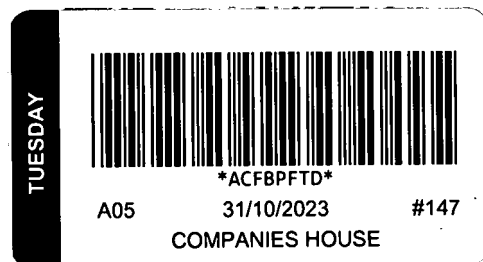


YESpay International Limited

Annual report and financial statements
Registered company number 4509853
31 December 2022



Contents

| | |
|--|----|
| Company information | 1 |
| Strategic report | 2 |
| Directors' report | 5 |
| Statement of Directors' responsibilities | 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 9 |
| Notes to the financial statements | 10 |

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 report for the year ended 31 December 2022. 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 (2021: £nil) and there have been no dividends approved since 31 December 2022 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.

Loss after tax for the year was £0.3m (2021: Profit after tax £0.3m) and net assets of £5.3m (2021: £5.6m).

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 7. 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 Board takes very seriously the importance of fully understanding and managing the risks inherent in the business and an established Enterprise Risk Management Framework drives our 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 the Company.

Whilst the Board of Directors is ultimately responsible for the management and governance of risk in the Company, the Group expects every employee to be responsible for the management of risk. To facilitate this, the Company operates within 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 first line activities; and
- The Internal Audit function checks that the risk management process and the risk and internal control framework are effective and efficient.

Principal risks

Global economic, political and other conditions, including the conflict in Ukraine, might adversely affect our clients or trends in consumer spending, which could impact the demand for our services and our revenue and profitability.

A significant portion of the FIS Group’s revenue is derived from transaction processing fees. The global transaction processing industries depend heavily upon the overall level of consumer, business and government spending. Global health concerns relating to the COVID-19 pandemic and related government actions taken began to subside in 2022, primarily due to the successful rollout of vaccinations across the world. Much of the US and Europe saw lockdowns end early in the year and the resumption of business and international travel, with other regions following throughout the year. However, during 2022, the level of macroeconomic uncertainty heightened and potential recessions in several of the FIS Group’s markets are projected, with the conflict in Ukraine being a fundamental driver of this. While direct impacts of the conflict on the operational activities of the Company are deemed to be very low, it has contributed to a high-inflationary environment which is impacting living costs and might pose risks to the Company such as a potential downturn in discretionary spending, wage inflation and enhanced volatility in interest rates. Due to the unpredictable nature of these risks, the Company and its ultimate parent are monitoring the situation closely on an ongoing basis and have captured this within existing wider mitigation strategies.

Strategic report (continued)**Principal risks and uncertainties (Continued)**

Our revenue relating to all aspects of the sale of services to members of Visa, MasterCard and other payment networks is dependent upon our continued certification and sponsorship, and the loss or suspension of certification or sponsorship could adversely affect our business.

In order to provide our card processing services, we must be certified (including applicable sponsorship) by Visa, MasterCard, American Express, Discover and other similar organisations. These certifications are dependent upon our continued adherence to the standards of the issuing bodies and sponsoring member banks. The member financial institutions, some of which are our competitors, set the standards with which we must comply. If we fail to comply with these standards, then we could be fined, our certifications could be suspended, or our registration could be terminated. The suspension or termination of our certifications, or any changes in, or the enforcement of, the rules and regulations governing or relating to the businesses of Visa, MasterCard or other payment networks, could result in a reduction in revenue or increased costs of operation for us, which in turn could have a material adverse effect on our business. The FIS Group has several teams in place to manage our relationships with the payment networks, monitor the rules and regulations imposed on us and implement necessary changes to minimise the risks of non-compliance with standards.

Our business is subject to the risks of international operations, including movements in foreign currency exchange rates.

The international operations of the FIS Group are largely conducted in currencies other than the functional currency of the FIS Group, USD, including GBP and EUR. The FIS Group continues to expand its international presence by offering merchant acquiring services, including eCommerce, in new territories. The business of the Company and financial results could be adversely affected due to a variety of relative factors, including the following:

- changes in a specific country or region's political and cultural climate or economic condition, including change in governmental regime;
- unexpected or unfavourable changes in foreign laws, regulatory requirements and related interpretations;
- difficulty of effective enforcement of contractual provisions in local jurisdictions;
- inadequate intellectual property protection in foreign countries;
- trade sanctions imposed by governments with jurisdictional authority over our business operations;
- the effects of applicable and potentially adverse foreign tax law changes;
- significant adverse changes in foreign currency exchange rates;
- longer accounts receivable cycles;
- managing a geographically dispersed workforce; and
- trade treaties, tariffs or agreements that could adversely affect our ability to do business in affected countries.

As the FIS Group expand international operations, revenues might become increasingly more diverse as more clients may wish to pay in their local currency. Conducting business in currencies other than the USD subjects us to fluctuations in foreign currency exchange rates that could negatively impact results. The FIS Group's primary exposure to movements in foreign currency exchange rates relates to foreign currencies in Europe, including the UK, Brazil and parts of Asia. The USD value of our net investments in foreign operations, the periodic conversion of foreign-denominated earnings to USD, and the results of operations and, in some cases, cash flows, could be materially impacted by movements in foreign currency exchange rates. These risks could cause an adverse effect on the business, financial position and results of operations of the FIS Group. The FIS Group maintains an effective Treasury function tasked with monitoring fluctuations in foreign currency exchange rates and employing hedging strategies to minimise the Company's exposure to detrimental movements in exchange rates.

Security breaches, privacy breaches, cyber-attacks, or our failure to comply with information security laws or regulations or industry security requirements, could harm our business by disrupting delivery of services and damaging the reputation of the Company and could result in a breach of one or more client contracts.

The FIS Group electronically receives, processes, stores and transmits sensitive business information of its clients. Such information is necessary to support clients' transactions. The uninterrupted operation of information systems, as well as the confidentiality of the customer/consumer information that resides on such systems, is critical to our successful operation. For that reason, cybersecurity is one of the principal operational risks the FIS Group faces as a provider of services to merchants. Any inability to prevent security or privacy breaches, or the perception that such breaches might occur, could cause existing clients to lose confidence in our systems and terminate their agreements with the FIS Group, inhibit our ability to attract new clients, result in increasing regulation, or bring about other adverse consequences from the regulators.

Strategic report (continued)**Principal risks and uncertainties (continued)**

Constantly evolving global privacy, data protection and cybersecurity laws require the FIS Group's Information Security function to adopt new business practices, update contractual provisions in existing and new contracts, and constantly update our global Privacy and Data Protection Programme and our global Information Security Programme, which might require transitional and incremental expenses and might impact our future operating results.

Fraud by merchants or others could have a material adverse effect on the Company's business, financial condition, and results of operations.

In the wider business of the FIS Group, encompassing the Company, we face potential liability for fraudulent electronic payment transactions initiated by merchants, third parties or other associated participants. Examples of merchant fraud include:

- when a merchant or other party knowingly accepts payment by a stolen or counterfeit credit, debit or prepaid card, card number or other credentials;
- recording a false sales transaction using a stolen or counterfeit card or credentials;
- processing an invalid card; or
- intentionally failing to deliver the merchandise or services sold in an otherwise valid transaction.

In the event a dispute between a cardholder and a merchant is not resolved in the merchant's favour, the merchant normally becomes liable for the transaction as it is charged back to the merchant, and the purchase price is credited or otherwise refunded to the cardholder with the FIS Group having to collect the amount due from the merchant. Failure to manage risk effectively and prevent fraud or other criminal activity could increase the FIS Group's chargebacks or other liabilities. Increases in chargebacks or other liabilities due to merchant failures or otherwise could have a material adverse effect on our business, financial condition, and results of operations. The FIS Group's fraud risk and credit risk teams work diligently to monitor potentially fraudulent transactions, increases in chargebacks and merchant financial health to take proactive action to minimise loss and liabilities to the Company.

FIS sale of Worldpay might impact operations, regulatory compliance and business continuity as operations are de-merged.

In February 2023, FIS CEO Stephanie Ferris announced the spin-off of the Merchant Solutions division of the FIS Group, with the intention to establish Worldpay as a new, publicly traded company. In July 2023, it was announced that private equity firm GTCR would purchase a 55% stake in Worldpay and that consequently and that the previously proposed spin-off would not take place. The sale is expected to be completed in Q1 2024. De-merging the two companies will create additional risks and uncertainties for the two organisations. The planned sale might not be completed in accordance with the expected plans or on the anticipated timeline, or at all, and will involve significant time, expense and resources, which could disrupt or adversely affect our business. A Separation Management Office has been established to carefully manage the separation process and to identify the key risks involved. The Directors of the Company and of the international Worldpay regulated entities are closely monitoring the risk profile of the transaction to ensure disruption is minimised and the separation is successful for all stakeholders.

On behalf of the Board

DocuSigned by:

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 AM Vasileff
 Director
 Date: 26 October 2023

Directors' report

The Directors of the Company present their report and the financial statements for the year ended 31 December 2022. 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

| | |
|-------------|-------------------------------|
| KT Thompson | (Resigned 31 May 2022) |
| AM Vasileff | |
| CH Keller | (Appointed 21 September 2022) |
| JM Warner | (Resigned 21 September 2022) |

Secretary

Worldpay Governance Ltd

Dividends

No dividends were paid during the year (2021: £nil) and there have been no dividends approved since 31 December 2022 to the date of approval of these financial statements.

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.

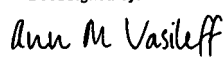
Directors' indemnities

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.

Auditor

For the year ended 31 December 2022, 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:

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AM Vasileff
Director

Date: 26 October 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 2022

| | <i>Notes</i> | 2022 £000 | 2021 £000 |
|--|--------------|----------------------------|--------------|
| Turnover | 2 | 9,840 | 9,619 |
| Cost of sales | | (546) | (462) |
| Gross profit | | 9,294 | 9,157 |
| Net operating expenses | | (9,765) | (8,948) |
| Operating (loss)/Profit | 3 | (471) | 209 |
| Interest payable and similar charges | 6 | (13) | (13) |
| Interest receivable and similar income | 7 | 217 | 124 |
| (Loss)/Profit before taxation | | (267) | 320 |
| Taxation | 8 | (5) | 2 |
| (Loss)/Profit for the year | | (272) | 322 |

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

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

Balance sheet
at 31 December 2022

| | <i>Notes</i> | 2022 £000 | 2022 £000 | 2021 £000 | 2021 £000 |
|---|--------------|----------------------------|----------------------------|----------------|--------------|
| Fixed assets | | | | | |
| Investments | 9 | 49 | | 49 | |
| | | | 49 | | 49 |
| Current assets | | | | | |
| Debtors | 10 | 9,573 | | 1,644 | |
| Cash at bank and in hand | | 676 | | 6,251 | |
| | | 10,249 | | 7,895 | |
| Creditors: amounts falling due within one year | 11 | (4,984) | | (2,358) | |
| Net current assets | | | 5,265 | | 5,537 |
| Total assets less current liabilities | | | 5,314 | | 5,586 |
| Net assets | | | 5,314 | | 5,586 |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 94 | | 94 |
| Share premium | | | 1,771 | | 1,771 |
| Other reserves | | | 6 | | 6 |
| Profit and loss account | | | 3,443 | | 3,715 |
| Shareholders' funds | | | 5,314 | | 5,586 |

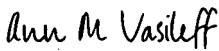
The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

For the year ending 31 December 2022 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:

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AM Vasileff
 Director
 Date: 26 October 2023
 Company number: 4509853

Statement of changes in equity
for the year ended 31 December 2022

| | Called up share capital £000 | Share premium £000 | Other reserves £000 | Profit & loss account £000 | Total equity £000 |
|----------------------------|---|-----------------------------------|------------------------------------|---|----------------------------------|
| At 1 January 2021 | 94 | 1,771 | 6 | 3,393 | 5,264 |
| Profit for the year | - | - | - | 322 | 322 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2021 | 94 | 1,771 | 6 | 3,715 | 5,586 |
| Loss for the year | - | - | - | (272) | (272) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December 2022 | 94 | 1,771 | 6 | 3,443 | 5,314 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The accompanying notes on pages 10 to 16 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 2022 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

| | 2022 £000 | 2021 £000 |
|-----------------------------|--------------|--------------|
| Transaction service charges | 9,840 | 9,619 |
| | <u>9,840</u> | <u>9,619</u> |

All turnover is generated within the United Kingdom.

3 Net operating expenses

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| <i>Operating profit / (loss) for the year is stated after charging::</i> | | |
| Bad Debt reversal/charge | (1,137) | 1,564 |
| Intra-Group recharges | 10,188 | 6,472 |
| | <u>9,051</u> | <u>8,036</u> |

4 Employee numbers and costs

The Company has no employees (2021: 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**

| | 2022 £000 | 2021 £000 |
|---------------------|--------------|--------------|
| Other finance costs | 13 | 13 |

7 Interest receivable and similar income

| | 2022 £000 | 2021 £000 |
|----------------------|--------------|--------------|
| Other finance income | 217 | 124 |

8 Taxation*Recognised in the profit and loss account*

| | 2022 £000 | 2022 £000 | 2021 £000 | 2021 £000 |
|--|--------------|--------------|--------------|--------------|
| <i>Current tax</i> | | | | |
| UK corporation tax charge for the year | - | - | - | - |
| Adjustment in respect of prior periods | - | - | - | - |
| Total current tax charge | | - | | - |
| <i>Deferred tax</i> | | | | |
| Charge for the year | 4 | | 4 | |
| Effect of changes in tax rates | 1 | | (6) | |
| Adjustment in respect of prior periods | | | | |
| Total deferred tax charge / (credit) | | 5 | | (2) |
| Tax on (loss)/ profit | | 5 | | (2) |

Reconciliation of effective tax rate

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| (Loss) / Profit before tax | (267) | 320 |
| Tax charge using the UK corporation tax rate of 19.0% (2021: 19.0%) | (51) | 61 |
| Effect of changes in tax rates | 1 | (6) |
| Expenses not deductible | - | 48 |
| Group relief claimed from other Group companies for nil consideration | 55 | (105) |
| Total tax charge / (credit) for the year | 5 | (2) |

Notes (continued)**8 Taxation (continued)***Factors affecting future tax charges*

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The UK deferred tax asset as at 31 December 2022 has been calculated at 25% (2021:25%).

9 Investments

| | Investments in Subsidiaries | |
|---------------------------------|--|----------------------|
| | 2022 £000 | 2021 £000 |
| <u>Cost and net book value:</u> | | |
| As at 1 January | 49 | 8 |
| Additions during the year | - | 41 |
| | <hr/> | <hr/> |
| As at 31 December | 49 | 49 |
| | <hr/> | <hr/> |

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

| | 2022 £000 | 2021 £000 |
|--------------------------------------|----------------------|----------------------|
| Trade debtors | 1,336 | 2,739 |
| Provision for bad and doubtful debts | (292) | (2,019) |
| | <hr/> | <hr/> |
| | 1,044 | 720 |
| Amounts owed from Group companies | 8,507 | 898 |
| Deferred tax asset | 22 | 26 |
| | <hr/> | <hr/> |
| | 9,573 | 1,644 |
| | <hr/> | <hr/> |

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

Notes (continued)**11 Creditors: amounts falling due within one year**

| | 2022 | 2021 |
|---------------------------------|--------------|-------|
| | £000 | £000 |
| Trade creditors | 9 | 7 |
| Amounts owed to Group companies | 3,748 | 1,195 |
| Accruals and deferred income | 1,227 | 1,156 |
| | <hr/> | <hr/> |
| | 4,984 | 2,358 |
| | <hr/> | <hr/> |

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

12 Share capital

| | 2022 | 2021 |
|---|-------------|-------|
| | £000 | £000 |
| Allotted, called up and fully paid | | |
| 93,821 ordinary shares of £1 | 94 | 94 |
| | <hr/> | <hr/> |
| | 94 | 94 |
| | <hr/> | <hr/> |

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.

15 Post Balance Sheet events

In July 2023, FIS announced a separation plan to create two highly focused, independent companies with greater strategic flexibility. As a part of this plan FIS will sell 55% of its holdings in Worldpay Group to GTCR, a private equity firm and retain 45% stake in Worldpay. It is anticipated to close this transaction by Q1 2024 subject to regulatory approvals and customary closing conditions. There will be no direct impact of this transaction on the Company other than a change in its ultimate parent company.