



CloudPay Technology Limited

Annual Report and Financial Statements

Year ended 31 December 2021

Registered number: 04643831

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CloudPay Technology Limited

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CloudPay Technology Limited

Company information

Directors

J Pearce
A Thomson
C White

Registered office

Kingsgate House
Newbury Road
Andover
Hampshire
SP10 4DU

Registered number

04643831

Independent auditor

BDO LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

CloudPay Technology Limited Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2021. In preparing this directors' report, advantage has been taken of the small companies' exemption.

Principal activity

CloudPay Technology Limited ("the company") is a wholly-owned subsidiary of CloudPay Holdings Limited. CloudPay Holdings Limited together with its subsidiary undertakings ("the Group") provide outsourced global payroll solutions.

The principal activity of the company is software development. There has been no change to this activity since the year end.

Directors

The directors of the company, all of whom have held office throughout the period under review unless otherwise stated, are set out below:

J Pearce
A Thomson
C White

Directors' indemnity insurance

The company maintains liability insurance for its directors and officers.

Results

The comprehensive loss for the year, after taxation, amounted to £2,932,000 (2020: £1,671,000).

Dividend

The directors do not recommend the payment of a dividend (2020: £nil).

Research and development

The company carries out research and development to continually advance the functionality of its payroll platform, CloudPay.

Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;*
- *state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained within the financial statements; and*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.*

CloudPay Technology Limited

Directors' report (*continued*)

Directors' responsibilities in respect of the financial statements (*continued*)

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 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.

Going concern

The directors review their forecasts with specific reference to the ability of the business to meet its liabilities as they fall due and have a reasonable expectation that the company is able to manage its business risks successfully. The forecasts cover the period beyond the twelve months from the date of signing of these accounts and make allowance for reasonably foreseeable impacts of the current economic environment.

On 29 July 2021, CloudPay Inc. the ultimate parent undertaking, obtained additional equity investment of \$48.2million. A significant investment in technology will drive expansion of the treasury business, support continued growth in payroll revenue globally and lead to improvement in the Group gross margin.

At 31 December 2021, the parent undertaking, Cloudpay Holdings Limited had a debt facility of \$45million, of which \$35million was drawn down at the balance sheet date (2020: \$25million). During June 2022 an additional \$10million has been drawn down. On 26 September 2022, CloudPay Inc. the ultimate parent undertaking, obtained \$20million in convertible debt from existing shareholders and Cloudpay Holdings Limited obtained a further \$15million in their long-term debt facility. This will provide sufficient funding to both the Group and the company to enable continued growth and development of the business. An additional \$15million will be eligible for draw down from the long-term debt facility on condition of annual recurring revenue targets being met.

The Group's forecasts contain sufficient cash projections and covenant coverage for the period beyond the twelve months from the date of signing of these accounts and there is sufficient funding available to both the Group and the Company to enable continued growth and development of the business. The directors have considered various scenarios to stress test the Group's forecasts.

The directors have received confirmation that the amounts due to other companies within the Group headed by CloudPay Inc. will only be settled when sufficient surplus funds exist.

Accordingly, the directors continue to adopt the going concern basis in preparing the accounts.

Post balance sheet events

Post year end on 26 September 2022, CloudPay Inc. the ultimate parent undertaking, obtained \$20million in convertible debt from existing shareholders and Cloudpay Holdings Limited, the immediate parent undertaking, obtained a further \$15million in their long-term debt facility (note 13).

Disclosure of information to auditors

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

- so far as the directors are 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 directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CloudPay Technology Limited

Directors' report (*continued*)

Auditors

BDO LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487 of the Companies Act 2006.

By Order of the Board

DocuSigned by:

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A Thomson
Director

Date: 12 October 2022

Independent auditor's report to the members of CloudPay Technology Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

*We have audited the financial statements of CloudPay Technology Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Total Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).*

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated.

Independent auditor's report to the members of CloudPay Technology Limited (*continued*)

Other information (*continued*)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

Auditor's 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 auditor's report that includes our opinion.

Independent auditor's report to the members of CloudPay Technology Limited *(continued)*

Auditor's responsibilities for the audit of the financial statements *(continued)*

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We have evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk were related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed our audit procedures to respond to the risk, recognising that 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, misrepresentations or through collusion.

Procedures performed included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Reading the minutes of meetings of those charged with governance;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members of CloudPay Technology Limited (*continued*)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Arbinder Chatwal

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Arbinder Chatwal (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton, UK

Date: 13 October 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CloudPay Technology Limited

Statement of total comprehensive income

	Note	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Turnover	2	2,047	2,397
Administrative expenses		(4,979)	(4,068)
Operating loss and loss on ordinary activities before taxation	4	(2,932)	(1,671)
Tax on loss on ordinary activities	5	-	-
Loss for the year		(2,932)	(1,671)
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year		(2,932)	(1,671)

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

CloudPay Technology Limited

Balance sheet

	Note	31 Dec 2021 £'000	31 Dec 2020 £'000
Current assets			
Debtors	6	5,987	5,014
Cash at bank and in hand		-	-
		<u>5,987</u>	<u>5,014</u>
Creditors: amounts falling due within one year	7	(32,262)	(28,366)
Net current liabilities		<u>(26,275)</u>	<u>(23,352)</u>
Total assets less current liabilities		<u>(26,275)</u>	<u>(23,352)</u>
Net liabilities		<u>(26,275)</u>	<u>(23,352)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		(26,276)	(23,353)
		<u>(26,275)</u>	<u>(23,352)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 9 to 18 were approved by the Board of Directors and were signed on its behalf by:

DocuSigned by:

 558855B32ED418
A Thomson
 Director

Date: 12 October 2022

Registered number: 04643831

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

CloudPay Technology Limited

Statement of changes in equity

	Share capital £'000	Profit and loss account £'000	Total equity £'000
1 January 2020	1	(21,682)	(21,681)
Comprehensive loss for the year			
Loss for the year	-	(1,671)	(1,671)
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(1,671)	(1,671)
Transactions with owners recognised directly in equity			
Equity-settled share based payment	-	-	-
31 December 2020 and 1 January 2021	1	(23,353)	(23,352)
Comprehensive loss for the year			
Loss for the year	-	(2,932)	(2,932)
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(2,932)	(2,932)
Transactions with owners recognised directly in equity			
Equity-settled share based payment	-	9	9
31 December 2021	1	(26,276)	(26,275)

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

CloudPay Technology Limited

Notes to the financial statements

(1) Accounting policies

Basis of preparation of financial statements

CloudPay Technology Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. Management do not believe that there are any key sources of estimation uncertainty or material judgements in applying accounting policies within these financial statements.

The company is itself a subsidiary company and is exempt from the requirements to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

This information is included in the consolidated financial statements of CloudPay Holdings Limited as at 31 December 2021 and these financial statements may be obtained from Kingsgate House, Newbury Road, Andover, Hampshire, England, SP10 4DU.

The following principal accounting policies have been applied:

Going concern

The company made a loss in the financial year of £2,932,000 (2020: £1,671,000) and has been reliant upon the continued financial support of its fellow group companies. The company had net liabilities of £26,275,000 (2020: £23,352,000) as at the year end.

The directors review their forecasts with specific reference to the ability of the business to meet its liabilities as they fall due and have a reasonable expectation that the company is able to manage its business risks successfully. The forecasts cover the period beyond the twelve months from the date of signing of these accounts and make allowance for reasonably foreseeable impacts of the current economic environment.

On 29 July 2021, CloudPay Inc. the ultimate parent undertaking, obtained additional equity investment of \$48.2million. A significant investment in technology will drive expansion of the treasury business, support continued growth in payroll revenue globally and lead to improvement in the Group gross margin.

At 31 December 2021, the parent undertaking, Cloudpay Holdings Limited had a debt facility of \$45million, of which \$35million was drawn down at the balance sheet date (2020: \$25million). During June 2022 an additional \$10million has been drawn down. On 26 September 2022, CloudPay Inc. the ultimate parent undertaking, obtained \$20million in convertible debt from existing shareholders and Cloudpay Holdings Limited obtained a further \$15million in their long-term debt facility. This will provide sufficient funding to both the Group and the company to enable continued growth and development of the business. An additional \$15million will be eligible for draw down from the long-term debt facility on condition of annual recurring revenue targets being met.

The Group's forecasts contain sufficient cash projections and covenant coverage for the period beyond the twelve months from the date of signing of these accounts and there is sufficient funding available to both the Group and the Company to enable continued growth and development of the business. The directors have considered various scenarios to stress test the Group's forecasts.

The directors have received confirmation that the amounts due to other companies within the Group headed by CloudPay Inc. will only be settled when sufficient surplus funds exist.

Accordingly, the directors continue to adopt the going concern basis in preparing the accounts.

CloudPay Technology Limited

Notes to the financial statements (*continued*)

(1) Accounting policies (*continued*)

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Sterling', which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the company's functional currency using the exchange rate prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Turnover

Turnover consists of a licence fee charged to other group companies for the use of the company's internally generated software. Turnover excludes valued added tax and arises wholly within the UK.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is based on a percentage of the licence income of other group companies.

Research and development costs

All research and development costs, including those relating to in-house software development, are charged to the statement of comprehensive income as incurred.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Share-based payment incentives

Certain employees of the company participate in the equity-settled share-based payment incentive run by CloudPay Inc., the ultimate parent undertaking.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where share options are awarded to employees, the fair value of the option at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

The company is recharged by the ultimate parent undertaking an amount in relation to those employees who have an interest in share-based incentive schemes.

CloudPay Technology Limited

Notes to the financial statements (*continued*)

(1) Accounting policies (*continued*)

Pensions

Contributions to the Group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are not discounted.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

CloudPay Technology Limited

Notes to the financial statements *(continued)*

(2) Turnover

Turnover relates exclusively to licence fees charged to other group companies for the use of the company's internally generated software.

(3) Staff costs and directors' emoluments

The average monthly number of staff employed by the Company during the year was 38 (2020: 32). Staff costs for these individuals are shown below:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Wages and salaries	1,995	3,748
Social security costs	223	169
Pension costs	214	180
Total staff costs excluding share based payments	2,432	4,097
Share based payments	9	-
Total staff costs	2,441	4,097

No directors were paid by the company in the year (2020: nil). All director's remuneration and other associated costs were borne by other wholly owned subsidiaries of CloudPay Holdings Limited.

(4) Operating loss

Operating loss is stated after charging/ (crediting):

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Share-based payments	9	-
Exchange differences	(176)	(196)
Research and development costs	2,353	2,397
Auditor's remuneration:		
- Fees payable to the group's auditor for the audit of the company's annual financial statements	6	5
- Taxation services	3	3

CloudPay Technology Limited

Notes to the financial statements (*continued*)

(5) Tax on loss on ordinary activities

Analysis of tax charge for the year:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
UK corporation tax	-	-
UK corporation tax	-	-
Adjustments in respect of previous periods	-	-
Total current tax/ tax on loss on ordinary activities	-	-

There has been no deferred tax movement recognised in the current or prior year.

Factors affecting the tax charge for the year:

The tax assessed for the year is different to the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Loss on ordinary activities before taxation	(2,932)	(1,671)
Loss on ordinary activities multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	(557)	(317)
Effects of:		
Expenses not allowable for tax purposes	1	-
Adjustments in respect of previous periods	-	-
Deferred tax not recognised	556	317
Total tax charge for year	-	-

(6) Debtors

	31 Dec 2021 £'000	31 Dec 2020 £'000
Prepayments and accrued income	25	28
Amounts owed by group undertakings	5,962	4,986
	5,987	5,014

CloudPay Technology Limited

Notes to the financial statements *(continued)*

(7) Creditors

Amounts falling due within one year:

	31 Dec 2021 £'000	31 Dec 2020 £'000
Trade creditors	24	23
Other taxation and social security	79	54
Accruals and deferred income	59	67
Other creditors	22	15
Amounts owed to group companies	32,078	28,207
	32,262	28,366

Amounts owed to group companies are unsecured, interest free and are only repayable when sufficient surplus funds exist.

(8) Deferred tax asset

At 31 December 2021, there are unrecognised deferred tax balances comprising the following:

	Year ended 31 Dec 2021 £'000
Temporary differences	8
Unrelieved trading losses	2,046
	2,054

These assets have not been recognised in the financial statements as there is currently insufficient certainty about the availability of future taxable profits to offset these amounts.

(9) Called up share capital

	31 Dec 2021 £'000	31 Dec 2020 £'000
Authorised:		
1,000 ordinary shares of £1 each	1	1
Allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	1	1

(10) Pensions

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund.

The pension charge for the period amounted to £214,000 (2020: £180,000). Included in creditors at 31 December 2021 were £22,000 (2020: £14,000) of unpaid pension contributions.

CloudPay Technology Limited

Notes to the financial statements *(continued)*

(11) Share based payment

Certain eligible management and employees of the company have been granted share options under the CloudPay Inc. Share Option Scheme. There were 1,525 options (2020: none) granted to employees of the company during the year in respect of this share option scheme.

CloudPay Inc. recharges the company for the fair value of the share options granted to employees and management of the company.

Once the options have vested they may be exercised in full or in part on the payment of the exercise price. The persons to whom the options have been issued have no right to participate by virtue of these options in any share issue of any other company in the Group and the company has no legal or constructive obligation to repurchase or settle the options in cash.

UK Growth Share Scheme

During 2018 the ultimate parent company, CloudPay Inc. introduced a new share scheme for UK employees of the Group. Under this scheme, CloudPay Inc. granted nil options (2020: nil) to employees of the company to purchase Series 2 Common Stock in CloudPay Inc. including nil options to directors of the company (2020: nil).

(12) Commitments and contingencies

At 31 December 2021, the parent undertaking, Cloudpay Holdings Limited had a debt facility of \$45million, of which \$35million was drawn down at the balance sheet date (2020: \$25million). During June 2022 an additional \$10million has been drawn down. In September 2022, the facility was extended by a further \$30million, with \$15million drawn down.

The Company is a joint borrower under the facility and has granted fixed and floating charges over its assets in favour of the lender. The loan had a variable interest rate linked to the US Prime rate.

(13) Subsequent events

Post year end on 26 September 2022, CloudPay Inc. the ultimate parent undertaking, obtained \$20million in convertible debt from existing shareholders and Cloudpay Holdings Limited, the immediate parent undertaking, obtained a further \$15million from their long-term debt facility.

(14) Immediate/ultimate parent undertaking and ultimate controlling party

CloudPay Holdings Limited, a company incorporated in England and Wales, is the immediate parent undertaking of the company and is the smallest and largest company to consolidate these financial statements. The consolidated financial statements may be obtained from CloudPay Holdings Limited, Kingsgate House, Newbury Road, Andover, Hampshire, SP10 4DU.

CloudPay Inc., a company incorporated in Delaware, United States of America, is the ultimate parent undertaking of the company and is considered by the directors to be the ultimate controlling party.

(15) Related party transactions

The company is a wholly-owned subsidiary of CloudPay Holdings Limited and has taken advantage of the exemption conferred by Section 1A of FRS 102 not to disclose transactions with the immediate parent undertaking, or any other wholly-owned subsidiary companies of the immediate parent undertaking.