

Worldpay AP Ltd.

Annual report and financial statements
Registered company number 05593466
31 December 2018



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Company information

Directors	JL Bates	
	M Bring	(Appointed 23 July 2018)
	RM Kalifa	
	SL McKnight	(Appointed 8 June 2018)
Secretary	Worldpay Governance Limited	
Country of registration	England and Wales	
Company number	05593466	
Registered office	The Walbrook Building 25 Walbrook London EC4N 8AF	
Auditor	Deloitte LLP Hill House 1 Little New Street London EC4A 3TR	

Strategic report

The Directors of Worldpay AP Ltd. ("the Company") present their Strategic report for the year ended 31 December 2018.

Change of control

On 16 January 2018, the ultimate parent undertaking, Worldpay Group plc, became a wholly owned subsidiary of Worldpay Inc. (formerly Vantiv Inc.). On the same day Worldpay Group plc re-registered as Worldpay Group Limited. This is detailed further in the Directors' report.

Business review

The Company is a UK FCA regulated global payments service provider that offers single point access to popular local payment and collection services worldwide (including many real time payment services). This global network is used to send and receive money at low cost, quickly and securely on behalf of merchants to and from suppliers, affiliates, partners, overseas offices and customers worldwide.

The Company forms part of the group headed by Worldpay, Inc. ("the Group" or "Worldpay").

The Company's business forms part of Worldpay's Global eCom business and is focused on six global vertical markets: Digital Content, Global Retail, Airlines, Travel, Gambling and Video Games.

Revenues at £42.0m were slightly down on the prior year (2017: £43.1m) due to lower customer volumes, particularly in the Gambling and Retail verticals although this was partly offset by growth in Travel. As a result, gross profit also fell slightly to £22.6m (2017: £25.9m).

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 £7.6m (2017: £15.8m) and, after paying a dividend of £55m, net assets of £15.3m (2017: £62.7m).

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 11. 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 Group 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 Group.

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 Worldpay'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 Worldpay have identified. Further details can be found in Worldpay, Inc.'s 10K document which can be found on the Group's website at www.worldpay.com.

Strategic report (continued)

Principal risks and uncertainties (continued)

Principal risks

Industry

Potential key risk: Worldpay's acquiring business model is dependent on licences/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.

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 license 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, we will have a robust justification and clear rationale for the choices we make and will be prepared to defend our 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.

Strategic report (*continued*)

Principal risks and uncertainties (*continued*)

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 meet its obligations in accordance with agreed terms.

Risk appetite

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

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.

Strategic report (continued)

Principal risks and uncertainties (continued)

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.

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

We seek to create a great place to work, powered by great people. We balance the costs and risk to ensure that our colleagues are motivated and engaged and have the capability to deliver our 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.

UK membership of the European Union

Risks and uncertainties associated with the UK withdrawal from the European Union (Brexit) are considered in the Directors' report.

On behalf of the Board



S L McKnight
Director

17 May 2019

Directors' report

The Directors of Worldpay AP Ltd. present their report and the audited financial statements for the year ended 31 December 2018. 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 who held office during the period to the date of signing of these financial statements were as follows:

Directors

JL Bates	
M Bring	(Appointed 23 July 2018)
PER Jansen	(Resigned 31 December 2018)
RM Kalifa	
SL McKnight	(Appointed 8 June 2018)
CRK Medlock	(Resigned 7 June 2018)
SJ Newton	(Resigned 7 March 2018)
ML Valentine	(Resigned 31 July 2018)

Secretary

Worldpay Governance Limited

Dividends

An interim dividend of £55m was paid on 15 November 2018 (2017: none). There have been no dividends approved since 31 December 2018 to the date of approval of these financial statements.

Future developments

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

Change of control

On 16 January 2018, the ultimate parent undertaking, Worldpay Group plc, became a wholly owned subsidiary of Worldpay Inc. (formerly Vantiv Inc.) following a merger with that company and its subsidiary, carried out by way of a Court-sanctioned scheme of arrangement.

Post balance sheet event

On 18 March 2019, Fidelity National Information Services, Inc. ("FIS"), a global leader in financial services technology, and the ultimate parent company of the Worldpay Group, Worldpay, Inc., announced that they had entered into a definitive merger agreement. Upon closing, which is expected to be during Q4 2019, this proposed business combination will enable the combined company to be positioned to offer best-in-class enterprise banking, payments, capital markets, and global eCommerce capabilities empowering financial institutions and businesses worldwide.

UK membership of the European Union

The June 2016 referendum supporting the exit of the UK from the European Union ("Brexit") specifically is causing significant political uncertainty in both the UK and the European Union. The impact of Brexit and the resulting effect on the political and economic future of the UK and the European Union is uncertain, and our business may be adversely affected in ways we do not currently anticipate. Brexit may result in a significant change in the British regulatory environment, which may likely increase our compliance costs. We may find it more difficult to conduct business in the UK and the European Union, as Brexit may result in increased restrictions on the movement of capital, goods, services and personnel. Depending on the ultimate terms of the UK's proposed withdrawal from the European Union, we may decide to relocate or otherwise alter our European operations to respond to the new business, legal, regulatory, tax and trade environments that may result.

As with any political instability or adverse political developments in or around any of the major countries in which we do business, developments related to Brexit may materially and adversely affect with customers, suppliers and employees and could harm our business, results of operations and financial condition. Worldpay have addressed the risks associated. In preparation for Brexit, Worldpay have commenced a variety of initiatives to ensure that both Worldpay's internal business and its customers are prepared for any associated change.

Directors' report *(continued)*

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Political contributions

The Company made no political donations during the year.

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 a minimum period of 12 months from the date of signing 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.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he / she ought to have taken as a Director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

KMPG LLP resigned as auditors in 5 September 2018. The Directors appointed Deloitte LLP to fill the casual vacancy thus arising. A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the next Directors' meeting.

By order of the Board



S L McKnight
Director

17 May 2019

Registered office: The Walbrook Building, 25 Walbrook, London, EC4N 8AF, United Kingdom

Statement of Directors' responsibilities

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are 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.

Independent auditor's report to the members of Worldpay AP Ltd.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Worldpay AP Ltd. (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Worldpay AP Ltd. (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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. 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.

A further description of our responsibilities is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

Our responsibilities statement is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by law

In our opinion, based on the work undertaken:

- the information given in the strategic report and the financial statements is consistent with the financial statements; and
- the strategic report and the directors' report have 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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Alastair Morley FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

17 May 2019

Profit and loss account
for the year ended 31 December 2018

	<i>Notes</i>	2018 £000	2017 £000
Turnover	2	41,952	43,115
Cost of sales		(19,333)	(17,248)
Gross profit		22,619	25,867
Administrative expenses		(14,749)	(10,203)
Operating profit	3	7,870	15,664
Interest receivable and similar income	6	137	251
Interest payable and similar charges	7	(429)	(22)
Profit before taxation		7,578	15,893
Taxation	8	41	(49)
Profit for the year		7,619	15,844

All results relate to continuing operations and represent the Company's comprehensive income for the year. Accordingly, a separate statement of other comprehensive income has not been presented.

The accompanying notes on pages 14 to 26 form an integral part of these financial statements.

Balance sheet
at 31 December 2018

	<i>Notes</i>	2018 £000	2018 £000	2017 £000	2017 £000
Non-current assets					
Intangible assets	10	138		236	
Tangible assets	11	-		3	
Investments	12	15		19	
Deferred tax asset		149		106	
			302		364
Current assets					
Debtors	13	28,434		66,452	
Merchant float		410,760		378,966	
Cash at bank and in hand		-		2,388	
		439,194		447,806	
Creditors: amounts falling due within one year	14	(421,131)		(385,484)	
Bank overdraft		(3,060)		-	
Net current assets			15,003		62,322
Total assets less current liabilities			15,305		62,686
Provisions for liabilities	15		(30)		(30)
Net assets			15,275		62,656
Capital and reserves					
Called up share capital	16		-		-
Share premium			1,276		1,276
Capital contribution			225		225
Other reserves			94		94
Profit and loss account			13,680		61,061
Shareholders' funds			15,275		62,656

The accompanying notes on pages 14 to 26 form an integral part of these financial statements.

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



S L McKnight
Director
Company number: 05593466

17 May 2019

Statement of changes in equity
for the year ended 31 December 2018

	Share capital £000	Share premium £000	Capital contribution £000	Other reserves £000	Profit & loss account £000	Total equity £000
At 1 January 2017	-	1,276	116	94	45,217	46,703
Profit for the year	-	-	-	-	15,844	15,844
Contribution from parent company	-	-	109	-	-	109
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	-	1,276	225	94	61,061	62,656
Profit for the year	-	-	-	-	7,619	7,619
Dividends (note 9)	-	-	-	-	(55,000)	(55,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	1,276	225	94	13,680	15,275
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 14 to 26 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

Basis of preparation

Worldpay AP Ltd. (“the Company”) is a private company limited by shares and incorporated, registered and domiciled in England and Wales.

The address of the registered office is given on page 1. The nature of the Company’s operations and its principal activities are set out on the Strategic report.

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 eCommerce Ltd. The ultimate parent undertaking, Worldpay Inc. (“the Group”), includes the Company in its consolidated financial statements. The consolidated financial statements of the Group are available to the public and may be obtained from the Group’s website at www.worldpay.com or contact: Nathan Rozof, CFA, Investor Relations +1.866.254.4811, ir@worldpay.com

As the consolidated financial statements of the Group 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 a minimum period of 12 months from the date of signing 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 2018 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.

Notes (continued)

1 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

- 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.

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

A merchant potential liability provision is required when a merchant goes into liquidation or bankruptcy and the Company is exposed to potential chargebacks. Judgement is necessary to assess the likelihood that a pending claim will succeed, or a liability will arise and to quantify the possible range of any financial settlement.

Accounting developments

Impact of new accounting standards

The following standards are new, revised or include changes to existing standards which have been adopted by the Company in the year ended 31 December 2018.

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. However, the Company has elected to restate comparatives in respect of the classification and measurement of financial instruments.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities,
2. Impairment of financial assets, and
3. General hedge accounting.

Details of these new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. Comparative amounts in relation to instruments that continue to be recognised as at 1 January 2018 have been restated where appropriate.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Notes (continued)

1 Accounting policies (continued)

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is not held for trading in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The directors of the Company reviewed and assessed the Company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had no impact on the Company's financial assets as regards their classification and measurement.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost; and,
2. Trade receivables and contract assets.

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables and contract assets in certain circumstances. For trade and other receivables, the Company has applied the simplified approach and recognises lifetime ECL for these assets. The existing provision matrix was reviewed and it was considered that it was consistent with IFRS 9 requirements. Cash and bank balances are assessed to have low risk as they are held with reputable international banking institutions.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

IFRS 15 *Revenue from Contracts with Customer* – replaces IAS 18, *Revenues*, and introduces a five step approach to revenue recognition based on performance obligations in customer contracts and Clarifications to IFRS 15 *Revenue from Contracts with Customers* - provides further clarification on a number of points including recognition of licence revenue; application of the control principle to assess whether a company is a principal or an agent; and transition options. Further information on the adoption of this standard can be found in the revenue recognition section in this note.

The following standards have been endorsed with an effective date for the Company of 1 January 2018. They have not impacted the balance sheet or reported results for the period, nor any previously reported results.

- Amendments to IFRS 2 *Share-based payment* – improves consistency in the measurement of cash-settled share-based payments and the classification of share-based payments settled net of tax withholdings. It also includes a modification to a share-based payment from cash-settled to equity-settled.
- Annual improvement of IFRSs: 2014- 2016 cycle.

Notes (continued)

1 Accounting policies (continued)

Key accounting policies are set out below

1.1 Foreign exchange

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

From 1 January 2018 IFRS 15 *Revenue from Contracts with Customer* – replaces IAS 18, ‘Revenues’. The new standard provides a five-step analysis of transactions to determine when and how revenue is recognised, based upon the core principle that revenue is recognised to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The new standard, as amended, is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The amendment allows companies to use either a full retrospective or a modified retrospective approach to adopt this standard.

The Company adopted IFRS 15 *Revenue from Contracts with Customer* on January 1, 2018, using the modified retrospective method. The new standard requires the Company to disclose the accounting policies in effect prior to 1 January, 2018, as well as the policies it has applied starting 1 January, 2018. Revenue is measured based on consideration specified in a contract with a customer. The Company recognises revenue when it satisfies a performance obligation by transferring control over a service or goods to a customer.

Periods prior to 1 January, 2018

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. Revenues are recognised as earned (i.e., for transaction based fees, when the underlying transaction is processed) in conjunction with IFRS15. IFRS15 establishes guidance as to when revenue is realised or realisable and earned by using the following criteria: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller’s price is fixed or determinable; and (4) collectability is reasonably assured.

The Company followed the guidance provided in IFRS15 B35-B37, *Principal versus agent considerations*, which states that the determination of whether a company should recognise revenue based on the gross amount billed to a customer or the net amount retained is a matter of judgment that depends on the facts and circumstances of the arrangement and that certain factors should be considered in the evaluation. All other revenue was reported on a gross basis, as the Company contracts directly with the end customer, assumes the risk of loss and has pricing flexibility.

Periods commencing 1 January, 2018

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.

Notes (continued)

1 Accounting policies (continued)

1.2 Revenue recognition (continued)

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.

Beginning in 2018, the Company records certain fees paid to third parties, including network fees and other costs, as a reduction of revenue. During 2018 and 2017, no such fees were incurred.

Costs to Obtain and Fulfil a Contract

IFRS15 requires capitalising costs of obtaining a contract when those costs are incremental and expected to be recovered. The Company sales commission is earned and paid periodically in relation to the sales recorded for the period. The Company recognises incremental sales commission costs of obtaining a contract as expense when the amortisation period for those assets is one year or less per the practical expedient in IFRS15. These costs are included in personnel expenses.

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.

Changes in Accounting Policies

As noted above, the Company adopted IFRS15, effective 1 January, 2018, using the modified retrospective method, applying the standard to contracts that are not complete as of the date of initial application. Therefore, the comparative information has not been adjusted and continues to be reported under IAS18. The details of the significant changes are set out below.

Under IFRS15, 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.

1.3 Employee benefits

Expenses related to services rendered by employees are recognised in the period in which the service is rendered. This includes wages and salaries, social security contributions, pension contributions, bonuses and termination benefits.

Where payments of amounts due are outstanding at the end of the reporting period, an accrual is recognised. Where payments have been made in advance prior to the end of the reporting period, a prepayment is recognised.

The Company participates in the Group's defined contribution pension scheme. The amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits are the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments on the balance sheet.

Notes (continued)

1 Accounting policies (continued)

1.3 Employee benefits (continued)

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based upon estimation of the number of shares which will eventually vest, with a corresponding increase in equity. Fair value is measured by reference to the market value of the Group's shares, adjusted as necessary for the terms and conditions of the award, or an appropriate option pricing model, depending on the nature of the award.

Cash-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the cash-settled share-based payments is expensed on a straight-line basis over the vesting period, based upon estimation of the number of shares which will eventually vest and a corresponding liability will be recognised for that settlement. Fair value is measured by reference to the market value of the Group's shares, adjusted as necessary for the terms and conditions of the award, or an appropriate option pricing model, depending on the nature of the award.

1.4 Leases

Leases are classified as either operating or finance leases. Classification depends on the substance of the lease transaction rather than the legal form of the lease agreement. Where substantially all of the risks and rewards of ownership lie with the lessee, the lease is classified as a finance lease. All other arrangements identified as leases are considered to be an operating lease.

Operating lease arrangements

Amounts payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Any lease incentives are spread over the life of the lease and matched off against the amounts payable.

1.5 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.

1.6 Intangible assets

Intangible assets acquired in a business combination, and recognised separately from goodwill, include brands and customer relationships. These are initially recognised at their fair value at the acquisition date. Subsequently, they are reported at cost less accumulated amortisation and any impairment losses.

Amortisation is recognised on a straight-line basis over the estimated useful economic life. The estimated useful economic lives and the amortisation method are reviewed at the end of each reporting period, with any changes being accounted for on a prospective basis.

Notes (continued)

1 Accounting policies (continued)

1.6 Intangible assets (continued)

The useful economic lives applied by the Company are as follows:

- Software & licences 3 to 10 years

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets. These costs include directly attributable employee costs. However, any costs incurred in the research phase or as maintenance are expensed as incurred.

1.7 Tangible assets

Tangible assets are initially recognised at cost and include all expenditure directly attributable to bringing the asset to the location and working condition for its intended use. Subsequent measurement is at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is capitalised only when it is probable that it will give rise to future benefits i.e. maintenance expenditure is excluded but enhancement costs that meet the criteria are capitalised.

Tangible assets are depreciated to their residual value over their useful life on a straight-line basis. Estimates of the useful life and residual value, as well as the method of depreciation, are reviewed as a minimum at the end of each reporting period. Any changes are classified as a change in accounting estimate and so are applied prospectively.

The useful lives applied by the Company are as follows:

- Leasehold improvements 5 to 20 years
- Computers & office equipment 3 to 5 years

Depreciation begins when an asset is ready for use and ceases on the disposal of the asset, classification as held for sale or the end of its useful life, whichever is the sooner.

The gain or loss on disposal is the difference between the net proceeds received and the carrying amount of the asset.

1.8 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.

1.9 Impairment of intangible and tangible assets

The Company assesses its other intangible assets and tangible assets for indicators of impairment at least annually. If such indicators exist, the recoverable amount of the asset (or its cash-generating unit if the asset does not generate largely independent cash flows) is estimated. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows from the asset or the cash-generating unit, discounted at the appropriate pre-tax rate.

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 asset may not exceed the carrying value had the original impairment not arisen.

1.10 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.

1.11 Trading assets and liabilities

Merchant float and merchant creditors

Merchant float, scheme debtors and merchant creditors represent intermediary balances arising in the merchant settlement process.

Merchant float represents surplus cash balances that the Company holds on behalf of its customers, when the incoming amount from the card schemes or networks precedes when the funding to customers falls due. The funds are held in a fiduciary capacity and are stated separately from the Company's own cash in the balance sheet.

Notes (continued)

1 Accounting policies (continued)

1.11 Trading assets and liabilities (continued)

Merchant creditors consist primarily of:

- Liabilities to customers for transactions that have been processed but not yet funded by the card networks, where they are a member of that particular network;
- Liabilities to customers for transactions where it is holding funding from the members under the sponsorship agreement but has not funded customers on behalf of the sponsoring bank; and
- Merchant reserves and the fair value of the Company's guarantees of cardholder chargebacks. These are amounts held as deposits from customers, either from inception of Worldpay's working relationship with them, or accrued throughout the relationship due to payment issues arising or potential chargebacks.

Debtors

Debtors are initially recognised at fair value in the period to which they relate. They are 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.

Creditors

Creditors 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.

1.12 Provisions

The Company recognises a provision for a present obligation resulting from a past event when it is probable that it will be required to transfer economic benefits to settle the obligation, and the amount of the obligation can be estimated reliably.

1.13 Capital contribution reserve

The capital contribution reserve represents the capital contribution made by Worldpay Group Limited in respect of share options issued to employees of the Company over the shares of Worldpay Group Limited and is equivalent to the cumulative charge recognised under IFRS 2.

2 Turnover

	2018 £000	2017 £000
Alternative payments	32,284	32,994
Treasury management and foreign exchange services	9,225	10,081
Ancillary income	443	40
	<u>41,952</u>	<u>43,115</u>

All turnover is generated within the United Kingdom.

3 Expenses and auditor's remuneration

	2018 £000	2017 £000
<i>Operating profit for the year is stated after charging:</i>		
Amortisation of intangible assets	89	88
Depreciation of tangible fixed assets	3	21
Loss on sale of investments in subsidiaries	4	705
Bad debt charge	180	216
Intra Group recharges	6,325	8,089
	<u>6,325</u>	<u>8,089</u>

Auditor's remuneration of £73,000 (2017: £35,000) has been borne by another Group company.

Notes (continued)

4 Employee numbers and costs

	2018	2017
The average number of employees (including Directors) during the period was:		
Staff	12	15
	<u>12</u>	<u>15</u>

	2018 £000	2017 £000
Their aggregate remuneration comprised:		
Wages and salaries (including redundancy costs)	647	392
Social security costs	231	159
Pension costs	124	138
Share based payments	501	145
	<u>1,503</u>	<u>834</u>

5 Directors' remuneration

The Directors of the Company do not receive specific remuneration for services to this Company nor is it possible to accurately apportion the total remuneration paid to the Directors of the Worldpay Group among the companies of the Group.

The aggregate remuneration paid to Directors who served during the period was £48,479,000 (2017: £6,625,000). The highest paid director received £23,910,000 (2017: £2,754,000).

6 Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from other Group companies	137	112
Foreign exchange gains	-	139
	<u>137</u>	<u>251</u>

7 Interest payable and similar charges

	2018 £000	2017 £000
Bank charges	14	22
Foreign exchange losses	415	-
	<u>429</u>	<u>22</u>

Notes (continued)

8 Taxation

<i>Recognised in the profit and loss account</i>	2018 £000	2018 £000	2017 £000	2017 £000
<i>Current tax</i>				
UK corporation tax charge for the year	-		-	
Adjustments in respect of prior periods	-		15	
	<hr/>		<hr/>	
Total current tax charge		-		15
<i>Deferred tax</i>				
Credit for the year	(34)		(89)	
Effect of changes in tax rates	-		(24)	
Adjustments in respect of prior periods	(7)		147	
	<hr/>		<hr/>	
Total deferred tax (credit) / charge		(41)		34
		<hr/>		<hr/>
Tax (credit) / charge on profit		(41)		49
		<hr/>		<hr/>

<i>Reconciliation of effective tax rate</i>	2018 £000	2017 £000
Profit	7,578	15,893
Tax charge using the UK corporation tax rate of 19.00% (2017: 19.25%)	1,440	3,059
Effect of changes in tax rates	-	(24)
Non-deductible expenses	3	138
Current tax adjustments in respect of prior periods	-	15
Deferred tax adjustments in respect of prior periods	(7)	147
Group relief claimed from other Group companies for nil consideration	(1,477)	(3,286)
	<hr/>	<hr/>
Total tax (credit) / charge for the year	(41)	49
	<hr/>	<hr/>

Factors affecting future tax charges

The main rate of UK corporation tax will reduce from 19% to 17% from 1 April 2020. Deferred tax on temporary differences and tax losses as at the balance sheet date is calculated at the substantively enacted rates at which the temporary differences and tax losses are expected to reverse.

9 Dividends

	2018 £000	2017 £000
Interim dividend on ordinary £0.10p shares of £21,260.15 per share (2017: £nil)	55,000	-
	<hr/>	<hr/>

Notes (continued)

10 Intangible assets

	Software & licences £000
Cost	
At 1 January 2018	1,043
Additions	3
Transfers to other Group companies	(12)
	<hr/>
At 31 December 2018	1,034
	<hr/>
Amortisation & impairment	
At 1 January 2018	(807)
Amortisation charge for the year	(89)
	<hr/>
At 31 December 2018	(896)
	<hr/>
Net book value	
At 31 December 2017	236
	<hr/>
At 31 December 2018	138
	<hr/>

Intangible assets under the course of construction (and therefore not yet being amortised) were transferred from the company to Worldpay (UK) Ltd, a fellow Group undertaking.

11 Tangible assets

	Leasehold improvements £000	Computers & other equipment £000	Total £000
Cost			
At 1 January 2018 and 31 December 2018	377	1,299	1,676
	<hr/>	<hr/>	<hr/>
Depreciation & impairment			
At 1 January 2018	(377)	(1,296)	(1,673)
Depreciation charge for the year	-	(3)	(3)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	(377)	(1,299)	(1,676)
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2017	-	3	3
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	-	-
	<hr/>	<hr/>	<hr/>

Notes (continued)

12 Investments

	Investments in Group undertakings £000
Cost and net book value	
At 1 January 2018	19
Disposal	(4)
	<hr/>
At 31 December 2018	15
	<hr/>

Legal entity rationalisation

As part of the Worldpay Group-wide legal entity rationalisation exercise begun in previous years, the Company dissolved its interests in two of its direct subsidiaries, Enviado Transacciones SL (incorporated in Spain) and Envoy Services OU (incorporated in Estonia).

Company name	Country of Incorporation /registration	Registered place of business	Ordinary shares held
Envoy Services Pty Ltd ¹	Australia	c/o TMF Corporate Services (Aust) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney, NSW 2000, Australia	100%
Envoy Services Bulgaria Ltd ¹	Bulgaria	2 Tsar Osvoboditel Blvd, 1000 Sofia, Bulgaria	100%
Canadian Envoy Technology Services Ltd ¹	Canada	c/o TMF Canada Payroll Inc., 204-275 Fell Avenue, North Vancouver, BC, V7P 3RS, Canada	100%
Envoy Services Denmark APS ¹	Denmark	c/o Beierholm, Gribskovvej 2, 2100 København Ø, Denmark	100%
Envoy Services South Africa (Pty) Ltd ¹	South Africa	3 rd Floor, 200 on Main, Cnr Bowwood and Mains Road, Claremont, Cape Town, 7708, South Africa	100%

Nature of business
¹ Non-trading company

13 Debtors

	2018 £000	2017 £000
Trade receivables	2,933	1,483
Provision for bad and doubtful debts	(1,266)	(1,128)
	<hr/>	<hr/>
	1,667	355
Amounts owed from Group companies	22,746	63,492
Current tax asset	11	-
Other debtors	50	95
Prepayments and accrued income	3,960	2,510
	<hr/>	<hr/>
	28,434	66,452
	<hr/>	<hr/>

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

Notes (continued)

14 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade payables	77	9
Merchant creditors	410,760	378,966
Amounts owed to Group companies	499	5,584
Other creditors	206	232
Accruals and deferred income	9,589	693
	<hr/> 421,131 <hr/>	<hr/> 385,484 <hr/>

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

15 Provisions for liabilities

	Dilapidations provision £000
At the beginning and end of the year	<hr/> 30 <hr/>

Dilapidations provisions arise on the inception of new property leases and will be settled at the end of the relevant lease terms. The remaining balance is due to be settled within one year.

16 Share capital

	2018 £	2017 £
Allotted, called up and fully paid 2,587 ordinary shares of £0.10	<hr/> 259 <hr/>	<hr/> 259 <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.

17 Ultimate parent company and controlling party

Worldpay eCommerce Ltd is the Company's immediate parent company and until 15 January 2018, the Company was a subsidiary undertaking of Worldpay Group plc (re-registered on 16 January 2018 as Worldpay Group Limited) which was both the ultimate parent company and the ultimate controlling party and which is incorporated in England and Wales. From 16 January 2018, following the change of control, Worldpay, Inc., a US domiciled corporation under the laws of the State of Delaware, became the ultimate parent company and controlling party.

Worldpay, Inc. ("the Group") a company incorporated in the US state of Delaware whose registered office is at 8500 Governors Hill Drive, Cincinnati, OH, 45249, is the only company to consolidate the financial statements of the Company and copies of the consolidated financial statements of the Group are available to the public and may be obtained from the Group's website at www.worldpay.com or contact: Nathan Rozof, CFA, Investor Relations +1.866.254.4811, ir@worldpay.com.