

Company information

Directors	AM Vasileff CH Keller
Secretary	Worldpay Governance Limited
Country of registration	England and Wales
Company number	4509853
Registered office	The Walbrook Building 25 Walbrook London EC4N 8AF

Strategic report

The Directors of YESpay International Limited ("the Company") present their Strategic r
December 2021. The Company is wholly owned by Fidelity National Information Services, Inc. ("FIS" or the "Group"). The Company forms part of the Group's Merchant Solutions division ("Worldpay").

Business review

The Company provides highly secure and scalable EMV chip and PIN, contactless, magnetic, e-commerce, mobile card and omni-channel payment processing services within the multi-chain retail, hospitality and unattended market verticals.

Dividends

No dividends were paid during the year *(2020: £nil)* and there have been no dividends approved since 31 December 2021 to the date of approval of these financial statements.

Key performance indicators (KPIs)

The Company is part of a group that monitors performance at a level defined by the principal market segments in which the Group operates. KPIs are measured on the performance of such market segments rather than at a legal entity level.

Profit after tax for the year was £0.3m *(2020: Loss after tax £1.6m)* and net assets of £5.6m *(2020: £5.3m)*.

Future developments

The Directors of the Company are satisfied with the Company's performance in the year which is presented in the profit and loss account on page 9. The future objectives continue to be the growth and development of the business and the Directors consider it well positioned to take advantage of opportunities for further growth in the future.

Principal risks and uncertainties

Risk management

The Company seeks to minimise its exposure to external financial risks and is party to the Worldpay Enterprise Risk Management Framework (ERMF) which drives the Worldpay divisional approach to risk management. The framework sits alongside the Strategic Plan and sets out the activities, tools and techniques used to ensure that all material risks are identified and that a consistent approach is integrated into business management and decision making across Worldpay.

Whilst the Board of Directors is ultimately responsible for the management and governance of risk in the Company, the Company expects every employee to be responsible for the management of risk. To facilitate this, the Company operates within the Group's 'three lines of defence' model which clearly identifies accountabilities and responsibilities for risk as follows:

- Business line management has primary responsibility for the management of risk;
- Risk and compliance functions assist management in developing their approach to fulfil their responsibilities and provide oversight of our first line activities; and
- The Internal Audit function checks that the risk management process and the risk management and internal control framework are effective and efficient.

Below is a list of the principal risks which the Group has identified. Further details can be found in FIS's 10K document which can be obtained from 347 Riverside Avenue, Jacksonville, Florida 32202, USA.

Principal risks

Industry

Potential key risk: Worldpay's acquiring business model is dependent on licencees/sponsors and the continuing support from the payment franchises such as Visa and Mastercard. Any infringement by Worldpay of the franchise rules and regulations, or the inability to correctly implement mandatory changes, could result in the loss of the card franchise support. This could result in unanticipated consequences such as the loss of licences or sponsors or the inability to obtain new ones, financial penalties or reputational damage.

Risk appetite

Worldpay will always seek to remain current and adhere to all franchise rules unless prevented from doing so by its system infrastructure. Where this is the case, Worldpay will apply for specific waivers pending full compliance.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Industry *(continued)*

Potential impacts

- Failure to meet franchise requirements for products and services may lead to reputational damage and to financial penalties from the payment franchises
- As a last resort, payment franchises may revoke Worldpay's franchise licence in existing markets or not grant new licences in prospective markets
- Failure to operate franchise licences to required specifications may lead to lower acceptance rates and therefore potential reputational damage and customer impact.

Legal

Potential key risk: Worldpay fails to adhere to legal requirements leading to financial and/or reputational damage.

Risk appetite

Worldpay will comply with the spirit and letter of the laws that apply to us. In areas of uncertainty or ambiguity, Worldpay will have a robust justification and clear rationale for the choices it makes and will be prepared to defend its choices with the relevant authorities and, if necessary, publicly in the media.

Potential impacts

- Failure may result in Worldpay or its customers breaching laws, resulting in reputational damage, loss of customers and financial penalties
- Worldpay may be used to facilitate financial crime.

Compliance and regulatory

Potential key risk: Worldpay breaches regulation due to inadequate/insufficient design, resourcing or implementation of a risk-based compliance programme, resulting in regulatory fines/financial loss and reputational damage.

Risk appetite

Worldpay has no appetite to knowingly breach the spirit and letter of the laws and regulations that apply to it.

Potential impacts

- Failure may result in Worldpay or its customers breaching regulations, resulting in reputational damage, loss of customers and financial penalties
- Non-compliance may result in loss of business licence.

Settlement

Potential key risk: Failure to settle with merchants due to lack of available funds as a result of card scheme or systemic bank failure, or funds not processed correctly, resulting in financial loss (compensation) and severe reputational damage.

Risk appetite

Worldpay endeavours to settle to all customers within the agreed terms and will maintain sufficient liquidity, or have ready access to additional liquidity funding if required.

Potential impacts

- Failure or delay to customer payments
- Severe reputational damage and/or financial loss.

Credit

Potential key risk: Potential loss outside of agreed appetite arising from the failure of a merchant, card franchise, partner bank or alternative payments provider to meets its obligations in accordance with agreed terms.

Risk appetite

Worldpay budgets for credit loss on an annual basis, however its risk appetite seeks to optimise a high level of return whilst achieving appropriate risk versus reward performance in line with Worldpay's growth strategy

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Credit *(continued)*

Potential impacts

- Increase in credit exposure leading to increase in financial loss
- Rejection of applications leading to decrease in profitability
- Merchant fails to provide goods or services to their customers leading to an increase in chargebacks that cannot be passed on to a failed merchant, resulting in financial loss.

Data security

Potential key risk: Significant financial loss and reputational damage due to data breach of highly confidential data or technology disruption caused by internal/external attack on Worldpay or its third-party suppliers/merchants.

Risk appetite

Worldpay has no tolerance for the loss of confidentiality, integrity or availability of customer or other highly confidential information. Worldpay will comply with the spirit and letter of the laws that apply to it including all new regulations (e.g. GDPR).

Potential impacts

- The loss of confidentiality, integrity or availability of customer or other sensitive information could result in regulatory or legal sanctions and/or significant reputational damage
- Increased costs for remediation and reduced ability to deliver strategic objectives
- Additional costs by way of compensation, litigation, fines, loss of sponsorship and loss of productivity as resources are redirected to manage incidents.

Technology

Potential key risk: Inability to provide merchant services due to unforeseen technology downtime, resulting in loss of revenue and reputational damage.

Risk appetite

Worldpay is not willing to accept risks which compromise our ability to process merchant transactions.

Potential impacts

- Any disruption to the availability of Worldpay's global platform or network could result in interruption of service to customers, loss of business and revenue and significant additional costs by way of contractual damages and operating expenses
- Increased costs for remediation and reduced ability to deliver strategic objectives.

Scale of change

Potential key risk: Risk of loss of profit, opportunity, reputation or disruption to business activities as a result of our inability to manage the magnitude of change being undertaken.

Risk appetite

Worldpay has no appetite for the failure to deliver high-priority projects on time, to budget, to expected quality.

Potential impacts

- Failure to deliver high-priority projects impacting customer and/or reputation
- Disruption to normal business activities
- Development of single points of failure
- Increased attrition rates amongst colleagues.

Third parties

Potential key risk: Third parties fail to carry out core business activities, resulting in financial loss, regulatory impact and reputational damage.

Risk appetite

Worldpay is willing to accept the risk of working with third parties for core business activities, however it would never knowingly breach regulatory standards.

Strategic report (continued)

Principal risks and uncertainties *(continued)*

Third parties *(continued)*

Potential impacts

- Suppliers critical to Worldpay's success are unable to meet the capability and service levels required
- Non-compliance with legal or regulatory requirements relating to supplier management
- Inconsistent and/or undesirable approach to the sourcing and management of key suppliers resulting in poor relationships and poor levels of service.

People

Potential key risk: Worldpay fails to sufficiently recruit, retain and develop its people leading to poor colleague engagement and the inability to create a high-performing culture.

Risk appetite

Worldpay seek to create a great place to work, powered by great people. Worldpay balances the costs and risk to ensure that its employees are motivated and engaged and have the capability to deliver its strategy.

Potential impacts

- Colleague capability does not meet the needs of the organisation
- Poor culture leading to ineffective performance and inappropriate behaviours
- Low colleague engagement leading to increased attrition
- Unable to retain key people.

Competitive landscape

Potential key risk: Worldpay loses its relative competitive position.

Risk appetite

We have no appetite for allowing Worldpay's relative competitive position to be eroded or undermined. In this regard we will ensure that we monitor, assess and respond appropriately to Regulatory, Technological, Competitor, Customer and Security changes.

Potential impacts

- New players disintermediate Worldpay
- Loss of customers because competitors innovate and develop new enhanced products
- Pricing and margin pressure.

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

DocuSigned by:
Ann M Vasileff
1E8CE9AF74E54EB

AM Vasileff
Director
Date: 25 January 2023

Directors' report

The Directors of the Company present their report and the financial statements for the year ended 31 December 2021. The business review and principal risks and uncertainties which are required by law to be included in this report have been included instead in the Strategic report.

Directors & Secretary

The Directors and Secretary who held office during the period and during the period to the date of signing of these financial statements were as follows:

Directors

M Mayo	(Resigned 6 May 2021)
KT Thompson	(Resigned 31 May 2022)
AM Vasileff	
CH Keller	(Appointed 21 September 2022)
JM Warner	(Appointed 6 May 2021, resigned 21 September 2022)

Secretary

Worldpay Governance Ltd

Dividends

No dividends were paid during the year *(2020: £nil)* and there have been no dividends approved since 31 December 2021 to the date of approval of these financial statements.

UK withdrawal from the European Union

Following the UK's departure from the European Union (EU) in January 2020, Worldpay has continued to analyse potential impacts and opportunities for the business. During 2019 and 2020, Worldpay migrated a number of customers between the UK and EU in order to serve better the needs of customers based on their location and business requirements. The UK left the EU on 31 January 2020 with a Withdrawal Agreement and entered a transition period that ended on 31 December 2020. On 24 December 2020, the UK and the EU agreed on the terms of the UK-EU Trade and Cooperation Agreement, which became effective at 11pm (GMT) on 31 December 2020.

The European Union (Withdrawal) Act 2018 converted into UK law existing EU legislation that had direct effect in the UK at the end of the transition period. This also preserved existing UK laws that implemented EU obligations. The UK Government was given powers to amend the retained EU legislation so it works in the UK after Brexit. It has used this power to make numerous statutory instruments that amend retained EU financial services legislation. Worldpay has robustly reviewed all amendments to ensure full compliance with the law and any updates made by the FCA to its handbook now that the transition period has ended. Given the global nature of Worldpay's business and experience working across multiple regulatory regimes, the expectation remains that the UK's withdrawal from the EU will not have a material effect on Worldpay's business overall. Worldpay continues to offer best in class standards to its customers to ensure stability of service and client excellence.

Employees

The Company has no employees.

Political contributions

The Company made no political donations during the year.

Future Development

Details of the future development of the business are set out in the Strategic Report.

Going concern

The Directors have prepared forecasts for the Group by business unit, covering a period of more than 12 months from the date of signing of these financial statements. On the basis of their assessment of the Company's financial position, the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and therefore the financial statements have been prepared on the going concern basis.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Directors' report *(continued)*

COVID – 19

During 2021, the Group has continued to model financial projections allowing for the market impacts of the COVID-19 pandemic as well as undertaking a number of scenario analysis exercises for both the Group and its subsidiaries. The outcome of these have continued to demonstrate that both the Group and the Company is expected to maintain sufficient resources to remain viable for the foreseeable future and notably, for the purposes of these accounts, in line with the going concern assessment as outlined in the Directors' Report. The Group continually monitors liquidity as a matter of course and has a variety of cash management initiatives to ensure adequate liquidity across the Group's and its subsidiary entities.

Auditor

For the year ended 31 December 2021, the company was entitled to the exemption from an audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

DocuSigned by:
Ann M Vasileff
1E8CE9AF74E54EB

AM Vasileff
Director
Date: 25 January 2023
Registered office: The Walbrook Building, 25 Walbrook, London, EC4N 8AF, United Kingdom.

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and loss account
for the year ended 31 December 2021

	Notes	**2021** **£000**	2020 £000
Turnover	*2*	**9,619**	8,396
Cost of sales		**(462)**	(354)
Gross profit		**9,157**	8,042
Net operating expenses		**(8,948)**	(9,542)
Operating profit/(loss)	*3*	**209**	(1,500)
Interest payable and similar charges	*6*	**(13)**	(79)
Interest receivable and similar income	*7*	**124**	-
Profit/(Loss) before taxation		**320**	(1,579)
Taxation	*8*	**2**	(2)
Profit/(Loss) for the year		**322**	(1,581)

All results relate to continuing operations and represent the Company's comprehensive income for the year.

The accompanying notes on pages 12 to 18 form an integral part of these financial statements.

Balance sheet
at 31 December 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Investments	9	**49**		8	
			49		8
Current assets					
Debtors	10	**1,644**		7,098	
Cash at bank and in hand		**6,251**		2,958	
		7,895		10,056	
Creditors: amounts falling due within one year	11	**(2,358)**		(4,800)	
Net current assets			**5,537**		5,256
Total assets less current liabilities			**5,586**		5,264
Net assets			**5,586**		5,264
Capital and reserves					
Called up share capital	12		**94**		94
Share premium			**1,771**		1,771
Other reserves			**6**		6
Profit and loss account			**3,715**		3,393
Shareholders' funds			**5,586**		5,264

The accompanying notes on pages 12 to 18 form an integral part of these financial statements.

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors and signed on its behalf by:

DocuSigned by:
Ann M Vasileff
1E8CE9AF74E54EB

AM Vasileff
Director
Date:25 January 2023
Company number: 4509853

Statement of changes in equity
for the year ended 31 December 2021

	Called up share capital £000	**Share premium £000**	**Other reserves £000**	**Profit & loss account £000**	**Total equity £000**
At 1 January 2020	94	1,771	6	4,974	6,845
Loss for the year	-	-	-	(1,581)	(1,581)
At 31 December 2020	94	1,771	6	3,393	5,264
Profit for the year	-	-	-	322	322
At 31 December 2021	**94**	**1,771**	**6**	**3,715**	**5,586**

The accompanying notes on pages 12 to 18 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

Basis of preparation

YESpay International Limited ("the Company") is a company limited by shares and incorporated, domiciled and registered in England & Wales.

These financial statements are presented in pounds Sterling which is the Company's functional currency. All information is given to the nearest thousand pounds.

These financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* and under the historical cost basis.

In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"),but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

• A Cash Flow Statement and related notes;
• Comparative period reconciliations for share capital, tangible fixed assets, intangible assets;
• Disclosures in respect of transactions with wholly owned subsidiaries;
• Disclosures in respect of capital management;
• The effects of new but not yet effective IFRSs; and
• Disclosures in respect of the compensation of Key Management Personnel.

The Company is exempt by virtue of s400 of the Companies Act 2006 and IAS 27 *Consolidated and Separate Financial Statements* from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's immediate parent company is Worldpay Finance Limited. Worldpay International Group Limited is the intermediate parent undertaking established under the laws of England and Wales and the Company is included in its consolidated financial statements. The consolidated financial statements of the intermediate parent company are available to the public at Companies House and may be obtained from The Walbrook Building, 25 Walbrook, London, EC4N 8AF United Kingdom.

As the consolidated financial statements of the intermediate parent company include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

• IFRS 2 *Share Based Payments* in respect of group settled share based payments;
• Certain disclosures required by IAS 36 *Impairment of Assets* in respect of the impairment of goodwill and indefinite life intangible assets; and
• Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

Going concern

The Directors have prepared forecasts for the Group by business unit, covering a period of more than 12 months from the date of signing of these financial statements. On the basis of their assessment of the Company's financial position, the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and therefore the financial statements have been prepared on the going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

The reported results of the Company for the financial year ended 31 December 2021 are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. The judgements and assumptions involved in the Company's accounting policies that are considered by the Directors to be the most important to the portrayal of its financial condition are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company would affect its reported results.

Trade receivable impairment provisions

A trade receivable is impaired when there is objective evidence that, due to events since the trade receivable was created, the Company cannot recover the original expected cash flows from the trade receivable. Trade receivable impairment provisions can be either bad debt provisions or merchant potential liability provisions.

Notes *(continued)*

1 Accounting policies *(continued)*

A bad debt provision represents the difference between the carrying value of the trade receivable and the present value of estimated future cash flows.

Accounting developments

New accounting standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Key accounting policies are set out below

1.1 Foreign exchange

The financial statements are presented in Sterling which is the Company's functional currency.

Foreign currency transactions are initially recorded at the rate ruling on the date of the transaction. At the end of each reporting period, foreign currency items on the balance sheet are translated as follows:

- Non-monetary items, including equity, held at historic cost are not retranslated.
- Non-monetary items held at fair value are translated at the rate ruling on the date the fair value was determined.
- Monetary items are retranslated at the rate prevailing at the end of the reporting period.

Foreign exchange gains and losses arising from the retranslation of foreign currency transactions are recognised in the profit and loss account. Amounts arising from financing balances, whether intra-Group or external, are stated within finance costs whereas those arising from trading are included in operating profit.

1.2 Revenue recognition

Revenue is recognised when a customer obtains control of promised services or goods. The amount of revenue recognised reflects the consideration to which the Company expects to be entitled to receive in exchange for these services.

The Company has contractual agreements with its customers that set forth the general terms and conditions of the relationship including line item pricing, payment terms and contract duration. Revenue is recognised when the obligation under the terms of the Company's contract with its customer is satisfied. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. The Company generates revenue primarily by processing electronic payment transactions.

Performance Obligations

Since the majority of the Company's revenue relates to payment processing services for its customers, the Company's core performance obligation is to provide continuous access to the Company's system to process as much as its customers require. The Company's payment processing services consist of variable consideration under a stand-ready service of distinct days of service that are substantially the same with the same pattern of transfer to the customer. The Company's revenue from products and services is recognised at a point in time or over time depending on the products or services, with the majority of the revenue recognised at a point in time.

Remaining Performance Obligations

IFRS15 requires disclosure of the aggregate amount of the transaction price allocated to unsatisfied performance obligations; however, as permitted by IFRS 15, the Company has elected to exclude from this disclosure any contracts with an original duration of one year or less and any variable consideration that meets specified criteria. As discussed above, the Company's core performance obligation consists of variable consideration under a stand ready series of distinct days of service. Such variable consideration meets the specified criteria for the disclosure exclusion; therefore, the majority of the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied is variable consideration that is not required for disclosure. The aggregate fixed consideration portion of customer contracts with an initial contract duration greater than one year is not material.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Revenue recognition *(continued)*

The Company capitalises commission fees as costs of obtaining a contract when they are incremental and expected to be recovered. The Company amortises these capitalised costs consistently with the pattern of transfer of the good or service to which the asset relates. If the expected amortisation period is one year or less, the commission fee is expensed when incurred. The Company previously recognised sales commission fees related to contracts as personnel expenses when incurred. Except for the change in revenue recognition, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

Turnover represents the consideration received or receivable from the merchants for services provided, reduced by interchange fees and scheme fees. Key revenue streams the Company reports are:

- Transaction service charges relate to services provided to process transactions between the customer and an acquiring bank, which is a bank that accepts card payments from the card-issuing banks. Revenue is recognised when the transactions are successfully processed and is recognised per transaction.
- Terminal rental fees are due from terminal lessees. Revenue is recognised on a straight-line basis over the terms of the lease agreements.
- Ancillary income includes fees charges per transaction for providing gateway services, fraud and risk management services, float income, and charges levied for the acceptance of alternative payments. Gateway services work in the same manner as transaction processing services, but are provided for online transactions only. Local and alternative payment services allow merchants to accept payments worldwide which do not directly involve a credit or debit card. Revenue is recognised when the transactions are successfully processed.

Items paid in advance or invoiced in arrears are shown as prepayments or accruals, as appropriate, on the balance sheet at the end of the period.

Turnover represents the consideration received or receivable from the merchants for services provided. Key revenue streams the Company reports are:

- Transaction service charges relate to services provided to process transactions between the customer and an acquiring bank, which is a bank that accepts card payments from the card-issuing banks. Revenue is recognised when the transactions are successfully processed and is recognised per transaction.
- Terminal sales income is recognised upon delivery of the hand-held terminal to a customer.

1.3 Taxation

The tax expense represents the sum of the current tax and deferred tax for the period.

Current tax

The current tax charge is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provisions for impairment.

Investments in subsidiary undertakings purchased from companies under common control are transferred across at carrying value.

The Company assesses its investments in subsidiary undertakings for indicators of impairment at least annually. If such indicators exist, the recoverable amount of the investment is estimated.

The Company recognises any impairment loss resulting from these reviews in separately disclosed items in the profit and loss account. Impairment losses may be reversed in subsequent periods, however, the revised carrying value of the investment may not exceed the carrying value had the original impairment not arisen.

1.5 Cash and cash equivalents

Cash and cash equivalents comprises cash and demand deposits with banks, together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

1.6 Trade and other receivables

Trade and other receivables are initially recognised at fair value in the period to which they relate. They are subsequently held at amortised cost, less any provision for bad or doubtful debts. Provisions for bad or doubtful debts are presented net with the related receivable on the balance sheet. Trade receivables primarily include amounts due from merchants for services provided to process transactions between the cardholder and an acquiring bank.

1.7 Trade and other payables

Trade and other payables are recognised initially at fair value in the period to which they relate. They are subsequently held at amortised cost using the effective interest rate method. They are derecognised when payment has been made.

2 Turnover

	2021	2020
	£000	£000
Transaction service charges	**9,619**	8,396
	9,619	8,396

All turnover is generated within the United Kingdom.

3 Net operating expenses

	2021	2020
Operating profit (loss) for the year is stated after charging::	**£000**	£000
Bad Debt Charge	**1,564**	1,077
Intra-Group recharges	**6,472**	7,443

4 Employee numbers and costs

The Company has no employees *(2020: none)* of its own but receives services from the employees of other Group companies and pays a management charge for these services (see note 3). The Group financial statements contain full disclosures of employee benefit expenses incurred in the year for the whole Group.

5 Directors' remuneration

The Directors of the Company do not receive specific remuneration for services to this Company or its subsidiary companies.

Notes *(continued)*

6 Interest payable and similar charges

	2021	2020
	£000	£000
Other finance costs	**13**	79

7 Interest receivable and similar income

	2021	2020
	£000	£000
Other finance income	**124**	-

8 Taxation

Recognised in the profit and loss account

	2021	**2021**	2020	2020
	£000	**£000**	£000	£000
Current tax				
UK corporation tax charge for the year	**-**		-	
Adjustment in respect of prior periods	**-**		-	
Total current tax charge		**-**		-
Deferred tax				
Credit for the year	**4**		5	
Effect of changes in tax rates	**(6)**		(3)	
Adjustment in respect of prior periods				
Total deferred tax (credit) / charge		**(2)**		2
Tax on profit / (loss)		**(2)**		2

Reconciliation of effective tax rate

	2021	2020
	£000	£000
Profit / (Loss) before tax	**320**	(1,579)
Tax charge using the UK corporation tax rate of 19.0% *(2020: 19.0%)*	**61**	(300)
Effect of changes in tax rates	**(6)**	(3)
Expenses not deductible	**48**	-
Group relief claimed from other Group companies for nil consideration	**(105)**	306
Total tax (credit) / charge for the year	**(2)**	2

Notes *(continued)*

8 Taxation *(continued)*

Factors affecting future tax charges

In the March 2021 UK budget announcement, the Chancellor at the time confirmed that the rate of corporation tax will increase to 25% from 1 April 2023. This measure had been made under a Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. Since this change was substantively enacted by the balance sheet date, deferred tax balances have been calculated at a rate of 25% for the period ended 31 December 2021, or a hybrid between the 19% and 25% rates where deferred tax balances are expected to partially unwind before the date of rate change.

9 Investments

	Investments in Subsidiaries £000
Cost and net book value	
At 1 January 2021	**8**
Additions during the period	**41**
At 31 December 2021	**49**

During the year, the Company purchased additional shares of Worldpay India Private Ltd from Yes-secure.com Limited for a total consideration of £40,766.

The Company had the following investments in Group companies at the balance sheet date:

Company name	**Country of incorporation**	**Registered place of business**	**Ordinary shares held**
Worldpay India Private Ltd [1]	India	S-405(LGF), Greater Kailash Part II New Delhi, 110048, India	**99.99%**

	Nature of business
1	Technology testing and support

10 Debtors

	2021 £000	2020 £000
Trade debtors	**2,739**	3,884
Provision for bad and doubtful debts	**(2,019)**	(2,379)
	720	1,505
Amounts owed from Group companies	**898**	5,568
Deferred tax asset	**26**	25
	1,644	7,098

Amounts owed from Group companies are unsecured and repayable on demand.

Notes *(continued)*

11 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	**7**	26
Amounts owed to Group companies	**1,195**	2,429
Taxation and social security	**-**	1,265
Accruals and deferred income	**1,156**	1,080
	2,358	4,800

Amounts owed to Group companies are unsecured and repayable on demand.

12 Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
93,821 ordinary shares of £1	**94**	94
	94	94

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Related parties

Transactions between the Company and other wholly owned members of the same Group have not been disclosed, in accordance with the provisions of FRS 101. There were no transactions with other related parties

14 Ultimate parent company and controlling party

Worldpay Finance Limited is the Company's immediate parent company.

Worldpay International Group Limited is the undertaking that heads the smallest group of companies for which consolidated financial statements are prepared. Copies of the financial statements of Worldpay International Group Limited can be obtained from the Walbrook Building, 25 Walbrook, London EC4N 8AF. FIS, a company incorporated in the United States of America, is the undertaking that heads the largest group of companies for which consolidated financial statements are prepared. The Directors consider FIS to be the ultimate controlling party and ultimate parent company.

Copies of the financial statements of FIS can be obtained from 347 Riverside Avenue, Jacksonville, Florida 32202, USA.