Worldpay Group Limited

Annual report and financial statements
Registered company number 08762327
31 December 2018

Contents

Company information

Directors	BA Jacobs	(appointed 15 March 2019)
	JM Warner	(appointed 16 January 2018)
Secretary	Worldpay Governance Limited	
Country of registration	England and Wales	
Company number	08762327	
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 Group Limited ("the Company") present their Strategic report for the year ended 31 December 2018.

Change of control

On 16 January 2018, the Company 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

Since its acquisition by Worldpay Inc. on 16 January 2018 the Company, previously the ultimate holding company of the Worldpay Group, became an intermediary holding company of the larger Group.

Dividends

Dividends of £1,565.8m were paid during the year ended 31 December 2018 (*2017: £42.7m*). A further dividend of £76.7m was paid on 22 February 2019.

Capital reconstruction

On 12 December 2018, the whole of the share premium account was cancelled by special resolution. The balance of £1,250.6m was transferred to the Profit & loss account.

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.

As a result of the acquisition by Worldpay in January 2018, the company incurred legal & professional fees of £36.8m *(2017: £12.2m)*. Following receipt of inter-company dividends of £1,138.0m *(2017: nil)*, profit after tax for the year was £1,044.1m *(2017: loss £14.8m)* and net assets of £1,572.8m *(2017: £1,707.2m)*.

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.

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.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Industry *(continued)*

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 licence in existing markets or not grant new licences in prospective markets
- Failure to operate franchise licences to required specifications may lead to lower acceptance rates and therefore potential reputational damage and customer impact

Legal

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

Risk appetite

Worldpay will comply with the spirit and letter of the laws that apply to us. In areas of uncertainty or ambiguity, 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.

Credit

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

Risk appetite

Worldpay budgets for credit loss on an annual basis, however 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.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Credit *(continued)*

Potential impacts

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

Data security

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

Risk appetite

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

Potential impacts

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

Technology

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

Risk appetite

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

Potential impacts

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

Scale of change

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

Risk appetite

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

Potential impacts

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

Third parties

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

Risk appetite

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

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Third parties *(continued)*

Potential impacts

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

People

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

Risk appetite

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

Jared M. Warner

JM Warner
Director

17 May 2019

Directors' report

The Directors of Worldpay Group Limited ("the Company") 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 and Secretary who held office during the period and to the date of signing of these financial statements were as follows:

Directors	
JM Allan	(Resigned 16 January 2018)
N Greene	(Appointed 16 January 2018) (Resigned 15 March 2019)
BA Jacobs	(Appointed 15 March 2019)
PER Jansen	(Resigned 16 January 2018)
RM Kalifa	(Resigned 16 January 2018)
CRK Medlock	(Resigned 7 March 2018)
AJ Murray	(Resigned 16 January 2018)
DW Oppenheimer	(Resigned 16 January 2018)
MDV Rake	(Resigned 16 January 2018)
KA Richardson	(Resigned 16 January 2018)
MA Scicluna	(Resigned 16 January 2018)
JM Warner	(Appointed 16 January 2018)
Secretary	
DR Woodward	(Resigned 19 March 2018)
Worldpay Governance Ltd	

Dividends

Dividends of £1,565.8m were paid during the year ended 31 December 2018 (*2017: £42.7m*). A further dividend of £76.7m was paid on 22 February 2019.

Share issue

In March 2018, the Company issued 85,345,120 ordinary shares of £0.03p, increasing issued share capital and share premium by £2.6m and £366.8m respectively.

Capital reconstruction

On 12 December 2018, the whole of the share premium account was cancelled by special resolution. The balance of £1,250.6m was transferred to the Profit & loss account.

Future developments

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

Change of control

On 16 January 2018, the Company 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.

Throughout 2017, and prior to the merger, the Company's ordinary shares were listed on the premium segment of the Official List and traded on the London Stock Exchange's main market. This listing and the admission to trading of Worldpay shares on the London Stock Exchange's main market, were suspended with effect from 7.30am (London time) on 15 January 2018 and were cancelled with effect from 8.00am on 16 January 2018.

The Company (previously called Worldpay Group plc) was also re-registered as Worldpay Group Limited on the same day.

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.

Directors' report *(continued)*

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 U.K. and the European Union. The impact of Brexit and the resulting effect on the political and economic future of the U.K. 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 U.K. 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 U.K.'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.

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

Jared M. Warner

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

17 May 2019

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 Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Worldpay Group Limited (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 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 18.

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 Group Limited *(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 for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared 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.

AJMorley

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

	Notes	2018 £m	2017 £m
Administrative expenses		**(81.4)**	(27.7)
Operating loss	2	**(81.4)**	(27.7)
Income from shares in Group undertakings		**1,138.0**	-
Interest receivable and similar income	6	**5.4**	12.9
Interest payable and similar charges	7	**(20.2)**	-
Profit/(loss) before taxation		**1,041.8**	(14.8)
Taxation	8	**2.3**	-
Profit/(loss) for the year		**1,044.1**	(14.8)

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 27 form an integral part of these financial statements.

Balance sheet
at 31 December 2018

	Notes	**2018**	**2018**	2017	2017
		£m	**£m**	£m	£m
Non-current assets					
Investments	*10*	**2,084.6**		1,715.3	
Deferred tax assets	*14*	**2.7**		0.4	
			2,087.3		1,715.7
Current assets					
Debtors	*11*	**195.9**		27.8	
Other assets	*12*	**18.4**		-	
Cash at bank and in hand		**5.8**		0.4	
Cash at bank and in hand – held in relation to CVR holders		**371.2**		366.4	
		591.3		394.6	
Creditors: amounts falling due within one year	*13*	**(629.6)**		(23.6)	
Provisions for liabilities CVR liabilities	*5*	**(476.2)**		(379.5)	
Net current liabilities			**(514.5)**		(8.5)
Net assets			**1,572.8**		1,707.2
Capital and reserves					
Share capital	*15*		**62.6**		60.0
Share premium	*16*		**-**		883.8
Own shares			**-**		(30.4)
Capital contribution reserve			**31.4**		31.4
Profit and loss account			**1,478.8**		762.4
Shareholders' funds			**1,572.8**		1,707.2

The accompanying notes on pages 14 to 27 form an integral part of these financial statements.

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

Jared M. Warner

JM Warner
Director
Company number: 08762327

17 May 2019

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

	Share capital £m	Share premium £m	Own shares £m	Capital contribution reserve £m	Profit & loss account £m	Total equity £m
At 1 January 2017	60.0	883.8	(30.6)	31.4	811.6	1,756.2
Loss for the year	-	-	-	-	(14.8)	(14.8)
Distribution of own shares	-	-	0.2	-	(0.2)	-
Share based payments	-	-		-	8.5	8.5
Dividend paid	-	-	-	-	(42.7)	(42.7)
At 31 December 2017	60.0	883.8	(30.4)	31.4	762.4	1,707.2
Issue of share capital (note 15)	2.6	366.8	-	-	-	369.4
Capital reduction (note 16)	-	(1,250.6)	-	-	1,250.6	-
Profit for the year	-	-	-	-	1,044.1	1,044.1
Distribution of own shares	-	-	0.3	-	(0.3)	-
Conversion to Worldpay, Inc. shares	-	-	5.8	-	-	5.8
Transferred to/(from) other assets (note 12)	-	-	24.3	-	(12.2)	12.1
Share based payments	-	-	-	-	-	-
Dividends paid (note 9)	-	-	-	-	(1,565.8)	(1,565.8)
At 31 December 2018	**62.6**	**-**	**-**	**31.4**	**1,478.8**	**1,572.8**

The accompanying notes on pages 14 to 27 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

Basis of preparation

Worldpay Group Limited ("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 in 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's immediate parent company is Worldpay International 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.

Critical judgements in applying the Company's accounting policies

- 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.

Notes *(continued)*

1 Accounting policies *(continued)*

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

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 2018, 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 5.

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.
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 the standard.

Notes *(continued)*

1 Accounting policies *(continued)*

Impact of new accounting standards (continued)

(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).

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.

Notes *(continued)*

1 Accounting policies *(continued)*

(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.

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 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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Employee benefit *(continued)*

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.

1.3 Taxation

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

Current tax

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

Deferred tax

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

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

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

1.4 Investments in subsidiary undertakings

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

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.

1.5 Cash and cash equivalents

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

1.6 Trading assets and liabilities

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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 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.

1.8 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.

1.9 Capital contribution reserve

During the IPO process, £38.1m was received from the former parent companies to fund various share award schemes the Group granted.

1.10 Own shares held in Employee Benefit Trust (EBT)

Prior to the acquisition by Worldpay, Inc., consideration for any ordinary shares of the Company held by the EBT was deducted from equity attributable to the owners of the Company until the shares were cancelled or reissued. As part of the acquisition, the ordinary shares of the Company were converted to Worldpay, Inc. shares and were reclassified as other assets, within current assets.

The EBT purchased the Group's shares in order to hedge the cash outflow upon the exercise of a share option or a share award. For awards in 2018, no shares were purchased by the EBT.

2 Expenses and auditor's remuneration

	2018 £m	2017 £m
Operating loss for the year is stated after charging:		
Legal and professional fees	**36.8**	12.2
The analysis of auditor's remuneration is as follows:		
Auditor's remuneration for audit services - company	-	0.5
Total fees	-	0.5

3 Employee numbers and costs

	2018	2017
The average number of employees (including Directors) during the period was:		
Staff	**18**	27

Notes *(continued)*

3 Employee numbers and costs *(continued)*

Their aggregate remuneration comprised:	2018 £m	2017 £m
Wages and salaries (including redundancy costs)	14.6	9.7
Social security costs	3.5	1.4
Pension costs	0.9	0.9
Share based payments	22.0	3.2
	41.0	15.2

4 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 £40.7m *(2017: £6.5m)*. The highest paid director received £16,531,000 *(2017: £2,754,000)*.

5 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 will be paid in three years. €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.

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 2018.

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.

Notes *(continued)*

5 Visa Europe *(continued)*

- 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 2018, the Directors have considered all new information available to them since the 2017 Annual report and financial statements was published including public announcements and disclosures made by Visa Inc. The Visa Inc. 10K for the year ended 30 September 2018 stated that they do not expect the total damages sought in the outstanding claims that have been issued to be less than one billion Euros. 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.

Conclusion

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

Balance sheet	**2018**	2017
	£m	£m
Assets		
Cash at bank and in hand – held in relation to CVR holders	**371.2**	366.4
Amounts owed from Group companies	**194.9**	114.2
Liabilities		
Financial liabilities – CVR liabilities	**(476.2)**	(379.5)
Net assets	**89.9**	101.1

Notes *(continued)*

5 Visa Europe *(continued)*

Profit and loss account	**2018**	2017
	£m	£m
Interest receivable and similar income		
Foreign exchange gains	5.0	12.9
Interest payable and similar charges		
CVR finance costs	(16.2)	-
(Loss) / Profit before taxation	(11.2)	12.9
Taxation	-	-
(Loss) / Profit after taxation	(11.2)	12.9

Sensitivity analysis

At the reporting date a 5% swing in the valuation of the LSA, one of the significant unobservable inputs, holding other inputs constant, would result in a change in the valuation of the disposal of £23.6m and an impact on profit after tax of £2.4m (after adjusting for the change in the intra-Group debt due to the underlying CVR liability of £21.2m in a fellow Group company).

6 Interest receivable and similar income

	2018	2017
	£m	£m
Interest receivable from other Group companies	0.4	-
Foreign exchange gain on Visa Europe transaction (note 5)	5.0	12.9
	5.4	12.9

7 Interest payable and similar charges

	2018	2017
	£m	£m
Interest payable to other Group companies	2.6	-
Foreign exchange losses	1.4	-
CVR finance costs (note 5)	16.2	-
	20.2	-

Notes *(continued)*

8 Taxation

Recognised in the profit and loss account

	2018 £m	2017 £m
Current tax		
UK corporation tax charge for the year	-	-
Total current tax charge	-	-
Deferred tax		
Credit for the year	(1.3)	(0.4)
Adjustments in respect of prior periods	(1.0)	0.4
Total deferred tax credit	(2.3)	-
Tax on profit/(loss)	(2.3)	-

Reconciliation of effective tax rate

	2018 £m	2017 £m
Profit/(loss)	1,041.8	(14.8)
Tax charge using the UK corporation tax rate of 19.00% *(2017: 19.25%)*	197.9	(2.8)
Non-taxable income	(216.2)	(2.9)
Non-deductible expenses	10.4	2.6
Deferred tax adjustment in respect of prior periods	(1.0)	0.4
Group relief surrendered from other Group companies for nil consideration	6.6	2.7
Total tax credit for the year	(2.3)	-

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

The following dividends were paid:

	2018 £m	2017 £m
Interim dividend paid on 27 June 2017 on ordinary £0.03 shares of £0.0135 per share	-	26.8
Interim dividend paid on 23 October 2017 on ordinary £0.03 shares of £0.0080 per share	-	15.9
Interim dividend paid on 16 January 2018 on ordinary £0.03 shares of £0.5884 per share	1,176.8	-
(In connection with, and conditional upon the merger, the Company paid a special dividend paid on 29 January 2018 on ordinary £0.03 shares of £0.042 per share)	83.5	-
Interim dividend paid on 29 March 2018 on ordinary £0.03 shares of £0.0288 per share	60.0	-
Interim dividend paid on 15 May 2018 on ordinary £0.03 shares of £0.229 per share	47.7	-
Interim dividend paid on 28 June 2018 on ordinary £0.03 shares of £0.0138 per share	28.7	-
Interim dividend paid on 27 September 2018 on ordinary £0.03 shares of £0.0157 per share	32.8	-
Interim dividend paid on 15 November 2018 on ordinary £0.03 shares of £0.0368 per share	76.8	-
Interim dividend paid on 19 December 2018 on ordinary £0.03 shares of £0.0285 per share	59.5	-
	1,565.8	42.7

Notes *(continued)*

10 Investments

	Investments in Group undertakings £m
Cost and net book value	
At 1 January 2018	1,715.3
Additions	369.3
At 31 December 2018	**2,084.6**

In January 2018, the Company increased its investment in Ship Luxco 2 Sarl.

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).

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

Company name	Country of Incorporation /registration	Registered place of business	Ordinary shares held
Worldpay Governance Ltd [4]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Worldpay (UK) Ltd [3]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Worldpay Ltd [3]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Worldpay AP Ltd [3]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Payment Trust Ltd [3]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Ship Holdco Ltd [1]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Ship Midco Ltd [1]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Worldpay Finance plc [2]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Worldpay eCommerce Ltd [1]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
YESpay International Ltd [3]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Tayvin 346 Ltd [1]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Yes-Secure.com Ltd [5]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Worldpay Latin America Ltd [7]	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%
Worldpay Argentina SRL [3]	Argentina	c/o Bourel & Paris Laplace, Suipacha 1380, 2nd floor, (1011) City of Buenos Aires, Argentina	100%
Worldpay Pty Ltd [3]	Australia	TMF Corporate Services (Aust) Pty Ltd, Level 11, 50 Queen Street, Melbourne, Victoria 3000, Australia	100%
Envoy Services Pty Ltd [5]	Australia	c/o TMF Corporate Services (Aust) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney, NSW 2000, Australia	100%
Worldpay Holdings Brasil Participacoes Ltda [1]	Brazil	Rua Fidêncio Ramos, 302, Conjunto 114, Torre B, Bairro Vila Olímpia, 04551-010, São Paulo, Brazil	100%
Worldpay do Brasil Processamento de Pagamentos Ltda [3]	Brazil	Rua Fidêncio Ramos, 302, Conjunto 114, Torre B, Bairro Vila Olímpia, 04551-010, São Paulo, Brazil	100%
Envoy Services Bulgaria Ltd [5]	Bulgaria	2 Tsar Osvoboditel Blvd., 1000 Sofia, Bulgaria	100%

Notes *(continued)*

10 Investments *(continued)*

Company name	Country of Incorporation /registration	Registered place of business	Ordinary shares held
Canadian Envoy Technology Services Ltd [5]	Canada	c/o TMF Canada Payroll Inc., 204-275 Fell Avenue, North Vancouver, BC, V7P 3RS, Canada	100%
Worldpay Canada Corporation [6]	Canada	1134 Grande Allee Ouest, Suite 600, Ville de Québec, QC, G1S 1E5, Canada	100%
Worldpay Marketing Consulting (Shanghai) Co Ltd [7]	China	Suite 3601-3605, 36F, Shanghai International Center, Tower 2, No.8 Century Avenue, Pudong, Shanghai PRC, China.	100%
Envoy Services Denmark APS [5]	Denmark	c/o Beierholm, Gribskovvej 2, 2100 København Ø, Denmark	100%
Worldpay SARL [7]	France	3 Rue St Georges, 75009, Paris, France	100%
Worldpay (HK) Ltd [3]	Hong Kong	36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	100%
Worldpay India Private Ltd [6]**	India	L-2A Hauz Khas Enclave, New Delhi, 110016, India	100%
Bibit Payments KK [5]	Japan	3rd Floor, Sanno Park Tower, 11-1, Nagatacho 2-chome, Chiyoda-ku, Tokyo, Japan	100%
Worldpay KK [3]	Japan	3rd Floor, Sanno Park Tower, 11-1, Nagatacho 2-chome, Chiyoda-ku, Tokyo, Japan	100%
Worldpay Jersey Ltd [1]*	Jersey	IFC 1, Level 1, Esplanade, St Helier, Jersey, JE2 3BX	100%
Ship Luxco 2 SARL [1]	Luxembourg	4 Rue Jean-Pierre Probst, L-2352, Luxembourg	100%
Ship Luxco 3 SARL [1]	Luxembourg	4 Rue Jean-Pierre Probst, L-2352, Luxembourg	100%
Worldpay BV [3]	Netherlands	Claude Debussylaan 16, 1082 MD, Amsterdam, Netherlands	100%
Worldpay (NZ) Ltd [3]	New Zealand	c/o TMF Group, Level 12, 55 Shortland Street, Auckland 1010, New Zealand	100%
Worldpay Pte Ltd [3]	Singapore	80 Raffles Place, #28-03, UOB Plaza, Singapore, 48624, Singapore	100%
Envoy Services South Africa (Pty) Ltd [5]	South Africa	3rd Floor, 200 on Main, Cnr Bowwood and Mains Road, Claremont, Cape Town, 7708, South Africa	100%
Bibit Spain SL [5]	Spain	Jorge Juan 30, 28001, Madrid, Spain	100%

* Worldpay Ltd, a company incorporated in Jersey, was renamed Worldpay Jersey Ltd in August 2018.

** YESpay IT Services (India) Private Ltd, a company incorporated in India, was renamed Worldpay India Private Ltd in August 2018

	Nature of business
1	Holding company
2	Holding company servicing Group debt
3	Payments service provider
4	Corporate secretary of UK subsidiaries
5	Non-trading company
6	Technology testing and support
7	Business development and customer support services

11 Debtors

	2018 £m	2017 £m
Amounts owed from Group companies	194.9	27.8
Other debtors	1.0	-
	195.9	27.8

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

Notes *(continued)*

12 Other assets

	2018 £m	2017 £m
Other assets	18.4	-
	18.4	-

The Company's offshore employee benefit trust ('EBT') was used to purchase Worldpay Group Ltd shares for the benefit of employees, including satisfying outstanding awards made under its employee share plans. As at 31 December 2017, 12,278,997 shares were held in the EBT at a value of £30.4m. On 11 January 2018 135,758 shares were distributed and on 16 January, as part of the acquisition by Worldpay, Inc., the remaining shares were converted to 832,854 Worldpay, Inc. shares and the EBT received £5.8m cash. As a result, they were reclassified from own shares to other assets at a value of £24.3m. During the year the EBT distributed a further 418,529 shares. At 31 December 2018, the EBT held 414,325 Worldpay, Inc. shares at a value of £12.1m and the Company held 85,052 Worldpay, Inc. shares at a value of £6.3m.

13 Creditors: amounts falling due within one year

	2018 £m	2017 £m
Amounts owed to Group companies	622.5	4.1
Other creditors	2.9	5.8
Accruals and deferred income	4.2	13.7
	629.6	23.6

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

14 Deferred tax assets

	Total £m
At 1 January 2018	0.4
Adjustments in respect of prior years	1.0
Credit to the profit & loss account	1.3
At 31 December 2018	2.7

The Company has an unrecognised deferred tax asset of £0.8m *(2017: £0.8m)* which relates to losses carried forward. The deferred tax asset on the tax losses has not been recognised due to uncertainty over future utilisation.

Notes *(continued)*

15 Share capital

	Total No.	Total £m
Allotted, called up and fully paid ordinary shares of £0.03		
At 1 January 2018	2,000,000,000	60.0
Issue of shares	85,345,120	2.6
At 31 December 2018	**2,085,345,120**	**62.6**

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 are 1 million CVR shares in issue with a nominal value of £1.8475 each. These shares have the characteristics of a financial liability and are therefore not recognised within equity. They carry no voting rights unless with regard to matters relating to the winding up of the Company in which case the holders are entitled to one vote per share. These shares are redeemable.

16 Share premium

	£m
At 1 January 2018	883.8
Premium arising on issue of equity shares	366.8
Cancellation of premium by special resolution	(1,250.6)
At 31 December 2018	-

On 12 December 2018 the whole balance of share premium was cancelled by a special resolution.

17 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.

18 Ultimate parent company and controlling party

Worldpay International Limited is the Company's immediate parent company which is incorporated in England and Wales. On 16 January 2018, the Company 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. As at that date, 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.