Registered Number: 5903713

GOOGLE PAYMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 31 DECEMBER 2021

TABLE OF CONTENTS

STRATEGIC REPORT
For the Year Ended 31 December 2021

The directors present their strategic report of Google Payment Limited ("the Company") for the year ended 31 December 2021.

Principal Activities and Review of the business

The Company processes transactions in the United Kingdom and some other jurisdictions for a number of fellow group companies and the Company earns revenue from fellow group companies for providing these services. This includes the receipt of retail payments from customers for products and services sold by fellow group companies on Google Play, a digital distribution platform supporting the Android operating system.

The key financial and other performance indicators during the year ended 31 December 2021 and the year ended 31 December 2020 were as follows:

Turnover

Turnover increased from €192,895,521 in 2020 to €220,085,425 in the year, an increase of €27,189,904. Fees under service agreements with group undertakings have increased primarily as a result of an increase in credit card fees.

Cost of Sales

Cost of sales increased from €161,719,245 in 2020 to €185,403,760 in the year, an increase of €23,684,515. This increase is due to a rise in credit card fees incurred during the year.

Administration expenses

Administration expenses increased from €1,201,636 in 2020 to €1,283,763 in the year, an increase of €82,127. This increase is a result of a rise in staff costs borne by other group entities and recharged to the Company.

The statement of comprehensive income and the statement of financial position are set out on pages 12 and 13 respectively. The profit for the financial year of €12,057,041 (2020: €10,590,666) has been credited to reserves.

Statement of financial position

The Company's total assets increased from €114,459,292 in 2020 to €115,957,440 in the year, an increase of €1,498,148. This is primarily due to an increase in debtors amounts falling due within one year.

Principal risks and uncertainties

As a provider of payment processing services to fellow group companies, the Company's principal risks and uncertainties relate to the scaling back of its operations due to a potential reduction in demand for its services.

The demand for its services could be impacted by the principal risks and uncertainties faced by other Alphabet Inc. group companies ("the group"). If the group's competitors are more successful in generating traffic, revenues may decline. If the group fails to manage its growth effectively, the quality of products and services could suffer, which could negatively affect the Google brand and operating results. The group's business success is dependent upon product development and managing technological change in the industry within which it operates. The group must also ensure that it continues to effectively manage its related activity through appropriate compliance structures and procedures.

The Company is a FCA regulated entity and its policy and procedures carry an emphasis on compliance and governance to minimise the associated compliance risk.

Evolving laws and legal systems, including the United Kingdom's withdrawal from the European Union (EU), may adversely affect the Company's revenues and could subject the Company to new regulatory costs and challenges (including the transfer of personal data between the EU and the United Kingdom), in addition to other adverse effects that the Company is unable to effectively anticipate.

STRATEGIC REPORT - continued
For the Year Ended 31 December 2021

Directors' Duties under section 172 of the Companies Act

The directors who served during the year have acted in good faith and intended to promote the long-term success of the Company. The directors have considered the interest of the Company's stakeholders, the consequences of any long-term decision made and the maintaining of business relationships whilst undertaking their activities during the year. In doing this the directors have had regard to the matters set out in s172(1)(a-f) of the Companies Act. The following paragraphs describe how the directors fulfil their duties:

Risk management and long term decision making

The Company utilises compliance and governance mechanisms to minimise risk. The Company's policies and processes effectively identify, evaluate, manage and mitigate the risks it is facing, and it continues to iterate and evolve its approach to risk management.

Our people

The Company is recharged employee costs by other Alphabet group companies.

Business relationships

As is normal for companies of our size, authority for operational decision making is delegated to management on a day-to-day basis. Over the course of the year the directors review relevant information, agreements and compliance matters.

Stakeholders

Given the number of stakeholders and the size of the wider Alphabet Group, stakeholder engagement takes place at both an operational and Alphabet Group level. The decisions made by the Company during the year ended 31 December 2021 have been made in accordance with the group's vision, key stakeholder engagement and with our business strategy at the core of what we do.

Reputation, community, and environment

The Company's mission is to make payments simple, helpful, and accessible with an emphasis on compliance and governance to minimise the associated compliance risk.

It also participates in the group's initiatives to promote community engagement, environmental sustainability and ethical corporate conduct.

By order of the board

Natasja Laheij

Natasja Laheij
Director
Date: 27 June 2022

DIRECTORS' REPORT
For the Year Ended 31 December 2021

The directors present their directors' report of Google Payment Limited ("the Company") for the year ended 31 December 2021.

The directors who held office during the year and up to the date of this report were:

Madeleine Babey
Amitesh Bhushan
Stephen Ratcliffe
Natasja Laheij
Lewis Segall (resigned 9 June 2021)
Zeina Hatem (appointed 8 July 2021)

Results and dividends

The Company's profit for the financial year ended 31 December 2021 is €12,057,041 (2020: €10,590,666). The directors do not propose the payment of a dividend for the year (2020: €Nil).

Research and development

The Company has not engaged in any research and development activities during the year.

Future developments

The Company plans to introduce additional Google Payment products in the future.

Foreign branches

The Company at no time during the year had any branches outside the United Kingdom.

Going concern

The directors of the Company have received written assurances from an intermediate parent undertaking, Google LLC, that it will continue to provide adequate financial support to the Company for a period of at least twelve months, from the date of approval of these financial statements to enable the Company to discharge its obligations to all creditors as they fall due. On this basis, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Political donations

During the year the Company made no political donations (2020: €Nil).

Financial risk management

The Company is exposed to financial risks arising from the normal course of business. The key financial risks include credit risk, capital risk, liquidity risk, foreign exchange risk and interest rate risk. The Company does not hold or issue derivative financial instruments for trading purposes or hedge against fluctuation in exchange rates. The following sections provide details regarding the Company's exposure to the above-mentioned financial risk and objectives, policies and processes for the management of these risks.

a) Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to trade and other receivables and amounts due from related parties, including outstanding borrowings, receivables and committed transactions.

For banks and financial institutions, only parties approved by the ultimate parent entity, Alphabet Inc., are accepted. The Company's maximum exposure to credit risk at the reporting date is represented by the carrying amount of the financial assets at the date of the statement of financial position.

DIRECTORS' REPORT - continued
For the Year Ended 31 December 2021

b) Capital Risk

Capital Risk is defined as the risk that available capital is insufficient to absorb all losses incurred. A failure to manage capital risk effectively may lead to insufficient or inadequate levels of capital relative to the amounts required to execute the strategy and/or to comply with relevant regulatory and internal capital requirements. The Company's capital position is regularly monitored and is adequately capitalised to meet the relevant regulatory requirements.

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to a shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effect of fluctuations in cash flows. A failure to manage liquidity and funding risk effectively may lead to insufficient or inadequate levels of liquidity/funding relative to the amounts required to execute the strategy and/or to comply with relevant regulatory and internal requirements. At year end the Company is in a net asset position with a sufficient cash balance to repay creditors as required. Due to controls in place, the Company is adequately managing their exposure to liquidity risk at year end.

d) Foreign exchange risk

The Company has transactional currency exposures arising from sales and purchases that are denominated in currencies other than the functional currency of the Company. The Company also holds cash and cash equivalents, amounts due from related companies and amounts due to related companies in various foreign currencies. Exposure to foreign currency risk is monitored on an ongoing basis to ensure that the net exposure is at an acceptable level.

e) Interest Rate Risk

The Company is exposed to the risk of losses arising from adverse movements in interest rates. The Company's exposure to interest rate risk arises primarily from cash and cash equivalents and amounts owed to other group undertakings. Interest rate risk is monitored on an ongoing basis and action is taken where appropriate.

Stakeholder engagement

The directors understand the importance of fostering business relationships with suppliers, customers within the wider group and other key stakeholders of the Company. The importance of these relationships has been considered in the principal decisions taken by the Company during the period, which are referenced in the review of the business statement in the directors' report.

Emissions and energy use

The Streamlined Energy and Carbon Reporting (SECR) Regulations require large unquoted companies that have consumed more than 40,000 kilowatt-hours of energy in the reporting period to include energy and carbon information within their directors' report. In the year to 31 December 2021, Google Payment Limited's ("the Company") total net greenhouse gas (GHG) emissions were not in excess of this reporting threshold. During the year, the Company did not own or lease any buildings, car fleets, or have any of its own direct employees that would give rise to any such emissions under the regulations. Therefore the Company qualifies as a low energy user and is exempt from any further reporting under SECR regulations.

Events since year end date

No matter or circumstance has occurred subsequent to the end of the reporting period that has significantly affected the operations of the Company, the results of those operations or the state of affairs of the Company.

No dividends were proposed or declared after the reporting date but before the financial statements were authorised for issue.

DIRECTORS' REPORT - continued
For the Year Ended 31 December 2021

Qualifying third party indemnity provisions

A qualifying third party indemnity provision as defined in section 236 of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy was maintained by the Alphabet Inc. group throughout the financial year and to the date of approval of the financial statements.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

The directors confirm that, so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, the directors have taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for appointment of Ernst and Young as auditor of the Company.

DIRECTORS' REPORT - continued
For the Year Ended 31 December 2021

By order of the board

Natasja Laheij

Natasja Laheij
Director
Date: 27 June 2022

Building a better
working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOGLE PAYMENT LIMITED

Opinion

We have audited the financial statements of Google Payment Limited for the year ended 31 December 2021 which comprise the Statement of Profit and Loss Account and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOGLE PAYMENT LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Building a better
working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOGLE PAYMENT LIMITED

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

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

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

Building a better
working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOGLE PAYMENT LIMITED

Use of our report

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

Ciara McKenna (Senior Statutory Auditor)
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm
Dublin, Ireland

Date: 30 June 2022

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 31 December 2021

	Notes	2021	2020
		€	€
Turnover	5	220,085,425	192,895,521
Cost of sales		(185,403,760)	(161,719,245)
Gross profit		34,681,665	31,176,276
Administration expenses		(1,283,763)	(1,201,636)
Foreign exchange loss		(17,927,845)	(16,628,703)
Operating profit	6	15,470,057	13,345,937
Interest payable and similar expenses	7	(545,963)	(334,611)
Profit on ordinary activities before taxation		14,924,094	13,011,326
Tax on profit on ordinary activities	8	(2,867,053)	(2,420,660)
Profit for the financial year		12,057,041	10,590,666

Turnover and operating profit arose solely from continuing operations.

The notes on pages 15 to 22 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

Registered Number: 5903713

	Notes	2021	2020
		€	€
Current assets			
Debtors: amounts falling due within one year	9	5,156,540	892,276
Cash and cash equivalents	10	110,800,900	113,567,016
Total current assets		115,957,440	114,459,292
Creditors: amounts falling due within one year	11	(37,476,541)	(48,035,434)
Net current assets		78,480,899	66,423,858
Net assets		78,480,899	66,423,858
Capital and reserves			
Called up share capital presented as equity	12	2,948	2,948
Share premium	12	4,997,052	4,997,052
Profit and loss account		73,480,899	61,423,858
Total shareholder's funds		78,480,899	66,423,858

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

Natasja Laheij

Natasja Laheij
Director
Date: 27 June 2022

The notes on pages 15 to 22 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2021

	Notes	Called up share capital presented as equity	Share premium	Profit and loss account	Total equity
		€	€	€	€
At 1 January 2020		2,948	4,997,052	50,833,192	55,833,192
Profit for the financial year		—	—	10,590,666	10,590,666
Balance at 31 December 2020		2,948	4,997,052	61,423,858	66,423,858
At 1 January 2021		2,948	4,997,052	61,423,858	66,423,858
Profit for the financial year		—	—	12,057,041	12,057,041
Balance at 31 December 2021		2,948	4,997,052	73,480,899	78,480,899

The notes on pages 15 to 22 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

1. General information

Google Payment Limited ("the Company") is a private company limited by shares domiciled and incorporated in United Kingdom. The Company's registered number is 5903713 and registered office is 5 New Street Square, London, EC4A 3TW, United Kingdom.

The financial statements of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors dated 27 June 2022.

The Company's ultimate holding company is Alphabet Inc., a company incorporated in the United States of America, while its immediate holding company is Google International LLC, a company incorporated in the United States of America. Related companies in these financial statements refer to the group of companies under the Alphabet Inc. group.

The principal activity of the Company is the processing of transactions in the United Kingdom and some other jurisdictions for a number of fellow group companies and the Company earns revenue from fellow group companies for providing these services. This includes the receipt of retail payments from customers for products and services sold by fellow group companies on Google Play, a digital distribution platform supporting the Android operating system.

2. Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"), UK Generally Accepted Accounting Practice, and in accordance with the Companies Act 2006.

3. Accounting policies

(a) Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention.

The directors of the Company have received written assurances from its intermediate parent undertaking, Google LLC, that it will continue to provide adequate financial support to the Company for a period of at least twelve months from the date of approval of these financial statements to enable the Company to discharge its obligations to all creditors as they fall due. On this basis, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

The financial statements were prepared in Euro ("€") and all amounts have been rounded to the nearest thousand, unless otherwise indicated.

(b) Financial reporting standard 101 - reduced disclosure exemptions

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. The Company is a qualifying entity for the purposes of FRS 101.

In accordance with the exemptions available under the reduced disclosure Framework of FRS 101, the Company has availed of the following exemptions in accordance with paragraph 8 of FRS 101 in respect of:

- The requirements of paragraphs 10(d), 16, 38A-D, 40A-D, 111 and 134 to 136 of IAS 1 "Presentation of Financial Statements";
- The requirements of IAS 7 "Statement of Cash Flows";
- The requirements of paragraphs 30 to 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (requirement to disclose information when an entity has not applied a new IFRS that has been issued but is not yet effective);

NOTES TO THE FINANCIAL STATEMENTS - *continued*
For the Year Ended 31 December 2021

- The requirements of IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more group members and the requirements of paragraph 17 to disclose key management compensation;

- The requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement";

- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, "Revenue from Contracts with Customers";

The remaining exemptions available under the FRS 101 Framework have not been availed of as they were not applicable to the Company at this time.

The preparation of financial statements in conformity with FRS 101 requires management to exercise judgement in the process of applying the Company's accounting policies and requires the use of accounting estimates and assumptions.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 4.

New and amended standards and interpretations effective during 2021

None of the new or amended accounting standards or interpretations had a material impact to the financial statements of the entity.

(c) Foreign currency

(i) Functional and presentation currency

The financial statements of the Company's operations are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Euro ("€"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in currencies other than the Company's functional currency ("foreign currency") are recorded at average month end rates of exchange which approximates the actual rates on the date of the transaction. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on translation of monetary items are included in profit or loss for the financial year.

(d) Turnover

The Company recognises revenue when control of the promised goods or services is transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Payment Processing Service Revenue

The Company generates revenue through service agreements with other group undertakings for the provision of payment processing services.

In order to calculate the service fee, a margin is charged based on the amount of expenses incurred, as agreed between parties in the performance of services. Where the transaction price contains variable consideration, the Company uses the most likely amount method in estimating revenue. These estimates are not constrained, as the Company assesses that it is highly probable that a significant reversal of revenue will not occur.

Revenue from these service agreements are recognised when the obligation to the customer is satisfied, and control of the promised service is transferred. The Company recognises revenue over time, as the customer simultaneously receives and consumes the benefit as the service is provided. The Company applies an output method, based on underlying financial results as agreed between parties, which is considered to faithfully depict the transfer of control to the customer.

(e) Income tax

The tax expense for the year comprises current and deferred tax.

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except where the deferred tax asset or liability arises from the initial recognition of an asset or liability which affects neither the accounting profit nor taxable profit or loss.

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

The carrying amount of deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ('FVTPL'), directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or has been transferred and the Company has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Classification and measurement

The Company classifies its financial assets in the following measurement category:

- those to be measured at amortised cost.

A financial asset is measured at amortised cost if it has not been designated as FVTPL and meets both of the following conditions:

- it is held within a business model whose objective is to hold to collect contractual cash flow; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(g) Financial liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

The Company's financial liabilities are classified as follows:

- Financial liabilities held at amortised cost

The classification depends on the purpose for which the financial liabilities were acquired. Management determines the classification of its financial liabilities at initial recognition.

(i) Financial liabilities held at amortised cost

Financial liabilities at amortised cost are included in 'Creditors: amounts falling due within one year' in the statement of financial position.

Creditors are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Interest expense relating to the financial liability is recognised in profit or loss on a time proportion basis using the effective interest rate method.

Trade creditors and other creditors represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade creditors approximate fair value due to their short term nature. The amounts are unsecured and are generally paid within 30 - 90 days of recognition.

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the Year Ended 31 December 2021

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short term, highly liquid investments with maturities of three months or less, that are subject to an insignificant risk of changes in value.

The Company participates in an intragroup cash pooling program, which involves the transfer of cash amounts, bank overdrafts and balances with related parties to an intragroup cash pooling entity. The amounts placed with the cash pooling entity are classified as "Amounts owed by other group undertakings" (Note 9) and "Amounts owed to other group undertakings" (Note 11) and measured at amortised cost.

(j) Provisions for liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

4. Critical accounting estimates and judgements

In the process of applying the Company's accounting policies, management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements, or no sources of estimation uncertainty involved that have a significant effect on the amounts recognised in the financial statements.

5. Turnover

The total revenue of the Company for the year has been primarily derived from its principal activity, payment processing services.

An analysis of turnover is not disclosed in line with Schedule 1 of Statutory Instrument 2008 No.410.

6. Operating profit

	2021	**2020**
	€	**€**
Operating profit includes the following specific expenses:		
Foreign exchange loss	17,927,845	16,628,703
Professional services expense	176,443	166,831
Other administration expense	933,857	854,809
Auditor's remuneration		
– Audit of entity financial statements	72,286	65,996
– Other assurance services	101,175	114,000

NOTES TO THE FINANCIAL STATEMENTS - continued
For the Year Ended 31 December 2021

The Company had no employees during the year (2020: nil).

Staff and other costs are arrived at after recharging €801,691 (2020: €611,851) from group companies.

The directors did not receive any remuneration for their services during the year (2020: €nil).

Costs in respect of share based payments have not been recharged from other group undertakings in the current year as the same has been considered immaterial.

During the year, no director held share options (2020: none) in the ultimate parent undertaking, Alphabet Inc. None (2020: none) of the directors exercised options during the year.

7. Interest payable and similar expenses

	2021	2020
	€	€
Bank interest and other similar expenses	545,963	334,611
	545,963	334,611

8. Tax on profit on ordinary activities

	2021	2020
	€	€
(a) Income tax expense relating to profit or loss		
Current tax:		
Current tax charge	2,835,578	2,472,152
Adjustment for prior year tax	31,475	(51,492)
Total income tax expense	2,867,053	2,420,660

During the year, an aggregate income tax amount of €2,867,053 was credited directly to equity (2020: €2,420,660).

(b) Numerical reconciliation of income tax expense to tax payable

	2021	2020
	€	€
Profit on ordinary activities before tax	14,924,094	13,011,326
Tax on profit on ordinary activities at the standard rate of income tax in the UK of 19% (2020: 19%)	2,835,578	2,472,152
Effects of:		
Adjustments in respect of current income tax of previous years	31,475	(51,492)
Total tax charge for the year	2,867,053	2,420,660

<u>**Changes in tax rate**</u>

Proposed changes to the UK corporation tax rate were announced on 3 March 2021, and enacted after the reporting date. These include an increase to the current UK tax rate from 19% to 25% effective from 1 April 2023. As the changes had not been substantively enacted at the reporting date their effects are not included in these financial statements.

<u>**Unrecognised deferred tax asset**</u>

The Company has not recognised a deferred tax asset of €336,291 (2020: €224,106) relating to deferred interest deductions under corporate interest restriction rules due to insufficient certainty that the deferred tax asset is recoverable.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the Year Ended 31 December 2021

9. Debtors: amounts falling due within one year

	2021	2020
	€	€
Amounts owed by other group undertakings	2,473,460	842,398
VAT receivable	58,550	49,878
Corporation tax receivable	959,010	—
Other debtors	1,665,520	—
	5,156,540	892,276

Amounts owed by other group undertakings, subsidiary undertakings and parent undertakings are unsecured, interest free and repayable on demand.

10. Cash and cash equivalents

	2021	2020
	€	€
Cash at bank	110,800,900	113,567,016
	110,800,900	113,567,016

Cash and cash equivalents are held with banks and financial institution counterparties which are rated investment grade by external credit rating agencies and are considered to have low credit risk. The maximum maturity of cash and cash equivalents is 3 months.

The Company participates in an intragroup cash pooling program. Please see Note 11 for further information.

11. Creditors: amounts falling due within one year

	2021	2020
	€	€
Trade creditors	2,644	101,154
Amounts owed to other group undertakings	37,165,931	47,432,060
Accruals	307,966	499,509
Corporation tax payable	—	2,711
	37,476,541	48,035,434

Trade creditors approximate fair value due to their short term nature. Trade creditors are unsecured and non-interest bearing and are normally settled on 30 - 90 day terms.

The 'amounts owed to other group undertakings' include receivable amounts that relate to the Company's participation in an intergroup cash pooling program, as well as payable amounts to other group undertakings, which are presented on a net basis due to legally enforceable netting agreements that permit offsetting. Amounts owed to other group undertakings are unsecured, non-interest bearing and repayable on demand.

In accordance with the regulations of the Financial Conduct Authority, the Company is required to safeguard user funds. Thus the Company has put in place a comparable guarantee bond of €116 million (2020: €109 million), by entering into an agreement with a third party insurer.

NOTES TO THE FINANCIAL STATEMENTS - continued
For the Year Ended 31 December 2021

12. Capital and reserves

a) Called up share capital presented as equity

	2021	2020
	€	€
Authorised, allotted, called up and fully paid		
2000 ordinary shares of £1 each	2,948	2,948

There were no movements in the Company's share capital during the year (2020: none)

b) Share premium

This reserve records premiums received by the immediate holding company which are in excess of the nominal value of the equity shares issued.

13. Parent and ultimate controlling party

At 31 December 2021, the Company was a wholly owned subsidiary of Google International LLC, a company incorporated in the United States of America.Pro

The ultimate holding company and ultimate controlling party is Alphabet Inc., a company incorporated in the United States of America. The ultimate holding company and controlling party is the smallest and largest group into which these financial statements are consolidated. The consolidated financial statements are available to the public and may be obtained from 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States of America or can be obtained from the investor relations website at http://investor.google.com/.

All transactions recorded in the period with related entities are shown in notes 6, 9 and 11. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of Alphabet Inc.

14. Contingent liabilities

The Company is of the position that there are no contingent liabilities which require disclosure as at year end (2020: none).

15. Post balance sheet events

No matter or circumstance has occurred subsequent to the end of the reporting period that has significantly affected the operations of the Company, the results of those operations or the state of affairs of the Company.

No dividends were proposed or declared after the reporting date but before the financial statements were authorised for issue.

16. Approval of the financial statements

The board of directors approved these financial statements for issue on 27 June 2022.