Worldpay (UK) Limited

Annual report and financial statements
Registered company number 07316500
31 December 2022

Contents

Company information

Directors	GLAM Bernard de Montessus de Ballore H Nixon K Patel JM Robinson S Smith P Wickes
Secretary	Worldpay Governance Limited
Country of registration	England and Wales
Company number	07316500
Registered office	The Walbrook Building 25 Walbrook London EC4N 8AF

Strategic report

The Directors of Worldpay (UK) Limited ("the Company") present their Strategic report for the year ended 31 December 2022. The Company is wholly owned by Fidelity National Information Services, Inc. (the "Group" and/or "FIS"). The Company forms part of the Group's Merchant Solutions division ("Worldpay").

Statement by the Directors in relation to Performance of their Statutory Duties in accordance with Section 172(1) Companies Act 2006

The Directors are fully aware of their duty under s172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole. This statement describes how the Directors have taken account of the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, when performing their duty to promote the success of the Company.

- *the likely consequences of any decision in the long-term*
  The Directors take a long-term view in reaching key decisions, with a strategy designed to ensure that our business remains successful in a rapidly changing market, creating sustainable value for all our stakeholders.
- *the interests of the Company's employees*
  The Directors want the Company to be a great place to work and for colleagues to have long-term successful careers within the Company and we invest in our people to realise their full potential. The Company expects colleagues to treat each other, our clients and our partners with respect and embrace each other's differences. The Company is committed to promoting diversity and inclusion in the workplace.
- *the need to foster the Company's business relationships with suppliers, customers and others*
  When making decisions, the Directors look to act in the interests of stakeholders as a whole and to ensure all stakeholders are fairly treated. The Company's stakeholder engagement activities help to inform the Directors' decisions.
- *the impact of the Company's operations on the community and the environment*
  The Company is committed to bringing out the best in its people and fostering a sense of community and belonging, and it actively encourages colleagues to make a meaningful contribution by giving something back to their local communities. We provide employees with one day's paid leave, in addition to their annual leave provision, so that they can use that time to volunteer for a good cause of their choice. The Company is committed to helping ensure that our planet is a sustainable home for current and future generations. The Company's strategy is to build a sustainable business and includes focusing on energy and emissions reduction, energy efficiency and proper waste management.
- *the desirability of the Company maintaining a reputation for high standards of business conduct*
  The Company promotes high legal, ethical, corporate and colleague-related standards in our own business. FIS is strongly opposed to slavery and human trafficking, and we will not knowingly support or do business with any organisation that is involved in either. This commitment is underpinned by our corporate policies which seek to ensure transparency in our employment and supply chains.
- *the need to act fairly between members of the Company*
  As a wholly owned subsidiary of FIS, the Directors of the Company always give fair and due consideration to all proposals to ensure the sole member is treated fairly whilst acting with the required autonomy.

Business review

The Company is a UK FCA regulated payments service provider and acts as an acquirer to enable merchants to accept payment via credit and debit cards and other payment methods. It also provides payment support services to Group members overseas.

The Company forms part of the group headed by Fidelity National Information Services Inc. (NYSE:FIS).

Total revenues increased by £264.9m, and gross profit increased by £172.3m, driven by favourable economic developments.

Strategic report *(continued)*

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 £330.4m *(2021: £295.9m)* and net assets of £2,196.6m *(2021: £2,030.3m)*.

Future developments

The Directors of the Company are satisfied with the Company's performance in the year which is presented in the profit and loss account on page 10. The future objectives continue to be the growth and development of the business and the Directors consider it well positioned to take advantage of opportunities for further growth in the future.

Principal risks and uncertainties

Risk management

The Board takes very seriously the importance of fully understanding and managing the risks inherent in the business and an established Enterprise Risk Management Framework drives our approach to risk management. The framework sits alongside the Strategic Plan and sets out the activities, tools and techniques used to ensure that all material risks are identified and that a consistent approach is integrated into business management and decision making across the Company.

Whilst the Board of Directors is ultimately responsible for the management and governance of risk across the Company, it is expected that every employee of the FIS Group is to take responsibility for the management of risk. To facilitate this, the FIS Group operates a 'three lines of defence' model which clearly identifies accountabilities and responsibilities for risk as follows:

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

Principal risks

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

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

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

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

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

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

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

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

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

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

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

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

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

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

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

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

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

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

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

On behalf of the Board

DocuSigned by:
Krunal Patel
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Krunal Patel
Director

27 October 2023

Directors' report

The Directors of Worldpay (UK) Limited ("the Company") present their report and the financial statements for the year ended 31 December 2022. The business review and principal risks and uncertainties which are required by law to be included in this report have been included instead in the Strategic report.

Directors & Secretary

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

Directors	
VA Daughtrey	(resigned 30 August 2023)
GLAM Bernard de Montessus de Ballore	
H Nixon	(appointed 16 June 2023)
K Patel	
JE Roberts	(resigned 8 September 2022)
JM Robinson	
S Smith	(appointed 6 February 2023)
KT Thompson	(resigned 31 May 2022)
TK Warren	(appointed 6 February 2023) (resigned 9 June 2023)
P Wickes	

Secretary
Worldpay Governance Ltd

Dividends

Dividends of £167.4m *(2021: £164.4m)* were paid during the period ending 31 December 2022 and dividends of £85m have been paid up 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.

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 be identical to that of other employees.

Political contributions

The Company made no political donations during the year.

Statement of corporate governance arrangements

Pursuant to Paragraphs 21 to 30, Part 8, Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410). The Board of Directors of the Company* have formally adopted and applied The Wates Corporate Governance Principles for Large Private Companies, ("The Wates Principles").

In line with the 'apply and explain' approach guidance under each principle, the Directors hereby explain their approach to applying each principle in respect of the corporate governance arrangements of the Company.

As a large private regulated subsidiary of FIS, the Board operates autonomous decision-making whilst incorporating and aligning to FIS Group-wide policies and culture, this demonstrates the Directors' commitment to accountability and acknowledgement of their Directors' duties whilst continually considering the needs of all Company stakeholders.

Directors' report *(continued)*

PRINCIPLE 1: PURPOSE AND LEADERSHIP

The Board of Directors develops and promotes the purpose of the Company, and ensures that its values, strategy and culture align with that purpose. The 'One FIS' group-wide culture forms the basis for this approach, always striving to win as one team, lead with Integrity and be the change. The 'FIS 3Cs' define the groups that the purpose and values are delivered for - our Colleagues, Clients and Communities. The FIS Culture is a result of these values being brought to life. The Board carries out its leadership and work in guiding the way in which the Company communicates, learns, leads, works as a team and challenges itself to always deliver for the 3Cs.

The Board meets annually to plan strategy. The Board clearly articulates and implements its strategy throughout the Merchant Solutions organisation, whilst working alongside its stakeholders.

The Board follows and aligns to the FIS group-wide policies in respect of business ethics, conflicts of interest and the prevention of financial crime aiming to achieve the highest standards possible. A memorandum of understanding ("MOU") is in place with FIS to set out the role and matters reserved for the Board of the Company and to encourage local autonomy for the Company's stakeholders.

PRINCIPLE 2: BOARD COMPOSITION

The composition of the Board is established with a balance of skills, backgrounds, experience and knowledge, with individual Directors having sufficient capacity to make a valuable contribution and an effective Chair. The Chair of the Board ensures the promotion of open debate and facilitates constructive discussion during the course of each Board meeting. Directors are provided with appropriately detailed information and sufficient time is given for meaningful Board discussion. Care is taken to ensure the Board's composition continues to accommodate an understanding of the Company's business needs and stakeholder interests, whilst establishing an appropriate balance of expertise, diversity and objectivity.

FIS champions a group-wide diversity and inclusion approach which goes beyond policy making, the composition of the Board which is aligned to the Group's approach to diversity and inclusion. The Board is made up of representatives from the business and from the ultimate shareholder to ensure ongoing engagement and stakeholder interests continue to be met.

Under the terms of the MOU, FIS is entitled to elect a Shareholder Representative Director to sit on the Board to enable escalations and improve linkage with the wider FIS Group.

The Board evaluates its performance and effectiveness every two years.

PRINCIPLE 3: DIRECTOR RESPONSIBILITIES

The Board, as a collective, and each individual Director, have a clear understanding of their accountability and responsibilities.

The Board's processes are designed and maintained to support effective decision-making. Board Directors, in addition to their legal responsibilities as Directors of the Company (pursuant to sections 170-181 of the Companies Act 2006), also act in recognition of regulatory obligations and the FIS Policy Management Framework, which provides a suite of frameworks and policies covering business, financial, compliance, legal, governance and risk management matters for the FIS Group, including subsidiary companies. The Company also has local policies, of which the Board oversee, approve and abide by.

Pursuant to the Companies Act 2006 and the Group-wide FIS Conflicts of Interest Standard, the Board ensures that, where any conflicts of interest are disclosed, that these are recorded and managed appropriately and if any on-going conflicts were to arise, consideration would be given to membership of the Board.

The Chair and Company Secretary periodically review the appropriateness and strength of the Company's corporate governance processes, continually considering areas for development. There is sufficient linkage between Company and its ultimate parent by way of Director representation on the Board. Because a number of those Directors are based in other areas of the wider FIS group, this enables an objective viewpoint on the Board to the Merchant Solutions business.

The Board retains overall responsibility for all matters reserved for the Board. However, the oversight of a variety of items are delegated to the Board Risk Committee, enabling a focussed approach to complex risk management matters.

Best endeavours are made to ensure that Board papers and supporting management information is accurate, clear, comprehensive, up-to-date and provided in a timely manner to the Board.

Directors' report *(continued)*

Statement of corporate governance arrangements *(continued)*

PRINCIPLE 4: OPPORTUNITY AND RISK

The Board promotes the long-term sustainable success of the Company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.

As part of its annual strategic planning, the Board considers and assesses how the Company creates and preserves value over the long-term, taking into account tangible and intangible sources of value and stakeholder contribution. In line with the Matters Reserved for the Board, the Board oversees new opportunities for innovation and entrepreneurship, Board approval is required for new business opportunities.

The Board Risk Committee oversees financial, non-financial and reputational risk at each quarterly Board Risk Committee meeting, this is compiled and presented by the FIS Risk team. The Chairman of the Board Risk Committee provides a verbal report to each quarterly Board meeting, escalating any matters of significance, and as a result, the Board are able to remain appropriately accountable to stakeholders and maintain the responsibilities they hold. In considering the size and nature of the business, internal control systems are in place to manage and mitigate emerging and principal risks. Established internal control systems enable the Board to make informed decisions.

The Board Risk Committee currently assesses and determines the risk appetite of the Company and makes recommendations to the Board for approval following in-depth analysis.

PRINCIPLE 5: REMUNERATION

The FIS group aims to attract, engage and cultivate colleagues who can adapt and thrive in an ever-changing business and technology space. FIS are committed to helping colleagues learn, grow and excel with rewarding careers. The group-wide remuneration policy exists to support these objectives and attract the best possible talent to enable the business to grow, ultimately benefitting all stakeholder groups. As the Company is a wholly-owned subsidiary of FIS, the parent company sets remuneration practices and policies. Further details in respect of compensation processes can be found in the FIS Annual Report as well as the corporate governance section and careers sections of the FIS website, all of which can be found at www.fisglobal.com.

PRINCIPLE 6: STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

Directors foster effective stakeholder relationships aligned to the Company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions. Please refer to the section 172(1) statement in the Strategic Report to see further detail explaining how the Company achieves these objectives.

Going concern

Forecasts for the Group are prepared by each business unit and overseen by the Board, 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.

Auditor

For the year ended 31 December 2022, the company was entitled to the exemption from an audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

By order of the Board

DocuSigned by:

Krunal Patel

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Krunal Patel 27 October 2023

Director

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and loss account
for the year ended 31 December 2022

	Notes	2022 £m	2021 £m
Turnover	2	**1,130.1**	865.2
Cost of sales		**(175.0)**	(82.4)
Gross profit		**955.1**	782.8
Administrative expenses		**(537.0)**	(442.4)
Operating profit	3	**418.1**	340.4
Interest receivable and similar income	7	**131.0**	97.1
Interest payable and similar charges	8	**(125.8)**	(85.5)
Profit before taxation		**423.3**	352.0
Taxation	9	**(92.9)**	(56.1)
Profit for the year		**330.4**	295.9

Other comprehensive income
for the year ended 31 December 2022

	2022 £m	2021 £m
Profit for the year	**330.4**	295.9
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign branch currency retranslation	**1.6**	(0.4)
Total comprehensive income for the year	**332.0**	295.5

All results relate to continuing operations.

The accompanying notes on pages 14 to 32 form an integral part of these financial statements.

Balance sheet
at 31 December 2022

	Notes	**2022**	**2022**	2021	2021
		£m	**£m**	£m	£m
Non-current assets					
Goodwill	*11*	**617.8**		617.8	
Other intangible assets	*12*	**682.6**		631.8	
Tangible assets	*13*	**81.6**		92.7	
			1,382.0		1,342.3
Current assets					
Debtors	*14*	**2,217.9**		1,643.4	
Cash at bank and in hand		**1,160.6**		874.1	
		3,378.5		2,517.5	
Creditors: amounts falling due within one year	*15*	**(2,486.3)**		(1,715.4)	
Provisions for liabilities	*18*	**(6.5)**		(5.2)	
Borrowings		**(10.3)**		(14.5)	
Net current assets			**875.4**		782.3
Total assets less current liabilities			**2,257.4**		2,124.6
Creditors: amounts falling due after one year	*16*		**(22.2)**		(27.1)
Deferred tax liability	*17*		**(38.6)**		(67.2)
Net assets			**2,196.6**		2,030.3
Capital and reserves					
Share capital	*19*		**1,033.6**		1,033.6
Share premium	*20*		**87.3**		87.3
Capital contribution			**17.0**		15.3
Foreign exchange reserve			**7.7**		6.1
Profit and loss account			**1051.0**		888.0
Shareholders' funds			**2,196.6**		2,030.3

The accompanying notes on pages 14 to 32 form an integral part of these financial statements.

For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts for the year ended 31 December 2022.

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

DocuSigned by:
Krunal Patel
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Krunal Patel

Director 27 October 2023
Company number: 07316500

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

	Called up share capital	Share premium	Capital contribution	Foreign exchange reserve	Profit & loss account	Total
	£m	£m	£m	£m	£m	£m
At 1st January 2021	1,033.6	87.3	15.3	6.5	756.5	1,899.2
Profit for the year	-	-	-	-	295.9	295.9
Share premium - issue of shares to EBT	-	-	-	-	-	-
Foreign branch currency translation	-	-	-	(0.4)	-	(0.4)
Dividends (note 10)	-	-	-	-	(164.4)	(164.4)
At 31st December 2021	1,033.6	87.3	15.3	6.1	888.0	2030.3
Profit for the year	-	-	-	-	330.4	330.4
Share premium - issue of shares to EBT	-	-	-	-	-	-
Foreign branch currency translation	-	-	-	1.6	-	1.6
Stock Option Reserve	-	-	1.7	-	-	1.7
Dividends (note 10)	-	-	-	-	(167.4)	(167.4)
As at 31st December 2022	**1,033.6**	**87.3**	**17.0**	**7.7**	**1051.0**	**2,196.6**

The accompanying notes on pages 14 to 32 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

Basis of preparation

Worldpay (UK) Limited ("the Company") is a private company limited by shares and incorporated, domiciled and registered 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 hundred 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 applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ('Adopted IFRSs') but makes amendments where necessary to comply with 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's immediate parent company is Worldpay Finance Ltd. The ultimate parent undertaking is Fidelity National Information Services, Inc., who included the Company's results in its consolidation financial statements. The consolidated financial statements of the Group are available to the public and may be obtained from 347 Riverside Avenue, Jacksonville, FL 32202, USA.

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

Forecasts are prepared for the Group by each business unit and are overseen by the Board, 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 2022 are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements.

The judgements and assumptions involved in the Company's accounting policies that are considered by the Directors to be the most important to the portrayal of its financial condition are discussed below.

The use of estimates, assumptions or models that differ from those adopted by the Company would affect its reported results.

Notes *(continued)*

1 Accounting policies *(continued)*

Critical judgements in applying the Company's accounting policies (continued)

- Fair value of Preference shares and related Contingent Value Rights (CVRs)

The Visa Europe asset was recognised in the Company's balance sheet at 31 December 2015 as a fair value through profit and loss financial asset. On disposal on 21 June 2016, it has been derecognised from the Company's balance sheet with the net gain on disposal recognised in interest receivable and similar income in the Company's profit and loss account.

The preference shares received on disposal of the interest in Visa Europe has been recognised as a financial asset within debtors under the Financial assets – Visa Inc. preference shares category. It has been recognised at fair value initially and has been classified as fair value through profit and loss. Subsequent movements on the fair value of the preferred shares and movements on the CVR liability are recognised in the Company's profit and loss account.

The value of the Visa Inc. preference shares is based on the expected conversion ratio, which will be adjusted by Visa Inc. based on the potential losses from Visa Europe interchange litigation under the Litigation Management Deed (LMD). Any excess of potential losses from Visa Europe interchange litigation under a Loss Sharing Agreement (LSA) has been included in provisions within current liabilities.

When measuring the fair values of the Financial asset – Visa Inc. preference shares as well as the LSA liability, the Company uses observable market data as far as possible. In order to fair value the LSA liability as at 31 December 2022, the Directors have considered a range of potential outcomes, including the likely value of the potential level of Visa Europe liabilities that the Company may be liable for, and calculated a weighted average.

The CVR liability has been classified as a financial liability at amortised cost based on a re-estimation of future cash flows, with any changes being recognised in CVR finance costs in the profit and loss account.

Further details on the key assumptions made in valuing the consideration received and the CVR and LSA liabilities, together with sensitivity analysis, are provided in note 6.

Key sources of estimation uncertainty

- Income and deferred taxes

The Company's tax charge on ordinary activities is the sum of total current and deferred tax charges calculated by reference to the legal requirements applying to each jurisdiction in which the Company operates.

As an integral part of this process, the Company applies its judgement in order to determine the tax charge applying to those matters for which the final tax treatment is considered by the Company to be uncertain.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences are recognised in the period in which such determination is made.

Based on the Company's current tax position, a material change in estimates for tax purposes is not expected to occur over the next 12-month period.

- 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.

Notes *(continued)*

1 Accounting policies *(continued)*

Accounting developments

New accounting standards and interpretations not yet adopted

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

Key accounting policies are set out below

1.1 Foreign Exchange

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

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

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

1.2 Revenue Recognition

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

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

Performance Obligations

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

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
Customer incentives represent signing bonuses paid to customers. Customer incentives are paid in connection with the acquisition or renewal of customer contracts and are therefore deferred and amortized using the straight-line method based on the expected life of the customer. Related amortisation is recorded as contra-revenue.

The Company capitalises conversion costs associated with enabling customers to receive its processing services. As at 31 December 2022 the Company had £10.8m of capitalised conversion costs included in Intangible assets - net in the Company's balance sheet. For the year ended 31 December 2022 the Company has £1.6m of amortisation expense related to these costs, which is recorded in depreciation and amortisation expense in the Company's income statement. These costs are amortised over the average life of the customer.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Revenue Recognition *(continued)*

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.

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.

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

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

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

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.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Leases

The Company has applied IFRS 16 *Leases* as follows:

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 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.

1.7 Goodwill

Goodwill arising on an acquisition of a business represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, less any non-controlling interest. Goodwill is carried at the cost established at the date of acquisition of the business less accumulated impairment losses, if any, and is not amortised.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units (CGU) to which goodwill has been allocated. The value in use calculation is performed at least annually and requires the Directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

Should the value in use be lower than the carrying value, the resultant impairment loss is first allocated to goodwill, then to remaining assets of the CGU pro rata based on their carrying amount. No asset is impaired below its own recoverable amount. The impairment loss is recognised immediately in separately disclosed items in the profit and loss account. Impairment losses on goodwill cannot be reversed in subsequent periods.

1.8 Other 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 either a straight-line basis or using a double-declining method over the estimated useful economic life ("UEL"). The double-declining method is an accelerated amortisation used on customer portfolios with a shorter estimated UEL. The amortisation method are reviewed at the end of each reporting period, with any changes being accounted for on a prospective basis.

Customer conversion costs associated with enabling customers to receive its processing services are capitalised and amortised over the average life of the customer.

The useful lives applied by the Company are as follows:

- Customer relationships	3 to 20 years
- Brands	7 to 10 years
- Software & licences	3 to 10 years
- Customer conversion	3 to 5 years

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Other intangible assets *(continued)*

Change in estimates-

During the 2021, the estimated UEL for specific assets within computer and software was assessed and revised to be shorter than initially assigned to the assets when first recognised. Management reviewed all assets in line with Group investment strategy and certain assets were considered non-strategic to the Group. The date at which they were expected to fully amortise was revised to 31 December 2022, and the UELs and amortisation charges were revised accordingly. The change in UEL has led to an amortisation charge recognised in the year of $13.7m (2021: $6.9m) in excess of the charge, had the UEL remained unchanged.

Development costs are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. These development costs are related to the design and testing of identifiable software products controlled by the Group, inclusive of directly attributable employee costs, before being recognised as intangible assets. However, any costs incurred in the research phase or as maintenance are expensed as incurred.

1.9 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
- Terminals	3 to 5 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.

1.10 Impairment of other 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.

1.11 Cash and cash equivalents

Cash and cash equivalents comprise 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.

1.12 Trading assets and liabilities

Merchant float, scheme debtors and merchant creditors

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

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Trading assets and liabilities*(continued)*

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.

Scheme debtors consist primarily of:

- Receivables from the card networks for transactions processed on behalf of customers, where that customer is a member of that particular network;
- Receivables from the card networks for transactions where they have funded customers in advance of receipt of card association funding (by exception); and
- Other net receivables from the schemes.

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 scheme or 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 subsequently held at amortised cost, less any provision for bad or doubtful debts. Provisions for bad or doubtful debts are presented net with the related receivable on the balance sheet. Trade receivables primarily include amounts due from merchants for services provided to process transactions between the cardholder and an acquiring bank.

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.

1.13 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.

1.14 Financial instruments

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.15 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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.16 Foreign exchange reserve

The foreign exchange reserve includes the cumulative effect of translating the results and financial position of the Irish VAT registration into the presentation currency of the Company.

2 Turnover

	2022	2021
	£m	£m
Transaction service charges	**2,080.9**	1,516.1
Treasury management & foreign exchange services	**188.4**	89.0
Terminal rental fees	**41.4**	42.9
Ancillary income	**120.2**	104.0
Interchange fees	**(1,325.8)**	(835.5)
Scheme fees	**(385.5)**	(294.5)
Revenue earned from transfer pricing with fellow group companies	**410.5**	243.2
	1,130.1	865.2

All turnover is generated within the United Kingdom.

3 Operating profit

Operating profit for the year is stated after charging:	**2022** **£m**	2021 £m
Amortisation of intangible assets	**149.0**	136.0
Depreciation of right of use assets (note 13)	**3.7**	3.7
Depreciation of other tangible fixed assets	**22.5**	25.7
Bad debt charge and similar charges	**29.5**	17.8
Research & development expenditure	**9.4**	11.0

For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies, consequently, there was no auditor's remuneration *(2021: £nil)*

4 Employee numbers and costs

	2022	2021
The average number of employees (including Directors) during the period was:		
Staff	**3,052**	2,996

Their aggregate remuneration comprised:	**2022** **£m**	2021 £m
Wages and salaries (including redundancy costs)	**282.9**	256.1
Social security costs	**27.5**	23.0
Pension costs	**14.3**	9.4
Share based payments	**9.5**	8.8
	334.2	297.3

Included in the amounts disclosed above are £146.1m *(2021: £96.1m)* of staff costs that were capitalised within intangible assets.

Notes *(continued)*

5 Directors' remuneration

Not all of the Directors of the Company are employed by the Company and receive specific remuneration for their services to this Company. For such Directors, it is not possible to apportion their total remuneration paid to them as Directors of the Company. For those Directors who are employed by the Company, they received a combined remuneration of £3,040,000 (2021: £1,712,000) and the highest paid Director was £1,175,000 (2021: £608,000).

6 Visa Europe

Disposal of Visa Europe shares

On 21 June 2016, the Company disposed of its interest in Visa Europe to Visa Inc. and received a mixture of cash and non-cash consideration valued at €1,051.3m. The consideration is made up of €589.7m up-front cash, €405.4m of Series B preferred shares in Visa Inc. and €56.2m deferred cash which was received in the prior year. €547.5m of the up-front cash consideration and all of the preferred shares may be reduced by any final settlement of potential liabilities relating to ongoing interchange-related litigation involving Visa Europe. On disposal of the Visa Europe shares, the Company along with the other former members of Visa Europe, entered into a Litigation Management Deed (LMD). Under this arrangement, potential losses from Visa Europe interchange litigation will be set against the preferred shares, through adjusting the ratio of conversion to ordinary shares. A Loss Sharing Agreement (LSA) entered into by Worldpay, along with the ten other largest UK members of Visa Europe, provides a second level of protection to Visa Inc., capped at the €547.5m of up-front cash consideration.

Contingent Value Rights (CVRs)

The holder of the CVR (a separate class of share capital in the Company) is entitled to 90% of the net post-tax proceeds of the disposal in accordance with the terms of the CVR (subject to the Company's right of retention), with Worldpay retaining 10% of the net proceeds. The settlement of the CVR liability could take up to 12 years dependant on the settlement of the claims under the LSA.

The CVR is non-voting and is not convertible into ordinary shares. Given the nature of the CVR, it is classified as a financial liability recognised initially at fair value and subsequently at amortised cost, with the gain or loss recognised in 'Finance costs – CVR liabilities' in the Company's profit and loss account.

Transactions in 2020 and 2022

On 17 September 2020, the Group executed an amendment ("the amendment") with the CVR holder to pay approximately one-third of the cash consideration component of the CVR liability, or €156.5m and $7.9m, to the CVR holder upon amendment execution and to pay the remaining approximately two-thirds of the cash consideration on 12 October, 2027, subject to reduction due to losses incurred by Visa Inc. relating to the litigation. The partial payment of the cash consideration was record as a reduction of the CVR liability. The amendment also removed the segregated cash requirement resulting in no restricted cash recorded at 31 December 2022 (2021: £nil). Additionally, as Visa Inc. releases preferred stock for conversion not common stock, over time and subject to any losses incurred by Visa Inc. relating to the litigation, 90% of the net-of tax proceeds from the sale of the common stock will be paid to the CVR holder in accordance with the amendment.

In October 2020 Visa Inc. released a portion of the preferred stock that was converted into common stock. The company sold the common stock for $552m and paid 90% of the net-of-tax proceeds of $403m to the CVR holder. The sale of stock and related payment to the CVR holder was recorded as a reduction of the CVR related assets and CVR liability, respectively, for the year ended 31 December 2020.

In August 2022 Visa Inc. released a further portion of the preferred stock that was converted into common stock. The company sold the common stock for $269m and paid 90% of the net-of-tax proceeds of $196m to the CVR holder. The sale of stock and related payment to the CVR holder was recorded as a reduction of the CVR related assets and CVR liability, respectively, for the year ended 31 December 2022.

Notes *(continued)*

6 Visa Europe *(continued)*

Accounting treatment

Consideration from disposal of Visa Europe shares

All balances have been revalued to period end rates in the Company's balance sheet as at 31 December 2022.

The preference shares received on disposal of the interest in Visa Europe has been recognised as a financial asset in debtors. It has been recognised at fair value initially and has been classified as fair value through profit and loss. Subsequent movements on the fair value of the preferred shares are recognised in interest receivable and similar income and the movement on the CVR liability is recognised in interest payable and similar charges in the Company's profit and loss account. The value of the Visa Inc. preference shares is based on the expected conversion ratio which will be adjusted by Visa Inc. based on the potential losses from Visa Europe interchange litigation under the LMD. Any excess of potential losses from Visa Europe interchange litigation under the LSA has been included in provisions.

When measuring the fair values of the financial asset – Visa Inc. preference shares as well as the LSA liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Visa Inc. preference shares are classified as Level 3 as the valuation is dependent upon both the value of Visa Inc. ordinary shares, which have a quoted price, and the conversion ratio which will be adjusted for potential losses from Visa Europe interchange litigation under the LMD, for which there are no identical transactions with regularly available market prices. The LSA liability is classified as Level 3 due to the lack of identical transactions with regularly available market prices.

In order to fair value the Visa Inc. preference shares and the LSA liability as at 31 December 2022, the Directors have considered all new information available to them since the 2021 Annual report and financial statements was published including public announcements and disclosures made by Visa Inc. The Directors have considered a range of potential outcomes, including the likely value of the potential level of losses from Visa Europe interchange litigation that the Company may be liable for, and calculated a weighted average and have concluded that the estimates and assumptions applied to the LMD and LSA should remain consistent with the prior year.

It is reasonably possible that, if the Visa Europe interchange litigation progresses within the next financial year and more information becomes available about the likely value of the potential losses, changes in assumptions determining the fair value could require a material adjustment to the carrying amount of the Visa Inc. preference shares and the LSA liability. The uncertainties inherent in the determination of the fair value of the Visa Inc. preference shares and the LSA liability will not be resolved until the obligations under the LMD and LSA are extinguished which is dependent upon final resolution of all related claims.

CVR liability

The CVR liability has been classified as a financial liability recognised initially at fair value and subsequently at amortised cost based on a re-estimation of future cash-flows, with any changes being recognised in interest payable and similar charges in the profit and loss account.

Notes *(continued)*

6 Visa Europe *(continued)*

Conclusion

Based on the above, the following has been recognised in the Company's financial statements:

Balance sheet	**2022**	2021
	£m	£m
Non-current assets		
Financial assets – Visa Inc. preference shares	**45.8**	145.7
Current Assets		
Cash at bank and in hand	**6.9**	8.3
Current Liabilities		
Current tax liabilities	**(8.1)**	(8.1)
Accruals	**(0.3)**	(0.3)
Financial liabilities – CVR liabilities – cash	**(5.2)**	(5.3)
Financial liabilities – CVR liabilities – dividends	**(0.4)**	(2.5)
Financial liabilities – CVR liabilities – shares	**(30.9)**	(98.3)
Deferred tax liabilities	**(11.5)**	(36.4)
Net CVR Liabilities	**(3.7)**	3.1

Income Statement	**2022**	2021
	£m	£m
Fair value (loss)/gain on Visa Inc. preference shares	**119.0**	94.2
Foreign exchange gains / (losses)	**(0.7)**	-
Dividend income on Visa Inc. preference shares	**1.9**	2.2
CVR finance costs	**(90.2)**	(60.7)
Profit before taxation	**30.0**	35.7
Tax charge CT	**(42.2)**	-
Tax charge DT	**25.0**	(26.6)
Profit after taxation	**12.8**	9.1

Sensitivity analysis

The fair value of the 'Financial assets – Visa Inc. preference shares and related component of the CVR liabilities is sensitive to significant estimates and inputs. At the reporting date, the Directors have assessed that reasonably possible changes to key assumptions could result in a reduction of the valuation of the preference shares to nil. Changes to the value of the Visa Inc. preference shares have an offsetting impact in the value of the related component of the CVR liabilities.

7 Interest receivable and similar income

	2022	2021
	£m	£m
Interest receivable from other Group companies	**10.1**	0.7
Dividend income on Visa Inc. preference shares (note 6)	**1.9**	2.2
Fair value gain on Visa Inc. preference shares (note 6)	**119.0**	94.2
	131.0	97.1

Notes *(continued)*

8. Interest payable and similar charges

	2022 **£m**	2021 £m
Interest payable to other Group companies	**14.0**	7.9
Interest payable on external borrowings	**0.3**	0.1
Lease interest	**1.0**	-
Foreign exchange loss	**20.3**	16.8
CVR finance costs (note 6)	**90.2**	60.7
	125.8	85.5

9 Taxation

Recognised in the profit and loss account

	2022 **£m**	**2022** **£m**	2021 £m	2021 £m
Current tax				
UK corporation tax charge for the year	**119.5**		21.2	
Adjustments in respect of prior periods	**1.9**		2.7	
Total current tax charge		**121.4**		23.9
Deferred tax				
Charge for the year	**(22.4)**		16.5	
Effect of changes in tax rates	**(2.8)**		13.2	
Adjustments in respect of prior periods	**(3.3)**		2.5	
Total deferred tax charge		**(28.5)**		32.2
Tax on profit		**92.9**		56.1

Reconciliation of effective tax rate

	2022 **£m**	2021 £m
Profit	**423.3**	352.0
Tax charge using the UK corporation tax rate of 19.00% *(2021: 19.00%)*	**80.4**	66.9
Effect of changes in tax rates	**(3.3)**	13.2
Non-deductible expenses	**0.6**	1.1
Income not taxable	**(0.7)**	(1.1)
Adjustment in respect of prior periods	**(0.9)**	5.2
Visa Europe non-deductible CVR obligations	**16.9**	11.1
Share Options	**(0.1)**	0.5
Group relief claimed from other Group companies for nil consideration	**-**	(40.8)
Total tax charge for the year	**92.9**	56.1

Notes *(continued)*

9 Taxation *(continued)*

Factors affecting future tax charges

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

10 Dividends

	2022 £m	2021 £m
Dividend on ordinary £1 shares of £ 0.1620 per share *(2021: £ 0.1591 per share)*	**167.4**	164.4
	167.4	164.4

11 Goodwill

	£m
Cost and net book value	
As at 1 January 2022	617.8
Foreign exchange movement	-
As at 31 December 2022	**617.8**

12 Other intangible assets

	Customer conversions £m	Customer relationships £m	Software & licences £m	Total £m
Cost				
At 1 January 2022	8.3	326.0	925.2	1,259.5
Additions	8.8	-	191.0	199.8
Disposals	-	-	(32.4)	(32.4)
At 31 December 2022	**17.1**	**326.0**	**1083.8**	**1,426.9**
Amortisation				
At 1 January 2022	(4.7)	(219.6)	(403.4)	(627.7)
Amortisation charge for the year	(1.6)	-	(147.4)	(149.0)
Disposals	-	-	32.4	32.4
At 31 December 2022	**(6.3)**	**(219.6)**	**(518.4)**	**(744.3)**
Net book value				
At 31 December 2021	3.6	106.4	521.8	631.8
At 31 December 2022	**10.8**	**106.4**	**565.4**	**682.6**

At 31 December 2022, £67.4 (2021: £78.3m) of intangible assets under the course of construction are shown within software & licences. These assets are not yet being amortised. £96.4m was transferred from assets under construction to software and licences during the period.

Notes *(continued)*

13 Tangible assets

	Leasehold improvements £m	Right of use assets £m	Computers & other equipment £m	Total £m
Cost				
At 1 January 2022	17.3	34.7	253.0	305.0
Additions	2.6	-	13.4	16.0
Disposals/Impairment	(0.1)	(0.1)	(0.9)	(1.1)
At 31 December 2022	**19.8**	**34.6**	**265.5**	**319.9**
Depreciation and impairment				
At 1 January 2022	(14.3)	(14.6)	(183.4)	(212.3)
Depreciation charge for the year	(0.5)	(3.7)	(22.0)	(26.2)
Disposals	-	-	0.2	0.2
At 31 December 2022	**(14.8)**	**(18.3)**	**(205.2)**	**(238.3)**
Net book value				
At 31 December 2021	3.0	20.1	69.6	92.7
At 31 December 2022	**5.0**	**16.3**	**60.3**	**81.6**

At 31 December 2022, £5.1m *(2021: £3.1m)* of tangible assets under the course of construction are shown within computers & other equipment. These assets are not yet being amortised.

When assets under the course of construction become available for use, they are analysed as to whether the initial classification as either computers and office equipment within property, plant and equipment, or computer software within intangible assets remains the most appropriate. For assets brought into use in 2022, it was determined that the most appropriate classification was computer software for £25.4 of such assets *(2021: £10.9m)* and these have been allocated accordingly.

14 Debtors

	2022 £m	2021 £m
Trade receivables	**170.4**	230.5
Provision for bad and doubtful debts	**(6.4)**	(86.3)
	164.0	144.2
Amounts owed from Group companies	**1,097.0**	1,183.8
Scheme debtors	**837.5**	98.3
Other debtors	**30.3**	19.1
Corporation tax	**19.6**	15.7
Prepayments and accrued income	**23.7**	36.6
Financial assets – Visa Inc. preference shares (note 6)	**45.8**	145.7
	2,217.9	1,643.4

Debtors include financial assets – Visa Inc. preference shares of £45.8m *(2021: £145.7m)*. Amounts owed from Group companies are unsecured and repayable on demand.

Notes *(continued)*

15 Creditors: amounts falling due within one year

	2022 £m	2021 £m
Lease liabilities	**5.2**	6.2
Trade payables	**10.7**	14.3
Merchant creditors	**1,214.5**	570.1
Amounts owed to Group companies	**940.9**	847.5
Other creditors	**224.5**	57.2
Accruals and deferred income	**90.5**	220.1
	2,486.3	1,715.4

Included in Amounts owed to Group companies are £36.5m *(2021: £106.1m)* of financial liabilities relating to the Contingent Value Rights (note 6). Amounts owed to Group companies are unsecured and repayable on demand.

16 Creditors: amounts falling due after one year

	2022 £m	2021 £m
Lease liabilities	**22.2**	27.1
	22.2	27.1

17 Deferred tax assets / (liabilities)

	Accelerated capital allowances £m	**Provisions / Other £m**	**Intangible assets £m**	**Visa Europe £m**	**Total £m**
At 1 January 2022	17.5	2.0	(50.2)	(36.5)	**(67.2)**
Adjustments in respect of prior years	1.5	-	1.4	-	**2.9**
Adjustments in respect of rate change	(1.0)	0.2	(1.9)	6.0	**3.3**
Charge to the profit & loss account	(3.0)	(0.2)	6.6	19.0	**22.4**
At 31 December 2022	**15.0**	**2.0**	**(44.1)**	**(11.5)**	**(38.6)**
Analysis of balance					
Deferred tax asset	15.0	2.0	-	-	**17.0**
Deferred tax liability	-	-	(44.1)	(11.5)	**(55.6)**
At 31 December 2022	**15.0**	**2.0**	**(44.1)**	**(11.5)**	**(38.6)**

Notes *(continued)*

18 Provisions for liabilities

	Other Trade liabilities £m	Total £m
At 1 January 2022	5.2	5.2
Additions	1.3	1.3
At 31 December 2022	**6.5**	**6.5**

	At 31 Dec.2022 £m	At 1 Jan.2022 £m
Analysis of balance		
Amounts falling due within one year	**6.5**	5.2
Amounts falling due after more than one year	-	-
	6.5	5.2

19 Share capital

	No.	£m
Allotted, called up and fully paid		
At 1 January & 31 December 2022	**1,033,629,020**	**1,033.6**

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.

There is a single CVR share in issue of £1. This share has the characteristics of a financial liability and is therefore not recognised within equity. It carries no voting rights unless with regard to matters relating to the winding up of the Company in which case the holder is entitled to one vote.

20 Share premium

	£m
At 1 January 2022	**87.3**
Issue of shares	-
	87.3

Notes *(continued)*

21 Leases

Leases as lessee

Leased assets and liabilities recognised represents contracts entered into by the Company for its office properties, IT equipment and terminals. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The Balance Sheet and the Income Statement show the following amounts in respect of leases during the year ended 31 December 2022:

Right of use assets

	£m
Carrying Amount	
At 1 January 2022	20.1
Additions	-
Depreciation Charge	(3.7)
At 31 December 2022	**16.4**

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	£m
2022 - Leases under IFRS 16	
Interest expense on lease liabilities	**1.0**
	1.0
2021 - Leases under IFRS 16	
Interest expense on lease liabilities	1.2
	1.2

Lease liabilities are presented in the balance sheet as follows:

	2022 **£m**	2021 £m
Current	**3.2**	3.8
Non-current	**23.2**	27.8
	26.4	31.6

22 Related parties

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

Notes *(continued)*

23 Ultimate parent company and controlling party

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

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

Copies of the financial statements of Fidelity National Information Services, Inc. can be obtained from 347 Riverside Avenue, Jacksonville, FL 32202, USA.

24 Post Balance Sheet events

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