

Parent for: 7330127

Worldpay International Group Limited
(the "Company")
Annual Report and Accounts 2019



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Group strategic report

Acquisition by Fidelity National Information Services, Inc. ("FIS")

On 31 July 2019, FIS acquired Worldpay, Inc. and its subsidiaries, including the Company. This made FIS the ultimate parent of the Company and its subsidiaries, together "the Worldpay International Group" or "the Group".

Through its acquisition of Worldpay, FIS is now a global leader in financial technology, solutions and services for merchants as well as banks and capital markets. The FIS acquisition brings together Worldpay's integrated technology platform with the FIS comprehensive suite of products and services serving merchants and financial institutions. The success of the acquisition is dependent on the ability of FIS to successfully integrate Worldpay, Inc. and its subsidiaries including the Group, grow the revenue of the combined groups and realise the anticipated strategic benefits and synergies from the combination. The strong global footprint of FIS has since will provided the opportunity to cross-sell across each other's' client bases and has accelerated the Worldpay growth.

Our market

The Worldpay International Group is a leader in global payments. The Worldpay International Group provides a broad range of technology-led solutions to its merchant clients to allow them to accept payments of almost any type, across multiple payment channels, nearly anywhere in the world. The Worldpay International Group serves a diverse set of merchants across a variety of end-markets, sizes and geographies.

Since the widespread adoption of payment cards in the 1960s, there has been an ongoing secular shift away from cash to non-cash and digital payments, whether made by a debit or credit card, over the internet or through a mobile device.

We believe that five themes will contribute to the long-term growth in digital payments and influence the future of commerce. The five trends are:

- The recognition of digital payments as a large, global and fast-growing market;
- Changes in technology accelerating demand from merchants for innovative payment solutions;
- Consumers embracing the seamless experience of new payments options and accelerating the pace of change through their increased expectations;
- The proliferation of alternative payment methods; and
- Market obligations increasing merchant requirements around cyber-security, risk and fraud and greater regulatory scrutiny.

In light of these developments, merchants will need to focus more on payments than ever before with payment acceptance no longer seen as a business utility but as a strategic enabler of growth and differentiation. It will be necessary to think beyond the traditional acquiring model to a new payment partner model.

The Worldpay International Group and its payment industry peers will need to adapt to this new payment partner model. This requires them to keep up with a fast-changing market and the evolving demands of merchants, consumers, regulators and other participants in the payments ecosystem. This may include adopting new technologies, developing new products and services, reconsidering business models, competing against new market entrants and assessing changes in the regulatory environment.

Our business model

The Worldpay International Group is one of the few global businesses able to offer functionality in most aspects of payment acceptance, whether in-store, online or on a mobile device, by providing access to a global payments network through an agile, integrated, secure, reliable and highly scalable proprietary global payments platform.

We serve a diverse set of merchants across a variety of end-markets, sizes and geographies. On an average day, we process over 42 million transactions worldwide (including mobile, online and in-store), offering a large variety of payment methods in multiple transaction currencies across the globe. We support a range of clients including large enterprises, domestic corporates and small and medium sized businesses. Globally, we also partner with innovative and fast-growing eCommerce businesses including many of the world's most renowned and dynamic online brands.

The Worldpay International Group operates in two principal markets within the FIS Merchant Solutions segment:

- **Global eCom** - we are a trusted partner to approximately 4,500 customers who operate in the global ecommerce market, including some of the largest, global online merchants.
- **Worldpay UK ("WPUK")** - we serve approximately 200,000 UK and Ireland-based customers ranging from small and medium-sized enterprises (SMEs) to major retailers.

Our payments capabilities include our people, our data and insights, our technology, and our network of licences, partnerships and relationships. These mean that we are strongly placed to partner with merchants to enable their growth strategies, and to derive growing, visible and recurring revenues from serving them.

We are committed to helping all our customers to:

- Increase sales
- Reduce costs
- Reduce risk.

We generate revenue by:

- Collecting fees for the transactions we process, typically based on a small percentage of the value of the transaction
- Charging fees for other services, such as hardware rental, security and fraud services, and treasury and foreign exchange services
- Charging subscription fees for access to advanced reporting and analytics
- Charging for advisory services for customers.

Our strategy

Our strategy is designed to ensure that our business remains successful in a rapidly changing market, creating sustainable value for all our stakeholders. We focus on five main areas:

1. Customers - we will continue to focus on understanding our customers and addressing their payments needs in core market segments

We focus on addressing the payments needs of specific groups of customers in larger corporates and in SMEs. For our larger corporate customers, many of whom operate internationally, our strategy is to have a deep understanding of their businesses and growth ambitions, and to address the payments complexity that comes from their negotiating multiple payment methods, currencies, channels and regulatory systems. Our SME customers are predominantly domestic and require products and services tailored to their industry. We help them to navigate the increasingly complex world of payments by providing products and services that are easy to use, which integrate into their business processes and maximise their sales opportunities.

2. Technology and products - we will further develop our technology and products to differentiate us from our competition

Technology is a fundamental strategic capability for the Worldpay International Group. We have developed our proprietary global technology platform with software created by our own engineering talent and using our in-house intellectual property. Our strategy is to continually invest in technology and products so that we can achieve better business outcomes for our customers. These investments in technology and engineering talent will extend our competitive advantage.

3. Markets - we will continue to expand in existing markets and enter new ones

We are a global payments partner to our merchant customers, providing them with integrated payments and value-added services across a broad geographic reach with a wide range of payment capabilities. Our aim is to allow them to accept any payment type their customers wish to use, in almost any country, and in nearly every currency. This is supported by our global payments network which, with local operating licences and approvals from local regulators, and simple access points into the network for merchants of any size in almost any country, represents a sustainable source of competitive advantage.

4. Business model - we will realise the full potential of our business model

We operate in strongly growing markets which present many opportunities. We are well placed to capitalise on these and realise the full potential of our business model using our scale, our unmatched global payments network, our extensive payments capabilities, our modern technology platform, and the skills of our people.

5. Investments - we will augment our growth through investments in technology

The highly cash generative nature of our business enables us to make substantial investments in delivering better outcomes for customers. Our strategy is to reinvest to support future growth and innovation and to embed new technology capabilities in the products and services we offer. We will be highly disciplined in our investment, achieving an appropriate balance between promoting strong and sustainable growth, and cost control and cash flow generation.

Resources and relationships

Our people

Our global workforce is the engine powering the Group mission of advancing the way the world pays, banks and invests. We are committed to providing our employees with best-in-class training and innovative career development programs that enable them to flourish and achieve their personal career goals. As part of the FIS family, The Worldpay International Group provides comprehensive benefits and a welcoming, inclusive workplace where we celebrate diversity to attract and retain the highest quality people to further our mission.

We recognise the importance of developing a qualified workforce to power continued growth and innovation in the financial technology industry. We are strong supporters of educational and internship programs designed to help create a talent pipeline. In the UK, as part of the government's *Apprenticeship Levy program*, we are partnering with accredited providers of technology training and certification programs to provide employees with opportunities to improve their skills and combine study with work. Some of these accredited providers include QA, The Growth Company and Cranfield University.

Our recruiting initiatives also include our Associate Development Program, in which graduates join us as a full-time employee in a special two-year program that includes an onboarding "Learning Week" with participation by senior leadership and continued support and targeted training over the two-year period. In addition, we have robust Internship Programs in which students join one of our businesses and gain valuable experience working on projects and learning from colleagues.

As well as providing our employees with comprehensive learning programs for all stages of their careers, we are focussed on making sure that employees have opportunities to advance within the company as they grow. As part of our core philosophy to help make the Worldpay International Group a place that people can form long lasting careers, we have robust programs in place for managing performance, gathering feedback, developing leaders and tracking retention through all levels of the company

The principles of inclusion and diversity are at the heart of our People Strategy and are essential to our mission. Each colleague represents a unique combination of age, gender, gender identity, race, ethnicity, ability, language, religion, sexual orientation, education, work history, beliefs and life experiences. The diversity of our workforce helps us use our collective strengths to innovate and deliver the best products and solutions for our clients. Our clients and communities are becoming increasingly diverse, and by having an employee base that fully reflects the markets we serve, we are better able to understand and provide solutions to meet the needs of our clients.

We are committed to ensuring all of our employment practices are free of discrimination based on race, colour, gender, religion, national origin, disability, veteran status, age, marital status, sexual orientation, gender identity, genetic information or any other protected group status. The Group has strong employment policies, including our Code of Business Conduct, Equal Employment Opportunity Policy and Harassment and Discrimination Free Workplace Policy. We have Inclusion Networks, which are company-sponsored communities led by empowered and determined colleagues who share common interests, backgrounds or experiences. Currently, we have Inclusion Networks that are connected around areas such as gender, race/ethnicity, LGBTQ+ and working families, and new groups are continuing to form across the company.

Our technology

Our technology platforms allow our customers to take payments in almost any way, using almost any payment method, in almost any location. These platforms are integrated across the entire transaction process, from the capture of a payment request, to routing and authorising the transaction, and clearing and settling the funds.

The pace of the Group's technology, innovation and product development further accelerated in 2019, in support of our goal of achieving better outcomes for customers through market-leading technology. The new acquiring platform is a key part of this new technology architecture, and will deliver significant enhancements in terms of agility, flexibility and efficiency. A large volume of merchants have been migrated onto the platform, and a number of our more complex and overseas customers are on plan to migrate in 2020.

Our world

We strive to make a positive impact on the world we live in. We take a values-based approach to ethics and compliance and collaborate with industry partners to optimise our collective impact. We are focused on managing growth responsibly while reducing our dependency on natural resources, and on leveraging our core capabilities to make a difference in helping to tackle some of the key issues facing society.

We promote high legal, ethical, corporate and colleague-related standards in our business and ask our suppliers to do the same. We are committed to sustainability and promoting responsible environment, social and governmental practices (ESG). There is regular ESG reporting to our boards, and we have recently published our first ever Global Sustainability Report, which is available on our website at www.fisglobal.com/en/global-sustainability.

FIS and the Worldpay International Group are 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.

Protecting the environment for future generations is important to us and we are committed to reducing our carbon footprint as we continue to grow our business. We are implementing measures to make our offices more energy efficient, sourcing green energy options and encouraging colleagues to adopt greener ways of working, including reducing travel and promoting recycling and reuse measures. We work with data centre providers who have a responsible approach to climate change.

We are proud to dedicate our scale, infrastructure and capabilities to support initiatives and charities that support our local communities. We also provide our colleagues with one days paid leave, into their annual leave provision, so that they can volunteer for a good cause of their choice.

Our strategic partnerships

The Worldpay International Group works with a network of Strategic Partners in order to service its merchant customers. A number of strategic partners support our business globally such as the major brand networks including Visa and Mastercard. These partners support our global portfolio of merchant customers in the ecommerce and physical arenas. We work with other strategic partners on a regional and country specific basis such as local payment methods and bank sponsors who support our acquiring capabilities and breadth of payment types. Strategic partnerships help to support an integral part of our service offering globally and we look to build these networks going forward as we continue to increase our global footprint and breadth of service offering.

Our regulatory relationships

The Worldpay International Group ensures that all regulatory requirements are reviewed and taken into account while dealing with key stakeholders of the Group's regulated entities. All relevant UK and EU regulatory requirements are taken into consideration during the development of all customer facing policies and procedures. These policies and processes are then reviewed on a regular basis to ensure that any internal or external changes do not cause risk to compliance. The Worldpay International Group strives to ensure all customer facing practices comply with regulatory requirements. This includes requirements set by the FCA, PSR and European Commission.

Key decisions during 2019 - Worldpay International Group Limited (the "Company")

The Board is fully aware of its duty under s172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of members as a whole. The Worldpay Group's stakeholder engagement activities help to inform the Board's decisions, by ensuring the Directors are aware of stakeholders' interests. The Board takes a long-term view in reaching key decisions, and, when taking decisions, the Board looks to act in the interests of stakeholders as a whole and to ensure all stakeholders are fairly treated. As the Company is a holding company, it should be noted that within The Worldpay Group, key decisions around stakeholders are also considered by the Boards of Worldpay (UK) Limited, Worldpay Limited and Worldpay AP Ltd., which have fully operational Boards by virtue of the regulated status and for further detail on the activities of these Boards, please refer to the Annual Report and Accounts of each entity for the year-ended 31 December 2019, which are available at Companies House.

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 the Enterprise Risk Management Framework (ERMF) 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 Group.

Whilst the Board of Directors is ultimately responsible for the management and governance of risk across the Group, Worldpay expects every employee to be responsible for the management of risk. To facilitate this, the 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 checks that the risk management process and the risk management and internal control framework are effective and efficient.

Principal risks

Our business could be materially and adversely affected by the occurrence of a catastrophe, including natural or man-made disasters

Any catastrophic event, such as pandemic diseases, terrorist attacks, floods, severe storms or hurricanes or computer cyber-terrorism, could have a material and adverse effect on our business in several respects:

- The outbreak of a pandemic disease, like the novel coronavirus COVID-19, could have a material adverse effect on our liquidity, financial condition and the operating results of our payment processing business due to its impact on the economy. Refer to note 7c for further details;
- The occurrence of any pandemic disease, natural disaster, terrorist attack or any other catastrophic event that results in our workforce being unable to be physically located at one of our facilities could result in lengthy interruptions in our service; or
- We could experience long-term interruptions in our service and the services provided by our significant vendors due to the effects of catastrophic events, including but not limited to government mandates to self-quarantine, work remotely and prolonged travel restrictions. Some of our operational systems are not fully redundant, and our disaster recovery and business continuity planning cannot account for all eventualities. Additionally, unanticipated problems with our disaster recovery systems could further impede our ability to conduct business, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data.

Industry

Worldpay International Group'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 in these rules and regulations, could result in the loss of the card franchise support. This could result in unanticipated consequences such as loss of licences or sponsors or the inability to obtain new ones, financial penalties or reputational damage.

Risk appetite

Worldpay International Group will always seek to remain current and adhere to all franchise rules unless we are prevented from doing so by our system infrastructure. Where this is the case, Worldpay will apply for specific waivers pending full compliance.

Potential impacts

- Failure to meet payment 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 International Group'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

Worldpay International Group fails to adhere to legal requirements leading to financial and/or reputational damage.

Risk appetite

Worldpay International Group 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 International Group 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

Worldpay International Group 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 International Group 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 International Group 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

Failure to settle with merchants due to lack of availability of 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 International Group 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 loss outside of agreed appetite arising from the failure of a merchant, card franchise, partner bank or alternative payments provider to meet its obligations in accordance with agreed terms.

Risk appetite

Worldpay International Group 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 International Group's growth strategy.

Potential impacts

- Increase in credit exposure leading to increase in financial loss
- Rejection of applications leading to a 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

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

Risk appetite

Worldpay International Group 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

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

Risk appetite

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

Potential impacts

- Any disruption to the availability of Worldpay International Group's global payments 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

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 International Group 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

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

Risk appetite

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

Potential impacts

- Suppliers critical to Worldpay International Group'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

Worldpay International Group 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

Worldpay International Group loses its relative competitive position.

Risk appetite

We have no appetite for allowing Worldpay International Group'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 International Group
- Loss of customers because competitors innovate and develop new enhanced products
- Pricing and margin pressure

Acquisition by FIS

Failure to integrate Worldpay, Inc. (including the Group) successfully and/or not realising the anticipated benefits and operating synergies expected from the acquisition, which could adversely affect our business, financial condition and operating results.

Risk appetite

Worldpay International Group has no appetite to fail to successfully integrate the business and realise the synergies and strategic benefits of the acquisition.

Potential impacts

- Growth and anticipated benefits may not be realised fully, may take longer or may not be realised at all
- Additional costs of integration may be incurred impacting financial performance
- Integration of operations could adversely impact the service to customers and loss of customers

Financial Instruments

- Details of the financial risk management objectives and policies for the Group are included in Note 5e.

UK membership of the European Union

Following the UK's departure from the European Union (EU) in January 2020, we have continued to analyse what this could mean for our business. A possible effect on Worldpay continues to be macro-economic disruption, which may impact a proportion of the merchants we serve in the UK and Europe, and therefore our transactional flows. As a significant proportion of the regulatory regime we operate within comes from the EU, so the exit may also change the framework applicable to our European operations. However, given the global nature of our business and our experience working across multiple regulatory regimes, our expectation remains that the UK's exit from the EU will not have a material effect on our business overall.

In March 2019 EU customers served by our UK regulated business were referred to our Dutch entity and have from that date been served by that Dutch entity in anticipation that the EU do not provide a reciprocal agreement with respect to payment processing upon the effective date the UK leaves the EU. We continue to monitor developments in the ongoing transition period ending 31 December 2020.

Going concern

The Company has net current liabilities of \$1,062.4m as at 31 December 2019 and made a loss for the year then ended of \$196.2m. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

- The Company is part of a wider group business model by which group companies at times provide and receive services from each other and as needed use group funding and cash pool arrangements. The Company may be dependent on the ultimate parent company providing additional financial support to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements
- The Company's ultimate parent has indicated its intention to continue to make available such funds as are needed by the Company for that period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

On the basis of their assessment of the Company's financial position, the facts and circumstances noted above, and of the enquiries made of the directors of the Company's ultimate parent, the Company's directors have a reasonable expectation that the Company will continue in operational existence and meet its liabilities as they fall due for the period of 12 months from the date of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Operating and Financial review

The following tables set out the Group's financial performance for the year ended 31 December 2019 and the period from 27 July 2017 to 31 December 2018:

	Period ended 31 December	
	2019	Unaudited 2018
	\$m	\$m
Revenue	1,334.7	1,218.3
Other cost of sales	(62.9)	(56.9)
Gross profit	1,271.8	1,161.4
Personnel expenses	(348.4)	(349.0)
General, selling and administrative expenses	(350.5)	(297.0)
Depreciation and amortisation	(550.3)	(561.8)
Operating profit / (loss)	22.6	(46.4)
Finance income – Visa Europe	288.5	123.1
Finance costs – CVR liabilities	(268.5)	(93.6)
Finance costs – other	(195.7)	(203.2)
Loss before tax	(153.1)	(220.1)
Tax (charge) / credit	(43.1)	37.7
Loss for the period	(196.2)	(182.4)

Results of operations – year ended 31 December 2019

The comparative period is the 17-month period from incorporation on 27 July 2017 to 31 December 2018. This period includes the acquisition of Worldpay Group Limited and its subsidiaries on 16 January 2018. That acquisition accounts for all trade in the comparative period such that there are 11.5 months of trade in the comparative period compared to a full year for the year ended 31 December 2019. The shorter comparative period of trading in 2018 equates to approximately 4% of annual revenue. In addition, the main currencies in which revenues are translated to USD are GBP and Euro, which have both weakened on average 4.5% in 2019 compared to 2018, so net result of this is these two factors almost completely offset each other.

The following tables set out the Group's revenue.

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Transaction service charges	675.1	607.0
Treasury management and foreign exchange services	269.5	249.8
Ancillary income	319.9	288.6
Revenue from contracts with customers (IFRS15)	1,264.5	1,145.4
Terminal rental fees (IFRS16)	70.2	72.9
Total revenue	1,334.7	1,218.3

Group non-financial key performance indicators

	Period ended 31 December		
	2019	2018 unaudited	% Change
Total transactions (bn) ¹	15.5	13.3	16%
Total transaction value (\$bn) ²	493.7	495.6	0%
Net revenue % of total transaction value (%) ³	0.27	0.25	8%

¹ The aggregate number of transactions processed by the Group on behalf of customers as measured by number. This KPI represents the number of discrete contracts the Group has with a given customer on a given transaction, and therefore may count the same transaction more than once, if multiple services are provided by the Group.

² The aggregate value of transactions processed by the Group on behalf of customers.

³ Group net revenue as a proportion of its total transaction value.

Revenue

Revenue increased by \$116.4 million, or 10 percent, to \$1,334.7m in the year ended 31 December 2019 from \$1,218.3 million in 2018.

Global eCom comprises approximately 51% of the group revenue and has grown 11.8% in 2019 over 2018 fuelled by new business sales. WPUK revenue grew at 7.2% period over period due to portfolio optimisation.

Personnel expenses

Personnel expenses are similar to the prior year with a small reduction in wages and salaries offset by higher share-based payment charges.

General, selling and administrative expenses

General, selling and administrative expenses increased by \$53.5 million, to \$350.5 million in the year ended 31 December 2019 from \$297.0 million in 2018. This increase is mainly due to a \$39.0m increase in bad debt provision driven by the impact of challenging economic trading conditions for SMEs. In addition, there was a \$14.8m increase in professional fees, primarily associated with cloud transformation.

Depreciation and amortisation

Depreciation and amortisation reduced by \$11.5 million, to \$550.3 million in the year ended 31 December 2019 from \$561.8 million in 2018. This includes \$397.7 million (2018: \$436.7 million) for amortisation of business combination intangible assets recognised on the acquisition of Worldpay primarily related to customer relationships, the reduction year-on-year reflects the fact that some assets are amortised at a higher rate in earlier periods. Excluding these, the \$27.5m increase in depreciation and amortisation reflects the full year impact of the amortisation in 2019 of capital expenditure through 2018.

Finance income/(costs)

Finance income – Visa Europe was a gain of \$288.5 million in the year ended 31 December 2019 compared with a gain of \$123.1 million in 2018. This comprised fair value and FX gains/losses in relation to the disposal of the Visa Europe shares in 2016, together with dividends received on the preference shares and interest income related to the deferred consideration.

Finance costs – CVR liabilities was a loss of \$268.5 million in the year ended 31 December 2019 compared with a loss of \$93.6 million in 2018 and reflects the change in the valuation of the related CVR liabilities as a result of the gain in Visa Europe related assets referred to above.

Finance costs – other, which mainly comprises interest costs on borrowings from the US, increased overall in 2019 by \$7.5 million. This included foreign exchange gains of \$38.6m (compared to \$3.3m of losses in 2018), offset by \$28.7m of costs related to the early termination of the Euro bond and \$11.9 million higher interest costs (based on a full year) on intercompany borrowings.

Tax charge

The tax charge increased by \$80.8 million, to a tax charge of \$43.1 million in the year ended 31 December 2019 from a tax credit of \$37.7 million in 2018, representing both current tax and deferred tax charges. The main reason for this difference is the non-deductible Visa CVR obligations and other non-deductible expenses.

The effective tax rate in 2019 is negative 28.2% (2018: positive 17.1%). The effective tax rate is negative mainly due to the non-deductible costs mentioned above being applied to a loss before tax, resulting in a tax charge. The effective tax rate in 2019 is lower than in 2018 due to higher non-deductible costs in 2019 when applied to a loss before tax.

Cash flow

The following table sets out the Group's cash flow for the periods indicated:

	Period ended 31 December	
	2019	Unaudited 2018
	\$m	\$m
Cash flows from operating activities		
Loss before tax	(153.1)	(220.1)
Adjustments for:		
Depreciation and amortisation	550.3	561.8
Finance costs	175.7	173.7
Net cash inflow from operating activities before movements in working capital	572.9	515.4
Net movement in working capital	(5.9)	16.7
Cash generated by operations	567.0	532.1
Tax paid	(19.0)	(21.2)
Net cash inflow from operating activities	548.0	510.9
Investing activities:		
Net cash received from sale of Visa Europe	63.1	-
Purchase of intangible assets and property, plant and equipment	(221.8)	(168.4)
Acquisitions and disposals	(4.1)	(9,438.9)
Net cash outflow from investing activities	(162.8)	(9,607.3)
Financing activities:		
Finance costs paid	(219.4)	(203.6)
Repayment of lease obligations	(17.7)	(14.8)
Issue of share capital	-	8,057.3
New intercompany borrowings	942.4	3,384.7
Repayment of intercompany borrowings	(2.5)	(181.0)
Payment of dividend	(132.9)	(118.2)
Payment of external borrowings	(570.4)	(1,132.1)
Settlement of declared but unpaid dividend to Worldpay Group plc shareholders on acquisition	-	(114.8)
Net cash (used) / received from financing activities	(0.5)	9,677.5
Net increase in cash and cash equivalents	384.7	581.1
Cash and cash equivalents at the beginning of the period	533.9	-
Effect of foreign exchange rates	30.4	(47.2)
Own cash and cash equivalents at end of period	949.0	533.9

The net cash inflow from operating activities before working capital increased by \$57.5m, or 11 percent, to \$572.9m in the year ended 31 December 2019 compared to \$515.4m in 2018. The increase reflects improvements to underlying trading.

The net movement in working capital outflow was \$5.9m compared with an inflow of \$16.7m in the prior period. This period-on-period change reflects an increase in amounts due from merchants for payments made to customers for refunds not yet settled predominantly in the gambling and airline segments as well as growth of the business. In addition, working capital is impacted by the release of a number of provisions and the timing of receipts and payments around the year end.

Tax paid in the year was \$19.0m compared with \$21.2m in the prior period. The similar level of tax paid despite an increased current tax charge has led to an increased tax creditor at 31 December 2019. This is consistent with the timing of the UK corporation tax payments regime.

Expenditure on tangible fixed assets and software was \$221.8m compared with \$168.4m in the prior year. This includes the ongoing investment in software and licences for the new acquiring platform and gateways; the purchase of new terminals in the UK; and expenditure to develop a number of new customer propositions and improve data analytics capability to support the growth plans of operating divisions.

Cash flow (continued)

During the year, the Group purchased 100% of Endava Technology (renamed Worldpay Technology Bucharest SRL) for \$4.1m. In 2018 the acquisition of the International business of Worldpay Group for net cash \$9,438.9m (\$10,405.1m less cash of \$966.2m) was funded by a share issue of \$8,057.3m and internal borrowings of \$3,332.2 m.

Additional company borrowings of \$942.4m were made to repay the Euro 500m bond and provide additional short-term working capital capacity. In 2018, \$1,132.1m of external debt (of the \$1,814.4m assumed on the acquisition of Worldpay) was repaid.

In 2019 dividends of \$132.9m were paid to the immediate parent to distribute excess cash funds generated by the business during the course of the year. In 2018 dividends of \$118.2m were paid as well as the settlement of a liability for a special dividend of \$114.8m that had been declared but had not paid to the shareholders of Worldpay Group plc assumed on acquisition.

Section 172(1) Statement

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. How the Board meets the obligations set out in section 172 (1) (a) to (f) are included in the detail of this Strategic Report.

The matters set out in section 172(1) (a) to (f) are:

- (a) the likely consequences of any decision in the long-term – please see "Key Decisions during 2019" and "Our Strategy" sections above;
- (b) the interests of the company's employees – please see the "Our People" section above;
- (c) the need to foster the company's business relationships with clients, end customers, suppliers and regulators – please see the "Our Market" and "Our Strategy" sections above;
- (d) the impact of the company's operations on the community and the environment – please see the "Our World" section above;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct – please see the "Our People" and "Our World" sections above; and
- (f) 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 Board proposals to ensure the sole member is treated fairly whilst acting with the required autonomy.

Directors' report

Other corporate disclosures

As permitted by legislation in accordance with section 414C(11), some of the matters normally included in the Directors report have instead been included in the Strategic report on pages 3 to 15 as the Board considers them to be of strategic importance. Specifically, these relate to the Company's business model and strategy, future business developments, risk management, employees and research and development.

Acquisition by FIS

On 31 July 2019, the Company became a wholly owned subsidiary of FIS following the acquisition of Worldpay Inc.

The Board

Throughout the year, the Board comprised the following Directors:

Mark Heimbouch	Resigned 13 December 2019
Marc M. Mayo	Appointed 13 December 2019
Kathleen Teresa Thompson	Appointed 13 December 2019
Ann Maria Vasileff	Appointed 13 December 2019
Jared Michael Warner	Resigned 13 December 2019
Stephanie Ferris	Resigned 13 December 2019
Nelson Greene	Resigned 15 March 2019

Throughout the year, the Company appointed the following as Company Secretary:

Nelson Greene	Resigned 15 March 2019
Worldpay Governance Limited	Appointed 15 March 2019

Qualifying Third Party Indemnity and Directors' & Officers' Liability Insurance

In accordance with its Articles of Association, the Company has granted a qualifying third-party indemnity, to the extent permitted by law, to each Director and the Group Company Secretary. The Company also maintains Directors' & Officers' liability insurance.

Disclosure of information to auditor

Each of the Directors who held office at the date of approval of this Directors' report confirms that: so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and that he/she has taken all steps that he/she ought to have taken as a Director to make him/her aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Dividends

The Group's dividend policy is to remit cash considered excess to operational and regulatory requirements to the immediate parent through to the US group to assist in Group liquidity.

In line with that policy, the following dividends totalling \$132.9m were paid in 2019 (2018 \$118.2m)

- September 2018 \$43.2m (dividend per share of \$0.005361)
- December 2018 \$75.0m (dividend per share of \$0.009308)
- February 2019 \$100.0m (dividend per share of \$0.012411)
- April 2019 \$32.9m (dividend per share of \$0.004082)

Employees

Disclosures relating to the Group's colleagues, including the employment of people with disabilities, are included in the Strategic report on page 6.

Research and development

Disclosures relating to the Group's research and development activity are included in the Strategic report on page 6.

Donations

No political donations were made and no political expenditure was incurred during the year ending 31 December 2019 nor in the prior period ending 31 December 2018.

As part of our Corporate Responsibility initiatives, we are proud to dedicate our scale, infrastructure and capabilities to support initiatives and charities at both a national and local level. We also commit our skills and time as mentors through partnerships with a focus on enterprise.

Climate change impact

The table below shows our emissions performance for the year ended 31 December 2019:

GHG Source	Total emissions 2019
Scope 1 – Combustion of fuel and operation of facilities (tCO ₂ e)	534.67
Scope 2 (Location-based) – electricity (tCO ₂)	1743.44
Total Scope 1 and 2 emissions (location-based) (tCO ₂ e)	2598.72
tCO ₂ e per FTE employee (Scope 1 and 2 location-based) (tCO ₂ e)	1.68
Total energy use	8,708,396.53 kWh

- We use The Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) to calculate emissions and this information covers all sites within our operational control. Scope 2 emissions are location-based.
- The Worldpay International Group has a commitment to reduce our environmental impact. We are committed to helping ensure that our planet is a sustainable home for current and future generations. We recognise that climate change presents both risks and opportunities for our industry and our business, including disruptions to the business operations of our clients and partners. As a responsible corporate citizen, we are taking action to mitigate these risks to our group and the world at large. This impact includes a large initiative with our ultimate parent, FIS, to consolidate our data centres to lower our annual usage across the globe.
- The full GHG report for FIS globally can be found in our Global Sustainability Report which can be accessed at www.fisglobal.com/en/global-sustainability.

Share capital and related matters

Share capital

The structure of the issued share capital of the Company at 31 December 2019 (unchanged since 31 December 2018) is set out in Note 5f to the financial statements. The Company has one class of shares ordinary shares.

Shareholders' rights

The rights attaching to the ordinary shares are governed by the Company's Articles of Association and prevailing legislation. There are no specific restrictions on the size of a holding. Subject to applicable law and the Articles of Association, holders of ordinary shares are entitled to receive all shareholder documents, including notice of any general meeting; attend, speak and exercise voting rights at general meetings, either in person or by proxy; and participate in any distribution of income or capital.

Restrictions on voting

There are no specific restrictions on the shareholder's ability to exercise their voting rights, save and except in situations where the Company is legally entitled to impose such restrictions (usually where amounts remain unpaid on the shares after request, or the shareholder is otherwise in default of an obligation to the Company). Currently, all issued ordinary shares are fully paid.

Shares held by the Company's employment benefit trust

Prior to acquisition by FIS, Worldpay Group Limited, a wholly-owned subsidiary of the Company, had entered into a trust deed to constitute an offshore employee benefit trust ("EBT") which was used to purchase Worldpay plc shares for the benefit of legacy Worldpay employees, including satisfying outstanding awards made under its legacy employee share plans. These shares were converted into shares in the Worldpay Group Limited's ultimate parent (Worldpay, Inc. on 16 January 2018 and FIS on 31 July 2019). As at 31 December 2019, 142,749 shares were held in the EBT all of which were distributed in satisfying employee share plans that matured in March 2020. Further details regarding the EBT are contained in Note 1a to the financial statements.

Restrictions on the transfer of ordinary shares

There are no restrictions on the transfer of ordinary shares. The transfer of ordinary shares is governed by the general provisions of the Company's Articles of Association and prevailing legislation.

Provisions of change of control

The senior unsecured loan notes issued by Worldpay Finance Limited on 10 November 2015 and guaranteed by Worldpay Group Limited (both companies wholly-owned subsidiaries of the Company) were terminated on 31 July 2019 when FIS acquired Worldpay Inc.

Statement of corporate governance arrangements

The Company is a mid-tier holding Company within the wider FIS Group. For this reason, the Company has not formally applied a Corporate Governance code to the practices of the Board as the Board does not meet periodically. However, it should be noted by the reader that within the Worldpay International Group, key decisions around stakeholders, risk appetite, business operations, finance and other matters are considered by the Boards of Worldpay (UK) Limited, Worldpay Limited and Worldpay AP Ltd., all of which are wholly-owned subsidiaries of the Company and have fully operational Boards by virtue of their regulated status. These three Boards have adopted The Wates Principles for Corporate Governance in order to comply with the Companies (Miscellaneous Reporting) Regulations 2018. For further detail on the activities of these Boards including their corporate governance arrangements, please refer to the Annual Report and Accounts of each entity for the year-ended 31 December 2019, which are available at Companies House.

For the Company, all Board decisions are taken on a case-by-case basis and when the Board does meet, it does so within the confines and in compliance with its *Articles of Association* and the *Companies Act 2006*. During 2019, the Board of the Company has convened seven times to discuss and consider matters a holding company of a consolidated group are expected to consider including the payment of dividends, treasury and funding proposals and tax matters, amongst others.

Statement of Directors' responsibilities

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant, reliable and prudent;
- For the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- For the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Post balance sheet events

The directors note the changes in valuation of the Visa Europe preference shares since the issuance of the group accounts, as a result of the amendment executed to pay a portion of the cash consideration component of the CVR liability to the former Legacy Worldpay owners upon execution, and pay the remaining in 2027, subject to reduction due to losses incurred by Visa Inc. relating to the litigation. Please refer to note 7c.

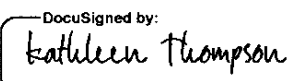
Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic report and the Directors' report include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Strategic report and the Directors' report comprising pages 3 to 18 have been approved and are signed by order of the Board by:

DocuSigned by:

 Kathleen T. Thompson
 Director

Registered office
 The Walbrook Building
 25 Walbrook
 London
 EC4N 8AF

Registered number
 10887351

Independent auditor's report to the members of Worldpay International Group Limited

Opinion

We have audited the financial statements of Worldpay International Group Limited ("the company") for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 these respects.

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Directors' responsibilities

As explained more fully in their statement set out on page 19, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

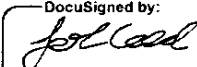
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

The purpose of our audit work and to whom we owe our responsibilities

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

DocuSigned by:

 2211730649E3437 ..
John Leech

(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
 Chartered Accountants
 1 St Peter's Square
 Manchester
 M2 3AE

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Consolidated income statement

For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Revenue	2a	1,334.7	1,218.3
Other cost of sales		(62.9)	(56.9)
Gross profit		1,271.8	1,161.4
Personnel expenses	2c	(348.4)	(349.0)
General, selling and administrative expenses	2d	(350.5)	(297.0)
Depreciation and amortisation	3b,3c	(550.3)	(561.8)
Operating profit/(loss)		22.6	(46.4)
Finance income – Visa Europe	5a	288.5	123.1
Finance costs – CVR liabilities	5a	(268.5)	(93.6)
Finance costs – other	5a	(195.7)	(203.2)
Loss before tax	2f	(153.1)	(220.1)
Tax (charge) / credit	2g	(43.1)	37.7
Loss for the period		(196.2)	(182.4)

The accompanying notes on pages 27 to 71 form an integral part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2019

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Loss for the period	(196.2)	(182.4)
Items that are or may subsequently be reclassified to profit or loss:		
Cash flow hedges net of tax	(9.7)	9.7
Currency translation movement on net investment in subsidiary undertakings	255.5	(753.6)
Currency translation movement due to net investment hedging	(8.7)	2.8
Total comprehensive income / (loss) for the period	40.9	(923.5)

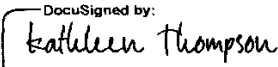
The accompanying notes on pages 27 to 71 form an integral part of these financial statements.

Consolidated balance sheet

As at 31 December 2019

	Notes	2019 \$m	Unaudited 2018 \$m
Non-current assets			
Goodwill	3a	8,664.3	8,442.2
Other intangible assets	3b	2,415.5	2,658.8
Property, plant and equipment	3c	166.0	80.2
Investment	6b	-	6.4
Financial assets – Visa Inc. preference shares	5i	475.4	163.2
Other non-current assets	3d	3.0	63.4
Deferred tax asset	2i	73.5	64.5
		11,797.7	11,478.7
Current assets			
Trade and other receivables	4b	582.2	537.9
Scheme debtors	4a	804.7	667.4
Other current assets	4c	19.9	40.7
Merchant float	4a	1,518.2	1,900.7
Own cash and cash equivalents	5b	949.0	533.9
		3,874.0	3,680.6
Current liabilities			
Trade and other payables	4d	579.3	482.7
Merchant creditors	4a	2,322.9	2,568.1
Current tax liabilities	2h	105.6	47.5
Financial liabilities – CVR liabilities	5i	893.7	606.3
Borrowings	5c	1,014.2	30.0
Finance leases	5d	17.4	14.9
Provisions	4e	3.3	15.4
		4,936.4	3,764.9
Non-current liabilities			
Borrowings	5c	3,300.0	3,917.5
Finance leases	5d	71.6	10.4
Provisions	4e	6.7	7.2
Deferred tax liabilities	2i	433.4	443.7
		3,811.7	4,378.8
Net assets			
		6,923.6	7,015.6
Equity			
Called-up share capital	5f	8,057.3	8,057.3
Foreign exchange reserve		(504.0)	(750.8)
Hedge reserve		-	9.7
Retained earnings		(629.7)	(300.6)
Total equity		6,923.6	7,015.6

The accompanying notes on pages 27 to 71 form an integral part of these financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 17 December 2020. They were signed on its behalf by:

DocuSigned by:

 C40CAEE4DE8B42F
 Kathleen T. Thompson
 Director

Consolidated statement of changes in equity

For the year ended 31 December 2019

Notes	Called-up share capital \$m	Hedge reserve \$m	Foreign exchange reserve \$m	Retained earnings/ (deficit) \$m	Total \$m
At 27 July 2017					
Issue of 1,338 ordinary shares on 27 July 2017 (date of incorporation)	-	-	-	-	-
Issue of 8,057,303,856 ordinary shares on 16 January 2018	8,057.3	-	-	-	8,057.3
Loss for the period	-	-	-	(182.4)	(182.4)
Dividend paid	-	-	-	(118.2)	(118.2)
Foreign currency translation	-	9.7	(753.6)	-	(743.9)
Foreign currency translation ~ net investment hedging	-	-	2.8	-	2.8
At 31 December 2018 (unaudited)	8,057.3	9.7	(750.8)	(300.6)	7,015.6
Loss for the year	-	-	-	(196.2)	(196.2)
Dividend paid	-	-	-	(132.9)	(132.9)
Foreign currency translation	-	(9.7)	255.5	-	245.8
Foreign currency translation ~ net investment hedging	-	-	(8.7)	-	(8.7)
At 31 December 2019	8,057.3	-	(504.0)	(629.7)	6,923.6

The accompanying notes on pages 27 to 71 form an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Cash flows from operating activities			
Cash generated by operations	4f	567.0	532.1
Tax paid		(19.0)	(21.2)
Net cash inflow from operating activities		548.0	510.9
Investing activities			
Cash received from sale of Visa Europe		63.1	-
Purchase of intangible assets		(169.3)	(127.6)
Purchases of property, plant and equipment		(52.5)	(40.8)
Acquisitions	4f	(4.1)	(9,438.9)
Net cash outflow from investing activities		(162.8)	(9,607.3)
Financing activities			
Finance costs paid		(219.4)	(203.6)
Repayment of Lease obligations		(17.7)	(14.8)
Issue of share capital		-	8,057.3
New intercompany borrowings		942.4	3,384.7
Repayment of intercompany borrowings		(2.5)	(181.0)
Repayment of external borrowings		(570.4)	(1,132.1)
Payment of dividend		(132.9)	(118.2)
Settlement of declared but unpaid dividend to Worldpay Group plc shareholders on acquisition		-	(114.8)
Net cash inflow / (outflow) from financing activities		(0.5)	9,677.5
Net increase in own cash and cash equivalents		384.7	581.1
Own cash and cash equivalents at beginning of the period		533.9	-
Effect of foreign exchange rate changes		30.4	(47.2)
Own cash and cash equivalents at end of the period	5b,5e	949.0	533.9

The accompanying notes on pages 27 to 71 form an integral part of these financial statements.

Notes to the consolidated financial statements

Section 1 – Basis of preparation

This section sets out the accounting policies of Worldpay International Group Limited (the 'Company') and its subsidiaries (the 'Group' and the 'Worldpay International Group') that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. The parent company financial statements present information about the Company as a separate legal entity and not about its group.

This section also details new accounting standards that have been endorsed in the year and have either become effective in 2019 or will become effective in later periods.

Note 1a

Worldpay International Group Limited ("the Company") is a private company limited by shares and incorporated, registered and domiciled in England and Wales. The registered address is The Walbrook Building, 25 Walbrook, London EC4N 8AF.

The Company prepared company only financial statements for the period ended 31 December 2018. This is the first period in which consolidated financial statements have been prepared for the Group. The consolidated financial statements for all periods have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). This is the first period in which the Group has prepared its financial statements in accordance with IFRS and consequently it has applied IFRS 1. The Company has elected to prepare its parent company financial statements in accordance with FRS 101; these are presented on pages 67 to 71.

The constituent companies in the Group are accounted for under FRS 101 and accordingly, there have been no GAAP differences identified under the requirements of IFRS 1 and no restatements are required.

The financial statements are presented in US Dollars which is the Group's presentational currency. All information is given to the nearest one hundred thousand US Dollars.

The financial statements are prepared on the historical cost basis except for the derivative financial instruments and certain items arising from the Visa Europe transaction, which are stated at their fair value.

Revenue, which is defined as revenue less interchange and scheme fees, is presented on the face of the income statement.

The Group's cash flow statement is presented excluding merchant float. Merchant float represents surplus cash balances that the Group holds on behalf of its customers when the incoming amount from the card networks precedes when the funding to customers falls due.

The funds are held in a fiduciary capacity and cannot be utilised by the Group to fund its own cash requirements. The merchant float is also subject to significant period by period fluctuations depending on the day of the week a period end falls. For these reasons, the Directors have excluded the merchant float from the cash flow statement to allow a better understanding of the Group's underlying own cash flows.

Going concern

The Company has net current liabilities of \$1,062.4m as at 31 December 2019 and made a loss for the year then ended of \$196.2m. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

- The Company is part of a wider group business model by which group companies at times provide and receive services from each other and as needed use group funding and cash pool arrangements. The Company may be dependent on the ultimate parent company providing additional financial support to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements
- The Company's ultimate parent has indicated its intention to continue to make available such funds as are needed by the Company for that period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

On the basis of their assessment of the Company's financial position, the facts and circumstances noted above, and of the enquiries made of the directors of the Company's ultimate parent, the Company's directors have a reasonable expectation that the Company will continue in operational existence and meet its liabilities as they fall due for the period of 12 months from the date of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Note 1a (continued)

Accounting policies

Foreign exchange

The consolidated financial statements of the Worldpay International Group are presented in US Dollars.

The net assets of foreign subsidiaries are translated to US Dollars as follows:

- The assets and liabilities of the entity (including goodwill and fair value adjustments on acquisition) are translated at the rate prevailing at the end of the reporting period;
- Income and expenses are translated at the rate ruling on the date of the transaction or an appropriate average rate; and
- Equity elements are translated at the date of the transaction and not retranslated in subsequent periods.

All exchange differences arising on consolidation are taken through other comprehensive income to the foreign currency reserve.

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; and
- 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 income statement.

Netting

The Group is party to a number of arrangements, including master netting agreements that give it the right to offset financial assets and financial liabilities.

Where it does not intend to settle the amounts net or simultaneously, the assets and liabilities concerned are presented gross.

Ultimate parent company shares held in Employee Benefit Trust (EBT)

As part of the acquisition by FIS the ordinary shares of Worldpay Inc. were converted to FIS Inc. shares and are classified as other assets within current assets. The EBT purchased the Group's shares in 2016 in order to hedge the cash outflow upon the exercise of a share option or a share award.

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 Group in the year ended 31 December 2019.

IFRS 9 'Financial Instruments'

The impairment model changed from an 'incurred loss model' to 'expected loss model' for credit risk. The company applied the simplified approach and recognises lifetime ECL for these assets.

IFRS 16 'Leases' (see note 5d)

The Group applied IFRS 16 with a date of initial application of 1 January 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below. The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 5d. On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. These leases are on-balance sheet.

Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

- Their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, the Group applied this approach to all other leases.

Note 1a**Impact of new accounting standards (continued)**

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 18:

- Applied a single discount rate to a portfolio of leases with similar characteristics
- Adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Excluded initial costs from measuring the right-of-use asset at the date of initial application
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date. No recognition exemptions were taken.

Impacts on financial statements

On transition to IFRS 16, the Group recognised an additional \$61.3m of right-of-use assets (\$67.9m of incremental right-of-use asset offset by \$(6.6)m of provisions for onerous leases and dilapidations) and additional \$67.9m of lease liabilities. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 2019. The weighted average rate applied is 3.4%.

	As at 1 January 2019 \$m
Operating lease commitment as 31 December 2018 (unaudited)	98.9
Discounted using the incremental borrowing rate at 1 January 2019	67.9
Finance lease liabilities recognised as at 31 December 2018 (unaudited)	25.3
Lease liabilities recognised at 1 January 2019	93.2

The following have not impacted the balance sheet or reported results for the year, nor any previously reported results:

- IFRIC 23 Uncertainty over Income tax treatments– clarifies how to account for uncertainties with Income tax.
- Amendments to IAS19: Plan Amendment, Curtailment or settlement - to harmonise accounting practices and to provide more relevant information for decision-making.
- Amendments to IAS28: Long-term Interests in Associates and Joint ventures - to clarify that an entity applies IFRS 9 'Financial Instruments' to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.
- Amendments to IFRS9: Prepayments Features with Negative Compensation - to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets.
- Annual Improvements to IFRS standards 2015- 2017 Cycle

New standards and interpretations not yet adopted

- The following standards are in issue but are not yet effective and have not yet been adopted by the Group.
- Definition of a Business (Amendments to IFRS 3)' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.
- Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) as a first reaction to the potential effects the IBOR reform could have on financial reporting.
- 'Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.
- The group has yet to complete its assessment of these, but they are not expected to make material impact on the financial statements.

Note 1b**Critical accounting estimates and judgements**

The reported results of the Group for the financial year ended 31 December 2019 are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements.

The judgements and assumptions involved in the Group'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 Group would affect its reported results.

Note 1b

Critical accounting estimates and judgements (continued)

Fair value of Visa Europe transaction and related Contingent Value Rights (CVRs)

As part of the Worldpay acquisition (Note 6a), the Company acquired certain assets and liabilities related to the June 2016 Worldpay Group plc ("Legacy Worldpay") disposal of its ownership interest in Visa Europe to Visa Inc. As part of the disposal, Legacy Worldpay received consideration from Visa Inc. in the form of cash and convertible Visa Inc. Series B preferred stock ("preferred stock"), the value of which may be reduced by settlement of potential liabilities relating to ongoing interchange-related litigation involving Visa Europe. Also in connection with the disposal, Legacy Worldpay agreed to pay former Legacy Worldpay owners 90% of the net-of-tax proceeds from the disposal, known as contingent value rights ("CVR"), pending the finalization of the proceeds from disposal, which is expected to occur no later than June 2028, at which time the preferred stock is subject to mandatory conversion into Visa Inc. Class A common stock.

The preference stock received on disposal of our interest in Visa Europe has been recognised as a financial asset under the non-current 'Financial assets – Visa Inc. preference shares' category and has been classified as fair value through profit and loss. Subsequent movements on the fair value of the preferred stock are recognised in 'Finance income – Visa Europe' and the movement on the CVR liabilities is recognised in 'Finance costs – CVR liabilities' in the Group's income statement. 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') and Loss Sharing Agreement (LSA).

When measuring the fair values of the financial asset – Visa Inc. preference shares, the Group uses observable market data as far as possible. In order to fair value the preference shares as at 31 December 2019, the Directors have considered a range of potential outcomes, including the likely value of the potential level of Visa Europe liabilities that the Group may be liable for.

The CVR liabilities have been classified as financial liabilities at amortised cost based on a re-estimation of future cash flows, with any changes being recognised in 'Finance costs – CVR liabilities' in the income statement.

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 5i.

Income and deferred taxes

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

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

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 Group 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.

The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

See Note 4b for further information.

Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Note 1b

Critical accounting estimates and judgements (continued)

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities and equity

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

- (a) 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
- (b) 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.

Note 1b

Critical accounting estimates and judgements (continued)

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(iii) Derivative financial instruments and hedging

i. Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

ii. Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial item (including a non-financial item that becomes a firm commitment for which fair value hedge accounting is applied – see below), the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is reclassified to the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

iii. Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

On the discontinuance of hedge accounting, any adjustment made to the carrying amount of the hedged item as a consequence of the fair value hedge relationship, is recognised in the income statement over the remaining life of the hedged item.

(iv) Impairment

or trade and other receivables, the Company has applied IFRS 9's simplified approach and recognises lifetime expected credit losses (ECL) for these assets. The Company has reviewed at least two years of internal historic credit loss data and past due information. Forward-looking considerations have been incorporated into the model by using outcome probability weightings.

Cash and bank balances are assessed to have low risk as they are held with reputable international banking institutions.

Section 2 – Results for the period

This section focuses on the results and performance of the Group in the financial year ended 31 December 2019.

Accounting policies

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

IFRS15 requires disclosure of the aggregate amount of the transaction price allocated to unsatisfied performance obligations; however, as permitted by IFRS 15, the Group 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 Group'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.

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. Since the terminals are used consistently throughout the period in which they are rented, it follows that straight-line recognition of revenue most faithfully depicts the satisfaction of the associated performance obligations over time.
- 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. Payment terms for customers can be immediate through net settlement or based on specific terms agreed with customers.

Note 2a

Disaggregated revenue

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Transaction service charges	675.1	607.0
Treasury management and foreign exchange services	269.5	249.8
Ancillary income	319.9	288.6
Revenue from contracts with customers (IFRS 15)	1,264.5	1,145.4
Terminal rental fees (IFRS 16)	70.2	72.9
Total revenue	1,334.7	1,218.3

Note 2b

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Receivables	516.7	497.5
Contract liabilities	1.9	6.5

The contract liabilities primarily relate to the advance consideration received from customers for compliance related services.

Note 2c

Personnel expenses

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, termination benefits and share-based payment charges.

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

The Group operates defined contribution pension schemes. 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 year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments on the balance sheet.

Share-based payments

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.

The Group recognised a charge of \$46.5m in 2019 (period ended 31 December 2018: \$40.4m) for equity-settled share-based payments. Details of each of the equity-settled share-based payment plans are set out below.

Transitional award

On the date of the Worldpay Group plc IPO, the Group granted a transitional share award plan to certain members of the senior management team. Shares will be given to eligible employees three years after the date of grant, subject to satisfaction of the minimum shareholding requirement and continued employment. The value of any dividends earned on the vested shares during the three years will be paid on vesting. This plan vested in October 2018 and as such no shares were outstanding as at 31 December 2018.

Long-term incentive plans

On the acquisition of Worldpay on 16 January 2018, the existing share-based payment plans were converted to shares in Worldpay, Inc. which was the ultimate parent company at the time and the company in which the share options were held. Subsequently, as a result of the acquisition of Worldpay, Inc. by Fidelity National Information Services, Inc. (FIS), the share-based payment plans were converted into shares of FIS.

There are 3 types of plan, a Performance Share Plan (PSP), a Conditional Share Plan (CSP) and Deferred Bonus Share Plan (DBSP) all of which will vest three years from the grant date.

Note 2c

Personnel expenses (continued)

Long-term incentive plans (continued)

The vesting of the PSP shares is subject to satisfaction of non-market-based performance conditions and include having an additional holding period of up to two years following the end of the three-year performance period. The CSP shares have no performance conditions other than continued employment within the Group. The DBSP have no conditions other than disciplinary procedures or dismissal. Under all plans, the value of any dividends earned on the vested shares during the three years will be paid on vesting. As at 31 December 2019, the PSP had 182,264 (2018: 447,392), the CSP had 35,569 (2018: 100,097) and the DBSP had 47,147 (2018: 46,675) shares outstanding.

All employee share plans

Save As You Earn scheme (SAYE) and Employee Stock Purchase Plan (ESPP)

On the acquisition of Worldpay the UK SAYE plan in the UK was converted to shares in Worldpay, Inc. which was the ultimate parent company at the time and the company in which the share options were held. Subsequently, as a result of the acquisition of Worldpay, Inc. by FIS, the share-based payment plans were converted into shares of FIS. This plan covers approximately 90% of our employee base and offers the opportunity for colleagues to save monthly in order to buy FIS shares at a discount. The SAYE plan runs for a period of either three or five years depending on the length of contract chosen by the employee. As at 31 December 2019, the SAYE scheme had 228,833 (2018: 442,061) options outstanding.

The Black-Scholes option model has been used to determine the fair value of the options issued. There are no inputs which are sufficiently sensitive to there being a reasonable possibility of a material adjustment in a future period.

	Weighted average exercise price 2019	Number of options 2019	Unaudited Weighted average exercise price 2018	Unaudited Number of options 2018
Outstanding at the beginning of the period	66.54	695,989	-	-
Assumed on acquisition	-	-	37.89	1,112,769
Forfeited during the period	92.17	(33,792)	39.41	(18,121)
Exercised during the period	45.75	(193,987)	25.04	(228,959)
Granted during the period	80.59	117,274	86.76	419,840
Lapsed during the period	57.82	(78,532)	33.82	(589,540)
Outstanding at the end of the period	78.08	506,952	66.54	695,989
Exercisable at the end of the period	63.69	135,025	51.77	81,191

Employee numbers

The average number of employees during the year was:

	Year ended 31 December 2019	Unaudited Period ended 31 December 2018
Global eCom	377	488
WPUK	1,091	1,218
Technology	1,547	1,428
Corporate	909	961
Total	3,924	4,095

Personnel expenses

	Year ended 31 December 2019 \$m	Unaudited Year ended 31 December 2018 \$m
Wages and salaries including redundancy costs	230.5	237.0
Share based payments	42.8	40.4
Pensions	26.6	38.1
Social security costs	48.5	33.5
Total personnel expenses	348.4	349.0

Note 2c

Personnel expenses (continued)

Directors' emoluments

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Directors' remuneration	4.6	5.0
Amounts receivable under long term incentive schemes	33.0	16.1

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was \$23.8m (2018: \$13.6m), and Company pension contributions of \$14,000.00 (2018: \$13,750.00) were made to a money purchase scheme on their behalf. During the year, the highest paid director exercised share options and received shares under a long-term incentive scheme of \$22.0m (2018 \$11.4m).

Note 2d

General, selling and administrative expenses

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Selling costs	5.7	3.2
Operating costs	18.9	19.0
Office costs	106.1	113.0
Administrative costs	71.1	66.9
Professional fees	54.6	39.8
Bad debt	57.9	41.5
Other	36.2	13.6
Total general, selling and administrative expenses	350.5	297.0

Note 2e

Auditor remuneration

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Fees payable to the Group's auditor for the audit of the Group's Annual Report and Accounts	1.4	-
Fees payable for audit of financial statements of subsidiaries of the company	0.5	-
Total	1.9	-

Since there was not a consolidated set of accounts in the prior year there is no appropriate comparative.

Note 2f
Loss before tax

Loss before tax is stated after charging:

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Other cost of sales	62.9	56.9
Amortisation of business combination intangibles	397.7	436.7
Amortisation of other intangibles	116.7	102.6
Depreciation of property, plant and equipment	27.6	22.5
Depreciation of right of use assets	8.3	-
Operating lease costs	4.9	17.3
Foreign exchange losses	(7.1)	(51.3)

Research and development expenditure recognised in the Year ended 31 December 2019 was \$35.5m (period ended 2018: \$44.1m). This represents the amount charged to the profit and loss account in relation to the new acquiring platform.

The operating lease costs in the table above represent the IAS 17 costs in the comparative period. Following the adoption of IFRS 16 for the year ended 31 December 2019, the current year costs reflect irrecoverable VAT on rent expense.

Note 2g

Tax on the profit or loss for the year comprises current and deferred tax. Current tax, including all applicable UK and foreign taxes, is the expected tax payable on the taxable income for the year, using tax rates and bases of calculation which have been enacted or substantively enacted in the applicable jurisdiction for the current accounting year, together with any necessary adjustments to tax payable in respect of previous accounting periods. Current tax is recognised in the income statement unless it arises from a transaction recognised directly in equity, in which case the associated tax is also recognised directly in equity. Relief for foreign taxation in calculating UK taxation liabilities is taken into account where appropriate.

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Current taxation		
UK corporation tax charge for the period	59.5	38.4
Foreign corporation tax charges	17.5	11.0
	77.0	49.4
Deferred taxation		
Credit for the period	(33.9)	(87.1)
Tax charge/(credit) for the period	43.1	(37.7)

Note 2g (continued)

The Group is mainly exposed to tax in the UK, US and Netherlands. The actual tax charge differs from the expected tax charge computed by applying the average UK corporation tax of 19% (2018: 19%) as follows:

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Expected tax charge at UK corporation tax rate of 19% (2018: 19%)	(29.1)	(41.8)
Non-deductible items	15.2	(27.3)
Visa Europe non-deductible CVR obligations	51.8	17.8
Overseas tax at a higher rate	0.7	0.7
Rate Change Adjustment	3.4	10.2
Deferred tax not recognised	1.1	2.7
Actual tax charge / (credit) for the year	43.1	(37.7)

The tax charge increased by \$80.8 million, to a tax charge of \$43.1 million in the year ended 31 December 2019 from a tax credit of \$37.7 million in 2018, representing both current tax and deferred tax charges. The main reason for this difference is the non-deductible Visa CVR obligations and other non-deductible expenses.

The effective tax rate in 2019 is negative 28.2% (2018: positive 17.1%). The effective tax rate is negative mainly due to the non-deductible costs mentioned above being applied to a loss before tax, resulting in a tax charge. The effective tax rate in 2019 is lower than in 2018 due to higher non-deductible costs in 2019 when applied to a loss before tax.

Provisions established for uncertain items are made using a best estimate of the tax expected to be paid, based on a qualitative assessment of all relevant information and management's judgement. The Group reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances.

Note 2h Current liabilities

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Current tax liabilities	105.6	47.5

Note 2i Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax charges and credits are recognised in the income statement unless they arise from a transaction recognised directly in equity, in which case the associated deferred tax is also recognised directly in equity.

Note 2i

Deferred tax (continued)

Deferred tax assets and liabilities are analysed in the consolidated balance sheet, after offset of balances within entities and tax jurisdictions, as follows:

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Deferred tax assets	73.5	64.5
Deferred tax liabilities	(433.4)	(443.7)
	(359.9)	(379.2)

The Group has an unrecognised deferred tax asset of \$1.1m (2018: \$2.7m) which relates to losses carried forward. The deferred tax asset on the tax losses has not been recognised due to uncertainty over future utilisation.

Deferred tax assets and liabilities, before offset of balances within entities and tax jurisdictions, are as follows:

	Accelerated capital allowances \$m	Provisions/ other \$m	Intangibles \$m	Visa Europe \$m	Total \$m
At 27 July 2017					
Acquisition through business combinations	34.9	24.3	(556.5)	(6.0)	(503.3)
Credit/(charge) to income statement	(4.6)	11.9	101.5	(21.7)	87.1
Charge to statement of other changes in equity	-	(2.3)	-	-	(2.3)
Foreign exchange rate impact	(0.3)	0.6	39.0	-	39.3
At 31 December 2018 (unaudited)	30.0	34.5	(416.0)	(27.7)	(379.2)
Credit/(charge) to income statement	(5.0)	14.0	78.0	(53.1)	33.9
Credit to statement of other changes in equity	-	2.3	-	-	2.3
Foreign exchange rate impact	(0.1)	(2.2)	(14.6)	-	(16.9)
At 31 December 2019	24.9	48.6	(352.6)	(80.8)	(359.9)

The deferred tax balance is analysed as follows:

Deferred tax asset	24.9	48.6	-	-	73.5
Deferred tax liability	-	-	(352.6)	(80.8)	(433.4)
At 31 December 2019	24.9	48.6	(352.6)	(80.8)	(359.9)

The deferred tax assets in relation to the Visa Europe disposal and the losses have been presented in separate categories in the table above.

Factors affecting future tax charges

In the March 2020 UK budget announcement, the Chancellor confirmed that the rate of corporation tax will remain at 19% from 1 April 2020, and would not reduce to 17% from 1 April 2020 as had previously been enacted. This measure has been made under a Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. Since this change (cancelling the enacted reduction to 17%) was not enacted or substantively enacted on the balance sheet date, this has not been used to calculate current or deferred tax for tax disclosures for year ended 31 December 2019. The impact of deferred tax being recognised at 19% would be an increase in the net deferred tax liability at 31 December 2019 of \$42.3m.

Section 3 – Non-current assets

This section shows assets used by the Group to generate revenue and profits. These assets include customer relationships, brands, computer software and goodwill. The Group's physical assets are also shown in this section.

Note 3a

Goodwill

Goodwill arising on the 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.

	\$m
Cost	
At 27 July 2017	-
Acquisitions through business combinations	9,094.7
Foreign exchange impact	(652.5)
At 31 December 2018 (unaudited)	8,442.2
At 31 December 2019	8,664.3
Acquisitions through business combinations	2.8
Foreign exchange impact	219.3
At 31 December 2019	8,664.3
Net book value	
At 31 December 2019	8,664.3
At 31 December 2018 (unaudited)	8,442.2

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 calculations are performed at least annually and require 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.

The corporate planning process includes the preparation of the annual budget as well as the Group's long-term strategic plan. The strategic plan provides medium to long-term direction for the Group and is reviewed on an annual basis. It includes a five-year outlook for the business including management's view on the future achievable growth in market share and the capital expenditure required to achieve it. The cash flows included in the strategic plan are used for the value in use calculations.

Key assumptions used in the value in use calculation are:

	CAGR in sales	CAGR in costs	Terminal growth rate	Discount rate
31 December 2019	4.2 - 14.5%	7.1 - 20.0%	2.0%	6.4%

The growth rates for WPUK are at the lower end of the ranges, with the Global eCom growth rate being at the upper end of the ranges. CAGR is the compound annual growth rate. The discount rate of 6.4% has been applied across both CGUs.

The sensitivity of goodwill carrying values to reasonably possible changes in key assumptions has been performed. No changes produce a significant movement in the carrying value of goodwill allocated to a CGU and therefore no sensitivity analysis is presented. Given the low risk of impairment and significant headroom available, the Directors do not believe that the key assumptions by CGU are material to the financial statements and therefore deem it appropriate to disclose the key assumptions at a summary level only.

Should the value in use be lower than the carrying value, the resultant impairment loss is first allocated to goodwill, then to the 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 income statement. Impairment losses on goodwill cannot be reversed in subsequent periods.

The carrying value of goodwill allocated to cash-generating units is as follows:

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Global eCom	6,821.1	6,658.4
WPUK	1,843.2	1,783.8
	8,664.3	8,442.2

Note 3b

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 impairment losses, if any.

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 estimated UEL and the amortisation method are reviewed at the end of each reporting period, with any changes being accounted for on a prospective basis.

The useful lives applied by the Group are:

Customer relationships	5 to 8 years
Brands	10 years
Computer software	5 to 8 years

The weighted average useful life of customer relationships is 7 years.

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

	Business combination intangibles			
	Customer relationships \$m	Brands \$m	Computer software \$m	Total \$m
Cost				
At 27 July 2017				
Acquisitions through business combinations	2,460.0	340.0	473.3	3,273.3
Additions	-	-	149.4	149.4
Disposals	-	-	(4.2)	(4.2)
Foreign exchange impact	(180.6)	(25.0)	(36.9)	(242.5)
At 31 December 2018 (unaudited)	2,279.4	315.0	581.6	3,176.0
Additions	-	-	185.2	185.2
Disposals	-	-	(27.0)	(27.0)
Foreign exchange impact	80.9	11.2	21.7	113.8
At 31 December 2019	2,360.3	326.2	761.5	3,448.0
Accumulated amortisation				
At 27 July 2017				
Charge for the period	(406.6)	(30.1)	(102.6)	(539.3)
Disposals	-	-	0.1	0.1
Foreign exchange impact	18.1	(0.1)	4.0	22.0
At 31 December 2018 (unaudited)	(388.5)	(30.2)	(98.5)	(517.2)
Charge for the year	(367.0)	(30.7)	(116.7)	(514.4)
Disposals	-	-	27.0	27.0
Foreign exchange impact	(18.2)	(2.4)	(7.3)	(27.9)
At 31 December 2019	(773.7)	(63.3)	(195.5)	(1,032.5)
Net book value				
At 31 December 2019	1,586.6	262.9	566.0	2,415.5
At 31 December 2018 (unaudited)	1,890.9	284.8	483.1	2,658.8

At 31 December 2019, \$73.2m (2018: \$73.8m) of intangible assets under the course of construction are shown within computer software. These assets are not yet being amortised. During the year ended 31 December 2019, \$168.9m of intangible assets under construction were brought into use, categorised under computer software (2018: \$70.8m).

Note 3c

Property, plant and equipment

Property, plant and equipment includes terminals, leasehold improvements and computers and office equipment.

Property, plant and equipment is initially recognised at cost. Cost includes all expenditure directly attributable to bringing the asset to the location and working condition for its intended use. Subsequent measurement of property, plant and equipment 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.

Property, plant and equipment is depreciated to its residual value over its 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.

Depreciation rates for each category of property, plant and equipment are as follows:

Terminals	3 to 5 years
Leasehold improvements	5 to 15 years
Computers and office equipment	3 to 5 years

Depreciation begins when the asset is ready for use and ceases on 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.

Note 3c
Property, plant and equipment (continued)

	Terminals \$m	Leasehold improvements \$m	Computers and office equipment \$m	Total \$m
Cost				
At 27 July 2017				
Acquisitions through business combinations	-	11.8	46.6	58.4
Additions	17.2	0.9	29.7	47.8
Tangible assets brought into use	-	0.1	(0.1)	-
Disposals	-	(0.2)	(2.5)	(2.7)
Foreign exchange impact	-	(0.7)	(1.0)	(1.7)
At 31 December 2018 (unaudited)	17.2	11.9	72.7	101.8
Recognition of right of use asset on initial application of IFRS16	-	61.3	-	61.3
Additions	11.2	3.4	42.8	57.4
Tangible assets brought into use	0.5	0.8	(1.3)	-
Disposals	-	-	(0.1)	(0.1)
Foreign exchange impact	0.6	0.3	2.5	3.4
At 31 December 2019	29.5	77.7	116.6	223.8
Accumulated depreciation				
At 27 July 2017				
Charge for the period	(2.3)	(3.7)	(16.5)	(22.5)
Disposals	-	0.1	3.4	3.5
Foreign exchange impact	0.1	(0.1)	(2.6)	(2.6)
At 31 December 2018 (unaudited)	(2.2)	(3.7)	(15.7)	(21.6)
Charge for the year	(7.6)	(11.0)	(17.3)	(35.9)
Foreign exchange impact	(0.2)	0.6	(0.7)	(0.3)
At 31 December 2019	(10.0)	(14.1)	(33.7)	(57.8)
Net book value				
At 31 December 2019	19.5	63.6	82.9	166.0
At 31 December 2018 (unaudited)	15.0	8.2	57.0	80.2

At 31 December 2019, \$31.2m (2018: \$25.3m) of assets under the course of construction are shown within computers and office equipment. These assets are not yet being depreciated.

When assets under the course of construction become available for use, they are analysed as to whether the initial classification as either terminals, leasehold improvements or computers and office equipment. For assets brought into use in 2019, these are predominantly within computer and office equipment for \$37.0m of such assets (2018: \$11.6m) and these have been allocated accordingly.

Terminals are leased by the Group to third-party merchants under operating leases. The future minimum lease rental receivables from operating leases are as follows:

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Terminal rentals due in:		
Less than one year	29.9	26.6
One to five years	8.0	7.6
Total	37.9	34.2

Note 3c

Property, plant and equipment (continued)

Impairment of non-current assets

The Group assesses its other intangible assets and property, plant and equipment for indicators of impairment at least annually. If such indicators exist, the recoverable amount of the asset or its CGU when the asset does not generate largely independent cash flows, is estimated. The recoverable amount is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows from the asset or the CGU, discounted at the appropriate pre-tax rate.

The Group recognises any impairment loss resulting from these reviews in separately disclosed items in the income statement. Impairment losses, except those arising on goodwill, 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. An exercise was undertaken to ascertain whether there were any indicators of impairment of the intangible assets and property, plant and equipment. This review determined that there were no indicators of impairment in the year ended 31 December 2019 (the assessment in 2018 also determined no indicators of impairment).

Note 3d

Other non-current assets

Derivative financial instruments asset related to a cross currency swap for the principal and interest for an Intercompany GBP denominated loan.

Contract costs are amortised when the related revenues are recognised. In the current year, the amount of amortisation was \$ 1.2m (period ended 2018 : \$ 0.4m)

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Derivative financial instruments	-	61.3
Contract costs	3.0	2.1
	3.0	63.4

Note 3e

Capital commitments

As at 31 December 2019, there were commitments for capital expenditure contracted for, but not incurred, of \$76.2m principally relating to computer software.

Section 4 – Trading assets and liabilities

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result.

Note 4a

Merchant float, scheme debtors and merchant creditors

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

Merchant float represents surplus cash balances that the Group holds on behalf of its customers, when the incoming amount from the card networks precedes when the funding to customers falls due. The funds are held in a fiduciary capacity. They are excluded from the Group cash flow statement to provide greater clarity over the Group's own cash movements.

Scheme debtors consist primarily of:

- The Group's receivables from the card networks for transactions processed on behalf of customers, where it is a member of that particular network;
- The Group's receivables from the card networks for transactions where it has (by exception) funded customers in advance of receipt of card association funding; and
- Other net receivables from the card networks.

Merchant creditors consist primarily of:

- The Group's liability to customers for transactions that have been processed but not yet funded by the card franchises, where it is a member of that particular network;
- The Group's liability to customers for transactions for which it is holding funding from the sponsoring bank under the sponsorship agreement but has not funded customers on behalf of the sponsoring bank; and
- Merchant reserves and the fair value of the Group'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.

Note 4b

Trade and other receivables

Trade and other receivables are initially recognised at fair value in the year to which they relate. They are subsequently held at amortised cost, less any allowance for expected credit losses. The allowance for expected credit losses is presented net with the related receivables 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.

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Trade receivables	345.9	298.6
Accrued income	182.3	131.4
Prepayments	33.0	31.6
Other receivables	21.0	76.3
Total	582.2	537.9

The trade receivables balance can be further analysed as follows:

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Gross trade receivables	475.2	388.9
Allowance for expected credit losses	(129.3)	(90.3)
Net trade receivables	345.9	298.6

The movement in the allowance for expected credit losses can be further analysed as follows:

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
At 1 January 2018 (at 27 July 2017)	90.3	-
Provisions arising through business combinations	-	84.6
Additional provision in the period	57.9	41.5
Released	(22.3)	(30.7)
Utilised in the period	(2.7)	(1.0)
Foreign exchange	6.1	(4.1)
At 31 December	129.3	90.3

Note 4c

Other current assets

As part of the acquisition shares held an Employee Benefit Trust (EBT) in the legacy Worldpay Group plc parent were converted to shares of Worldpay, Inc. which was the ultimate parent company at the time and the company in which the shares were held. Subsequently, as a result of the acquisition of Worldpay, Inc. by FIS, the shares were converted into shares of FIS. As at 31 December 2019, 142,749 shares were held in the EBT at a value of £19.9m (2018: 414,325 shares at \$40.7m).

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Other current assets	19.9	40.7

Note 4d

Trade and other payables

Trade and other payables are recognised initially at fair value in the period to which they relate. They are subsequently held at amortised cost using the effective interest rate method. They are derecognised when payment has been made.

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Trade payables	87.9	88.4
Amounts owed to Group companies	80.8	32.5
Accruals	215.6	268.4
Other liabilities	138.0	86.9
Derivative financial instruments	55.1	-
Deferred income	1.9	6.5
Total	579.3	482.7

Note 4e

Provisions

The Group 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.

Onerous contracts are recognised immediately as a provision. The amount recognised is the excess of the unavoidable costs of the contract over any expected economic benefits arising from the contract. Dilapidation provisions represent the liabilities incurred to date in order to restore the leased properties to their original state at the end of the lease terms.

Restructuring provisions are only recognised when there is a detailed plan of the restructure that has been communicated to those impacted and the proposed restructure is sufficiently imminent to mean that it is unlikely any significant changes will be made to the plan. The provision recognised includes costs that are directly attributable to the restructure and excludes any costs on ongoing activities, such as relocation or training of staff and marketing costs.

	Merchant potential liabilities \$m	Onerous contracts \$m	Onerous lease provision and dilapidations \$m	Other \$m	Total \$m
At 27 July 2017					
Provisions arising through business combinations	10.3	12.7	7.1	24.5	54.6
Additions	1.3	2.8	0.4	1.8	6.3
Released	(1.8)	(8.8)	(0.4)	(23.9)	(34.9)
Utilised in the year	-	0.8	-	-	0.8
Foreign exchange	(0.8)	(1.1)	(0.5)	(1.8)	(4.2)
At 31 December 2018 (unaudited)	9.0	6.4	6.6	0.6	22.6
Offset with right-of-use asset under initial application of IFRS 16	-	-	(6.6)	-	(6.6)
Additions	-	-	-	5.4	5.4
Released	(6.6)	(6.8)	-	0.7	(12.7)
Foreign exchange	0.5	0.4	-	0.4	1.3
At 31 December 2019	2.9	-	-	7.1	10.0

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Current	3.3	15.4
Non-current	6.7	7.2
Total	10.0	22.6

Merchant potential liabilities are projected chargebacks anticipated to be incurred in future periods in relation to merchant accounts where any related trade receivable balance has already been fully provided (Note 4b).

Note 4f

Note to cash flow statement

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. Merchant float is excluded from the cash flow statement.

The table below reconciles the loss for the period before tax to cash generated by operations:

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Operating activities		
Loss before tax	(153.1)	(220.1)
Adjustments for:		
Amortisation of intangible assets (see Note 3b)	514.4	539.3
Depreciation of property, plant and equipment (see Note 3c)	35.9	22.5
Finance costs	175.7	173.7
Net cash inflow from operating activities before movements in working capital	572.9	515.4
Increase in trade and other receivables	(30.0)	(39.4)
Increase in trade and other payables	44.2	42.2
(Decrease)/increase in provisions	(20.1)	13.9
Cash generated by operations	567.0	532.1

Acquisitions

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Acquisition of subsidiary, net of cash acquired	(4.1)	(9,438.9)

Section 5 – Financing and equity

This section details the Group's debt and the related financing costs. It also shows the Group's capital.

Note 5a

Finance income/(costs)

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Finance income – Visa Europe		
Fair value gain on Visa Inc. preference shares	308.0	64.2
Dividend income on Visa Inc. preference shares	5.4	4.3
Interest income on deferred consideration	6.5	-
Foreign exchange (losses)/gains	(31.4)	54.6
Finance income – Visa Europe (see Note 5i)	288.5	123.1
Finance costs – CVR liabilities (see Note 5i)	(268.5)	(93.6)
Finance costs – Other		
Effective interest on borrowings	(213.6)	(201.7)
Borrowing termination fee	(28.7)	-
Effective interest on finance leases	(3.1)	(1.4)
Amortisation of banking facility fees	7.0	8.4
Fair value gain on other financial assets	9.6	-
Foreign exchange losses	38.7	(3.3)
Other finance costs	(5.6)	(5.2)
Finance costs	(195.7)	(203.2)

Note 5b

Net debt

	Own cash and cash equivalents ¹ \$m	Intercompany borrowings \$m	Senior bank borrowings and Senior unsecured notes \$m	Overdraft \$m	Leases \$m	Total \$m
At 27 July 2017						
Arising from business combinations	966.2	(181.0)	(1,814.4)	-	(37.6)	(1,066.8)
Cash flows	(385.1)	(2,952.6)	1,160.2	-	14.8	(2,162.7)
Finance costs	-	(193.7)	(21.2)	-	(1.4)	(216.3)
Other non-cash flows	-	-	8.4	-	-	8.4
Exchange movements	(47.2)	-	46.8	-	(1.1)	(1.5)
At 31 December 2018 (unaudited)	533.9	(3,327.3)	(620.2)	-	(25.3)	(3,438.9)
Recognition of lease liability on initial application of IFRS16	-	-	-	-	(67.9)	(67.9)
Cash flows	384.7	(732.1)	570.4	(11.4)	17.7	229.3
Finance costs	-	(200.0)	(12.3)	-	(3.1)	(215.4)
Other non-cash flows	-	-	47.1	-	-	47.1
Exchange movements	30.4	(43.3)	15.0	(0.1)	(10.4)	(8.4)
At 31 December 2019	949.0	(4,302.7)	-	(11.5)	(89.0)	(3,454.2)

1 Own cash and cash equivalents at 31 December 2019 includes \$540.4m (2018: \$482.2) held in relation to the CVR holders.

Note 5c

Borrowings

The Group classifies its borrowings between unsecured Intercompany loan notes, senior unsecured notes and bank overdraft facility. These are held at amortised cost using the effective interest method.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised to form part of the cost of that asset. Capitalisation starts when the asset is actively being built or prepared for use and suspended when developed activities stop.

Interest accruals and other costs related to borrowings are shown as finance costs in the income statement. The effective interest calculation on senior and subordinated borrowings includes capitalised finance costs.

The Group's borrowings at 31 December 2019 comprised \$3.9bn of Intercompany loan notes and \$0.4bn drawn down on Intercompany rolling credit facility together with \$11.5m of bank overdraft. The Group also has access to a \$1bn FIS group revolving credit facility (RCF).

Following the acquisition of Worldpay in January 2018 the Worldpay the GBP debt facilities were repaid on 16 January 2018 and replaced with \$3.3bn unsecured USD Intercompany loan notes with repayment due in 2025 and interest accruing at 5.95%.

	Intercompany borrowings \$m	Senior unsecured notes \$m	Overdraft facility \$m	Total \$m
Current	(27.3)	(2.7)	-	(30.0)
Non-current	(3,300.0)	(617.5)	-	(3,917.5)
At 31 December 2018 (unaudited)	(3,327.3)	(620.2)	-	(3,947.5)
Current	(1,002.7)	-	(11.5)	(1,014.2)
Non-current	(3,300.0)	-	-	(3,300.0)
At 31 December 2019	(4,302.7)	-	(11.5)	(4,314.2)

The key terms on the Group's senior bank borrowings are as follows:

Facility	USD \$m	CCY	Repayment type	Coupon rate
Intercompany loan note	388.5	USD	Bullet	5.95%
Intercompany loan note	2,936.3	USD	Bullet	5.95%
Intercompany loan note	573.8	GBP	Bullet	LIBOR + 0.45%
Intercompany Rolling credit facility	404.1	EUR	Bullet	LIBOR + 1.00%
Bank overdraft facility	11.5			
Total	4,314.2			

Undiscounted cash outflow to repay the Group's borrowings, including future interest payments to the relevant maturity dates, are disclosed below.

Cash outflow due in:	\$m
2020	1,193.4
2021	196.4
2022	196.4
2023	196.4
2024	196.4
Beyond 2024	3,496.4
Total	5,475.4

Note 5d

Lease arrangements

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported and IAS 17 and IFRIC 4.

Significant accounting policy

Policy applicable from 1 January 2019

At inception of a contract the Group 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. To assess whether a contract conveys the right to control the use of an identified asset the Group assesses whether:

- The contract involves the use of an identified assets - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the assets throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - o The Group has the right to operate the assets; or
 - o The Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relevant relative standalone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019 the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- Fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - o the purchaser has the ability or rights to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - o the purchaser had the ability or rights to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - o facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output

As a Lessee

The Group 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 dismantle and remove the underlying assets or to restore the underlying assets or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of rights of use assets are 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 remeasurement 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

- fixed payments including in-substance fixed payments
- variable lease payments that depend on an index or a rate initially measured using the index or the rate at the commencement date
- amount expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of the lease unless the Group is reasonably certain not to terminate early.

Note 5d

Lease arrangements (continued)

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

When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying amount of the rights of use assets or is recorded in profit or loss if the carrying amount of the right-of-use as it has been reduced to zero.

The Group 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.

Under IAS 17

In the comparative period as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of the fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, including excluding any contingent rent.

Subsequently the assets were accounted for in accordance with the accounting policy applicable to that assets.

Assets held on the other leases were classified as operating leases and were not recognised in the Group statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the terms of the lease. Lease incentives received were recognised as an integral part of the total lease expense over the term of the lease.

Leases as a lessee (IFRS16)

Right-of-use assets

	Total \$m
Cost	
At 1 January 2019	61.3
Additions to right-of-use assets	3.1
Depreciation charge for the year	(8.3)
Foreign exchange impact	0.9
At 31 December 2019	57.0

Lease liabilities

Maturity analysis - contractual - undiscounted cash flows

	Year ended 31 December 2019 \$m	Unaudited Year ended 31 December 2018 \$m
Less than one year	20.3	14.9
One to five years	53.6	10.8
More than five years	30.9	-
Total undiscounted lease liabilities at 31 December	104.8	25.7

Lease liabilities included in the statement of financial position at 31 December:

Current	17.4	14.9
Non-current	71.6	10.4

Note 5d**Lease arrangements** (continued)**Amounts recognised in profit or loss**

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

	Year ended 31 December 2019 \$m
2019 - Leases under IFRS 16	
Interest expense on lease liabilities	2.7
Expenses relating to short-term leases	0.4
	3.1

	Unaudited Period ended 31 December 2018 \$m
2018 - Operating leases under IAS17	
Lease expense	17.3

Amounts recognised in statement of cash flows

	Year ended 31 December 2019 \$m
Total cash outflow for leases	(17.7)

Note 5e**Financial instruments**

On initial recognition, financial assets and liabilities are classified into the relevant category and recognised at fair value. Their subsequent measurement, at either fair value or amortised cost, is dependent upon their initial classification. Amortised cost is calculated using the effective interest rate method. Individual non-derivatives and their treatment are explained in their separate notes.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, there is a legally enforceable right to set off the recognised amounts. Financial assets are derecognised when the Group transfers the financial asset, or the contractual rights expire. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

The Group operates net investment hedges, using foreign currency borrowings. The effective portion of the foreign exchange gain or loss on retranslation of the hedging instrument is taken to the foreign currency translation reserve. Any ineffective portion is recognised immediately in the income statement. If the hedged investment is disposed of then any balance held in reserves is recycled to the income statement.

In the current year, a loss of \$8.7m (period ended 31 December 2018: gain of \$2.8m) was taken to the foreign exchange reserve in relation to net investment hedging.

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross-currency swaps. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship.

The Group's financial assets and liabilities are as follows:

Financial assets

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Trade receivables	345.9	298.6
Other receivables	21.0	76.3
Other current assets	19.9	40.7
Own cash and cash equivalents	949.0	533.9
Financial assets – Visa Inc. preference shares (see Note 5i)	475.4	163.2
Total	1,811.2	1,112.7

Note 5e

Financial instruments (continued)

Financial liabilities

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Trade payables	87.9	88.4
Amounts owed to group companies	80.8	32.5
Other liabilities	138.0	86.9
Leases	89.0	25.3
Borrowings (see Note 5c)	4,314.2	3,947.5
Financial liabilities – CVR liabilities (see Note 5i)	893.7	606.3
Total	5,603.6	4,786.9

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Group operates throughout the world, with major operations in the United Kingdom, Europe and the US.

Foreign currency risk is managed at a Group level, focusing on two distinct areas: Group assets and liabilities and customer transactions (relating to the Group's payment business).

Financial assets

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
GBP	117.7	753.1
EUR	880.3	235.1
USD	747.3	85.0
Other	65.9	39.5
	1,811.2	1,112.7

Financial liabilities

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
GBP	1,800.8	843.2
EUR	0.6	580.8
USD	3,797.1	3,359.3
Other	5.1	3.6
	5,603.6	4,786.9

Customer transactions

Receipts from the card networks generally match merchant payments in each currency. Where there is a difference in settlement currency, the time between receipt and settlement is generally limited to a small number of days. Given the short-term nature of these balances there is no material gross credit, liquidity, foreign exchange or market risk associated with them. Therefore, these balances, i.e. merchant float, scheme debtors and merchant creditors, are excluded from this note.

Note 5e

Financial instruments (continued)

Foreign currency sensitivity analysis

The sensitivity analysis below details the impact of a 1% strengthening in the Group's significant currencies against USD Dollar, applied to the net monetary assets or liabilities of the Group.

31 December 2019 (\$m)	EUR	GBP	Other
Monetary assets	117.7	880.3	65.9
Monetary liabilities	(1,800.8)	(0.6)	(5.1)
Net monetary (liabilities)/assets	(1,683.1)	879.7	60.8

Currency impact (\$m)	(16.8)	8.8	0.6
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Unaudited 31 December 2018 (\$m)	EUR	GBP	Other
Monetary assets	753.1	235.1	39.5
Monetary liabilities	(843.2)	(580.8)	(3.6)
Net monetary liabilities	(90.1)	(345.7)	35.9

Currency impact (\$m)	(0.9)	(3.5)	0.4
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The following significant exchange rates versus US Dollar applied during the year and the prior period:

	Average		Reporting date	
	2019	Unaudited 2018	2019	Unaudited 2018
EUR	1.11966	1.18165	1.12157	1.14320
GBP	1.27679	1.33570	1.31858	1.27430

Interest rate risk management

The Group is exposed to cash flow interest rate risk on borrowings and cash balances held at variable rates and mismatches on maturities between borrowings and cash, resulting in variable interest cash flows.

Cash held at variable rates offsets risk arising from changing interest rates on the Group's borrowings.

Interest rate sensitivity analysis

	EUR		GBP		USD		Other	
	31 December 2019 \$m	Unaudited 31 December 2018 \$m	31 December 2019 \$m	Unaudited 31 December 2018 \$m	31 December 2019 \$m	Unaudited 31 December 2018 \$m	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Own cash and cash equivalents	298.6	202.0	372.2	267.7	233.3	41.9	44.9	22.3
Merchant float	293.7	304.2	786.3	1,191.0	258.6	232.0	179.6	173.5
Borrowings	-	(620.2)	(582.7)	-	(3,728.8)	(3,327.3)	(2.7)	-
Net variable rate assets/(liabilities)	592.3	(114.0)	575.8	1,458.7	(3,236.9)	(3,053.4)	221.8	195.8

A 1% increase in interest rates would result in:

- An incremental increase of 0.23% (2018: 0.74%) on debt costs, as the senior unsecured notes have a fixed interest rate of 5.95%.
- An increase of 1.00% in float income arising from cash balances receiving floating rate interest.

The net impacts of the above would be increased costs of \$7.6m (period ended 2018: \$8.3m increase in costs).

Note 5e

Financial instruments (continued)

Credit risk management

Credit risk arises from the failure of a merchant or partner bank or alternative payments provider to meet its obligations in accordance with agreed terms.

For financial assets other than trade receivables, the Group does not believe it has a material credit risk in relation to amounts owed to us by the card networks as our contracts state we are only liable to settle to merchants on our receipt of those funds. In circumstances where funds to merchants have been settled prior to receipt of those funds from the card networks a credit risk would arise. This risk is deemed to be extremely remote as these funds are generally settled within two days and thus it would require the sudden collapse of at least one significant card issuer without any State intervention. The Group regularly monitors and assesses counterparty and non-performance risk and our most significant network and bank partners are either State owned or have investment grade ratings.

For trade receivables, credit risk is managed with various mitigating controls including credit risk reviews at customer onboarding, regular proactive monitoring of customers, the ability to net settle or suspend settlement of funds until debt is repaid.

In order to estimate the lifetime expected credit losses, the Group uses a provision matrix using historically observed default rates of customers, adjusting for the likelihood of losses based on the age of the debt or customer profile.

Bad debt provisions are reviewed regularly. Indicators that there is no reasonable expectation of recovery include, but are not limited to:

- The age of debt, (including the aging thresholds at which debts are passed to debt collection agencies for particular customer types); and
- The financial health of the customer (e.g. whether the customer has ceased trading and so there is no settlement funds to reserve debt against).

Further information is included in the Principal risks and uncertainties section of this report on page 8.

Liquidity risk management

The Group's liquidity risk management focuses on two distinct areas; own cash and settlement cash for customers (relating to the Group's payment business).

Own cash

The Group is committed to ensuring it has sufficient liquidity to meet its payables as they fall due.

This is achieved by holding significant cash balances and maintaining sufficient committed headroom. As at 31 December 2019, the Group had own cash balances of \$949.0m (2018: \$533.9m) of which \$540.4m (2018: \$482.2m) is held in relation to CVR holders. Available headroom under the Group's revolving credit facility is \$500.0m (2018: \$200.0m).

Settlement cycle

The Group has a short-term settlement cycle where card networks (predominantly Visa and Mastercard) remit cash and the Group pays merchants from these remittances within three days.

The majority of funds are received prior to remittance to the merchant, resulting in significant cash balances relating to the settlement cycle. The Group has an Intra-Day Agreement Facility of \$2.1bn to ensure payments can be processed whilst awaiting card network remittances.

Note 5f

Share capital

	Nominal value \$	Number of shares	Par value \$m
Total ordinary shares in issue at 31 December 2019 and at 31 December 2018 (unaudited)	1	8,057,305,194	8,057.3

At 31 December 2019, all ordinary shares are fully paid up at par.

The holders of ordinary shares are entitled to dividends and one vote per share at meetings of the Company.

Note 5g

Capital resources

The Group's capital consists of equity, comprising issued share capital and retained earnings. The regulated entities within the Group are required to maintain minimum regulatory capital. This ensures the Company has sufficient capital resources for the activities required to undertake payment services.

The capital employed in the Company, together with the reserves, ensure that a buffer to the minimum regulatory capital requirement is achieved.

Note 5h

Dividends

The Company's dividend policy is to remit cash considered excess to operational and regulatory requirements to the immediate parent through to the US group to assist in Group liquidity.

In line with that policy, the following dividends totalling \$132.9m were paid in 2019 (2018 \$118.2m)

- September 2018 \$43.2m (dividend per share of \$0.005361)
- December 2018 \$75m (dividend per share of \$0.009308)
- February 2019 \$100.0m (dividend per share of \$0.012411)
- April 2019 \$32.9m (dividend per share of \$0.004082)

Note 5i

Visa Europe

Disposal of Visa Europe shares

As part of the Worldpay acquisition (see note 6a), the Group acquired certain assets and liabilities related to the June 2016 Worldpay (UK) Limited (a subsidiary of the Group, "WPUKL") disposal of its ownership interest in Visa Europe to Visa Inc. The proceeds from the disposal comprised a mixture of cash and non-cash consideration valued at €1,051.3m, including €589.7m up-front cash, €405.4m of Series B preferred stock in Visa Inc. and €56.2m deferred cash, which was received in June 2019. €547.5m of the up-front cash consideration and all of the preferred stock 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, WPUKL, along with the other former members of Visa Europe, entered into a Litigation Management Deed (LMD) and a Loss Sharing Agreement (LSA). Under this arrangement, potential losses from Visa Europe interchange litigation will be set against the preferred stock, through adjusting the ratio of conversion to ordinary stock. WPUKL also entered into a Loss Sharing Agreement (LSA) with other former UK members of Visa Europe.

Contingent Value Rights (CVRs)

The holders of the CVRs (a separate class of shares in Worldpay Group Ltd, "Legacy Worldpay") are entitled to 90% of the net post-tax proceeds of the disposal in accordance with the terms of the CVRs (subject to the Company's right of retention), with Legacy Worldpay retaining 10% of the net proceeds. The settlement of the CVR liabilities could take up to 12 years (June 2028) depending on the settlement of the claims under the LSA.

The CVRs are non-voting and are not convertible into ordinary shares. Given the nature of the CVRs, they are classified as financial liabilities (CVR liabilities) recognised initially at fair value and subsequently at amortised cost, with the gain or loss recognised in 'Finance costs – CVR liabilities' in the Group's income statement.

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

In order to fair value the Visa Inc. preference shares and related component of the CVR liabilities as at 31 December 2019, the Directors have engaged third-party valuation specialists and external counsel to assist in making the fair value determination for the preferred stock which considered a range of potential outcomes, including the likely value of the potential level of losses from Visa Europe interchange litigation that the Group may be liable for. The information on which the judgement is made is publicly available. There are a number of key assumptions in estimating the potential loss;

- The difference in merchant interchange fee for credit and debit cards claimed;
- The proportion of merchants that successfully claim damages against Visa; and
- The validity of defences presented against claimants.

The Directors have assessed a range of possible scenarios and have concluded on the most likely outcome based on the information available and the experience of external counsel in handling comparable litigations. The most likely outcome is broadly in the middle of the potential range and this position is 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. The uncertainties inherent in the determination of the fair value of the Visa Inc. preference shares will not be resolved until the obligations under the LMD and LSA are extinguished which is dependent upon final resolution of all related claims.

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.

Note 5i

Visa Europe (continued)

Accounting treatment

Consideration from disposal of Visa Europe shares

'Own cash and cash equivalents', includes \$540.4m (2018: \$482.2m) in relation to the CVR holders. The deferred cash consideration has been included in current 'Deferred consideration – Visa Europe' at 31 December 2018. All balances have been revalued to period end rates in the Group balance sheet as at 31 December 2019.

The preference stock received on disposal of our interest in Visa Europe has been recognised as a financial asset under the non-current 'Financial assets – Visa Inc. preference shares' category and has been classified as fair value through profit and loss. Subsequent movements on the fair value of the preferred stock are recognised in 'Finance income – Visa Europe' and the movement on the CVR liabilities is recognised in 'Finance costs – CVR liabilities' in the Group's income statement. 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.

When measuring the fair values of the financial asset – Visa Inc. preference shares as well as the LSA liability, the Group 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, the conversion ratio which will be adjusted for potential losses from Visa Europe interchange litigation under the LMD, and the forward FX rate used to translate these potential losses, 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 2019, the Directors have engaged third-party valuation specialists and external counsel to assist in making the fair value determination for the preferred stock which considered a range of potential outcomes, including the likely value of the potential level of losses from Visa Europe interchange litigation that the Group may be liable for. There are 2 key assumptions in estimating the potential loss; the difference in merchant interchange fee for credit and debit cards claimed and the proportion of merchants that make a claim. Management have assessed a range of possible scenarios and have concluded that the mid-range estimate is the most appropriate, this is 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 liabilities

The CVR liabilities have been classified as financial liabilities at amortised cost based on a re-estimation of future cash flows, with any changes being recognised in 'Finance costs – CVR liabilities' in the income statement.

Note 5i

Visa Europe (continued)

Conclusion

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

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Balance sheet		
Non-current assets		
Financial assets – Visa Inc. preference shares	475.4	163.2
Current assets		
Deferred consideration – Visa Europe	–	64.3
Dividend receivable	–	1.2
Own cash and cash equivalents*	600.4	535.7
Current liabilities		
Current tax liabilities	(1.2)	(1.3)
Financial liabilities – CVR liabilities	(893.7)	(606.3)
Deferred tax liabilities	(80.8)	(27.7)
Net assets	100.1	129.1

* Includes \$540.4m of cash in relation to the CVR holders (2018: \$482.2m).

	Year ended 31 December 2019 \$m	Unaudited Period ended 31 December 2018 \$m
Income statement		
Fair value gain on Visa Inc. preference shares	308.0	64.2
Foreign exchange (losses)/gain	(31.4)	54.6
Dividend income on Visa Inc. preference shares	5.4	4.3
Interest income on deferred consideration	6.5	–
Finance costs – CVR liabilities	(268.5)	(93.6)
Profit before tax	20.0	29.5
Tax charge	(53.1)	(21.7)
(Loss) / profit after tax	(33.1)	7.8

Section 6 – Group composition – subsidiaries, acquisitions and disposals

This section shows the Group's subsidiaries, details about subsidiaries the Group has acquired during the year and prior years and details about any subsidiaries that have been disposed of during the year and prior years.

Consolidation

The consolidated financial statements incorporate the financial statements of Worldpay Group Limited and entities controlled by it (its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Total comprehensive income of subsidiaries is attributed to the owners of Worldpay Group Limited and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The year-end assets and liabilities of the entities are consolidated with those of Worldpay Group Limited and presented in the consolidated balance sheet.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the IFRS policies used by the Group and for any fair value adjustments required on consolidation.

All intra-Group balances, income and expenses and the effect of any intra-Group profits on the balance sheet are eliminated in full on consolidation.

Note 6a

Investments in subsidiaries

An entity is classified as a subsidiary of the Group when the Group has control over that entity, either through majority shareholding or other means.

Acquisitions

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value; it includes cash, other assets transferred and any contingent consideration due to the former owners of the acquiree. Acquisition-related costs are recognised in the income statement as incurred. The identifiable assets acquired and the liabilities assumed are recognised at their fair value as at the acquisition date.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and any non-controlling interest over the fair value of the net identifiable assets acquired, liabilities assumed plus any existing interest in the business acquired. If the consideration transferred is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised immediately in profit or loss as a gain on a bargain purchase.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted during the following reporting period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Disposals

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Acquisitions

On 16 January 2018, Vantiv Inc. (subsequently renamed Worldpay Inc.) acquired all of the ordinary shares in Worldpay Group Limited for approximately \$11.9bn. The acquisition was structured with the Worldpay US subsidiaries directly owned in the US by Worldpay ISO Inc. (Nebraska) and the Worldpay non-US subsidiaries, referred to as the 'International business' being directly owned by Worldpay International Limited a subsidiary of Worldpay International Group Limited. The purchase price for the acquisition of the non-US subsidiaries was \$10.4billion, satisfied by the issue of \$8billion in shares and \$2.4billion in cash.

The strategic rationale for the acquisition included creating a leader in global eCommerce as well as to leverage the predecessor companies' core strengths to continue to expand across high-growth segments of the payments market. The Legacy Worldpay companies' technology assets provide a strong, integrated foundation for innovation and growth, as well as a flexible, highly advanced global platform. The companies' leading international eCommerce and U.S. eCommerce capabilities combined to establish a leading global eCommerce player.

Goodwill is primarily made up of expected synergies from combining operations of the acquiree and the Company.

Note 6a (continued)

Investments in subsidiaries (continued)

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	Unaudited Recognised values on acquisition \$m
Acquiree's net asset at the acquisition date:	
Other intangible assets	3,273.3
Property, plant and equipment	58.4
Other non-current assets	143.6
Current assets	605.8
Settlement assets	3,033.3
Cash and cash equivalents	966.2
Trade and other payables	(688.8)
Settlement liabilities	(3,036.8)
Amount due to fellow group subsidiaries	(150.5)
Deferred tax liability	(503.3)
Long term debt	(1,814.4)
Other non-current liabilities	(576.4)
Net identifiable assets and liabilities	1,310.4
Consideration paid in cash	10,405.1
Goodwill arising on acquisition (note 3a)	9,094.7
Net cash paid on acquisition (note 4f)	9,438.9

The amount of revenue and profit and loss since the acquisition date included in the statement of consolidated statement of comprehensive income for the reporting period and unaudited supplemental pro forma results of operations for the year ended December 31, 2018 assuming the acquisition had occurred as of 27 July 2017, and since 1 January 2018 are presented below.

	Unaudited Included since acquisition \$m	Unaudited proforma from 1 January 2018 \$m	Unaudited proforma from 27 July 2017 \$m
Revenue	1,218.3	1,270.7	1,784.2
Net loss	(76.2)	(116.9)	(20.7)

On 31 August 2019, the Group acquired all of the ordinary shares in Endava Technology (renamed Worldpay Technology Romania SRL) for \$4.1m, satisfied in cash. This entity was not considered material to warrant separate disclosure details.

Note 6a

Investments in subsidiaries (continued)

The Group has subsidiaries per the table below.

These accounts are being used to guarantee those subsidiaries that are exempt from audit by virtue of s479A of Companies Act 2006. This is identified in the far-right column of the table below.

Company name	Country of Incorporation /registration	Registered place of business	Ordinary shares held	Exemption from audit under s479A pf
Worldpay International Payments Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay International Solutions Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay International Holdings Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay International Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay Group Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay Governance Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay (UK) Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay AP Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Payment Trust Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Ship Holdco Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Ship Midco Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay Finance Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay eCommerce Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
YESpay International Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Tayvin 346 Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Yes-Secure.com Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay Latin America Ltd	England and Wales	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	100%	Exempt
Worldpay Argentina SRL	Argentina	c/o Bourel & Paris Laplace, Suipacha 1380, 2nd floor, (1011) City of Buenos Aires, Argentina	100%	N/A
Worldpay Pty Ltd	Australia	c/o TMF Corporate Services (Aust) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney, NSW 2000, Australia	100%	N/A
Envoy Services Pty Ltd	Australia	c/o TMF Corporate Services (Aust) Pty Ltd, Level 16, 201 Elizabeth Street, Sydney, NSW 2000, Australia	100%	N/A
Worldpay Holdings Brasil Participacoes Ltda	Brazil	Rua Fidêncio Ramos, 302, Conjunto 114, Torre B, Bairro Vila Olimpia, 04551-010, São Paulo, Brazil	100%	N/A
Worldpay do Brasil Processamento de Pagamentos Ltd	Brazil	Rua Fidêncio Ramos, 302, Conjunto 114, Torre B, Bairro Vila Olimpia, 04551-010, São Paulo, Brazil	100%	N/A
Envoy Services Bulgaria Ltd	Bulgaria	c/o Vistra Corporate Services EOOD,, San Stefano Plaza, 2nd floor, 2 San Stefano str., Sofia, 1504, Bulgaria	100%	N/A
Canadian Envoy Technology Services Ltd	Canada	c/o TMF Canada Payroll Inc., 204-275 Fell Avenue, North Vancouver, BC, V7P 3R5, Canada	100%	N/A
Worldpay Canada Corporation	Canada	1134 Grande Allee Ouest, Suite 600, Ville de Québec, QC, G1S 1E5, Canada	100%	N/A
Worldpay Marketing Consulting (Shanghai) Co Ltd	China	10/F, Building 2, 36 and 38 Haiqu Road, Shanghai JS201203, China	100%	N/A
Envoy Services Denmark APS*	Denmark	c/o Beierholm, Gribskovvej 2, 2100 København Ø, Denmark	100%	N/A

Note 6a

Investments in subsidiaries (continued)

Company name	Country of Incorporation /registration	Registered place of business	Ordinary shares held	Exemption from audit under s479A pf
Worldpay SARL	France	52, rue de la Victoire, TMF Pôle, 75009 Paris France	100%	N/A
Worldpay (HK) Ltd	Hong Kong	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	100%	N/A
Worldpay India Private Ltd	India	S-405(LGF), Greater Kailash Part II, New Delhi 110048, India	100%	N/A
Bibit Payments KK	Japan	3rd Floor, Sanno Park Tower, 11-1, Nagatacho 2-chome, Chiyoda-ku, Tokyo, Japan	100%	N/A
Worldpay KK	Japan	JA Building 12F, 1-3-1 Otemachi, Chiyoda-ku Tokyo, Japan	100%	N/A
Worldpay Jersey Ltd	Jersey	IFC 1, Level 1, Esplanade, St Helier, Jersey, JE2 3BX	100%	N/A
Ship Luxco 2 SARL	Luxembourg	4 Rue Jean-Pierre Probst, L-2352, Luxembourg	100%	N/A
Ship Luxco 3 SARL	Luxembourg	4 Rue Jean-Pierre Probst, L-2352, Luxembourg	100%	N/A
Worldpay BV	Netherlands	De Entree 248, 1101 EE, Amsterdam Netherlands	100%	N/A
Worldpay (NZ) Ltd	New Zealand	c/o TMF Group, Level 11, 41 Shortland Street, Auckland, 1010, New Zealand	100%	N/A
Worldpay Technology Bucharest SRL	Romania	Floors 3 & 4, AFI Park 4 & 5 offices building, 4A Timisoara Blvd. District 6 Bucharest, Romania	100%	N/A
Worldpay Pte Ltd	Singapore	8 Marina View, #31-01, Asia Square Tower 1 018960, Singapore	100%	N/A
Envoy Services South Africa (Pty) Ltd	South Africa	3rd Floor, 200 on Main, Cnr Bowwood and Mains Road, Claremont, Cape Town, 7708, South Africa	100%	N/A
Bibit Spain SL	Spain	Jorge Juan 30, 28001, Madrid, Spain	100%	N/A

*Entity dissolved in 2018

All significant subsidiary undertakings have 31 December as their financial year ends and all the above companies have been included in the Group consolidation.

The Group also has investments as disclosed in Note 6b.

Note 6b

Investments

Investments are designated as held for fair value through profit and loss. Cost is used in the limited circumstances where an appropriate fair value cannot be estimated for unquoted security investments.

The table below sets out the aggregated amounts relating to investments:

	2019 \$m	Unaudited 2018 \$m
At 1 January 2018 (27 July 2017)	6.4	-
Arising through business combinations	0.0	6.9
Impairment	(6.6)	-
Foreign exchange gain	0.2	(0.5)
At 31 December	-	6.4

The Group reviews its investments annually for impairment, in line with the policy of the Group's ultimate parent.

Section 7 – Other notes

This section includes disclosure on contingent liabilities and related parties.

Note 7a

Contingent liabilities

Contingent liabilities primarily comprise guarantees, letters of credit and other contingent liabilities, all of which arise in the Group's ordinary course of business. They are disclosed when the associated outflow of economic benefits is considered possible.

Chargeback liability

The Company is exposed to potential losses from merchant-related chargebacks. A chargeback occurs when a dispute between a cardholder and a merchant, including a claim for non-delivery of the product or service by the merchant, is not resolved in favour of the merchant and the transaction is charged back to the merchant resulting in a refund of the purchase price to the cardholder. If the Company is unable to collect this chargeback amount from the merchant due to closure, bankruptcy or other reasons, the Company bears the loss for the refund paid to the cardholder. The risk of chargebacks is typically greater for those merchants that promise future delivery of goods and services rather than delivering goods or rendering services at the time of payment. The economic impact of the COVID-19 pandemic has not resulted in material chargeback losses as of September 30, 2020; however, it is reasonably possible that the Company has incurred or may incur significant losses related to future chargebacks. Due to the unprecedented nature of the pandemic and the numerous current and future uncertainties that may impact any potential chargeback losses, and considering that the Company has no historical experience with similar uncertainties, a reasonable estimate of the possible accrual for future chargeback losses or range of losses cannot be made.

Note 7b

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures, the Directors and any other entities over which the Directors have significant influence.

The related party transactions between the joint venture, associate and Investment all arose in the normal course of business and are conducted on an arm's length basis. A list of the Group's subsidiaries is in Note 6a and details of investment are in Note 6b.

There are no related party transactions with the Directors outside of their employment by the Group.

Related party payables outstanding:

	As at 31 December 2019 \$m
Ultimate parent of FIS Group, FIS	437.4
Other FIS Group entities	3,949.8
	4,387.2

Since the ownership structure that the Company has been within has changed in 2019, 2018 has not been disclosed as a suitable comparative.

Note 7c

Post balance sheet events

Coronavirus (COVID-19)

Following the outbreak of coronavirus (COVID-19) we have provided an update to our principal risks and uncertainties.

The extent to which the coronavirus (COVID-19) pandemic and measures taken in response thereto impact our business, results of operations, liquidity and financial condition will depend on future developments, which are highly uncertain and are difficult to predict.

Global health concerns relating to the COVID-19 pandemic and related government actions taken to reduce the spread of the virus have been weighing on the macroeconomic environment, and the pandemic has significantly increased economic uncertainty and reduced economic activity, including consumer and business spending. Risks related to economic activity, including consumers and businesses changing spending habits, are described in our Principal risks and uncertainty item titled "Our business could be materially and adversely affected by the occurrence of a catastrophe, including natural or man-made disasters"

The pandemic has resulted in government authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place or total lockdown orders and business limitations and shutdowns. Governments around the globe have taken steps to mitigate some of the more severe anticipated economic effects of the virus, but there can be no assurance that such steps will be effective or achieve their desired results in a timely fashion.

Note 7c (continued)
Post balance sheet events (continued)

As UK and international governmental authorities have imposed social distancing, shelter-in-place or total lock-down orders, spending has declined, most notably in travel, restaurants, entertainment, and retail, resulting in a rapid deterioration in payments volume and transaction trends on a worldwide basis beginning in March 2020, which has been adversely impacting revenue in our business that earn transaction-based fees. In addition, we may experience a slowdown in corporate decision-making on sales and implementation of our solutions. These changes in spending appear likely to adversely affect our business, results of operations and financial condition in the year ending 31 December 2020 and possibly beyond, although the magnitude and duration of their ultimate effect is not possible to predict.

We may experience financial impacts due to a number of operational factors, including:

- increased risk of merchant and card issuer failures, and credit settlement and chargeback risk;
- increased risk of meeting client service contractual obligations due to government lock-down or other orders where it is not possible to provide certain client-facing services from home or to promptly transfer them to other locations, causing potential loss of revenue or contractual penalties due to failure to meet service level requirements as well as potential legal disputes and associated costs regarding force majeure or other related contract defences;
- increased cyber and payment fraud risk related to COVID-19, as cybercriminals attempt to profit from the disruption, given increased online banking, e-commerce and other online activity;
- challenges to the availability and reliability of our solutions and services due to changes to normal operations, including the possibility of one or more clusters of COVID-19 cases occurring at our data centres, contact centres or operations centres, affecting our employees or affecting the systems or employees of our clients or other third parties on which we depend;
- an increased volume of unanticipated client and regulatory requests for information and support, or additional regulatory requirements, which could require additional resources and costs to address, including, for example, government initiatives to reduce or eliminate payments costs or fees to merchants; and
- the general impact of recession and instability of markets across the globe. These factors may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations, liquidity and financial condition even after the COVID-19 pandemic has subsided.

The spread of COVID-19 has caused us to modify our business practices (including restricting employee travel, developing social distancing plans for our employees and cancelling physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or as we determine are in the best interests of our employees, clients and business partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by the virus or will otherwise be satisfactory to government authorities. Further, the ability of our senior management and employees to get to work has been disrupted across multiple locations, whether in their own offices or at client sites, due among other things to government work and travel restrictions, including mandatory shutdowns. Where appropriate and plausible under local conditions, we have moved or are moving the work from affected locations. Many of our employees are currently working remotely, where they may not be as effective.

In addition, we have recently extended higher-than-usual levels of credit to our merchant clients as part of funds settlement in connection with payments to their customers, for, among other things, refunds for cancelled trips and events. If the speed of repayments to us by our merchant clients is substantially slower than expected over an extended period of time, or if our merchant clients cease operations such that we are unable to collect on the credit advanced by us for these payments or for any chargeback liability, it could have a material adverse effect on our liquidity, results of operations and financial condition.

The extent to which the coronavirus pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and spread of the pandemic, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. We may experience materially adverse impacts to our business as a result of the virus' global economic impact, including the availability of credit and our ability to comply with the covenants of our credit agreement, adverse impacts on our liquidity, the ability to meet our deleveraging targets, and any recession that has occurred or may occur in the future. Such impacts may also have a material effect on one or more of the estimates and assumptions used to evaluate goodwill impairment and could result in future goodwill impairment. Additionally, COVID-19 may have a material effect on our ability to pay dividends at current levels or at all.

There are no comparable recent events that provide guidance as to the effect the spread of COVID-19 as a global pandemic may have, and, as a result, the ultimate impact of the pandemic is highly uncertain and subject to change. We do not yet know the full extent of the impacts on our business, our operations or the global economy as a whole. However, the effects could have a material adverse effect on our results of operations, liquidity or financial condition and heighten many of our known risks described in the "Principal risks and uncertainties" section of our report. COVID-19 is a non-adjusting post balance sheet event that has only had an impact on the going concern assessment in these financial statements.

Visa Europe

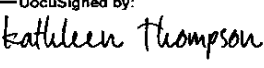
On September 17, 2020, FIS executed an amendment ("the amendment") with the former Legacy Worldpay owners to pay approximately one-third of the cash consideration component of the CVR liability, or \$185.1 million, to the former Legacy Worldpay owners upon amendment execution, and to pay the remaining, approximately two-thirds of the cash consideration on October 12, 2027, subject to reduction due to losses incurred by Visa Inc. relating to the litigation. The amendment also removed the segregated cash requirement resulting in no restricted cash recorded at September 30, 2020, as compared to \$540.4 million recorded at 31 December 2019. Additionally, as Visa Inc. releases preferred stock for conversion into 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 former Legacy Worldpay owners in accordance with the amendment. A payment was made in the fourth quarter of 2020 related to Visa Inc.'s release of preferred stock in September 2020.

Company balance sheet

As at 31 December 2019

	Notes	2019 \$m	2018 \$m
Fixed assets			
Investment in subsidiary undertakings	c3	11,481.6	11,481.6
Current assets			
Debtors	c4	-	200.0
Total assets		11,481.6	11,681.6
Creditors: amounts falling due within one year			
Trade and other creditors	c5	(151.6)	(219.0)
Net current liabilities		(151.6)	(19.0)
Creditors: amounts falling after more than one year			
Intercompany borrowing	c6	(3,300.0)	(3,300.0)
Net assets		8,030.0	8,162.6
Capital and reserves			
Called-up share capital	c7	8,057.3	8,057.3
Retained earnings		(27.3)	105.3
Total shareholders' funds		8,030.0	8,162.6

The accompanying notes on pages 69 to 71 form an integral part of these financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 17 December 2020. They were signed on its behalf by:

DocuSigned by:

 C40CAFF4DE8B42F
 Kathleen T. Thompson
 Director

Company statement of changes in equity

For the Year ended 31 December 2019

	Called-up share capital \$m	Retained earnings/ (deficit) \$m	Total \$m
Issue of 1,338 ordinary shares on 27 July 2017 (date of incorporation)	-	-	-
Issue of 8,057,303,856 ordinary shares on 16 January 2018	8,057.3	-	8,057.3
Profit for the period	-	223.5	223.5
Dividend paid	-	(118.2)	(118.2)
At 31 December 2018	8,057.3	105.3	8,162.6
Profit for the year	-	0.3	0.3
Dividend paid	-	(132.9)	(132.9)
At 31 December 2019	8,057.3	(27.3)	8,030.0

The accompanying notes on pages 69 to 71 form an integral part of these financial statements.

Notes to the Company financial statements

c1. Basis of preparation

Worldpay International Group Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The profit after tax for the Company was \$0.3m which comprised dividends received of \$199.0m less interest expense of \$198.7m (period ended 2018: profit \$223.5m). Prior year comprised dividend income of \$417.2m less interest expense of \$193.7m.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement, standards not yet effective and related party transactions. Where relevant, equivalent disclosures have been given in the consolidated financial statements of Worldpay International Group Limited, which the Company is consolidated in. We expect to continue to take advantage of this disclosure exemption for the foreseeable future.

The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value.

Going concern

The Company acts as the ultimate holding company of the Worldpay International Group. It made a profit of \$0.3m (period ended 2018: profit \$223.5m). The Company was in a net asset position of \$8,030.0m (2018: \$8,162.6m) and net current liabilities of \$151.6m (2018: net current liabilities \$19.0m). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

- The Company is part of a wider group business model by which group companies at times provide and receive services from each other and as needed use group funding and cash pool arrangements. The Company may be dependent on the ultimate parent company providing additional financial support to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.
- The Company's ultimate parent has indicated its intention to continue to make available such funds as are needed by the Company for that period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

On the basis of their assessment of the Company's financial position, the facts and circumstances noted above, and of the enquiries made of the directors of the Company's ultimate parent, the Company's directors have a reasonable expectation that the Company will continue in operational existence and meet its liabilities as they fall due for the period of 12 months from the date of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Accordingly, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Significant accounting policies

Investment in subsidiaries

Investment in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Dividends

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends payable to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Interim dividends in the year of \$132.9m (2018: \$118.2m) have been declared as follows:

- February 2019 \$100.0m (dividend per share of \$0.012411); and
- April 2019 \$32.9m (dividend per share of \$0.004082).

Financial liabilities

On initial recognition financial liabilities are recognised at fair value and subsequently measured at amortised cost using the effective interest method.

c1. Critical accounting estimates and judgements

For the preparation of the Company's financial statements, the Directors are required to make judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

c2. Dividends

The Company's dividend policy is to remit cash considered excess to operational and regulatory requirements to the immediate parent through to the US group to assist in Group liquidity.

In line with that policy, the following dividends totalling \$132.9m were paid in 2019 (2018 \$118.2m)

February 2019 \$100.0m (dividend per share of \$0.012411)

April 2019 \$32.9m (dividend per share of \$0.004082)

c3. Investment in subsidiary undertakings

Investments in subsidiary undertakings are carried at cost less impairment. Movements during the year were as follows:

	\$m
At 27 July 2017	-
Additions	11,481.6
At 31 December 2018	11,481.6
Additions	-
At 31 December 2019	11,481.6

	\$m
Direct investments	
Worldpay International Holdings Limited	3,424.3
Worldpay International Solutions Limited	4,202.2
Worldpay International Payments Limited	3,855.1
Total	11,481.6
Indirect investments	
Worldpay Group Ltd	N/A

This disclosure was included to clarify that Worldpay International Group Ltd does not hold the direct investment in Worldpay Group Ltd.

A list of subsidiary undertakings of the Company are shown in Note 6a to the Group's financial statements.

c4. Debtors

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Amount due from Group undertakings	-	200.0

The amounts due from Group undertakings relate to dividends declared not yet settled.

c5. Trade and other creditors

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Amounts due to Group undertakings	151.6	219.0

The amounts due to Group undertakings are payable immediately and relate interest on borrowings at 31 December 2019 and to dividends declared but not yet settled and interest on borrowings at 31 December 2018.

c6. Intercompany borrowing

	31 December 2019 \$m	Unaudited 31 December 2018 \$m
Long term loan note	3,300.0	3,300.0

The company has a 2 loan notes comprising a total of \$3,300.0m both of which are repayable in January 2028 with fixed interest of 5.95% payable bi-annually.

c7. Share capital

	Nominal value \$	Number of shares	Par value \$m
Total ordinary shares in issue at 31 December 2019 and at 31 December 2018 (unaudited)	1.0	8,057,305,194	8,057.3

c8. Contingent liabilities

Contingent liabilities are disclosed when the associated outflow of economic benefits is considered possible. Their nature and other pertinent details are disclosed, along with their expected value.

c9. Immediate parent and ultimate parent

The Company's immediate parent company is Worldpay Cayman Holdings Limited, a company incorporated in the Cayman Islands. Until the merger with Fidelity National Information Services, Inc. ("the ultimate Group") on 31 July 2019, the ultimate parent undertaking was Worldpay, Inc., who included the Company in its consolidated financial statements. The consolidated financial statements of the ultimate Group are available to the public and may be obtained from 601 Riverside Avenue, Jacksonville, Florida 32204, USA.