

GPUK LLP

**Annual report and financial statements for
the period ended 31 December 2016**

Registered number: OC337146

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GPUK LLP

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GPUK LLP

General information

Registered number: OC337146

Members: Global Payments U.K. Ltd
Global Payments U.K. 2 Ltd

Registered address: De Montfort House
51 De Montfort Street
Leicester
LE1 7BB

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

Bankers: HSBC Bank plc
8 Canada Square
London
E14 5HQ

Auditor: Deloitte LLP
Statutory Auditor
Four Brindley Place
Birmingham
United Kingdom
B1 2HZ

GPUK LLP

Strategic report

This strategic report has been prepared for the partnership as a whole and gives emphasis to those matters which are significant to GPUK LLP ("the partnership"). The financial year end was changed from 31 May to 31 December so as to be coterminous with the year end of its ultimate holding company. Accordingly, the current financial statements are prepared for 7 months from 1 June 2016 to 31 December 2016 and as a result, the comparative figures stated in the statement of comprehensive income, statement of changes in members' equity, cash flow statement and the related notes are not comparable.

Review of the business

The profit for the seven month period ending 31 December 2016 was £106.9m (31 May 2016: £118.5 million), as detailed in the Statement of Comprehensive Income on page 8. The decrease is due to the shorter accounting period and is offset by profit on sale of the Visa Europe Limited holding. Revenue has decreased by £78.0m which is due to the shorter accounting period, accordingly the administrative expenses have reduced by £37.2m which is expected by the business. On a pro rata basis revenue and operating profit have seen increases of £50.0m and £11.1m respectively and is driven by transaction volumes on debit cards as well as volume growth in online payments. The pro rata increase in administrative expenses of £38.8m is the result of higher card association fees.

Net assets as at 31 December 2016 were £323.9m (31 May 2016: £348.6 million) and included a cash balance of £176.1m (31 May 2016: £46.4 million). The net asset decrease is primarily due to the sale of Visa Europe Limited to Visa Inc. in June 2016, resulting in a decrease in the available for sale assets balance from £27m to £6.7m (note 18).

Principal risks and uncertainties

Details of the principal risks and uncertainties faced by the partnership can be found within the Risk Management disclosure (note 21) and form part of this report by cross-reference. The partnership also faces operational risks in the form of data security, regulatory/compliance, transaction processing disruption and technology & competitive environment, for which the partnership has mitigating activities.

Future Developments

The members expect the general level of activity to increase steadily in the forthcoming year.

The partnership aims to continue the development of the business by recruiting further new merchants, and leveraging HSBC Bank plc corporate relationships within the existing customer base.

Signed on behalf of the members



Christopher Davies, Global Payments U.K. Ltd

2 August 2017

GPUK LLP

Members' report for the period ending 31 December 2016

The members present their Annual Report and the audited financial statements for the period ended 31 December 2016. The financial year end was changed from 31 May to 31 December so as to be coterminous with the year end of its ultimate holding company. Accordingly, the current financial statements are prepared for 7 months from 1 June 2016 to 31 December 2016 and as a result, the comparative figures stated in the statement of comprehensive income, statement of changes in members' equity, cash flow statement and the related notes are not comparable.

Principal activity

GPUK LLP ("the Partnership" or "the LLP") is a joint venture between Global Payments U.K. Ltd and Global Payments U.K. 2 Ltd.

The Partnership's principal activity is merchant acquiring, which is the electronic transaction processing of point-of-sale payments on issued debit and credit cards.

There are no branches of the LLP outside the UK.

Distribution policy

The Partnership's distribution policy is that distributable profits are distributed on a quarterly basis. Distributions are made to members having rights to a share of profit, of which only Global Payments U.K. Ltd qualifies, and distributed following the preparation of the month-end results. Distributable profits consist of statutory profit adjusted for the amortisation cost of non-software intangibles. Details of distributions made in the period are as per note 17 to the financial statements.

Designated members and Capital policy

The members of the LLP are Global Payments U.K. Ltd and Global Payments U.K. 2 Ltd (collectively, the "members"). Global Payments U.K. 2 Ltd did not participate in the LLP's profit and holds no financial interest in the LLP. Members' capital in total is linked to the financial requirements of the LLP.

Financial position and performance

The profit for the period from 1 June 2016 to 31 December 2016 was £106.9m (31 May 2016: £118.5m), as detailed in the Statement of Comprehensive Income on page 8. The decrease is mainly due to the shorter accounting period and is offset by profit on sale of the Visa Europe Limited holding. Excluding the profit on sale, revenue and profitability showed an increase against the prior year, driven by higher transaction volumes on debit cards and international online payments. The Partnership aims to continue the development of the business by recruiting further new merchants and leveraging HSBC Bank plc corporate relationships within the existing customer base.

Profit is not taxable within the Partnership, and is taxed in Global Payments U.K. Ltd.

Net assets as at 31 December 2016 were £323.9m (31 May 2016: £348.6), as detailed on the balance sheet on page 10. This movement is primarily due to the sale of Visa Europe Limited to Visa Inc. in June 2016, resulting in a decrease in the available for sale assets balance from £27m to £6.7m.

Principal risks and uncertainties

The members consider that the principal area of risk is counterparty credit risk. The Partnership has counterparty credit risk management processes in place which are designed to prevent specific individual merchant loss. The Partnership's financial risk management objectives and policies are given in note 21 to the financial statements. The partnership also faces operational risks in the form of data security, regulatory/compliance, transaction processing disruption and technology & competitive environment, for which the partnership has mitigating activities.

Going concern basis

After making enquiries, and considering the forecast that the Partnership is expected to remain profitable, the members have formed a judgement that there is a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. In forming this judgement, the members have considered the Partnership's ability to meet liabilities as they fall due. As such, the members continue to adopt the going concern basis in preparing the financial statements.

GPUK LLP

Members' report for the period ending 31 December 2016 (continued)

Auditor

Each of the members of the Partnership at the date of approval of this annual report confirms that:

- so far as the member is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and
- the member has taken all the steps that it ought to have taken as a member in order to make itself aware of any relevant audit information and to establish that the Partnership'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 reappointment them will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the members

A handwritten signature in black ink, appearing to read 'Christopher Davies', is written over a horizontal line.

Christopher Davies, Global Payments U.K. Ltd

2 August 2017

GPUK LLP

Members' responsibilities statement

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The 'Limited Liability Partnerships (Accounts & Audit) (Application of Companies' Act 2006) Regulations 2008' require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The financial statements are also required by law to be prepared in accordance with the Companies' Act 2006, as applicable to limited liability partnerships.

'International Accounting Standard 1' requires that financial statements present fairly, for each financial year, the firm's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, members are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs 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.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies' Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Partnership's Board on behalf of the members.

GPUK LLP

Independent auditor's report to the Members of GPUK LLP (continued)

For the period ended 31 December 2016

We have audited the financial statements of GPUK LLP for the period ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

GPUK LLP

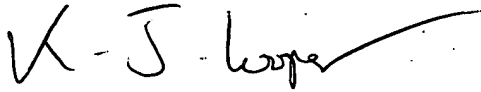
Independent auditor's report to the members of GPUK LLP

For the period ended 31 December 2016

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime.



Kieren Cooper (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor.
Birmingham, United Kingdom
2 August 2017

GPUK LLP

Independent auditor's report to the members of GPUK LLP

For the period ended 31 December 2016

We have audited the financial statements of GPUK LLP for the period ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

GPUK LLP

Statement of comprehensive income For the period ended 31 December 2016

		Period ended 31 December 2016 £ 000's	Year ended 31 May 2016 £ 000's
	Note		
Continuing operations			
Commission income		432,812	641,243
Commission expense		(253,760)	(384,233)
Revenue	5	179,052	257,010
Administrative and other operating expenses		(103,493)	(138,610)
Operating profit	6	75,559	118,400
Profit from sale of Visa Europe holding	18	21,299	-
Interest and other income	9	10,198	64
Finance costs		(131)	-
Profit for the period/year	17	106,925	118,464
Total comprehensive income		106,925	118,464
Attributable to the members		106,925	118,464

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

GPUK LLP

Statement of changes in members' equity

For the period ended 31 December 2016

		Period ended 31 December 2016 £ 000's	Year ended 31 May 2016 £ 000's
	Note		
Profit for the period/year		106,925	118,464
Distributions from profit for the period/year		(107,797)	(118,464)
Returns of members' capital		(3,491)	(6,748)
Fair value movement on available for sale assets		992	26,968
Fair value gain on AFS assets recycled to income statement		(21,299)	-
Net movement in members' capital in the period/year		(24,670)	20,220
Members' equity at 1 June	17	348,606	328,386
Members' equity at 31 December/May	17	323,936	348,606

GPUK LLP

Registered number: OC337146

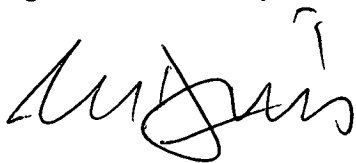
Balance sheet

As at 31 December 2016

		31 December 2016 £ 000's	31 May 2016 £ 000's
Non-current assets	Note		
Goodwill	10	291,220	291,220
Other intangible assets	11	21,246	24,222
Property, plant and equipment	12	7,955	5,940
Other receivables	18	2,077	-
		<u>322,498</u>	<u>321,382</u>
Current assets			
Available for sale assets	18	6,661	26,968
Inventories	13	2,360	2,490
Trade and other receivables	14	579,713	561,627
Prepayments		832	622
Cash and cash equivalents	14	176,063	46,379
		<u>765,629</u>	<u>638,086</u>
Total assets		<u>1,088,127</u>	<u>959,468</u>
Current liabilities			
Trade and other payables	15	(763,271)	(609,434)
Provision for liabilities	16	(920)	(873)
Finance lease payable		-	(554)
		<u>(764,191)</u>	<u>(610,861)</u>
Non-current liabilities			
Finance lease payable due after one year		-	(1)
Total liabilities		<u>(764,191)</u>	<u>(610,862)</u>
Net assets		<u>323,936</u>	<u>348,606</u>
Members' equity			
Available for sale reserve	18	6,661	26,968
Capital account – Global Payments U.K. Ltd	17	317,275	321,638
Total members' equity		<u>323,936</u>	<u>348,606</u>

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

The financial statements were approved by the members and authorised for issue on 2 August 2017. They were signed on their behalf by:



Christopher Davies, Global Payments U.K. Ltd

Member

GPUK LLP

Cash flow statement

For the period ended 31 December 2016

	Note	Period ended 31 December 2016 £ 000's	Year ended 31 May 2016 £ 000's
Net cash generated from operating activities	19	209,679	54,275
Investing activities			
Interest (paid)/received		(131)	64
Purchase of property, plant and equipment		(3,771)	(3,919)
Purchase of intangible assets		(1,071)	(1,554)
Net cash used in investing activities		(4,973)	(5,409)
Financing activities			
Distributions and repayments of capital to members; paid and committed		(111,288)	(125,212)
Increase in distributions payable		14,710	22,767
Visa Europe consideration received		21,556	-
Net cash used in financing activities		(75,022)	(102,445)
Net increase/(decrease) in cash and cash equivalents		129,684	(53,579)
Cash and cash equivalents at beginning of period/year		46,379	99,958
Cash and cash equivalents at end of period/year		176,063	46,379

GPUK LLP

Notes to the financial statements

For the period ended 31 December 2016

1. General information

GPUK LLP is a limited liability partnership registered in England and Wales under the Companies' Act 2006. The address of the registered office is given on page 1. The nature of the Partnership's operations and its principal activities are set out on page 3.

The financial year end was changed from 31 May to 31 December so as to be coterminous with the year end of its ultimate holding company. Accordingly, the current financial statements are prepared for 7 months from 1 June 2016 to 31 December 2016 and as a result, the comparative figures stated in the statement of comprehensive income, statement of changes in members' equity, cash flow statement and the related notes are not comparable.

These financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Partnership operates.

2. Adoption of new and revised Standards

The Partnership has elected to adopt IFRS as applied in the EU as at the balance sheet date of 31 December 2016.

At the date of authorisation of these financial statements, the Partnership has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases have not been adopted by EU:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions
IAS 7 (amendments)	Disclosure Initiative
IAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The members do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Partnership in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

3. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with IFRSs adopted by the EU and therefore the financial statements comply with Article 4 of the EU International Accounting Standards ("IAS") regulation.

The financial statements have been prepared on the historical cost basis and all amounts are rounded to the nearest thousand. The principal accounting policies adopted are set out below.

Going concern basis

After making enquiries, and considering the forecast that the Partnership is expected to remain profitable, the members have formed a judgement that there is a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. In forming this judgement, the members have considered the Partnership's ability to meet liabilities as they fall due. As such, the members continue to adopt the going concern basis in preparing the financial statements.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

3. Significant accounting policies (continued)

Distribution policy

The Partnership's distribution policy is that distributable profits are distributed on a quarterly basis. Distributions are made to members having rights to a share of profit, of which only Global Payments U.K. Ltd qualifies, and distributed following the preparation of the month-end results. Distributable profits consist of statutory profit adjusted for the amortisation cost of non-software intangibles. Details of distributions made in the period are as per note 17 to the financial statements.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Partnership's interest in the fair value of the identifiable assets and liabilities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Further details on the method of review are given in note 10.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, commissions, Value Added Tax and other sales-related taxes.

Sales of services are recognised at month end on an accruals basis, whilst sales of goods are recognised when risks and rewards of ownership have passed to the buyer.

Gross merchant service income represents all fees levied upon merchants for the processing of transactions.

Commission payable is netted against gross merchant services income to arrive at net merchant services income. Net merchants services income is recorded as soon as transactions have completed.

Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, financial assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-financial assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. In the event that there are differences between amounts paid and payable they are recognised as accruals or prepayments in the balance sheet.

Property, plant and equipment

Fixtures and equipment are stated at historical cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Terminal Estate:	25% per year
Fixtures and equipment:	20% - 50% per year

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in administrative expenses.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

3. Significant accounting policies (continued)

Intangible assets

Intangible assets are amortised over their estimated useful economic lives, and further impaired if necessary. The amortisation period for software and software development costs is 5 years, in line with the useful economic life. All other classes of intangible are amortised over their estimated useful lives which are between 4 and 13 years.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the LLP reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to a revised estimate of its recoverable amount, but so that this new estimate does not exceed the carrying amount that would have existed had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial Instruments

The Partnership has applied 'IAS 32, Financial instruments: Disclosure and presentation' and 'IAS 39 Financial instruments: Recognition and measurement' as outlined below:

Trade Receivables

Trade receivables do not carry interest and are stated at initial recognition at their fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

Trade and other payables

Trade and other payables are not interest bearing and are stated at initial recognition at their fair value and subsequently at amortised cost.

Operating profit

Operating profit is stated before interest and other income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Operating leases

When acting as lessor, the Partnership includes the assets subject to operating leases in 'Property, plant and equipment' and accounts for them accordingly. Impairment losses are recognised to the extent that residual values are not fully recoverable and the carrying value of the equipment is thereby impaired.

Rentals payable under operating leases in the Partnership's capacity as lessee are charged to income on a straight-line basis over the term of the relevant lease. Any benefits received and receivable as an incentive to enter an operating lease are also spread on a straight-line basis over the lease term.

Finance leases

Assets held under finance leases are initially recognised as assets of the partnership at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

3. Significant accounting policies (continued)

Finance leases

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Inventories

Inventories comprise terminals used by the merchants in the processing of transactions which are yet to be leased to merchants. Upon being leased out to a merchant, these are transferred to the 'terminal estate' within 'Property, plant and equipment'. They are stated at the lower of cost and net realisable value. Cost is calculated using the first in first out method.

Provision for liabilities

Provisions are recognised when the Partnership has a present obligation as a result of a past event, and it is probable that the Partnership will be required to settle that obligation. Provisions are measured at the members' best estimate of the expenditure required to settle the obligation at the balance sheet date.

Available for sale financial assets

Available for sale financial assets relate to equity holdings which are measured at fair value in the balance sheet as a reliable estimate of the fair value can be determined. Fair value changes on AFS assets are recognised directly in equity through the statement of changes in equity, except for impairment losses and foreign exchange gains or losses which are recognised through the income statement. The fair value of AFS assets denominated in foreign currency are determined through translation at the spot rate at the balance sheet date.

Dividends on AFS equity instruments are recognised in profit and loss when the group's right to receive the dividends is established.

The cumulative gain or loss that is recognised in equity is recycled to the income statement on disposal of the equity holding.

4. Critical accounting estimates and judgements

In the application of the Partnership's accounting policies, which are described in note 3, the members are 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The cost of intangible assets reflected the value to the business at acquisition. This is spread over the expected useful life of the underlying assets with further impairment made if necessary. At each balance sheet date, the Group reviews and makes judgment on the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs to determine the extent of any impairment (if any).

The available for sale assets have been valued based on cash consideration, deferred cash consideration and preference shares expected to receive following the completion of transaction. In determining the value of preference shares, the ordinary share's value has been used as an approximation as both classes of shares have similar dividend rights. Furthermore, a litigation discount has been estimated to account for the future litigation costs of Visa Europe Limited which could affect the valuation of the shares prior to conversion and a marketability discount has been estimated on the value of preference shares based on the illiquidity of preference shares of Visa Inc. Discount for illiquidity is determined by reference to the share price of listed entities in similar industries as 30%. Litigation discount is 41% which is determined by benchmarking rates adopted by similar companies. Details around sensitivities to these discounts are included in note 18 of the financial statements.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

5. Revenue

An analysis of the Partnership's revenue is as follows:

	Period ended 31 December 2016 £ 000's	Year ended 31 May 2016 £ 000's
Continuing operations		
Gross merchant services income	396,787	599,091
Less: interchange expense	(253,760)	(384,233)
Net merchant services income	143,027	214,858
Equipment leasing income	9,638	16,924
Other commission income	26,387	25,228
	<u>179,052</u>	<u>257,010</u>

6. Operating profit

Profit for the period/year has been arrived at after charging:

	Period ended 31 December 2016 £ 000's	Year ended 31 May 2016 £ 000's
Depreciation of property, plant and equipment	1,667	2,888
Loss on disposal of property, plant and equipment	89	64
Loss on disposal of intangibles	47	203
Amortisation of intangible assets	4,000	7,653
Staff costs	12,080	20,259
Operating lease payments	707	1,005
	<u>18,580</u>	<u>32,012</u>

7. Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	Period ended 31 December 2016 £ 000's	Year ended 31 May 2016 £ 000's
Fees payable to the LLP's auditor for the audit of the LLP's annual Financial Statements	214	213

Fee's payable to the LLP's auditor of £28,000 (31 May 2016: £9,000) were made in relation to other assurance services.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

8. Staff costs

The Partnership has no employees. All staff are employed by Global Payments U.K. Ltd with the costs recharged to the Partnership on a monthly basis. The total recharge in relation to staff cost is £12,080,000 (31 May 2016: £20,259,000).

9. Interest and other income

	Period ended 31 December 2016 £ 000's	Year ended 31 May 2016 £ 000's
Cross-border transaction related income from related party (note 22)	7,863	-
Exchange difference on foreign currency transaction	2,335	-
Interest received	-	64
	<u>10,198</u>	<u>64</u>

10. Goodwill

	2016 £ 000's
Cost and net realisable value At 31 May 2016 and 31 December 2016	<u>291,220</u>

Goodwill recognised relates to the acquisition of the trade and assets of the HSBC Merchant Services division from HSBC Bank plc on 1 July 2008.

The Partnership tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. No impairment was identified in the reporting period (31 May 2016: £nil).

The recoverable amounts of the cash generating units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates (31 December 2016: 9%, 31 May 2016: 9%), growth rates (31 December 2016: 3% - 6.6% per year, 31 May 2016: 3% - 6.6% per year) and years over which cash flows are considered (31 December 2016: 5 years, 31 May 2016: 5 years).

The LLP prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for the following five years based on estimated growth rates, together with sensitivity analysis.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

11. Other intangible assets

Current Year

	Customer relationships £ 000's	Distribution channels £ 000's	Software £ 000's	Total £ 000's
Cost				
At 1 June 2016	115,056	12,746	6,550	134,352
Acquired during the period	-	-	1,071	1,071
Disposals	-	-	(279)	(279)
At 31 December 2016	<u>115,056</u>	<u>12,746</u>	<u>7,343</u>	<u>135,145</u>
Amortisation				
At 1 June 2016	94,425	12,746	2,959	110,130
Charge for the period	3,491	-	509	4,000
Disposals	-	-	(232)	(232)
At 31 December 2016	<u>97,916</u>	<u>12,746</u>	<u>3,237</u>	<u>113,899</u>
Carrying amount				
At 31 May 2016	<u>20,631</u>	<u>-</u>	<u>3,591</u>	<u>24,222</u>
At 31 December 2016	<u>17,140</u>	<u>-</u>	<u>4,106</u>	<u>21,246</u>

Prior Year

	Customer relationships £ 000's	Distribution channels £ 000's	Software £ 000's	Total £ 000's
Cost				
At 1 June 2015	115,056	12,746	5,810	133,612
Acquired during the year	-	-	1,554	1,554
Disposals	-	-	(814)	(814)
At 31 May 2016	<u>115,056</u>	<u>12,746</u>	<u>6,550</u>	<u>134,352</u>
Amortisation				
At 1 June 2015	87,677	12,746	2,665	103,088
Charge for the year	6,748	-	905	7,653
Disposals	-	-	(611)	(611)
At 31 May 2016	<u>94,425</u>	<u>12,746</u>	<u>2,959</u>	<u>110,130</u>
Carrying amount				
At 31 May 2015	<u>27,379</u>	<u>-</u>	<u>3,145</u>	<u>30,524</u>
At 31 May 2016	<u>20,631</u>	<u>-</u>	<u>3,591</u>	<u>24,222</u>

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

12. Property, plant and equipment

Current Year	Leasehold improvements £ 000's	Terminal estate £ 000's	Other fixtures and equipment £ 000's	Total £ 000's
Cost				
At 1 June 2016	922	20,860	1,081	22,863
Additions	48	3,723	-	3,771
Disposals	-	(3,534)	(267)	(3,801)
At 31 December 2016	970	21,049	814	22,833
Accumulated depreciation and impairment				
At 1 June 2016	15	15,902	1,006	16,923
Charge for the period	113	1,538	16	1,667
Disposals	-	(3,447)	(265)	(3,712)
At 31 December 2016	129	13,993	756	14,878
Carrying amount				
At 31 May 2016	907	4,958	75	5,940
At 31 December 2016	841	7,056	58	7,955
Prior Year				
Cost				
At 1 June 2015	-	19,191	1,081	20,272
Additions	922	2,997	-	3,919
Disposals	-	(1,328)	-	(1,328)
At 31 May 2016	922	20,860	1,081	22,863
Accumulated depreciation and impairment				
At 1 June 2015	-	14,398	900	15,298
Charge for the year	15	2,767	106	2,888
Disposals	-	(1,263)	-	(1,263)
At 31 May 2016	15	15,902	1,006	16,923
Carrying amount				
At 31 May 2015	-	4,793	181	4,974
At 31 May 2016	907	4,958	75	5,940

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

12. Property, plant and equipment (continued)

At 31 December 2016, the Partnership had no contractual commitments for the acquisition of equipment (31 May 2016: £nil).

In addition, the Partnerships' obligations under finance leases (see note 15) are secured by the lessors' title to the leased assets, which have a carrying amount of £nil (31 May 2016: £0.47 million).

13. Inventories

	31 December 2016 £ 000's	31 May 2016 £ 000's
Terminals	2,360	2,490

No inventories are impaired at the year end or written off during the period (31 May 2016: £nil).

14. Other financial assets

Trade and other receivables

	31 December 2016 £ 000's	31 May 2016 £ 000's
Amounts receivable for sale of goods and services		
Trade receivables	23,838	19,686
Due from Global Payments Group – trade receivables	14,851	26,859
Settlement processing assets	541,006	515,033
Other receivables	18	49
	<u>579,713</u>	<u>561,627</u>

Total trade receivables held by the LLP at 31 December 2016 amounted to £23.8 million (31 May 2016: £19.7 million), none of which were impaired (31 May 2016: none). The members consider that the carrying amount of trade receivables approximates to their fair value.

Settlement processing assets

	31 December 2016 £ 000's	31 May 2016 £ 000's
Receivable from network	541,006	515,033
	<u>541,006</u>	<u>515,033</u>

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

14. Other financial assets (continued)

Cash and cash equivalents

	31 December 2016 £ 000's	31 May 2016 £ 000's
Cash and cash equivalents	176,063	46,379

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. £16.9 million (31 May 2016: £21.5 million) is merchants' cash held as collateral.

GPUK LLP had a composite overdraft facility of £80 million during 2016 which was unutilised as at 31 December 2016.

15. Other financial liabilities

Trade and other payables

	31 December 2016 £ 000's	31 May 2016 £ 000's
Trade creditors and accruals	14,176	9,794
Other payables	-	64,716
Settlement processing payables	647,340	499,280
Due to Global Payments Group – trade payables	57,906	6,503
Due to Global Payments U.K. Ltd – distribution payable	43,849	29,141
	<u>763,271</u>	<u>609,434</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Other payables comprise of amounts outstanding for the Groups line of credit facilities. The Partnership has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The members consider that the carrying amount of trade payables approximates to their fair value.

All financial liabilities are payable within three months of the balance sheet date, with the exception of merchant deposits of £20.7m (31 May 2016: £27.1m), classified within settlement processing payables which are repayable on demand.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

15. Other financial liabilities (continued)

Settlement processing payables

	31 December 2016 £ 000's	31 May 2016 £ 000's
Liability to Merchants	654,084	489,171
Interchange reimbursement	(16,273)	(15,848)
Exception items	(11,132)	(1,188)
Merchant reserves	20,661	27,145
	<u>647,340</u>	<u>499,280</u>

Timing differences, interchange fees, Merchant Reserves and exception items cause differences between the amount received from the payment networks and the amount funded to the merchants. These intermediary balances arising in our settlement process for direct merchants are reflected as settlement processing assets and obligations on the balance sheet and are disclosed above as liabilities to merchants.

Finance Lease Liabilities

	31 December 2016 £ 000's	31 May 2016 £ 000's
Amounts payable under finance leases:		
Within one year	-	554
In the second to fifth years inclusive	-	1
After five years	-	-
	<u>-</u>	<u>555</u>
Less future finance charges	-	-
	<u>-</u>	<u>-</u>
Present value of lease obligations	<u>-</u>	<u>555</u>

It is the group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 4 years. Interest rates are fixed at the contract date.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in sterling. The fair value of the group's lease obligations is approximately equal to their carrying amount. The group's obligations under finance leases are secured by the lessors' rights over the leased assets disclosed in note 12.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

16. Provisions for liabilities

	Chargeback provision £ 000's	Restructuring provision £ 000's	Total £ 000's
Provision as at 1 June 2015	42	2,699	2,741
Provision utilised during the year	(49)	(1,919)	(1,968)
Provision released during the year	(1)	-	(1)
Transactions provided against during the year	101	-	101
Provision as at 1 June 2016	93	780	873
Provision utilised during the period	(165)	(27)	(192)
Provision released during the period	(29)	(11)	(40)
Transactions provided against during the period	246	33	279
Provision as at 31 December 2016	145	775	920

The chargeback provision relates to the risk that the Partnership may be liable for the chargebacks of transactions involving merchants who are potentially unable to meet the chargeback demand themselves.

The restructuring provision relates to a re-organisation programme, and includes costs in relation to redundancies and exiting properties.

The majority of provisions are expected to be utilised within 6 months of the year end.

17. Members' interests

	Total £ 000's
Balance as at 31 May 2016	348,606
Statutory profit for the period	106,925
Distributions, paid and committed, of statutory profit for the period	(107,797)
Distributions, paid and committed, of equity during the period	(3,491)
Fair value movement on available for sale assets	(20,307)
Balance as at 31 December 2016	323,936
Available for sale reserve	6,661
Capital account – Global Payments U.K. Ltd	317,275
	323,936

Global Payments U.K. 2 Ltd is a non-equity holding member of GPUK LLP. As such, it has no capital account and receives no distributions from the Partnership.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

18. Available for sale financial assets

Pursuant to the sale of Visa Europe Limited to Visa Inc., GPUK LLP was entitled consideration in the form of upfront cash amounting to €25.6 million, deferred cash amounting to €2.4 million and preference shares amounting to \$8.2 million. GPUK LLP's interest in Visa Europe Limited was classified as available for sale financial asset as at 31 May 2016 measured at fair value amounting to £26.9 million with the corresponding unrealised gain taken to available for sale equity reserve.

During the seven month period ended 31 December 2016, GPUK LLP received £21.6 million cash (GBP equivalent of €25.6 million on the transaction date) and accordingly the associated gain has been recycled from available for sale equity reserve to the income statement.

The deferred cash element of £2.1 million (GBP equivalent of €2.4 million as at 31 December 2016) has been reclassified from available for sale financial assets to receivable and accordingly the cumulative gain of £2.1 million has also been recycled from available for sale equity reserve to the income statement.

As at 31 December 2016, only preference shares are classified as available for sale financial assets with cumulative gains recognised in the available for sale equity reserve. The valuation of the preferred shares have been determined using the ordinary share's value as an approximation as both classes of shares have similar dividend rights. However, adjustments are made for: (i) illiquidity, as the preference shares are not tradeable on an open market and can only be transferred to other Visa members; and (ii) future litigation costs of Visa Europe Limited which could affect the valuation of the shares prior to conversion. These are detailed in the table below.

These preference shares are classified as Level 3 instruments in accordance with IFRS 13, 'Fair Value Measurement', as the valuation is determined using a combination of observable and unobservable inputs. As the ordinary share price is readily available, this input is deemed to be observable. However, assumptions have been made in respect of the illiquidity adjustment to the share price and the likelihood of litigation costs in the future (note 4). These inputs are therefore deemed to be unobservable, with fair value impact detailed below.

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 December 2016	31 May 2016			
Available for sale financial assets	£6,661,000	£26,968,000	Level 3	Discount for illiquidity is determined as 30% by reference to the share price of listed entities in similar industries. Litigation discount has been determined as 41% by benchmarking rates adopted by similar entities.	An increase of 1% in the discount for illiquidity used in isolation would result in a decrease of £95,156 in the fair value. An increase of 1% in the discount for litigation used in isolation would result in a decrease of £85,014 in the fair value.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

19. Notes to the cash flow statement

	Period ended 31 December 2016 £ 000's	Year ended 31 May 2016 £ 000's
Operating profit	75,559	118,400
Adjustments for:		
Depreciation of property, plant and equipment	1,667	2,888
Loss on disposal of plant, property and equipment	89	64
Loss on disposal of intangibles	47	203
Amortisation of intangible assets	4,000	7,653
Increase/(Decrease) in provisions	47	(1,867)
Income from related party	7,863	-
Operating cash flows before movements in working capital	89,272	127,341
Decrease/(Increase) in inventories	130	(1,180)
(Increase)/Decrease in trade receivables	(18,086)	147,054
Increase in prepayments	(211)	(175)
Increase/(Decrease) in trade and other payables	138,574	(218,226)
Decrease in long term liabilities	(1)	(539)
Net cash inflow generated from operating activities	209,679	54,275

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

20. Operating lease arrangements

The Partnership as lessee

	31 December 2016 £ 000's	31 May 2016 £ 000's
Minimum lease payments under operating leases recognised as an expense in the period/year	707	1,005

At the balance sheet date, the LLP had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 December 2016 £ 000's	31 May 2016 £ 000's
Within one year	1,269	1,206
In the second to fifth years inclusive	2,039	2,537
Due in more than five years	-	-
	3,308	3,743

Operating lease payments principally represent rentals payable for the leasing of office space and associated maintenance. Leases are negotiated for an average term of five years and there are no purchase options or escalation clauses or any restrictions imposed by lessors pursuant to these lease arrangements.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

20. Operating lease arrangements (continued)

The Partnership as lessor

At the balance sheet date, the Partnership had contracted with merchants for the following future minimum lease payments:

	31 December 2016 £ 000's	31 May 2016 £ 000's
Within one year	797	1,399

These leasing arrangements relate to the hire of point of sale terminals used in the processing of point-of-sale payments on issued debit and credit cards.

21. Risk management

The Partnership's risk management activities involve analysis, evaluation, acceptance and management of risks.

The most significant risks arising are credit risk, liquidity risk and market risk. Market risk comprises primarily foreign exchange risk.

The Partnership has fraud management policies in place throughout the organisation.

The management of these risks in relation to the merchant acquiring business is discussed below.

Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.

With specific regard to merchant acquiring, it arises primarily from the risk of chargebacks. The Partnership has standards, policies and procedures dedicated to monitoring and managing risk.

Credit risk management

The Partnership's credit risk is managed using the following methodology:

<u>Task</u>	<u>Purpose</u>
Identify	Investigate and understand the merchant's business, products and terms of trade.
Monitor	Monitor material changes in exposure for the extant book.
Assess	Calculate the card acquiring chargeback risk based upon the identified risks.
Address	Balance risk and reward, structure the facility and reach a credit decision.

The risk calculation is driven by the assessment of the proportion of the merchant's annual card turnover that relates to specific factors such as prepayments, continuing services and 'cardholder not present' transactions.

The maximum exposure to credit risk on financial assets at 31 December 2016 was £756 million (31 December 2016: £608 million).

Where appropriate the Partnership's credit and risk department works in conjunction with and alongside the HSBC Bank plc's credit and risk function to assess, address and manage merchant-related risk and monitor exposure as part of the Partnership's wider customer portfolio risk management.

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

21. Risk management (continued)

Market risk management

The Partnership's balance sheet at 31 December 2016 primarily comprises assets and liabilities denominated in Pounds Sterling and, as such, it is not exposed significantly to currency risk.

The carrying amounts of the Partnership's foreign currency denominated monetary assets at the reporting date are as follows:

	Assets 31 December 2016 £ 000's	Assets 31 May 2016 £ 000's
Foreign Currency	79,889	132

The Partnership is not exposed to any significant levels of interest rate risk.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the members, who have built an appropriate liquidity risk management framework for the management of short, medium and long-term funding. The Partnership manages liquidity risk by, firstly, maintaining adequate reserves, banking facilities and reserve borrowing facilities and, secondly, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Financial instruments

As at 31 December 2016 the partnership's balance sheet included the following financial instruments:

Financial Assets	Cash and cash equivalents £ 000's	Loans and receivables £ 000's	Other assets £ 000's	Total £ 000's
Cash and cash equivalents	176,063	-	-	176,063
Trade receivables and other receivables	-	581,790	-	581,790
Available for sale assets	-	-	6,661	6,661
	<u>176,063</u>	<u>581,790</u>	<u>6,661</u>	<u>764,514</u>

Financial Liabilities	Payables £ 000's	Total £ 000's
Trade and other payables	763,271	763,271
	<u>763,271</u>	<u>763,271</u>

As at 31 May 2016 the partnership's balance sheet included the following financial instruments:

Financial Assets	Cash and cash equivalents £ 000's	Loans and receivables £ 000's	Other assets £ 000's	Total £ 000's
Cash and cash equivalents	46,379	-	-	46,379
Trade receivables and other receivables	-	561,627	-	561,627
Available for sale assets	-	-	26,968	26,968
	<u>46,379</u>	<u>561,627</u>	<u>26,968</u>	<u>634,974</u>

GPUK LLP

Notes to the financial statements (continued)

For the period ended 31 December 2016

21. Risk management (continued)

Financial instruments

Financial Liabilities

	Payables £ 000's	Total £ 000's
Trade and other payables	609,434	609,434
Finance lease payable	555	555
	609,989	609,989

All liabilities are held on an amortised cost basis in at 31 December 2016 and 31 May 2016.

22. Related party transactions

Transactions between the Partnership and its associates are disclosed below.

The ultimate parent is Global Payments Inc., a company incorporated in the United States of America. The immediate parent undertaking is Global Payments U.K. Ltd, a company incorporated in England and Wales.

The parent undertakings of the largest and smallest groups in which the Partnership is consolidated are Global Payments Inc. and Global Payments U.K. Ltd respectively. Copies of these consolidated financial statements may be obtained from Global Payments, Inc., 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328 and Global Payments U.K. Ltd, 51 De Montfort Street, Leicester, LE1 7BB, respectively.

Trading transactions

During the period/year, the Partnership entered into the following trading transactions with related parties:

	Purchase of goods and services		Amounts owed to related parties		Amounts owed by related parties	
	31 December 2016 £ 000's	31 May 2016 £ 000's	31 December 2016 £ 000's	31 May 2016 £ 000's	31 December 2016 £ 000's	31 May 2016 £ 000's
Global Payments U.K. Ltd	12,525	20,010	47,245	32,574	-	-
Global Payments Inc.	2,033	5,548	2,230	3,006	-	-
Global Payments Europe	-	-	-	-	13,714	6,713
GPC Financial Corporation	-	-	19,607	63,645	-	-
Global Payments Asia-Pacific Limited	-	-	8,100	-	-	16,872
Global Payments Australia Pty Ltd	-	-	-	-	1,137	3,273
Global Payments s.r.o.	-	-	24,572	-	-	-
The UK Cards Association Limited	17	63	-	-	-	-

In addition to the transactions above, the partnership received one-off income from Global Payments Europe of £7.9m (31 May 2016: £nil) for Visa transactions relating to GPUK LLP that were processed cross border.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

The UK Cards Association Limited is a related party by virtue of Chris Davies being a director of both Global Payments U.K. Ltd and The UK Cards Association Limited. All other related parties have a common ultimate controlling party.