GPUK LLP

Annual report and financial statements for the year ended 31 December 2017

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 prior period financial statements were prepared for 7 months from 1 June 2016 to 31 December 2016 as 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. As a result, the comparative figures stated in the statement of comprehensive income, statement of changes in members' interest, cash flow statement and the related notes are not directly comparable.

Review of the business

The following are the key performance indicators for the partnership; the profit for the year ended 31 December 2017 was £135.2m (7 month period ended 31 December 2016: £106.9m), as detailed in the Statement of Comprehensive Income on page 8. The increase is due to the full 12-month accounting period in 2017, and on a pro rata basis[1] the decrease is due to the profit on sale of the Visa Europe Limited holding in the prior period. Revenue has increased by £161.1m which is due to the accounting period, accordingly the administrative expenses have increased by £101.1m, which is expected by the business. On a pro rata basis revenue and operating profit have seen increases of £33.2m and £6.0m respectively and is driven by transaction volumes on debit and credit cards as well as volume growth in online payments.

Net assets as at 31 December 2017 were £319.9m (2016: £323.9m) and included a cash balance of £67.2m (2016: £176.1m). This movement is primarily due to distributions to members in excess of statutory profit.

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.

We have been closely tracking the changes that may result from Brexit with particular attention being paid to contingency plans that would be invoked in the event of a "No Deal" scenario.

The vast majority of our business is UK domestic and our focus is on ensuring we provide services that will support these customers through any macro-economic impacts.

For our cross border European business, where Brexit will have a more direct impact, we are able to utilise the various regulatory and schemes licenses that we already have in place to support our broader European Businesses. In this case the emphasis is on ensuring these licenses are correctly and effectively deployed no matter what the outcome of the Brexit negotiations.

Signed on behalf of the members

Christopher Davies, Global Payments U.K. Ltd

27/09/2018

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[1] Pro rata for the prior year has been calculated by multiplying figures by 1.714.

GPUK LLP

Members' report for the year ended 31 December 2017

The members present their Annual Report and the audited financial statements for the year ended 31 December 2017. The prior period financial statements were prepared for 7 months from 1 June 2016 to 31 December 2016 as 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. As a result, the comparative figures stated in the statement of comprehensive income, statement of changes in members' interest, cash flow statement and the related notes are not directly 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 following are the key performance indicators for the Partnership; the profit for the year ended 31 December 2017 was £135.2m (7 month period ended 31 December 2016: £106.9m), as detailed in the Statement of Comprehensive Income on page 8. The increase is mainly due to the change in accounting period, and on a pro rata basis the decrease is due to the profit on sale of the Visa Europe Limited holding in the prior period. Excluding the profit on sale, revenue and profitability showed an increase against the prior period, driven by higher transaction volumes on debit and credit 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 2017 were £319.9m (2016: £323.9m), as detailed on the balance sheet on page 10. This movement is primarily due to distributions to members in excess of statutory profit.

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.

Future developments for the Partnership can be found in the strategic report on page 2.

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.

Members' report for the year ended 31 December 2017 (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

Christopher Davies, Global Payments U.K. Ltd
27/09/2018

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. 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.

Independent auditor's report to the Members of GPUK LLP (continued)
For the year ended 31 December 2017

Report on the audit of the financial statements

Opinion

In our opinion the financial statements GPUK LLP (the 'limited liability partnership'):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (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.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the limited liability partnership balance sheet;
- the limited liability partnership statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 35.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the limited liability partnership financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

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

We are independent of the limited liability partnership 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we

We have nothing to report in respect of these matters.

Responsibilities of members

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, and for such internal control as the members 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 members are responsible for assessing limited liability partnership'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 members either intend to liquidate the limited liability partnership 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.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership 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.

We have nothing to report in respect of these matters.

Use of our report

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. 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.

K. J. Cooper

Kieren Cooper (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
27 September 2018

GPUK LLP

Statement of comprehensive income
For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £ 000's	7 months ended 31 December 2016 £ 000's
Continuing operations			
Commission income		810,515	432,812
Commission expense		(470,329)	(253,760)
Revenue	5	340,186	179,052
Administrative and other operating expenses		(204,620)	(103,493)
Operating profit	6	135,566	75,559
Profit from sale of Visa Europe holding	18	-	21,299
Interest and other income	9	-	10,198
Finance costs	9	(327)	(131)
Profit for the year/period	17	135,239	106,925
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on available for sale assets	18	1,601	(20,307)
Total comprehensive income		136,840	86,618
Attributable to the members		136,840	86,618

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

GPUK LLP

Statement of changes in members' interest
For the year ended 31 December 2017

	Available for sale reserve £ 000's	Capital account - Global Payments U.K. Ltd £ 000's	Total £ 000's
As at 1 July 2016	26,968	321,638	348,606
Profit for the period	-	106,925	106,925
Distributions from profit for the period	-	(107,797)	(107,797)
Returns of members' capital	-	(3,491)	(3,491)
Fair value movement on available for sale assets	992	-	992
Fair value gain on AFS assets recycled to income statement	(21,299)	-	(21,299)
As at 31 December 2016 (note 17)	6,661	317,275	323,936
Profit for the year	-	135,239	135,239
Distributions from profit for the year	-	(135,239)	(135,239)
Returns of members' capital	-	(5,591)	(5,591)
Fair value movement on available for sale assets	1,601	-	1,601
As at 31 December 2017 (note 17)	8,262	311,684	319,946

GPUK LLP

Registered number: OC337146

Balance sheet

As at 31 December 2017

	Note	31 December 2017 £ 000's	31 December 2016 £ 000's
Non-current assets			
Goodwill	10	291,220	291,220
Other intangible assets	11	15,810	21,246
Property, plant and equipment	12	6,885	7,955
Other receivables	18	2,165	2,077
		316,080	322,498
Current assets			
Available for sale assets	18	8,262	6,661
Inventories	13	2,113	2,360
Trade and other receivables	14	809,274	579,713
Prepayments		818	832
Cash and cash equivalents	14	67,212	176,063
		887,679	765,629
Total assets		1,203,759	1,088,127
Current liabilities			
Trade and other payables	15	(882,955)	(763,271)
Provision for liabilities	16	(858)	(920)
		(883,813)	(764,191)
Total liabilities		(883,813)	(764,191)
Net assets		319,946	323,936
Members' interest			
Available for sale reserve	18	8,262	6,661
Capital account – Global Payments U.K. Ltd	17	311,684	317,275
Total members' interest		319,946	323,936

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

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

Christopher Davies, Global Payments U.K. Ltd

Member

27/09/2018

GPUK LLP

Cash flow statement
For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £ 000's	7 months ended 31 December 2016 £ 000's
Net cash generated from operating activities	19	41,293	209,679
Investing activities			
Interest paid		(327)	(131)
Purchase of property, plant and equipment		(2,104)	(3,771)
Purchase of intangible assets		(1,086)	(1,071)
Visa Europe consideration received			21,556
Net cash used in investing activities		(3,517)	16,583
Financing activities			
Distributions and repayments of capital to members; paid and committed		(146,627)	(96,578)
Net cash used in financing activities		(146,627)	(96,578)
Net (decrease)/increase in cash and cash equivalents		(108,851)	129,684
Cash and cash equivalents at beginning of year/period		176,063	46,379
Cash and cash equivalents at end of year/period		67,212	176,063

Notes to the financial statements (continued)
For the year ended 31 December 2017

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 prior period financial statements were prepared for 7 months from 1 June 2016 to 31 December 2016 as 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. As a result, the comparative figures stated in the statement of comprehensive income, statement of changes in members' interest, cash flow statement and the related notes are not directly 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 following amendments to accounting standards have been adopted in the year:

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to IFRS Standards 2014-2016	IFRS 12 Amendments

None of the amendments listed above have had any material impact on the amounts reported in these financial statements.

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 had not yet been adopted by the EU:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to IFRS Standards 2014-2016	IFRS 1 and IAS 28 Amendments
IFRS 16	Leases
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions
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 as noted below:

IFRS 9, Financial Instruments

The Partnership will apply IFRS 9 from 1 January 2018. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. The Partnership is in the process of assessing potential impact of adopting IFRS 9 but does not expect to have a significant impact on the Partnership based on the nature of the operations.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2018. The Partnership is required to adopt IFRS 15 for the year ending 31 December 2018 and will adopt the modified retrospective approach without restatement of comparatives. Our assessment of the impact of IFRS 15 is currently on going, however, we expect that Revenue recognised under IFRS 15 will be materially consistent with current practice.

Notes to the financial statements (continued)
For the year ended 31 December 2017

2. Adoption of new and revised Standards (continued)

IFRS 16, Leases

IFRS 16 'Leases' is effective for annual periods beginning on or after 1 January 2019. IFRS 16 provides a single lessee accounting model, requiring lessees to recognise right of use assets and lease liabilities for all applicable leases. IFRS 16 is expected to have an impact on the amounts recognised in the financial statements.

On adoption of IFRS 16 the Partnership will recognise within the balance sheet a right of use asset and lease liability for all applicable leases. Within the income statement, rent expense will be replaced by depreciation and interest expense. This will result in a decrease in administrative expenses and an increase in finance costs. The standard will also impact a number of statutory measures such as operating profit and cash generated from operations. An assessment of the full impact of IFRS 16 is currently in progress, including understanding the practical application of the principles of the standard. It is therefore not practical to provide a reasonable estimate of the financial effect until this review is complete.

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, except for available for sale assets that have been measured at fair value. All amounts are rounded to the nearest thousand unless otherwise stated. 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.

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 year 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, as the Partnership acts as an agent to arrange for the payment network to provide a service to the merchant. Net merchants services income is recorded as soon as transactions have completed.

3. Significant accounting policies (continued)

Revenue recognition (continued)

Dividend income is recognised when the right to receive payment is established.

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:

Leasehold improvements:	20% per year
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.

Intangible assets

Intangible assets are amortised over their estimated useful economic lives, and further impaired if necessary. The amortisation period for internally generated intangibles such as software and software development costs is 5 years, in line with the useful economic life. All other classes of intangible are acquired intangibles under IAS 38 and are amortised over their estimated useful live 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:

3. Significant accounting policies (continued)

Financial Instruments (continued)

Trade Receivables

Trade receivables do not carry interest and are stated at initial recognition at their fair value and subsequently at amortised cost. Amortised cost is the initial amount, less repayments of principal, less reduction for impairment. 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.

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 Partnership'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.

Investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured are recorded at 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.

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.

Notes to the financial statements (continued)
For the year ended 31 December 2017

Pensions

The Group provides defined contribution schemes where the costs arising are recognised in the Income Statement in the period in which the related service is provided.

4. Critical accounting judgements and key sources of estimation uncertainty

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 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, judgment has been applied to arrive at a litigation discount in order to account for the future litigation costs of Visa Europe Limited, which could affect the valuation of the shares prior to conversion. Also 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. The sensitivity of the carrying amounts to the methods, assumptions and estimates underlying their calculation are disclosed in note 18 of the financial statements.

Notes to the financial statements (continued)
For the year ended 31 December 2017

5. Revenue

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

	Year ended 31 December 2017 £ 000's	7 months ended 31 December 2016 £ 000's
Continuing operations		
Gross merchant services income	741,865	396,787
Less: interchange expense	(470,329)	(253,760)
Net merchant services income	271,536	143,027
Equipment leasing income	15,941	9,638
Other commission income	52,709	26,387
	340,186	179,052

6. Operating profit

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

	Year ended 31 December 2017 £ 000's	7 months ended 31 December 2016 £ 000's
Depreciation of property, plant and equipment	3,129	1,667
Loss on disposal of property, plant and equipment	45	89
Loss on disposal of intangibles	-	47
Amortisation of intangible assets	6,521	4,000
Staff costs (note 9)	19,491	12,080
Operating lease payments	933	707

7. Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	Year ended 31 December 2017 £ 000's	7 months ended 31 December 2016 £ 000's
Fees payable to the LLP's auditor for the audit of the LLP's annual Financial Statements	244	214

Fee's payable to the LLP's auditor of £38,000 (2016: £28,000) were made in relation to other assurance services.

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 £19,491,000 (7 month period ended 31 December 2016: £12,080,000).

Notes to the financial statements (continued)
For the year ended 31 December 2017

9. Interest and other income

	Year ended 31 December 2017 £ 000's	7 months ended 31 December 2016 £ 000's
Cross-border transaction related income from related party (note 22)	-	7,863
Exchange difference on foreign currency transaction	-	2,335
	-	10,198

Finance costs relates to bank interest on short term borrowings resulting from settlement activity.

10. Goodwill

	£ 000's
Cost and net realisable value	
At 31 December 2016 and 31 December 2017	291,220

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 (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 2017: 9%, 31 December 2016: 9%), growth rates (31 December 2017: 3% - 6.6% per year, 31 December 2016: 3% - 6.6% per year) and years over which cash flows are considered (31 December 2017: 5 years, 31 December 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.

Notes to the financial statements (continued)
For the year ended 31 December 2017

11. Other intangible assets

	Customer relationships £ 000's	Distribution channels £ 000's	Software £ 000's	Total £ 000's
Cost				
At 1 January 2017	115,056	12,746	7,343	135,145
Acquired during the year	-	-	1,086	1,086
Disposals	-	-	-	-
At 31 December 2017	115,056	12,746	8,429	136,231
Amortisation				
At 1 January 2017	97,916	12,746	3,237	113,899
Charge for the year	5,590	-	931	6,521
Disposals	-	-	-	-
At 31 December 2017	103,506	12,746	4,168	120,420
Carrying amount				
At 31 December 2016	17,140	-	4,106	21,246
At 31 December 2017	11,549	-	4,261	15,810

Amortisation is included within "administrative and other operating expenses".

At 31 December 2017, the Partnership had no contractual commitments for the acquisition of intangibles (2016: £nil).

12. Property, plant and equipment

	Leasehold improveme nts £ 000's	Terminal estate £ 000's	Other fixtures and equipment £ 000's	Total £ 000's
Cost				
At 1 January 2017	970	21,049	814	22,833
Additions	-	2,104	-	2,104
Disposals	-	(2,874)	-	(2,874)
At 31 December 2017	970	20,279	814	22,062
Accumulated depreciation and impairment				
At 1 January 2017	129	13,993	756	14,878
Charge for the year	194	2,911	24	3,129
Disposals	-	(2,829)	-	(2.829)
At 31 December 2017	322	14,076	780	15,178
Carrying amount				
At 31 December 2016	841	7,056	58	7,955
At 31 December 2017	647	6,203	34	6,885

Notes to the financial statements (continued)
For the year ended 31 December 2017

12. Property, plant and equipment (continued)

At 31 December 2017, the Partnership had no contractual commitments for the acquisition of equipment (2016: £nil).

13. Inventories

	31 December 2017 £ 000's	31 December 2016 £ 000's
Terminals	2,113	2,360

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

14. Other financial assets

Trade and other receivables

	31 December 2017 £ 000's	31 December 2016 £ 000's
Amounts receivable for sale of goods and services		
Trade receivables	24,207	23,838
Due from Global Payments Group – trade receivables	25,087	14,851
Settlement processing assets	759,929	541,006
Other receivables	51	18
	809,274	579,713

Total trade receivables held by the LLP at 31 December 2017 amounted to £24.2 million (2016: £23.8 million), none of which were impaired (2016: none). The members consider that the carrying amount of trade receivables approximates to their fair value.

Settlement processing assets

	31 December 2017 £ 000's	31 December 2016 £ 000's
Receivable from network	759,929	541,006
	759,929	541,006

Notes to the financial statements (continued)
For the year ended 31 December 2017

14. Other financial assets (continued)

Cash and cash equivalents

	31 December 2017 £ 000's	31 December 2016 £ 000's
Cash and cash equivalents	67,212	176,063

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 £13.5 million (2016: £16.9 million) is merchants' cash held as collateral.

GPUK LLP had a composite overdraft facility of £80 million during 2017, which was unutilised as at 31 December 2017.

15. Other financial liabilities

Trade and other payables	31 December 2017 £ 000's	31 December 2016 £ 000's
Trade creditors and accruals	17,467	14,176
Other payables	53,914	-
Settlement processing payables	731,174	647,340
Due to Global Payments Group – trade payables	42,348	57,906
Due to Global Payments U.K. Ltd – distribution payable	38,052	43,849
	882,955	763,271

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 £17.9m (2016: £20.7m), classified within settlement processing payables which are repayable on demand.

Reconciliation of financial liabilities to net cash used in financing activities

	Total £ 000's
Due to Global Payments U.K. Ltd at 31 December 2016	43,849
Distributions of statutory profit payable for the year	135,239
Distributions of members' interest payable for the year	5,591
Distributions and repayments of capital to members	(146,627)
Due to Global Payments U.K. Ltd at 31 December 2017	38,052

Notes to the financial statements (continued)
For the year ended 31 December 2017

15. Other financial liabilities (continued)

Settlement processing payables

	31 December 2017 £ 000's	31 December 2016 £ 000's
Liability to Merchants	729,485	654,084
Interchange reimbursement	(15,191)	(16,273)
Exception items	(1,049)	(11,132)
Merchant reserves	17,928	20,661
	731,174	647,340

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.

16. Provisions for liabilities

The following provisions have been recognised due to uncertainties around the amount and timing of these outflows.

	Chargeback provision £ 000's	Restructuring provision £ 000's	Total £ 000's
Provision as at 1 June 2016	93	780	873
Provision utilised during the year	(165)	(27)	(192)
Provision released during the year	(29)	(11)	(40)
Transactions provided against during the year	246	33	279
Provision as at 31 December 2016	145	775	920
Provision utilised during the period	(664)	(275)	(939)
Provision released during the period	(29)	-	(29)
Transactions provided against during the period	635	271	906
Provision as at 31 December 2017	87	771	858

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 December 2016	323,936
Statutory profit for the year	135,239
Distributions, paid and committed, of statutory profit for the year	(135,239)
Distributions, paid and committed, of members' interest during the year	(5,591)
Fair value movement on available for sale assets	1,601
Balance as at 31 December 2017	319,946
Available for sale reserve	8,262
Capital account – Global Payments U.K. Ltd	311,684
	319,946

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.

The Partnership is subject to and compliant with the FCA's minimum capital requirements.

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 7 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 was recycled from available for sale equity reserve to the income statement. There were no gains or losses in the statement of comprehensive relating to the upfront cash during the year ended 31 December 2017.

The deferred cash element of £2.1 million (GBP equivalent of €2.4 million as at 31 December 2016) was reclassified from available for sale financial assets to receivable and accordingly the cumulative gain of £2.1 million was also recycled from available for sale equity reserve to the income statement during the 7 month period ended 31 December 2016. Foreign currency gains and losses on the Euro denominated balance have been recognised in the statement of comprehensive income during the year ended 31 December 2017.

As at 31 December 2017, only preference shares are classified as available for sale financial assets with cumulative gains recognised in the available for sale equity reserve. The increase in the fair value of the financial asset of £1.6m during the year ended 31 December 2017 has been recognised in other comprehensive income.

The value of the Visa Inc. preference shares is based on the expected conversion ratio, which will be adjusted by Visa Inc. based on the potential losses from Visa Europe interchange litigation under the Litigation Management Deed ('LMD'). Any excess of potential losses from Visa Europe interchange litigation under a Loss Sharing Agreement ('LSA') would be capped at the €21.6m of up-front cash consideration. The uncertainties inherent in the determination of the fair value of the Visa Inc. preference shares will not be resolved until the final resolution of all related claims. The possibility of aforementioned potential losses exceeding the consideration is remote.

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.

18. Available for sale financial assets (continued)

Financial assets / financial liabilities	Fair value as at 31 December 2017	Fair value as at 31 December 2016	Fair value hierarchy	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Available for sale financial assets	£8,262,000	£6,661,000	Level 3	Discount for illiquidity is determined as 30% by reference to the share price of listed entities in similar industries.	An increase of 1% in the discount for illiquidity used in isolation would result in a decrease of £129,242 in the fair value.
				Litigation discount has been determined as 41% by benchmarking rates adopted by similar entities.	An increase of 1% in the discount for litigation used in isolation would result in a decrease of £153,997 in the fair value.

19. Notes to the cash flow statement

	Year ended 31 December 2017 £ 000's	7 months ended 31 December 2016 £ 000's
Operating profit	135,566	75,559
Adjustments for:		
Depreciation of property, plant and equipment	3,129	1,667
Loss on disposal of plant, property and equipment	45	89
Loss on disposal of intangibles	-	47
Amortisation of intangible assets	6,521	4,000
(Decrease)/increase in provisions	(62)	47
Income from related party	-	7,863
Operating cash flows before movements in working capital	145,199	89,272
Decrease in inventories	247	130
Increase in trade receivables	(229,649)	(18,086)
Decrease/(increase) in prepayments	14	(211)
Increase in trade and other payables	125,482	138,575
Decrease in long term liabilities	-	(1)
Net cash inflow generated from operating activities	41,293	209,679

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 2017 £ 000's	31 December 2016 £ 000's
Minimum lease payments under operating leases recognised as an expense in the year/period	933	707

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 2017 £ 000's	31 December 2016 £ 000's
Within one year	1,219	1,269
In the second to fifth years inclusive	911	2,039
Due in more than five years	-	-
	2,130	3,308

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.

The Partnership as lessor

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

	31 December 2017 £ 000's	31 December 2016 £ 000's
Within one year	1,328	797

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.

21. Risk management (continued)

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:

Task	Purpose
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 2017 was £876m (2016: £756m).

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.

The credit quality of financial assets of the Partnership are below:

	31 December 2017 £ 000's	31 December 2016 £ 000's
Neither past due nor impaired	809,274	579,713
Past due date but not impaired	-	-

Market risk management

The Partnership's balance sheet at 31 December 2017 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 2017 £ 000's	Assets 31 December 2016 £ 000's
Foreign Currency	2,056	79,889

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

21. Risk management (continued)

Market risk management (continued)

A 10% adverse movement in each of the foreign currency exchange rates would result in a decrease of £186,866 in the value of the assets at the reporting date.

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.

Capital risk management

The Partnership manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the members through application of its distribution policy. The capital structure of the Group consists of cash and cash equivalents and members' interests in the Partnership.

Financial instruments

As at 31 December 2017 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	67,212	-	-	67,212
Trade receivables and other receivables	-	811,439	-	811,439
Available for sale assets	-	-	8,262	8,262
	67,212	811,439	8,262	886,913

Financial Liabilities	Payables £ 000's	Total £ 000's
Trade and other payables	882,955	882,955
	882,955	882,955

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
	176,063	581,790	6,661	764,514

Financial Liabilities	Payables £ 000's	Total £ 000's
Trade and other payables	763,271	763,271
	763,271	763,271

All liabilities are held on an amortised cost basis in at 31 December 2017 and 31 December 2016.

Notes to the financial statements (continued)
For the year ended 31 December 2017

21. Risk management (continued)

Financial instrument (continued)

The following tables present a maturity analysis of the Partnership's total financial assets and liabilities at the reporting date.

As at 31 December 2017	Not more than three months £ 000's	More than three months but not more than one year £ 000's	More than one year but not more than five years £ 000's	More than five years £ 000's	Total £ 000's
Financial Assets					
Cash and cash equivalents	67,212	-	-	-	67,212
Trade receivables and other receivables	811,439	-	-	-	811,439
Available for sale assets	-	-	8,262	-	8,262
Total financial assets	878,651	-	8,262	-	886,913
Financial Liabilities					
Trade and other payables	882,955	-	-	-	882,955
Total financial liabilities	882,955	-	-	-	882,955
Gap	(4,304)	-	8,262	-	3,958
Cumulative gap	(4,304)	(4,304)	3,958	3,958	3,958

As at 31 December 2016	Not more than three months £ 000's	More than three months but not more than one year £ 000's	More than one year but not more than five years £ 000's	More than five years £ 000's	Total £ 000's
Financial Assets					
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
Total financial assets	757,853	-	6,661	-	764,514
Financial Liabilities					
Trade and other payables	763,271	-	-	-	763,271
Total financial liabilities	763,271	-	-	-	763,271
Gap	(5,418)	-	6,661	-	1,243
Cumulative gap	(5,418)	(5,418)	1,243	1,243	1,243

Notes to the financial statements (continued)
For the year ended 31 December 2017

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 year/period, 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 2017 £ 000's	31 December 2016 £ 000's	31 December 2017 £ 000's	31 December 2016 £ 000's	31 December 2017 £ 000's	31 December 2016 £ 000's
Global Payments U.K. Ltd	20,929	12,525	42,462	47,245	-	-
Global Payments Inc.	14,602	8,281	1,189	2,230	-	-
Global Payments Europe	-	-	-	-	3,480	13,714
GPC Financial Corporation	-	-	-	19,607	1,286	-
Global Payments Asia-Pacific Limited	-	-	-	8,100	16,511	-
Global Payments Australia Pty Ltd	-	-	-	-	3,810	1,137
Global Payments Card Processing Malaysia Sdn. Bhd	-	-	95	-	-	-
Global Payments s.r.o.	-	-	36,653	24,572	-	-
The UK Cards Association Limited	17	17	-	-	-	-

In addition to the transactions above, the Partnership received one-off income from Global Payments Europe of £nil (2016: £7.9m) 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.