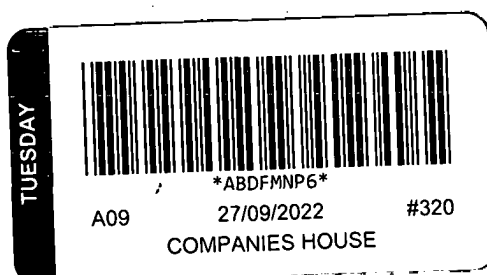


Financial Statements

Stripe Payments UK LTD

For the financial year ended 31 December 2021



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STRIPE PAYMENTS UK LTD

COMPANY INFORMATION

Directors

Emma Louise Burrows
Maxwell Franklyn Roberts (appointed 24 September 2021)
Christopher Van Woeart
Ellen Frances Moeller (appointed 24 September 2021, resigned 17 January 2022)
Brian Collins (resigned 3 September 2021)
Stripe Inc.

Company Secretaries

OHS Secretaries Limited
Helen McGrath
Scott Alexander Booth

Registered Number: 08480771

Registered Office

9th Floor
107 Cheapside
London
EC2V6DM
United Kingdom

Independent Auditors

Ernst & Young
Chartered Accountants
Ernst & Young Building
Harcourt Street
Dublin 2

Solicitors

Orrick, Herrington & Sutcliffe
(Europe) LLP
107 Cheapside
London
EC2V 6DM

Bankers

Deutsche Bank AG
1 Great Winchester Street
London
EC2N 2DB

Banking Circle
Dawson House
5 Jewry Street
London
EC2N 2EX

Barclays Bank PLC
London
E14 SHP

Saxo Bank
Philip Heymans Alle 15
DK-2900 Hellerup
Denmark

STRATEGIC REPORT**For the year ended 31 December 2021****Introduction**

The directors present their Strategic Report for the year ended 31 December 2021.

Principal activity

Stripe Inc. and its subsidiaries (referred to as "Stripe") is an Irish-American technology group that builds economic infrastructure for the internet. Businesses ("users" or "merchants") of every size, from new start-ups to public companies, use Stripe's software to accept online payments and run technically sophisticated financial operations in more than 100 countries. Stripe helps new users companies get started and grow their revenues, and established users accelerate into new markets and launch new business models. Over the long term, Stripe aims to increase the gross domestic product of the internet.

Certain services offered by the Stripe Group in the UK and Europe are services that may only be provided by an authorised payment services provider ("authorised payment services"). The principal activity of Stripe Payments UK LTD ("the company") is to provide authorised payment services to certain Stripe users. The company also provides marketing and support services and research and development services to related parties.

The company is authorised as an Electronic Money Institution, under the Electronic Money Regulations 2011 (as amended), by the Financial Conduct Authority.

Business review

Turnover has increased by £247,932,934 during the year from £123,198,643 in 2020 to £371,131,577 in 2021. This is mainly as a result of an increase in processing related activity during the year.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Competition risk

As the company expands to new markets and new segments, its competitive landscape continues to evolve. Competition could result in reduced market share and could impact profit margins. Management closely monitors progress against the business strategic plan, with weekly oversight and regular business reviews. Additional areas of focus are close attention to market research, benchmarking with competition, and recruitment of highly skilled professional staff. Status is regularly reported to the Board.

Credit risk

Credit risk is the risk of financial loss due to the failure of a customer or counterparty to meet its obligation to settle outstanding amounts or the non-delivery of goods/ services. The key sources of credit risk are counterparty/ merchant failure, exposure to default and credit/ fraud losses. The company has a number of controls in place to adequately manage the exposure to credit risk, including regular credit risk portfolio modelling and reviews, ongoing monitoring and mitigation of large exposures and management of credit decisions. Management maintains oversight on the status of credit risk.

Cyber

The company is exposed to the risk of operational disruption, customer detriment, financial loss and/ or reputational damage arising from cyber attacks that may result in unauthorised access, or denial of access, to Stripe systems and information. The company manages this risk through a range of controls including but not limited to system monitoring and alerts, staff awareness training, customer support, incident management guidelines and runbooks and system lifecycle management.

Regulatory

The company manages compliance with its regulatory obligations through a combination of appropriate staff training, procedures, policies, frameworks, risk assessments, horizon scanning and monitoring.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes, people (management), systems or from external events. It includes but is not limited to business continuity and resilience, outsourcing and people risk. Management has implemented a range of controls and programs to manage operational risk, and address associated regulatory obligations, with regular management and Board reporting in place on status and progress.

STRATEGIC' REPORT – continued
For the year ended 31 December 2021**Principal risks and uncertainties - continued***Financial crimes risk*

Financial Crimes risk includes risks associated with money laundering, sanctions, terrorist financing and bribery and corruption. The Money Laundering Reporting Officer for the firm works with management on an ongoing basis to implement a range of controls and programs to manage Financial Crimes risk, and address associated regulatory obligations, with regular management and Board reporting in place on status and progress.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Together with the strong financial position and a letter of comfort from its ultimate parent company, the directors believe that the company is well placed to manage its business risks successfully and are satisfied that the company has and will maintain sufficient financial resources to enable it to continue operating in the foreseeable future. The letter of comfort confirms the intention to support the company's operations and meet its obligations as they fall due for at least the next 12 months from the date of this report. Therefore, these entity financial statements have been prepared on a going concern basis. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements (Note 3).

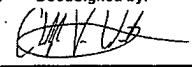
Directors' statement of compliance with duty to promote the success of the company

The board of directors of Stripe Payments UK LTD, both individually and together, confirm that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1) (a-f) of the Act) in the decisions taken during the year ended 31 December 2021. The following paragraphs summarise how the directors fulfil their duties:

- As the board of directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner.
- As the board of directors, we are committed to openly engage with our shareholders. It is important to us that shareholders understand our strategy and objectives, so these must be clearly communicated, feedback heard and any issues or questions raised properly considered.
- As our services provided grow, our risk environment also becomes more complex. It is therefore, important that we effectively identify, evaluate, manage and mitigate the risks the company faces. For details of our principal risks and uncertainties, please see our strategic report.
- Our employees are vital to the services provided by the company. We aim to be a responsible employer in our approach to the pay and benefits for our employees. For our business to succeed, we need to manage our employee's performance and develop talent while ensuring the company operates as efficiently as possible. The health and safety of our employees is very important to us.
- In order to continue to grow our business, we need to develop and maintain strong business relationships. We value all of our suppliers and customers.

This report was approved by the board and signed on its behalf.

On behalf of the board

DocuSigned by:

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Director
Christopher vanwoeart

Date: 3 June 2022

DIRECTORS' REPORT

For the year ended 31 December 2021

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £2,570,282 (2020: £1,557,091).

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

Directors

The directors who served during the year and up until the date of signing this report were:

Emma Louise Burrows

Maxwell Franklyn Roberts (appointed 24 September 2021)

Christopher Van Woeart

Brian Collins (resigned 3 September 2021)

Ellen Frances Moeller (appointed 24 September 2021, resigned 17 January 2022)

Stripe Inc.

None of the directors have any direct interests in the shares of the company.

Political and charitable donations

The company made charitable contributions during the year of £Nil (2020: £Nil).

Employees

The company gives full consideration to application for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job.

Matters covered in the strategic report

In accordance with Section 414C (11) of the Companies Act 2006, the following information is disclosed in the Strategic Report:

- Principal activities
- Business review
- Principal risks and uncertainties
- Directors' statement of compliance with duty to promote the success of the company
- Going concern update

Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The company does not use any derivative financial instruments to manage these risks.

Credit risk

The company's principal financial assets are bank balances and cash and intercompany and other receivables. The amounts presented in the statement of financial position are net of any allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which is evidence of a reduction in the recoverability of the cash flows.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign exchange rates. The company uses natural hedge strategy to manage this risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

STRIPE PAYMENTS UK LTD

DIRECTORS' REPORT - continued
For the year ended 31 December 2021

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

The company and overall Stripe Group is monitoring events related to the war in Ukraine at this time, but it is too early to make an assessment of the likely adverse impact on the economic implications for the company and Group's businesses and markets.

Other than the ongoing conflict, there have been no significant events affecting the company since the financial year end and the directors do not envisage any substantial changes to the nature of the business in the foreseeable future.

Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

Likely future developments

The directors do not envisage any substantial changes to the nature of the business in the foreseeable future.

Research and development

The research and development expenditure for the year amounted to £9,484,973 (2020: £4,356,701).

Greenhouse gas emissions, energy consumption and energy efficiency action

The directors considered disclosing energy and carbon information as required under the UK's Streamlined Energy and Carbon Reporting (SECR) framework. The directors have omitted this information as it is impractical to obtain for the company and as a result such disclosure has not been provided in the financial statements. The directors are reviewing the steps they can take to obtain this information in the future.

Auditor

The auditors, Ernst & Young, have expressed their willingness to continue in office in accordance with Section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

On behalf of the board

DocuSigned by:

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Director
Christopher Vanwoert

Date: 3 June 2022

STRIPE PAYMENTS UK LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 2021

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

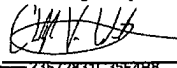
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

On behalf of the board

DocuSigned by:

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Director
Christopher Vanwoeart

Date: 3 June 2022



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRIPE PAYMENTS UK LIMITED

Opinion

We have audited the financial statements of Stripe Payments UK Limited for the year ended 31 December 2021 which comprise the profit and loss account, the statement of financial position, the statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the strategic report, the directors' report and the statement of directors' responsibilities. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Electronic Money Regulations 2011 by the Financial Conduct Authority and Companies Act 2006 in the United Kingdom
- We understood how Stripe Payments UK Limited is complying with those frameworks by making inquiries of key management, and those responsible for legal and compliance matters. We have also reviewed correspondence between the company and regulatory bodies; reviewed minutes of the Board; and gained an understanding of the company's governance framework.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by holding discussions with key management. We also reviewed the company's fraud-related policies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiry of key management, reviewed the key policies and reviewing correspondence exchanged with regulators.

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

Use of our report

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



John McCormack (Senior statutory auditor)
for and on behalf of
Ernst & Young, Statutory Auditor

Dublin

03 June 2022

STRIPE PAYMENTS UK LTD**PROFIT AND LOSS ACCOUNT**
Financial Year Ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	5	371,131,577	123,198,643
Administrative expenses		<u>(368,031,657)</u>	<u>(121,570,130)</u>
Operating profit	6	<u>3,099,920</u>	<u>1,628,513</u>
Interest payable and similar charges	7	<u>(490,500)</u>	<u>(71,422)</u>
Profit before tax on ordinary activities		<u>2,609,420</u>	<u>1,557,091</u>
Tax on profit	10	<u>(39,138)</u>	<u>-</u>
Profit for the year		<u>2,570,282</u>	<u>1,557,091</u>

All amounts relate to continuing operations.

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 13 to 24 form part of these financial statements.

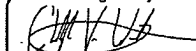
STRIPE PAYMENTS UK LTD**STATEMENT OF FINANCIAL POSITION**
As at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	11	794,798	220,326
		<u>794,798</u>	<u>220,326</u>
Current assets			
Debtors: amounts falling due within one year	12	774,217,690	669,685,009
Cash at bank and in hand	13	58,295,401	108,280,826
		<u>832,513,091</u>	<u>777,965,835</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(759,319,647)	(766,121,683)
Net current assets		<u>73,193,444</u>	<u>11,844,152</u>
Total assets less current liabilities		<u>73,988,242</u>	<u>12,064,478</u>
Creditors: amounts falling due after more than one year	15	(45,000,000)	-
Provision for liabilities	16	(200,000)	(200,000)
Net assets		<u>28,788,242</u>	<u>11,864,478</u>
Capital and reserves			
Called up share capital	18	10,000,100	100
Capital contribution	19	12,097,859	7,744,377
Profit and loss account	19	6,690,283	4,120,001
Shareholder's funds		<u>28,788,242</u>	<u>11,864,478</u>

The notes on pages 13 to 24 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:



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Director
Christopher Vanwoeart

Date: 3 June 2022

Company Registration No. 08480771

STRIPE PAYMENTS UK LTD**STATEMENT OF CHANGES IN EQUITY**
For the Financial Year Ended 31 December 2021

	Called-up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020	100	2,350,319	2,562,910	4,913,329
Comprehensive income for the year				
Profit for the year	-	-	1,557,091	1,557,091
Capital contribution	-	5,367,340	-	5,367,340
Issuance or allotment of share capital	-	26,718	-	26,718
At 31 December 2020	<u>100</u>	<u>7,744,377</u>	<u>4,120,001</u>	<u>11,864,478</u>
At 1 January 2021	100	7,744,377	4,120,001	11,864,478
Comprehensive income for the year				
Profit for the year	-	-	2,570,282	2,570,282
Ordinary shares issued (note 18)	10,000,000	-	-	10,000,000
Capital contribution	-	4,298,255	-	4,298,255
Issuance or allotment of share capital	-	55,227	-	55,227
At 31 December 2021	<u>10,000,100</u>	<u>12,097,859</u>	<u>6,690,283</u>	<u>28,788,242</u>

The notes on pages 13 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2021****1 General information**

Stripe Inc. and its subsidiaries (referred to as "Stripe") is an Irish-American technology group that builds economic infrastructure for the internet. Businesses ("users" or "merchants") of every size, from new start-ups to public companies, use Stripe's software to accept online payments and run technically sophisticated financial operations in more than 100 countries. Stripe helps new users companies get started and grow their revenues, and established users accelerate into new markets and launch new business models. Over the long term, Stripe aims to increase the gross domestic product of the internet.

Certain services offered by the Stripe Group in the UK and Europe are services that may only be provided by an authorised payment services provider ("authorised payment services"). The principal activity of Stripe Payments UK LTD ("the company") is to provide authorised payment services to certain Stripe users. The company also provides marketing and support services and research and development services to related parties.

The company is authorised as an Electronic Money Institution, under the Electronic Money Regulations 2011 (as amended), by the Financial Conduct Authority.

The company is a private company, limited by shares and is incorporated, domiciled and registered in the United Kingdom. The address of its registered office is 9th Floor, 107 Cheapside, London, EC2V 6DM, United Kingdom. The registered number is 08480771.

2 Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

3 Accounting policies

The significant accounting policies adopted by the company in the preparation of the financial statements are as follows:

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the year. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are disclosed in note 4.

3.2 Financial reporting standard 102 - Reduced disclosure exemptions

The company's intermediate parent undertaking, Stripe Payments International Holdings Limited includes the company in its consolidated financial statements. The consolidated financial statements of Stripe Payments International Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1, Republic of Ireland.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 December 2021**3 Accounting policies - continued****3.2 Financial reporting standard 102 - Reduced disclosure exemptions - continued**

In these financial statements, the company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- From preparing a statement of cash flows;
- From certain financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures referred to below;
- From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7;

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

3.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The company's ultimate parent company, Stripe Inc., has provided a letter of comfort which confirms the intention to support the company's operations and meet its obligations as they fall due for at least the next 12 months from the date of this report. Consequently, the directors are confident that the company will have sufficient ability to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3.4 Foreign currency**Functional and presentation currency**

The company's functional and presentation currency is pound sterling, denominated by the symbol "£" unless otherwise stated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each year foreign currency monetary items are translated to pound sterling using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the year of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account.

All foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 December 2021**3 Accounting policies - continued****3.5 Turnover**

Turnover represents the invoiced amount in respect of authorised payment services, marketing and support services, and research and development services during the financial year. Revenue is recognised as the service is provided.

3.6 Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as paid holiday arrangements and share based payments.

Short term employee benefits

Short term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the year in which employees render the related service. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Defined contribution plans

Qualifying employees of the company are members of the company's defined contribution plan, which operates a defined contribution pension scheme. The funds attributable to the scheme are administered by the trustees and are independent from the company's finances. The amounts charged as expenditure for the defined contribution plan are the contributions payable by the company for the relevant period.

3.7 Operating leases: the company as lessee

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessee. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. The company has included a leasehold refurbishment provision for the anticipated cost of returning the premises to its original state. This asset is depreciated over the lease life of 5 years, using the straight-line method.

3.8 Income tax

Income tax expense for the year comprises current and deferred tax recognised in the year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense. Current or deferred tax assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or past years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 December 2021

3 Accounting policies - continued

3.8 Income tax - continued

Deferred tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each year end and that are expected to apply to the reversal of the timing difference.

3.9 Tangible assets

Tangible assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

Fixtures and fittings, computer equipment and leasehold property improvements

Fixtures and fittings, computer equipment and leasehold property improvements are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives.

The estimated useful lives range as follows:

Leasehold improvements	5 years
Fixtures and fittings	3 years
Office equipment	2 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each year. The effect of any change in either residual values or useful lives is accounted for prospectively.

3.10 Impairment of non-financial assets

At the end of each year non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is estimated.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 December 2021**3 Accounting policies - continued****3.12 Merchant settlement assets and liabilities**

Merchant settlement assets represent assets underlying balances owed to merchants, the principal components of which are cash held for the benefit of merchants and amounts due from card associations. Merchant settlement liabilities represent balances owed to merchants based on transaction amounts, less revenue earned by a related group company. Merchant settlement liabilities include certain merchant-owed amounts held in reserve based on a merchant's credit and payment history, and the risks associated with their business.

3.13 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and other third parties.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The company recognises an impairment allowance on all financial assets at amortised cost. The company's financial assets comprise of settlement receivables, amount due from group undertakings and cash balance, which are either receivable on demand or within 30 days of the invoice date.

The carrying amount of the financial asset is reduced by the loss allowance for impairment. Changes in the carrying amount of the allowance for impairment is recognised in the Profit and loss account. When the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof, the same is reduced directly from the gross carrying amount of the financial asset with a corresponding release from the allowance for impairment.

3.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit and loss account in the year that the company becomes aware of the obligation and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

3.15 Share capital presented as equity

Equity shares issued are recognised at the proceeds received and presented as share capital and share premium.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 December 2021

3 Accounting policies - continued

3.16 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

4 Critical accounting judgements and estimation uncertainty

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below.

Merchant settlement assets and liabilities

Merchant settlement assets represent assets underlying balances owed to merchants, the component of which is cash held for the benefit of the merchants. The company annually evaluates whether it has control of cash held for the benefit of merchants based on whether the assets are legally isolated from claims of the company's creditors, even in bankruptcy. The isolation of an asset is a legal determination in its application and depends on the regulatory and judicial environment where the company operates.

5 Turnover

Turnover represents the invoiced amount in respect of authorised payment services, marketing and support services, and research and development services provided to affiliate entities within the Stripe Group, during the year.

6 Operating profit	2021	2020
	£	£
The operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	257,285	511,448
Auditor's remuneration	64,294	43,435
Net foreign exchange losses/(gains)	45,021,089	(152,378,644)
Operating lease rentals - land and buildings	835,420	772,491
Defined contribution pension cost	902,809	374,524

Auditors' remuneration arises on fees incurred for the statutory audit in the amount of £64,294.

Operating profit is the net amount of turnover and administrative expenses. Administrative expenses mainly consist of processing costs.

STRIPE PAYMENTS UK LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
For the year ended 31 December 2021

7 Interest payable and similar charges	2021	2020
	£	£
Bank interest expense	490,500	71,422
	<u>490,500</u>	<u>71,422</u>

8 Employees	2021	2020
	£	£
Wages and salaries	22,627,808	9,174,545
National insurance costs	5,442,410	3,744,597
Equity settled share-based payments	55,227	26,718
Pension contributions	902,809	374,524
	<u>29,028,254</u>	<u>13,320,384</u>

Included in the employee remuneration is an amount of £44,785 (2020: £Nil) relating to directors' remuneration in respect of services rendered during the year.

The average monthly number of employees, including the directors, during the year was as follows:

	2021	2020
	No.	No.
Sales and marketing	54	24
Administration	31	19
Authorised payment services	25	6
Engineering	39	11
Business operations	3	1
	<u>152</u>	<u>61</u>

9 Share based payments

In 2021, Stripe Inc., the ultimate parent company, adopted a stock compensation plan ("2021 Stock Plan") where that company may grant stock options, restricted stock units ("RSUs") and restricted stock awards ("RSAs") to eligible participants. The 2021 Stock Plan replaced a previous 2011 Stock Plan. The company recorded a share-based payment expense of £55,227 during the financial year ended 31 December 2021 (2020: £26,718) in respect of stock options granted by Stripe Inc. to the company's employees. Stripe Inc. will settle options exercised in equity only.

No expense was recognised in respect of other share based payment arrangements because a qualifying event satisfying the performance-based vesting condition for the awards had not occurred.

STRIPE PAYMENTS UK LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
For the year ended 31 December 2021**10 Taxation**

	2021 £	2020 £
Corporation tax		
Current tax on profit for the financial year	39,138	-
Total taxation on profit on ordinary activities	<u>39,138</u>	<u>-</u>

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2020 - lower than) the profit for the year multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,609,420</u>	<u>1,557,091</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	495,790	295,847
Effects of		
Expenses not deductible for tax purposes	335,505	6,388
Movement in unrecognised deferred tax	<u>(792,157)</u>	<u>(302,235)</u>
Total tax charge for the year	<u>39,138</u>	<u>-</u>

Factors that may affect future tax charges

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023. Deferred tax balances have been remeasured accordingly where appropriate.

The company has not recognised a deferred tax asset of £18,452,065 (2020: £9,704,969).

11 Tangible assets

	Leasehold improvements £	Office equipment £	Furniture and Equipment £	Total £
Cost or valuation				
At 1 January 2021	1,823,005	333,779	15,917	2,172,701
Additions	<u>544,145</u>	<u>-</u>	<u>287,612</u>	<u>831,757</u>
At 31 December 2021	<u>2,367,150</u>	<u>333,779</u>	<u>303,529</u>	<u>3,004,458</u>
Depreciation				
At 1 January 2021	(1,669,166)	(272,742)	(10,467)	(1,952,375)
Charge for the year on owned assets	<u>(184,884)</u>	<u>(60,725)</u>	<u>(11,676)</u>	<u>(257,285)</u>
At 31 December 2021	<u>(1,854,050)</u>	<u>(333,467)</u>	<u>(22,143)</u>	<u>(2,209,660)</u>
Net book value				
At 31 December 2021	<u>513,100</u>	<u>312</u>	<u>281,386</u>	<u>794,798</u>
At 31 December 2020	<u>153,839</u>	<u>61,037</u>	<u>5,450</u>	<u>220,326</u>

STRIPE PAYMENTS UK LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
For the year ended 31 December 2021

12 Debtors: amounts falling due within one year	2021	2020
	£	£
All amounts are receivable within one year		
Amounts owed by group undertakings	18,517,925	174,323,579
Merchant settlement assets	754,786,877	494,985,955
Prepayments and accrued income	264,712	314,755
VAT receivable	481,324	47,971
Other debtors	166,852	12,749
	<u>774,217,690</u>	<u>669,685,009</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Merchant settlement assets represent assets underlying balances owed to merchants, the principal components of which are cash held for the benefit of merchants in segregated bank accounts £751,072,791 (2020: £381,382,382) and amounts due from card associations £3,714,086 (2020: £113,779,459). While the amounts owed by card associations are subject to impairment review, no impairment has been recorded.

Included in merchant settlement assets is an amount of £84,000,300 which relates to restricted cash that is not available for use by the company. As the company is authorised as an electronic money institution under the Electronic Money Regulations the company is required to segregate all relevant funds from other funds being held by the company.

13 Cash at bank and in hand	2021	2020
	£	£
Cash at bank	<u>58,295,401</u>	<u>108,280,826</u>

14 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	187,875	207,138
Amounts owed to group undertakings	16,006,462	397,883,271
Lease incentive	-	26,823
Merchant settlement liabilities	723,462,629	357,944,108
Accruals	14,053,477	5,970,978
Other creditors	5,609,204	4,089,365
	<u>759,319,647</u>	<u>766,121,683</u>

Amounts owed to group undertakings are trade related, unsecured, interest free and are payable on demand.

Merchant settlement liabilities represent balances owed to merchants which are pending settlement.

Trade creditors, including accruals and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Taxes, including VAT, are payable at various dates over the coming months accordance with the applicable statutory provisions.

STRIPE PAYMENTS UK LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
For the year ended 31 December 2021**14 Creditors: amounts falling due within one year – continued**

As detailed in the accounting policies, the company provides authorised services to certain Stripe users in Europe.

In accordance with the Electronic Money Regulations the company is required to safeguard the funds that have been received in exchange for Electronic Money issued or as part of providing acquiring services to the merchants. During the year the company safeguarded the funds by keeping them in separate designated accounts at another financial institution to ensure the funds are insulated from the claims of other creditors of the company. These segregated amounts are included in merchant settlement assets (Note 12).

15 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Loans due to group undertakings	<u>45,000,000</u>	<u>-</u>

Loan amounts are unsecured and interest bearing.

16 Provisions for liabilities	2021	2020
	£	£
The provisions for liabilities consist of the following:		
Leasehold refurbishment provision	<u>200,000</u>	<u>200,000</u>

17 Deferred taxation

The company has not recognised a deferred tax asset of £18,452,065 (2020: £9,704,969) in respect of tax losses and temporary differences on tangible fixed assets as future taxable profits are not virtually certain.

18 Share capital	2021	2020
	£	£
Allotted, called up and fully paid		
10,000,100 (2020:100) Ordinary shares of £1.00 each	<u>10,000,100</u>	<u>100</u>

During the year, the company issued 10,000,000 ordinary shares at par value of £1.00 each to its parent company, Stripe Payments Europe Limited, in return for cash consideration of £10,000,000.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 December 2021

19 Reserves

Other reserves

Capital contribution represents the share-based payments arising from the stock options granted to the company's employees by the ultimate parent together with other capital contributions received from its immediate parent undertaking. The company received a capital contribution of £4,300,000 from its parent, Stripe Payments Europe Limited during the 2021 financial year (2020: £5,367,340). The share-based payment expense for the year was £55,227 (2020: £26,718).

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the year and prior years less dividends paid.

20 Commitments under operating leases as lessee

At 31 December 2021 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Land and buildings		
Not later than 1 year	965,835	348,695
Later than 1 year and not later than 5 years	995,548	-
	<u>1,961,383</u>	<u>348,695</u>

21 Related party transactions

The company has availed of the exemption provided in FRS 102, Section 33 "Related Party Disclosures", not to disclose transactions entered into with fellow group companies that are wholly owned within the group of companies of which the company is a wholly owned subsidiary.

22 Post balance sheet events

The company and overall Stripe Group is monitoring events related to the war in Ukraine at this time, but it is too early to make an assessment of the likely adverse impact on the economic implications for the company and Group's businesses and markets.

Other than the ongoing conflict, there have been no significant events affecting the company since the financial year end and the directors do not envisage any substantial changes to the nature of the business in the foreseeable future.

23 Guarantees

The company has an overdraft facility in place with Barclays Bank PLC of £30,000,000. The facility is guaranteed by the ultimate parent undertaking, Stripe Inc. The overdraft facility has not been utilised during the year.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 December 2021

24 Approval of financial statements

The board of directors approved these financial statements for issue on 3 June 2022.