Financial Statements

Stripe Payments UK Ltd

For the financial year ended 31 December 2022

Contents

Company Information

Directors
Emma Louise Burrows
Maxwell Franklyn Roberts
Louise Marie Smith (appointed 6 December 2022)
Christopher Van Woeart (resigned 28 October 2022)
Ellen Frances Moeller (resigned 17 January 2022)
Jurgen Anne Francois Marie Van Gael (appointed 28 February 2023)
Stripe, Inc.

Company secretary
OHS Secretaries Limited
Scott Alexander Booth (resigned 21 October 2022)
Helen McGrath
Sarah Grace (appointed 1 August 2022)

Registered number
08480771

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107 Cheapside
London
EC2V 6DM
United Kingdom

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

Solicitor
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107 Cheapside
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Bankers
Deutsche Bank AG
1 Great Winchester Street
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EC2N 2DB

Banking Circle
Dawson House
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Saxo Bank
Philip Heymans Alle 15
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Citibank
1 Churchill Place
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Strategic report

For the financial year ended 31 December 2022

Introduction

The directors present their Strategic Report for the year ended 31 December 2022.

Principal activities

Stripe Payments UK Ltd (the "Company") is a wholly owned subsidiary of Stripe Payments Europe Limited, whose ultimate parent company is Stripe, Inc., a company incorporated in the United States of America.

Stripe, Inc., and its subsidiaries (collectively the 'Stripe Group') 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 globally. Stripe helps new users 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 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

Company turnover has increased by £156,679,063 during the financial year from £371,131,577 in 2021, to £527,810,640 in 2022. 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 result in a reduction in demand for the Company's services. Management closely monitors progress against the business strategic plan, with 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 their 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 risk
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 risk
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, with regular management and board reporting in place on status and progress.

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 Company 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 directors 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 to help the Company 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 ("the board") 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 Companies Act 2006) in the decisions taken during the year ended 31 December 2022. The following paragraphs summarise how the directors fulfil their duties:

Strategic report

For the financial year ended 31 December 2022

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

- 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

Signed by:

Max Roberts

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Director

Maxwell Franklyn Roberts

31 March 2023

Director's report

For the financial year ended 31 December 2022

The directors present their annual report and the audited financial statements of Stripe Payments UK Ltd (the "Company") for the financial year ended 31 December 2022.

Results and dividends

The profit for the financial year, after taxation, amounted to £14,451,098 (2021: £2,570,282).

The directors have not recommended the payment of a dividend during the year (2021: £Nil).

Directors

The directors who served during the financial year and up to the date of signing were:

Emma Louise Burrows	
Maxwell Franklyn Roberts	
Louise Marie Smith	(appointed 6 December 2022)
Christopher Van Woeart	(resigned 28 October 2022)
Ellen Frances Moeller	(resigned 17 January 2022)
Jurgen Anne Francois Marie Van Gael	(appointed 28 February 2023)
Stripe, Inc.	

The board have notably appointed an independent non-executive director, Louise Marie Smith, to serve as Chair of the Board of the Company

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

Political and charitable contributions

The Company did not make any political or charitable contributions during the financial year (2021: £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, FX risk, cash flow risk and liquidity risk. The Company does not use any derivative financial instruments to manage these risks.

Financial risk management (continued)

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.

FX 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.

Cash flow risk
The Company manages cash flow risk by ensuring cash balances are maintained at a level sufficient to fund its daily operations.

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.

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

In March 2023, Stripe, Inc., the ultimate parent company, announced its intention to waive the non-vesting conditions related to all previously granted RSUs (including RSUs granted to Company employees). This will result in RSUs vesting based only on a service based condition which will have a material impact to the Company as RSUs that had previously vested will be recognised as an administrative expense in accordance with FRS102 immediately.

There have been no other 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.

Director's report (continued)

For the financial year ended 31 December 2022

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 £19,644,542 (2021: £9,484,973).

Greenhouse gas emissions, energy consumption and energy efficiency action

The directors present below the information as required under the UK's Streamlined Energy and Carbon Reporting (SECR) framework.

Energy usage and greenhouse gas emissions	**2022**	
	UK and Offshore	**Units**
Energy consumption used to calculate emissions (scope 1 & 2)	183,205	kWh
Emissions from combustion of gas tCO2e (scope 1)	5.1	tCO_2e
Emissions from combustion of fuel for transport purposes (scope 1)	0.00	tCO_2e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (scope 3)	1.4	tCO_2e
Emissions from purchased electricity, heat, steam, and cooling (scope 2, location-based)	30.00	tCO_2e
Total gross tCO_2e based on above fields	36.50	tCO_2e
Intensity ratio: Gross tCO_2e per £ million of revenue		0.07

Methodology

Emissions were calculated following the Greenhouse Gas ("GHG") Reporting Protocol (Corporate Standard). Energy usage data was collected or estimated based on building square-footage for all facilities, and was combined with emissions factors from the US Environmental Protection Agency ("EPA"), and other data sources to calculate GHG emissions. Electricity emissions factors are chosen based on geography to reflect the emissions intensities of the facilities' local grid.

Energy efficiency action

No specific measures have been taken by the Company regarding energy efficiency.

Director's report (continued)

For the financial year ended 31 December 2022

Auditor

The auditors, Ernst & Young, have expressed their willingness to continue in the 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:

Max Roberts

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Director

Maxwell Franklyn Roberts

31 March 2023

Statement of directors' responsibilities

For the financial year ended 31 December 2022

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

Max Roberts

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Director

Maxwell Franklyn Roberts

31 March 2023

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

Opinion

We have audited the financial statements of Stripe Payments UK Ltd ('the Company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of financial position, the statement of changes in equity and the related notes 1 to 24, 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 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 2022 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.

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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 9, 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.

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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 Electronic Money Regulations 2011 by the Financial Conduct Authority and Companies Act 2006 in the United Kingdom.
- We understood how Stripe Payments UK Ltd 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.

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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

31 March 2023

Profit and loss account

For the financial year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	**527,810,640**	371,131,577
Administrative expenses		**(515,836,129)**	(368,031,657)
Interest receivable and similar income	5	**5,218,670**	—
Interest payable and similar expenses		**(2,627,802)**	(490,500)
Operating profit	6	**14,565,379**	2,609,420
Profit on ordinary activities before tax		**14,565,379**	2,609,420
Taxation	9	**(114,281)**	(39,138)
Profit for the financial year		**14,451,098**	2,570,282

All amounts relate to continuing operations.

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 17 to 30 form part of these financial statements.

Statement of financial position

As at 31 December 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible fixed assets	10	**1,300,596**	794,798
		1,300,596	794,798
Current assets			
Debtors: Amount falling due within one year	11	**1,205,351,861**	774,217,690
Cash at bank and in hand	12	**159,375,963**	58,295,401
		1,364,727,824	832,513,091
Current liabilities			
Creditors: amounts falling due within one year	13	**(1,322,566,531)**	(759,319,647)
Net Current Assets		**42,161,293**	73,193,444
Total assets less current liabilities		**43,461,889**	73,988,242
Non-current liabilities			
Creditors: amounts falling due after more than one year	14	**—**	(45,000,000)
Provision for liabilities	16	**(200,000)**	(200,000)
		(200,000)	(45,200,000)
Net assets		**43,261,889**	28,788,242
Capital and reserves			
Called up share capital presented as equity	17	**10,000,100**	10,000,100
Capital contribution reserve	18	**12,120,408**	12,097,859
Profit and loss account	18	**21,141,381**	6,690,283
Shareholder's funds		**43,261,889**	28,788,242

The notes on pages 17 to 30 form part of these financial statements.

The financial statements were approved and authorised for issue by the board:

Signed by:

Max Roberts

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Director

Maxwell Franklyn Roberts

31 March 2023

Statement of changes in equity

For the financial year ended 31 December 2022

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At January 1, 2021	100	7,744,377	4,120,001	11,864,478
Comprehensive income for the financial year				
Profit for the financial year	—	—	2,570,282	2,570,282
Total comprehensive income for the financial year	**—**	**—**	**2,570,282**	**2,570,282**
Contributions by and distributions to owner				
Issuance of share capital	10,000,000	—	—	10,000,000
Capital contribution	—	4,298,255	—	4,298,255
Share-based payment transactions	—	55,227	—	55,227
Total transactions with owners	**10,000,000**	**4,353,482**	**—**	**14,353,482**
At December 31, 2021	**10,000,100**	**12,097,859**	**6,690,283**	**28,788,242**
At January 1, 2022	**10,000,100**	**12,097,859**	**6,690,283**	**28,788,242**
Comprehensive income for the financial year				
Profit for the financial year	—	—	14,451,098	14,451,098
Total comprehensive income for the financial year	**—**	**—**	**14,451,098**	**14,451,098**
Contributions by and distributions to owner				
Share-based payment transactions	—	22,549	—	22,549
Total transactions with owners	**—**	**22,549**	**—**	**22,549**
At December 31, 2022	**10,000,100**	**12,120,408**	**21,141,381**	**43,261,889**

The notes on pages 17 to 30 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2022

1. General information

Stripe Payments UK Ltd ("the Company") is a private company limited by shares which is incorporated, domiciled and registered in United Kingdom, registered under the company number 08480771 with a registered address at 9th Floor, 107 Cheapside, London, EC2V 6DM, United Kingdom. The Company is tax resident in the United Kingdom.

The Company is a wholly owned subsidiary of Stripe Payments Europe, Limited, whose ultimate parent company is Stripe, Inc., a company incorporated in the United States of America.

Stripe, Inc. and its subsidiaries (collectively the 'Stripe Group') 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 globally. Stripe helps new users 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.

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

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 following principal accounting policies have been applied by the Company in the preparation of the financial statements:

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, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

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 the Companies Registration Office at Bloom House, Gloucester Place Lower, Dublin 1. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

3. Accounting policies (continued)

3.1 Basis of preparation of financial statements (continued)

As the consolidated financial statements of the intermediate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- 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.
- The exemption from certain disclosure requirements of Section 33 of FRS 102 (paragraph 33.7) under which the Company does not disclose transactions with members of the same group that are wholly owned (see Note 23)

There are no judgements or estimates made by the directors, in the application of these accounting policies that have significant effect on the financial statements.

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

The financial statements are presented in Pound Sterling (£) and are rounded to the nearest ones, unless otherwise stated.

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 to help the Company 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.

3.2 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. Revenue is recognised as the service is provided.

3.3 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.

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

3. Accounting policies (continued)

3.4 Foreign currency

The Company's functional and presentational 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 each period-end foreign currency monetary items are translated 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 period-end exchange rates 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'.

3.5 Current and deferred taxation

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.

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.

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

3. Accounting policies (continued)

3.6 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.

3.7 Impairment of non-financial assets

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

3.8 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.

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.

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

3. Accounting policies (continued)

3.8 Financial instruments (continued)

The carrying amount of the financial asset is reduced by the impairment allowance for losses. Changes in the carrying amount of the impairment allowance for losses 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 impairment allowance for losses.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

3.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and cash equivalents are comprised of cash on deposit with financial institutions that the Company is beneficially entitled to and funds held on behalf of merchants as detailed in the accounting policy below.

3.10 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 the 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.

3.11 Share capital presented as equity

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

3.12 Employee benefits

The Company provides a range of benefits to employees, including short term employee benefits.

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 Statement of Comprehensive Income 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.

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

3. Accounting policies (continued)

3.12 Employee benefits (continued)

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.

3.13 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.

4. 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.

5. Interest receivable and similar income

	2022	2021
	£	£
Bank interest income	5,218,670	—

6. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest expense	1,018,293	490,500
Intercompany interest expense	1,609,509	—
	2,627,802	490,500

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

7. Operating profit

	2022	2021
	£	£
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	**1,024,732**	257,285
Auditor's remuneration	**77,900**	64,294
Foreign exchange losses, net	**3,325,229**	45,021,089
Operating lease expenses – land and buildings	**4,605,876**	835,420
Defined contribution pension cost	**1,979,153**	902,809

Auditor's remuneration arises on fees incurred for the statutory audit in the amount of £77,900 (2021: £64,294).

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

8. Employees

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	**46,380,297**	22,627,808
Social insurance costs	**9,060,419**	5,442,410
Other compensation costs, including share based payments	**22,549**	55,227
Pension contributions	**1,979,153**	902,809
	57,442,418	29,028,254

Included in the employee costs is an amount of £35,114 (2021: £44,785) relating to directors' remuneration in respect of services rendered during the financial year.

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

	2022	2021
	No.	No.
Administration	**54**	31
Sales and marketing	**123**	54
Engineering	**80**	39
Authorised payment services	**44**	25
Business Operations	**6**	3
	307	152

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

9. Taxation

Taxation	**2022**	2021
	£	£
Corporation tax		
Current tax for the financial year	**110,707**	39,138
Adjustments in respect of previous periods	**3,574**	—
Total current tax	**114,281**	39,138

Factors affecting tax credit for the year

The tax assessed for the financial year is lower than (2021 - lower than) the profit for the year multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	**14,565,379**	2,609,420
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	**2,767,422**	495,790
Effects of:		
Expenses not deductible for tax purposes	**113,171**	335,505
Reversal of permanent difference	**(240,052)**	—
Expenses deductible for tax purposes	**(2,526,260)**	(792,157)
Total tax for the financial year	**114,281**	39,138

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 £18,376,391 (2021: £18,452,065).

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

10. Tangible assets

	Leasehold improvements	Asset retirement obligation	Computer equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At January 1, 2022	2,167,150	200,000	333,779	303,529	3,004,458
Additions	929,538	—	250,293	350,699	1,530,530
Disposals	(212,117)	—	—		(212,117)
At December 31, 2022	**2,884,571**	**200,000**	**584,072**	**654,228**	**4,322,871**
Depreciation					
At January 1, 2022	(1,654,050)	(200,000)	(333,467)	(22,143)	(2,209,660)
Charge for the financial year	(881,154)	—	(45,513)	(98,065)	(1,024,732)
Disposals	212,117	—	—	—	212,117
At December 31, 2022	**(2,323,087)**	**(200,000)**	**(378,980)**	**(120,208)**	**(3,022,275)**
Net book value					
At December 31, 2022	**561,484**	—	**205,092**	**534,020**	**1,300,596**
At December 31, 2021	513,100	—	312	281,386	794,798

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

11. Debtors: Amounts falling due within one year

	2022	2021
	£	£
Amounts owed by ultimate parent undertaking	**10,767,552**	—
Amounts owed by fellow group undertaking	**12,561,959**	—
Amounts owed by immediate parent undertaking	**5,165,347**	18,517,925
Merchant settlement assets	**1,170,113,020**	754,786,877
Other debtors	**4,527,729**	166,852
Prepayments and accrued income	**403,834**	264,712
VAT receivable	**1,812,420**	481,324
	1,205,351,861	**774,217,690**

Amounts owed by fellow group undertakings, immediate parent undertaking and ultimate parent undertaking are trading balances which are unsecured, interest free and are repayable on demand are trading balances which are unsecured, interest free, have no fixed repayment terms 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 £813,752,682 (2021: £751,072,791) and amounts due from card associations £356,360,338 (2021: £3,714,086). While the amounts owed by card associations are subject to impairment review, no impairment has been recorded.

Under the Payments Services Directive 2 ("PSD2"), the Company is required to safeguard unpaid merchant settlement amounts that exist at the end of the business day following the transaction date. This is achieved primarily by depositing user funds if required into a separate designated safeguarding account (Segregation Method of Safeguarding) at another financial institution of investment grade to ensure the funds are insulated from the claims of other creditors of the Company and by a letter of credit facility (method of insurance/comparable guarantee) provided by a non-related banking counterparty of investment grade. Included in merchant settlement assets is a collateralized amount of £84,000,300 (2021: £84,000,300) which relates to the letter of credit facility. This is restricted cash that is not available for use by the company; instead it is directly used to facilitate regulated payment processing activities the Company carries out for Stripe's users.

12. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank	**159,375,963**	58,295,401

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Merchant settlement liabilities	1,118,066,393	723,462,629
Trade creditors	264,753	187,875
Amounts owed to fellow group undertakings	132,210,841	16,006,462
Loans due to group undertakings	45,000,000	—
Taxation and social insurance	4,842,947	1,762,351
Other creditors	621,911	5,609,204
Accruals	21,559,686	12,291,126
	1,322,566,531	759,319,647

Amounts owed to fellow group undertakings are trade related, unsecured, interest free and are payable on demand. Loan amounts owed to group undertakings are unsecured and interest bearing and mature within 12 months.

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.

Corporation tax and taxation and social insurance are payable at various dates over the coming months in accordance with the applicable statutory provisions.

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 11).

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

14. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Loans due to group undertakings	—	45,000,000

Loan amounts owed to group undertakings are unsecured and interest bearing. They have been reclassified to Creditors: Amounts falling due within one year as of 31 December 2022 as they now fall due within one year. (Note 13)

15. Deferred taxation

The company has not recognised a deferred tax asset of £18,376,391 (2021: £18,452,065) in respect of tax losses and temporary differences on tangible fixed assets as future taxable profits are not virtually certain.

16. Provision for liabilities

	2022	2021
	£	£
Leasehold refurbishment provision	**200,000**	200,000

17. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
10,000,100 ordinary shares of 1 each	**10,000,100**	10,000,100

18. 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 did not receive a capital contribution of from its parent, Stripe Payments Europe, Limited during the 2022 financial year (2021: £4,300,000). The share-based payment expense for the year was £22,549 (2021: £55,227).

Profit and loss account

Profit and loss account represents accumulated profit or loss in the year and prior years less any dividends paid.

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

19. Share-based payments

Stripe, Inc., the ultimate parent company, has granted stock-based awards, including stock options, restricted stock units ("RSUs"), and restricted stock awards ("RSAs") to employees, directors, and consultants under the 2011 Stock Plan (the "2011 Plan") and the 2021 Stock Plan (the "2021 Plan"), collectively, the Plans. In 2021, the 2011 Stock Plan expired and was replaced by the 2021 Plan, which had no impact on the terms of outstanding awards under that plan.

For the year ended 31 December, 2022 the Company recognized £22,549 (2021: £55,227) of stock-based compensation expense related to stock options and RSAs. As of 31 December, 2022, no stock-based compensation expense had been recognized for RSUs because the likelihood of meeting the non-vesting conditions required has a low probability of occurring.

20. Commitments under operating leases as lessee

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	**1,640,950**	965,835
Later than 1 year and not later than 5 years	**188,799**	995,548
	1,829,749	1,961,383

21. 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.

22. Post balance sheet events

In March 2023, Stripe, Inc., the ultimate parent company, announced its intention to waive the non-vesting conditions related to all previously granted RSUs (including RSUs granted to Company employees). This will result in RSUs vesting based only on a service based condition which will have a material impact to the Company as RSUs that had previously vested will be recognised as an administrative expense in accordance with FRS102 immediately.

There have been no other 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. 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.

Notes to the financial statements (continued)

For the financial year ended 31 December 2022

24. Approval of financial statements

The board of directors approved these financial statements for issue on 31 March 2023.