

Global Technology UK, 2 Ltd.
Annual report and financial statements for
the year ended 31 December 2022

Company number: 11969342

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Global Technology UK, 2 Ltd.

Contents

	Pages
General information	2
Strategic report	3
Director's report	4-5
Director's responsibility statement	6
Independent auditor's report	7-10
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of financial position	13
Statement of cash flows	14
Notes to the financial statements	15

Global Technology UK, 2 Ltd.

General information

Registered number: 11969342

Director: Nicholas Brian Corrigan

Registered address: 2 New Bailey
6 Stanley Street
Salford
Greater Manchester
M3 5GS

Lawyers: Eversheds LLP
Eversheds House
70 Great Bridgewater St
Manchester
M1 5ES

Auditor: Deloitte LLP
Statutory Auditor
1 New Street Square
London
United Kingdom
EC4A 3HQ

Global Technology UK, 2 Ltd.

Strategic report for the year ended 31 December 2022

This strategic report has been prepared to give emphasis to those matters that are significant to Global Technology UK, 2 Ltd. ("the Company").

Review of the business and key performance indicators

The following are the key performance indicators for the Company:

The Company generates no revenue or operating profit as it is purely a holding company. There was a new intercompany loan receivable of USD 2,155,555k from Global Payments UK Holdings 1 Ltd during the year. All interest bearing intercompany loans have resulted USD 289,917k (2021: 185,922k) of interest income for the year respectively.

Net assets as at 31 December 2022 were USD4,463,561k (2021: USD2,322,905k), as detailed on the statement of financial position on page 13. The increase in net asset was mainly due to a new intercompany loan receivable, as detailed in note 8 of the financial statements.

Principal risks and uncertainties

Details of the principal risks and uncertainties faced by the Company can be found within the note 13 and 14 and form part of this report by cross-reference. Regulatory or compliance risk is detailed in the Director's report on page 5.

Future developments and environment matters

Based on the financial position of the company described above, the director has a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future which is a period of at least 12 months from the date of approval of these financial statements. The Company recognises the importance of conducting business and managing environmental issues in a responsible manner. The Company identifies climate change and environmental protection as a key area of corporate responsibility and is dedicated to minimising the organisation's adverse environmental impacts and preventing pollution. The Company is committed to proactively monitoring changes in legislation and implementing new work programmes to ensure the organisation fulfils its legal and regulatory compliance obligations. It is also committed to ensuring that processes, resources and equipment are selected to reduce, and where possible, prevent pollution to the environment.

Statement by the director in performance of their statutory duties in accordance with s172 Companies Act 2006

Please see Director's report for details on this disclosure.

Authorised and approved by the Board and signed on its behalf by:



Nicholas Brian Corrigan

10 November 2023

Global Technology UK, 2 Ltd.

Director's report for the year ended 31 December 2022

The director presents the annual report and the audited financial statements for Global Technology UK, 2 Ltd. for the year ended 31 December 2022.

Principal activity

The Company's principal activity is that of a holding company.

Future developments

The Company's plan on future developments can be found in Strategic report.

Financial position and performance

The company generates no revenue or operating profit as it is purely a holding company. There was a new intercompany loan receivable of USD 2,155,555k from Global Payments UK Holdings 1 Ltd during the year.

Net assets as at 31 December 2022 were USD4,463,561k (2021: USD2,322,905k), as detailed on the statement of financial position on page 13.

Statement by the director in performance of their statutory duties in accordance with s172 Companies Act 2006

The director of the Company considers that the director has acted in the way which consider in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2022.

The following paragraphs summarise how the Director fulfil their duties:

Risk Management: The Company is an investment holding company. As the business grows and economy changes, the risk environment also becomes more complex. It is therefore vital that the director effectively identifies, evaluates, manages and mitigates the risks the Company faces, and that the director continues to evolve their approach to risk management.

For details of the principal risks and uncertainties, please see page 5 of this report.

The impact of the Company's operations on the community and the environment: this aspect is inherent in the group's strategic ambitions, as such, the Board receives information on these topics to both provide relevant information for specific Board decisions and to provide ongoing overviews at the Global Payments group.

The desirability of the Company maintaining a reputation for high standards of business conduct: the Company aims to operate in ways which are economically, environmentally and socially responsible. The Board periodically reviews and approves clear policies to ensure that its high standards are maintained both within Global Payments businesses and the business relationships it maintains. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards, helps ensure optimal decisions are taken that allows the Company to act in ways that promote high standards of business conduct.

The need to act fairly between stakeholders of the Company: After weighing up all relevant factors, the Director considers which course of action best enables delivery of the Company strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, the Board acts fairly between key stakeholders but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned. The Director interacts with the Global Payments group regularly to fulfil their duties.

Dividend

The director distributed an interim dividend of USD 249,627k (USD 0.13 per ordinary share) to ordinary shareholders in 2022 (2021: USD 111,542k (USD 0.1 per ordinary share))

Political donations

There have been no contributions made to political parties during the year (2021: nil).

Global Technology UK, 2 Ltd.

Director's report for the year ended 31 December 2022

Post balance sheet events

The Company's post balance sheet events are given in note 15 to the financial statements.

Principal risks of financial instruments

The Company's financial risk management objectives and policies are given in note 14 to the financial statements.

Going concern basis

Based on the financial position of the company described above, the director has a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future which is a period of at least 12 months from the date of approval of these financial statements. In forming this judgement, the director has considered the Company's ability to meet liabilities as they fall due. We have considered the impact on the financial statements of events and Russia and Ukraine and the cost of living crisis and concluded that due to the nature of the business and costs incurred, no significant impact is expected. As such, the director continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Director

The director, who served throughout the year and up to the report date, was as follows:

Davies, Christopher Kevin (Resigned on 10 February, 2023)

Corrigan, Nicholas Brian (Appointed on 10 February, 2023)

Director's indemnity insurance

Director's insurance cover has been established for the Director to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2022 financial year and remain in force for all current and past Director of the Company.

Auditor

Director of the Company at the date of approval of this annual report confirms 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 it ought to have taken as a Director in order to make itself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies' Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Authorised and approved by the Board and signed on its behalf by:



Nicholas Brian Corrigan

Director

10 November 2023

Global Technology UK, 2 Ltd.

Director's responsibilities statement

The director is responsible for preparing the Annual 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 United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. 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, 'International Accounting Standard 1' requires that director:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Global Technology UK, 2 Ltd.

Independent auditor's report

To the members of Global Technology UK, 2 Ltd. (continued) For the year ended 31 December 2022

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Global Technology UK 2 Ltd. (the 'company'):

- give a true and fair view of the state 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 adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cashflows;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 at least twelve 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.

Global Technology UK, 2 Ltd.

Independent auditor's report

To the members of Global Technology UK, 2 Ltd. (continued)

For the year ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Global Technology UK, 2 Ltd.

Independent auditor's report

To the members of Global Technology UK, 2 Ltd. (continued)

For the year ended 31 December 2022

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Global Technology UK, 2 Ltd.

Independent auditor's report

To the members of Global Technology UK, 2 Ltd. (continued)

For the year ended 31 December 2022

Matters on which we are required to report by exception

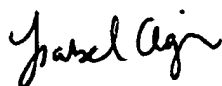
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Isabel Agius, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

10 November 2023

Global Technology UK, 2 Ltd.

Statement of comprehensive income For the year ended 31 December 2022

	Notes	2022 USD 000's	2021 USD 000's
Dividend income		-	-
Administrative and other operating expenses		-	-
Operating profit		-	-
Interest income	4	289,917	185,922
Foreign exchange difference		(7)	1,576
Profit before tax		289,910	187,498
Tax	5	(55,024)	(35,667)
Profit for the year		234,886	151,831
Other comprehensive income		-	-
Total comprehensive income		234,886	151,831

There were no other realised gains in the year so no statement of other comprehensive income is being included.

All profit for the year and profit from previous year are generated from continuing operations.

The accompanying notes form an integral part of the financial statements.

Global Technology UK, 2 Ltd.

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

	Share capital USD 000's	Share premium USD 000's	Retained earnings USD 000's	Total USD 000's
As at 1 January 2021	1,036,868	1,129,569	66,478	2,232,915
Shares allotted in the year (note 10)	-	49,701	-	49,701
Profit and total comprehensive income for the year	-	-	151,831	151,831
Distribution of dividend (note 7)	-	-	(111,542)	(111,542)
As at 31 December 2021 and 1 January 2022	1,036,868	1,179,270	106,767	2,322,905
Shares allotted in the year (note 10)	955,444	1,200,111	-	2,155,555
Profit and total comprehensive income for the year	-	-	234,886	234,886
Distribution of dividend (note 7)	-	-	(249,627)	(249,627)
Others	-	-	(158)	(158)
As at 31 December 2022	<u>1,992,312</u>	<u>2,379,381</u>	<u>91,868</u>	<u>4,463,561</u>

Global Technology UK, 2 Ltd.

Statement of financial position As at 31 December 2022

	Notes	2022 USD 000's	2021 USD 000's
Non-current assets			
Intercompany receivables	8	<u>4,479,789</u>	<u>2,324,421</u>
Current liabilities			
Tax payable		15,792	336
Intercompany payables	9	<u>436</u>	<u>1,180</u>
		<u>16,228</u>	<u>1,516</u>
Net assets		<u>4,463,561</u>	<u>2,322,905</u>
Shareholder's equity			
Share capital	10	1,992,312	1,036,868
Share premium	10	2,379,381	1,179,270
Retained earnings		<u>91,868</u>	<u>106,767</u>
Total shareholder's equity		<u>4,463,561</u>	<u>2,322,905</u>

The accompanying notes form an integral part of the financial statements.

The director acknowledges his responsibility for complying with the requirements of the Act with respect of accounting records and for the preparation of accounts.

The financial statements were approved by the members and authorised for issue on the date below. They were signed on their behalf by:



Nicholas Brian Corrigan

Director

10 November 2023

Global Technology UK, 2 Ltd.

Statement of cash flows

For the year ended 31 December 2022

	Notes	2022 USD 000's	2021 USD 000's
Cash flows from operating activities			
Profit before tax		289,910	187,498
Adjustments for:			
Interest income	4	(289,917)	(185,922)
Foreign exchange difference		7	(1,576)
		<u> </u>	<u> </u>
Operating (loss)/profit before working capital changes		-	-
		<u> </u>	<u> </u>
Cash (used in)/generated from operations		-	-
		<u> </u>	<u> </u>
Net cash (used in)/generated from operating activities		-	-
Cash flows from investing activities			
Net cash flows (used in)/generated from investing activities		-	-
Cash flows from financing activities			
Net cash (used in)/generated from financing activities		-	-
Net increase/(decrease) in Cash and Cash equivalents			
Cash and Cash equivalents at beginning of the year		-	-
Effect of foreign exchange rate changes		-	-
		<u> </u>	<u> </u>
Cash and Cash equivalents at the end of the year		<u> </u>	<u> </u>

Global Technology UK, 2 Ltd.

Notes to the financial statements

For the year ended 31 December 2022

1. General information

Global Technology UK, 2 Ltd. is a private company limited by shares and incorporated in the United Kingdom and Registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 2. The principal activities of the Company are given in the Director's Report.

These financial statements are presented in United States Dollars because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

Basis of presentation

The Company's financial statements have been prepared in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The financial statements have been prepared on the historical cost basis. All amounts are rounded to the nearest thousand unless otherwise stated. They have been prepared under the historical cost convention and are presented in USD.

The application of the Amendments to IFRSs in the current year had no material impact on the Company's financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

The Company has not applied any new standard and amendments to the existing Standards that have been issued but are not yet effective, except the entity has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes in accordance with IAS12 paragraph 4A. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods.

The financial statements have been prepared on a historical cost basis.

The principal accounting policies adopted are set out below.

Going concern

Based on the financial position of the company, the Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Director's Report.

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In forming this judgement, the director has considered the Company's ability to meet liabilities as they fall due. We have considered the impact on the financial statements of events and Russia and Ukraine and the cost of living crisis and concluded that due to the nature of the business and costs incurred, no significant impact is expected. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Global Technology UK, 2 Ltd.

Notes to the financial statements **For the year ended 31 December 2022**

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, except for intercompany balances that do not have a significant financing component which are measured at transaction price.

Financial assets

All recognised financial assets are measured subsequently in their entirety at amortised cost.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Amortised cost is the initial amount, less repayments of principal, less reduction for impairment.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the other income.

Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and intercompany loan and receivables. The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Global Technology UK, 2 Ltd.

Notes to the financial statements

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Interest income

Interest income is recognised on an accrual basis using the effective interest method. It represents amounts due from a group company in relation to intra-group lending.

Income tax

The income tax expense represents the tax currently payable. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Company carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Deferred tax is provided using the liability method, on temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The director has deemed there to be no key sources of critical judgements and estimation uncertainty.

Key sources of estimation uncertainty

The impairment review of the investment in subsidiaries has been performed by reviewing both quantitative and qualitative aspect of the subsidiaries and associate.

Global Technology UK, 2 Ltd.

Notes to the financial statements

For the year ended 31 December 2022

3. Auditor's remuneration

Auditor's remuneration relating to auditing of this financial statements amounted to USD20,748 (2021: USD11,732) for the year. All auditor's remuneration is borne by GPUK LLP, a related company, and not recharged.

No (2021: nil) non-audited service is borne during the year.

4. Interest income

	2022 USD 000's	2021 USD 000's
Interest on loan from group companies (note 11)	289,917	185,922
	<u>289,917</u>	<u>185,922</u>

5. Tax

An analysis of the Company's income tax is as follows:

	2022 USD 000's	2021 USD 000's
Current tax:		
Current tax on income for the year	55,083	35,625
Adjustment in respect of prior years	(59)	42
	<u>55,024</u>	<u>35,667</u>

A reconciliation of the tax expense applicable to profit before tax using the statutory tax rate to the tax expense at the effective tax rate is as follows:

	2022 USD 000's	2021 USD 000's
Profit before tax	289,910	187,498
Tax expense at the statutory tax rate of 19% (2021: 19%)	55,083	35,625
Adjustment in respect of prior years	(59)	42
Tax expense at the effective tax rate of 19.0% (2021: 19.0%)	<u>55,024</u>	<u>35,667</u>

The UK corporation tax rate increased to 25% effective from 1 April 2023. The effective UK income tax rate for the current year is 19% (2021: 19%). The closing deferred tax assets and liabilities have been calculated taking into account that existing temporary differences may unwind in periods subject to the higher rates.

Global Technology UK, 2 Ltd.

Notes to the financial statements

For the year ended 31 December 2022

6. Staff costs

The Company had no employees during the year. (2021: nil)

The Company did not incur any expenses during the year. (2021: nil)

Director's remuneration

None (2021: none) of the director received any emoluments in respect of their services provided to the Company during the year.

7. Dividend

	2022 USD 000's	2021 USD 000's
Interim dividend – USD 0.13 (2021: USD 0.11) per ordinary share	249,627	111,542

8. Intercompany receivables

	2022 USD 000's	2021 USD 000's
Unsecured loan receivable at amortised cost		
Loans to group companies	4,479,789	2,324,234
Interest receivable	-	187
Total receivables	4,479,789	2,324,421
Amount due for settlement within 12 months	-	-
Amount due for settlement after 12 months	4,479,789	2,324,421

The intercompany loan to Global Payments UK Holdings 1 is interest bearing, receivable in 2030 and unsecured. The applicable interest rates are 8.5% and 7.08% per annum (2021: 8.5% per annum)

Global Technology UK, 2 Ltd.

Notes to the financial statements For the year ended 31 December 2022

9. Intercompany payables

	2022 USD 000's	2021 USD 000's
Tax payment paid by group member	435	1,179
Intercompany with immediate parent company	<u>1</u>	<u>1</u>
Total payables	<u>436</u>	<u>1,180</u>
Amount due for settlement within 12 months	<u>436</u>	<u>1,180</u>
Amount due for settlement after 12 months	<u>-</u>	<u>-</u>

The amounts outstanding are unsecured, not interest bearing and will be settled in cash/on demand.

10. Share capital and share premium

	2022 USD 000's	2021 USD 000's
Authorised, issued and fully paid:		
1,992,312k (2021: 1,036,868k) ordinary shares of USD1 (2021: USD1) each	1,992,312	1,036,868
Share premium	<u>2,379,381</u>	<u>1,179,270</u>
	<u>4,371,693</u>	<u>2,216,138</u>

The Company has one class of ordinary shares which carries no right to a fixed dividend.

On 24 September 2021, 1 ordinary share was issued to the existing shareholders of the Company, which resulted in proceeds of USD 49,701,000.

On 29 April 2022, 955,444,334 ordinary shares were issued to Global Payments Check Recovery Services, Inc. which resulted in proceeds of USD 2,155,555,000. On the same date, these shares were transferred to Global Technology UK, 1 Ltd who became the new shareholder of the company.

At the balance sheet date, shares were issued to Global Payments Acquisition Corporation HK Holding Ltd. and Global Technology UK 1, Ltd.

Global Technology UK, 2 Ltd.

Notes to the financial statements For the year ended 31 December 2022

11. Related party transactions

Transactions between the Company and its related parties are disclosed below.

The ultimate parent company is Global Payments Inc.

Trading transactions

During the year, the Company entered into the following transactions with related parties:

	Interest income 2022 USD 000's	Amounts owed to related parties 2022 USD 000's	Amounts owed by related parties 2022 USD 000's
Global Payments UK Holdings 1 Ltd	288,625	-	4,341,059
Global Payments UK Holdings 2 Ltd	1,292	-	138,729
Global Payments U.K., Ltd.	-	-	-
Global Payment Systems, LLC	-	-	1
Global Payments Acquisition Corporation HK Holding Ltd.	-	(1)	-
TSYS Processing Europe Ltd	-	(435)	-

	Interest received 2021 USD 000's	Amounts owed to related parties 2021 USD 000's	Amounts owed by related parties 2021 USD 000's
Global Payments UK Holdings 1 Ltd	185,768	-	2,185,504
Global Payments UK Holdings 2 Ltd	154	-	138,916
Global Payments U.K., Ltd.	-	(1,179)	-
Global Payment Systems, LLC	-	-	1
Global Payments Acquisition Corporation HK Holding Ltd.	-	(1)	-

Except for the intercompany loan with disclosed in Note 8, the amounts outstanding are unsecured, not interest bearing and will be settled in cash/on demand. No guarantees have been given or received.

12. Ultimate parent undertaking and controlling party

At both the balance sheet date and the date of approval of these financial statements, the ultimate parent undertaking and controlling party is Global Payments Inc., a group incorporated in the United States of America. The immediate parent company is Global Payments Acquisition Corporation HK Holding Limited, Ltd, whose registered office was 14th Floor, One Taikoo Place, 979 Kings Road, Quarry Bay, Hong Kong and is changed to 27th Floor, Manhattan Place, 23 Wang Tai Road, Kowloon Bay with effective from January 1, 2022.

The parent undertaking of the smallest and largest group in which the Company is consolidated is Global Payments Inc. The address of the registered office at 3550 Lenox Road, Atlanta GA 30326. Copies of the consolidated financial statements for Global Payments Inc. can be obtained from the Investor Relations page at www.globalpaymentsinc.com.

Global Technology UK, 2 Ltd.

Notes to the financial statements

For the year ended 31 December 2022

13. Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of intercompany loan balances which disclosed in note 8 and 9, and equity of the Company, comprising issued share capital, share premium and retained earnings.

14. Financial Instruments

14a. Categories of financial instruments

	2022 USD 000's	2021 USD 000's
Financial assets		
Intercompany receivables, at amortised cost	<u>4,479,789</u>	<u>2,324,421</u>
Financial liabilities		
Intercompany payables, at amortised cost	<u>436</u>	<u>1,180</u>

14b. Financial risk management objectives and policies

The Company's major financial instruments include intergroup receivables and payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk), interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Company has no foreign currency denominated transactions, which expose to limited foreign currency risk.

Interest rate risk

The Company's exposure to interest rate risk relates principally to the Company's long term inter-group borrowings. The Company mitigates the risk by monitoring closely the movements in interest rates.

Credit risk

The credit risk on the Company's intercompany receivables is limited because although recoverability of intercompany loans is largely dependent on the continued successful operations of Global Payments group and the ultimate holding company's market default rate, the Company had not encountered significant difficulties in collecting from these companies in the past and are not aware of any financial difficulties being experienced by these companies.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management of the Company which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves.

Global Technology UK, 2 Ltd.

Notes to the financial statements

For the year ended 31 December 2022

14c. Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The director considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

15. Events after balance sheet

Global Payments Acquisition Corporation HK Holding Ltd, the immediate parent company of the Company, changed its name to Global Payments Hong Kong Holding Limited after the end of the reporting period.

Except the event mentioned above, there have been no transactions or events of a material and unusual nature between the end of the reporting period and the date of the report likely, in the opinion of the Director of the Company, to affect significantly the operations of the Company, the results of those operations, or state of affairs of the Company in future years.