Registration number: 06135586

# Equiniti Global Payments Limited

Annual Report and Financial Statements

for the year ended 31 December 2022

**Equiniti Global Payments Limited**
Registration number: 06135586

## Contents

# Equiniti Global Payments Limited
Registration number: 06135586

## Company information

| | |
|---|---|
| **Directors** | S Johnson<br>R Pearson<br>S Wadey |
| **Company secretary** | Prism Cosec Limited |
| **Registered office** | Highdown House<br>Yeoman Way<br>Worthing<br>West Sussex<br>United Kingdom<br>BN99 3HH |
| **Independent auditors** | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>7 More London Riverside<br>London<br>SE1 2RT |

**Equiniti Global Payments Limited**
Registration number: 06135586

# Strategic report for the year ended 31 December 2022

The directors present their strategic report for Equiniti Global Payments Limited for the year ended 31 December 2022.

### General information

Equiniti Global Payments Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales.

The Company is a wholly owned subsidiary of Equiniti Holdings Limited which is part of the Orbit Private Holdings I Ltd group of companies (the "Group").

The results of the Company have been included in the consolidated financial statements prepared for the Group for the year ended 31 December 2022.

### Principal activities

The principal activity of the Company is the provision of domestic and international payment services through the Group's web-based technology solution, PayFac. The Company is regulated by the Financial Conduct Authority ("FCA") and is permitted to issue electronic money and provide payment services. In November 2021 the FCA issued updates to wind down planning and capital requirements for payment services and electronic money. One of the updates requires the Company to hold a minimum amount of regulatory capital set by the FCA at €350,000. The Company complied with its minimum regulatory capital requirements throughout 2022.

### Review of the business

During 2022, the Company saw market conditions improve slightly from the previous year and this contributed to higher levels of revenue compared to 2021. The Company continued to carefully control its cost base throughout 2022, which resulted in an increase in EBITDA to £1,053,000 compared to an EBITDA loss of £927,000 in 2021. As well as careful cost control, the change in EBITDA was due to the reversal of an expected credit loss provision that was not required and a reduction in bank charges. The directors expect the Company will continue to be profitable in 2023, particularly as there is evidence in the market of companies returning to dividend payments again. Net assets at the end of the financial year were £6,144,000 (2021 - £5,864,000).

The Company's key financial performance indicators are revenue and EBITDA, which reconcile to profit/(loss) before income tax as follows:

| | 2022<br>£ 000 | 2021<br>£ 000 |
|---|---|---|
| Revenue | 9,903 | 9,017 |
| Direct costs | (4,437) | (4,607) |
| Group overhead recharges | (4,014) | (3,983) |
| Reversal of expected credit loss provision | 240 | - |
| Administrative expenses | (639) | (1,354) |
| EBITDA* | 1,053 | (927) |
| Depreciation, amortisation and finance cost | (549) | (578) |
| Profit/(loss) before income tax | 504 | (1,505) |

*EBITDA is defined as profit/(loss) before interest, tax, depreciation and amortisation. EBITDA is the performance measure used by the Company which the directors feel best reflects the sustainable operating performance of the business.

## Equiniti Global Payments Limited
Registration number: 06135586

# Strategic report for the year ended 31 December 2022 (continued)

### Future developments

The Company has a clear growth strategy and target market, supported by effective product management to:

- Enhance the PayFac platform to support the needs of existing clients and expand market opportunities
- Ensure compliance with regulatory requirements.

The Company will continue to invest in the PayFac platform and other partnerships in order to provide clients with increased choice.

### Principal risks and uncertainties

The principal risks and uncertainties, together with the development, performance and position, and an analysis using key performance indicators of the Group, which include those of the Company and the Group, are discussed in the strategic report within the Group's annual report.

Approved by the Board on 17 July 2023 and signed on its behalf by:

DocuSigned by:

Simon Wadey

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S Wadey
Director

Company registration number: 06135586

**Equiniti Global Payments Limited**
Registration number: 06135586

# Directors' report for the year ended 31 December 2022

The directors present their report and the audited financial statements for the Company for the year ended 31 December 2022.

### Directors of the Company

The directors who held office during the year and up to the date of signing the financial statements were as follows:

A Hughes (resigned 21 September 2022)

S Johnson (appointed 21 September 2022)

R Pearson (appointed 11 October 2022)

S Wadey

### Review of the business and future developments

The Company's results, future developments and principal risks and uncertainties are discussed in the strategic report on pages 2 to 3.

### Dividends

The directors do not recommend a final dividend for the year ended 31 December 2022 (2021 - £nil).

### Financial instruments

***Objectives and policies***

The Company has exposure to credit risk and liquidity risk from its use of financial instruments. Risk management policies are established for the Company, by the Group, and the Group's Audit & Risk Committee oversees how management monitors compliance with these policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit & Risk Committee is assisted in its oversight role by the Group's internal audit function which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group's Audit & Risk Committee.

***Credit risk and liquidity risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company requires customers to prefund transactions which mitigates the risk of default from a customer. Other receivables due from fellow Group companies have a low credit risk as the Group has adequate resources to support its subsidiaries and intercompany balances are net settled on a regular basis.

The Company only deposits cash and cash equivalents with banks and financial institutions with credit ratings above a defined level assigned by international credit-rating agencies. Ratings are monitored regularly by the Group's treasury function.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that the Company will have sufficient funds to meet its liabilities when due. Many of the costs of the Company vary based on revenue and therefore sufficient cash generated from revenues should always be available to meet its costs.

### Going concern

The Company benefits from the Group's cash pooling arrangement which requires surplus cash to be consolidated in a central holding company to improve the Group's fund management. This cash is held on demand by the central holding company and the Company's portion of this balance is available for the Company to meet its liabilities as they fall due. The balance is recognised within amounts due from Group undertakings and can be repaid at any time on request of the Company.

The directors have received assurance from Orbit Private Holdings I Ltd, that funding will be made available to the Company if necessary, and as such they are satisfied that the Company will continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

# Equiniti Global Payments Limited

Registration number: 06135586

## Directors' report for the year ended 31 December 2022 (continued)

### Directors' liabilities

The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Directors' and officers' liability insurance has been purchased by Orbit Private Holdings I Ltd for the EQ Group. The insurance does not provide cover in the event that a director is proved to have acted fraudulently. Indemnity insurance is maintained for the Group's directors and officers against liability in respect of proceedings brought by third parties, subject to the terms and conditions of the Companies Act 2006.

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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.

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 17 July 2023 and signed on its behalf by:

DocuSigned by:

Simon Wadey

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S Wadey
Director

# Independent auditors' report to the members of Equiniti Global Payments Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Equiniti Global Payments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: statement of financial position as at 31 December 2022; statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Equiniti Global Payments Limited
Registration number: 06135586

# Independent auditors' report to the members of Equiniti Global Payments Limited (continued)

***Strategic report and Directors' report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

### Responsibilities for the financial statements and the audit

***Responsibilities of the directors for the financial statements***

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

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

***Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to its business activities governed by the Financial Conduct Authority's regulations and Data Protection, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and corporate taxation regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to overstate reported revenue or reduce reported expenditure and the application of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Directors, management, staff in tax and compliance functions, internal audit and the Group's legal counsel to identify any instances of non-compliance with laws and regulations, including consideration of known or suspected instances of fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business. In particular any journal entries posted with unusual account combinations, unusual words or those posted by senior management;
- Obtaining and understanding the results of whistleblowing procedures and any related investigations;
- Reading key correspondence with regulatory authorities, including the FCA;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing those to supporting documentation to assess compliance with applicable laws and regulations; and
- Challenging and testing assumptions and judgements made by management in respect of significant accounting estimates (because of the risk of management bias), and obtaining appropriate audit evidence.

# Independent auditors' report to the members of Equiniti Global Payments Limited (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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 auditors' report.

***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

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Darren Meek (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

17 July 2023

## Equiniti Global Payments Limited
Registration number: 06135586

# Statement of comprehensive income for the year ended 31 December 2022

| | Note | 2022<br>£ 000 | 2021<br>£ 000 |
|---|---|---|---|
| Revenue | | 9,903 | 9,017 |
| Direct costs | | (4,437) | (4,607) |
| Group overhead recharges | | (4,014) | (3,983) |
| Reversal of expected credit loss provision | | 240 | - |
| Administrative expenses | 4 | (639) | (1,354) |
| Earnings before interest, tax, depreciation and amortisation | | 1,053 | (927) |
| Depreciation of property, plant and equipment | 9 | (1) | (1) |
| Amortisation of intangible assets | 10 | (548) | (573) |
| Operating profit/(loss) | | 504 | (1,501) |
| Finance costs | | - | (4) |
| Profit/(loss) before income tax | | 504 | (1,505) |
| Income tax (expense)/credit | 8 | (224) | 399 |
| Profit/(loss) and total comprehensive income/(expense) for the financial year | | 280 | (1,106) |

The notes on pages 12 to 23 form an integral part of these financial statements.

# Equiniti Global Payments Limited
Registration number: 06135586

## Statement of financial position as at 31 December 2022

| | Note | 2022 £ 000 | 2021 £ 000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 9 | - | 1 |
| Intangible assets | 10 | 1,792 | 1,944 |
| Deferred tax assets | 8 | - | 377 |
| | | 1,792 | 2,322 |
| **Current assets** | | | |
| Trade and other receivables | 11 | 7,607 | 5,693 |
| Contract assets | | 89 | 351 |
| Cash and cash equivalents | 12 | 455 | 379 |
| | | 8,151 | 6,423 |
| **Total assets** | | 9,943 | 8,745 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 8 | 41 | - |
| | | 41 | - |
| **Current liabilities** | | | |
| Trade and other payables | 13 | 3,651 | 2,870 |
| Income tax payable | | 96 | - |
| Contract liabilities | | 11 | 11 |
| | | 3,758 | 2,881 |
| **Total liabilities** | | 3,799 | 2,881 |
| **Net assets** | | **6,144** | **5,864** |
| **Equity** | | | |
| Called up share capital | 14 | 1,625 | 1,625 |
| Share premium account | 15 | 261 | 261 |
| Other reserves | 15 | (17,000) | (17,000) |
| Capital contribution reserve | 15 | 18,515 | 18,515 |
| Retained earnings | | 2,743 | 2,463 |
| **Total equity** | | **6,144** | **5,864** |

The financial statements on pages 9 to 23 were approved by the Board on 17 July 2023 and signed on its behalf by:

DocuSigned by:

Simon Wadey

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S Wadey
Director

Company registration number: 06135586

The notes on pages 12 to 23 form an integral part of these financial statements.

**Equiniti Global Payments Limited**
Registration number: 06135586

## Statement of changes in equity for the year ended 31 December 2022

| | Called up share capital £ 000 | Share premium £ 000 | Other reserves £ 000 | Capital contribution reserve £ 000 | Retained earnings £ 000 | Total equity £ 000 |
|---|---|---|---|---|---|---|
| At 1 January 2022 | 1,625 | 261 | (17,000) | 18,515 | 2,463 | 5,864 |
| Profit and total comprehensive income for the financial year | - | - | - | - | 280 | 280 |
| At 31 December 2022 | 1,625 | 261 | (17,000) | 18,515 | 2,743 | 6,144 |

| | Called up share capital £ 000 | Share premium £ 000 | Other reserves £ 000 | Capital contribution reserve £ 000 | Retained earnings £ 000 | Total equity £ 000 |
|---|---|---|---|---|---|---|
| At 1 January 2021 | 1,625 | 261 | (17,000) | 18,515 | 3,569 | 6,970 |
| Loss and total comprehensive loss for the financial year | - | - | - | - | (1,106) | (1,106) |
| At 31 December 2021 | 1,625 | 261 | (17,000) | 18,515 | 2,463 | 5,864 |

The notes on pages 12 to 23 form an integral part of these financial statements.

# Notes to the financial statements for the year ended 31 December 2022

## 1 General information

The Company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales.

The registered office address of the Company is:

Highdown House
Yeoman Way
Worthing
West Sussex
United Kingdom
BN99 3HH

## 2 Accounting policies

### Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or estimation and which are significant to the financial statements, are disclosed in note 3.

These financial statements are presented in British Pounds ("£") which is the Company's functional currency.

### Summary of disclosure exemptions

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 1 Presentation of Financial Statements, paragraphs:
  - 10(d) - Statement of cash flows
  - 16 - Statement of compliance with all IFRS
  - 38B-D - Additional comparative information in respect of IAS 16 Property, Plant and Equipment paragraph 73(e) and IAS 38 Intangible Assets paragraph 118(e)
  - 134 to 136 - Capital management disclosures
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, paragraphs 30 and 31 - New standards issued but not yet effective
- IAS 24 Related Party Disclosures, paragraphs 17 and 18A - Certain key management personnel information and related party disclosures with transactions entered into between wholly owned group companies
- IAS 36 Impairment of Assets, paragraphs 134(d) to 134(f) and 135(c) to 135(e) - Key assumptions and estimates used to measure value in use of cash-generating units
- IFRS 7 Financial Instruments: Disclosures
- IFRS 13 Fair Value Measurement, paragraphs 91 to 99 - Valuation techniques and inputs used for fair value measurement of assets and liabilities
- IFRS 15 Revenue from Contracts with Customers, paragraphs 110, 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 - Detailed revenue disclosures

# Notes to the financial statements for the year ended 31 December 2022 (continued)

## 2 Accounting policies (continued)

### Going concern

*The Company benefits from the Group's cash pooling arrangement which requires surplus cash to be consolidated in a central holding* company to improve the Group's fund management. This cash is held on demand by the central holding company and the Company's portion of this balance is available for the Company to meet its liabilities as they fall due. The balance is recognised within amounts due from Group undertakings and can be repaid at any time on request of the Company.

The directors have received assurance from Orbit Private Holdings I Ltd, that funding will be made available to the Company if necessary, and as such they are satisfied that the Company will continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

### New standards, interpretations and amendments

There are no standards, interpretations and amendments effective for the first time from 1 January 2022 that had a material effect on the financial statements.

### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been *consistently applied to all the years presented, unless otherwise stated.*

### Property, plant and equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses.

### Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

| | |
|---|---|
| Office equipment | 3 - 4 years |

## 2 Accounting policies (continued)

### Intangible assets

***Software***

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design, development and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs, an appropriate portion of relevant overheads and external consultancy costs. Other development related costs that are not directly attributable or do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised software also includes purchased licences when the expenditure satisfies the recognition criteria in IAS 38 Intangible Assets. These items are capitalised at cost and amortised on a straight line basis over their useful economic life or the term of the contract.

### Amortisation

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the assets and from the date they are available for use. The estimated useful lives are as follows:

| | |
|---|---|
| Software | 3 - 5 years |

### Impairment of non-financial assets

Assets that have an indefinite useful life, for example intangible assets not ready for use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### Trade receivables

Trade receivables represent amounts invoiced to customers, but not yet paid. Trade receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses. Expected credit losses are recognised using the simplified approach as set out in IFRS 9 Financial Instruments and consequently loss allowances are measured at an amount equal to the lifetime expected credit loss. The expected credit loss model applies a percentage, based on an assessment of historical default rates and certain forward looking information, against receivables that are grouped into certain age brackets. Where there is objective evidence that the Company will not be able to collect any amounts due according to the original terms of the agreement with the customer, the receivable is fully impaired and the loss is recognised within administrative costs in the statement of comprehensive income.

### Amounts due from Group undertakings

Amounts due from Group undertakings are stated initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses. Expected credit losses are recognised using the simplified approach as set out in IFRS 9 and consequently loss allowances are measured at an amount equal to the lifetime expected credit loss. Balances are unsecured and repayable on demand.

# Notes to the financial statements for the year ended 31 December 2022 (continued)

## 2 Accounting policies (continued)

### Contract assets

When software or services are supplied to a customer before an invoice is issued, a contract fulfilment asset is recognised in the statement of financial position, and represents the right to receive consideration from the customer for goods or services delivered. The asset is measured as the fair value of the goods or services supplied. The Company's contracts with customers often include a payment schedule which determines when invoices are raised, and settlement is received, during the contractual term.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are recognised within current liabilities in the statement of financial position.

### Customer cash

The Company holds certain balances with banks in a number of segregated accounts in the course of providing services to its clients. These balances are appropriately not included in the Company's statement of financial position as they are held to complete these tasks and are not available for use by the Company for its own purposes.

### Financial instruments

A financial asset or financial liability is only recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument.

#### *Classification and measurement*

The Company's financial assets, which includes trade and other receivables (excluding prepayments) and contract fulfilment assets, are initially recognised at fair value plus transactions costs that are directly attributable to the acquisition of the financial asset. They are subsequently measured at amortised cost, less expected credit losses.

The Company classifies debt and equity instruments as either financial liabilities or as equity, in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of the Company, after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Under IAS 32 Financial Instruments: Presentation, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Financial liabilities are classified and measured at amortised cost using the effective interest method.

#### *Derecognition*

*Financial assets*

The Company derecognises a financial asset when the contractual rights to receive cash flows from the financial asset expire or have been transferred, and the Company has transferred substantially all the risks and rewards of ownership.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

### Trade payables

Trade and other payables represent liabilities for goods and services received by the Company prior to the end of the financial year which are unpaid. The amounts within trade and other payables are unsecured. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2 Accounting policies (continued)

### Amounts due to Group undertakings

Amounts due to Group undertakings represent liabilities for goods and services received by the Company prior to the end of the financial year which are unpaid. Balances are unsecured and repayable on demand. Amounts due to Group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Revenue recognition

Revenue, which excludes sales tax, represents the value of software supplied and services provided under contract to customers in the United Kingdom. Contract revenue is measured as the fair value of the consideration receivable for software provided and services performed. Revenue is recognised either at a point in time, or over time, as the Company satisfies contractual performance obligations and transfers promised goods or services to its customers.

Revenue recognised for services delivered, but not yet invoiced, is reflected in the statement of financial position within contract fulfilment assets.

***Professional services***

Revenue from fixed-price contracts such as implementation services, which may span a number of years, is recognised rateably over the expected life of the contract, where the Company satisfies the over time revenue recognition criteria. Where the Company provides staff to customers at hourly or daily rates, revenue is recognised on the basis of time worked. When the over time criteria are not satisfied such as for software sales, the Company recognises revenue at a point in time when the goods and contractual performance obligations are delivered.

***Software sales, hosting and support services***

Revenue for software licences is recognised at a point in time when the licences are delivered to the customer, as this results in the customer having the right to use the licence, and therefore the performance obligation is delivered in full. Revenue for implementation, hosting and support services are recognised rateably over the term of the agreement.

When products are bundled together for the purpose of sale, the associated revenue net of all applicable discounts, is allocated between the constituent performance obligations on a relative fair value basis.

***Transactional revenue***

Transactional revenue represents transaction fees and commission earned on processing domestic and international payments. Revenue is recognised at a point in time when the processing of the related transactions takes place and the cash has been transferred to its destination.

### Group overhead recharges

Group overhead recharges comprise an allocation of Group overhead costs such as sales and marketing, finance and audit, human resources and legal and professional fees.

### Finance cost

Finance cost comprises interest payable on the tax liability. Interest payable is recognised in the statement of comprehensive income as it accrued.

### Tax

Tax on the result for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The Company is a subsidiary of the Group, where permitted, eligible Group company's taxable profits and losses are group relieved. All eligible companies share liability for the Groups overall tax liability and record their own share of tax payable or receivable at the reporting date. The balance is subsequently paid to or received from a Group undertaking or settled via the intercompany account.

Current tax is the expected tax payable on the Company's taxable profit or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

# Notes to the financial statements for the year ended 31 December 2022 (continued)

## 2 Accounting policies (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

## 3 Critical accounting judgements and key sources of estimation uncertainty

There are no significant accounting estimates or critical accounting judgements within these financial statements.

## 4 Administrative expenses

| Expenses by nature: | 2022<br>£ 000 | 2021<br>£ 000 |
|---|---|---|
| IT licences and maintenance | 124 | 113 |
| Bought in services | 427 | 482 |
| Other expenses | 88 | 759 |
| | 639 | 1,354 |

## 5 Auditors' remuneration

Fees payable to the Company's auditors in respect of the audit of these financial statements of £25,000 (2021 - £25,000) were borne by a Group undertaking.

## 6 Staff numbers and costs

The Company did not employ any persons during the current or prior year, however staff costs were recharged from fellow Group companies where staff time was spent on projects within this Company. The aggregate staff costs recharged to the Company are recognised within Group overhead recharges.

## 7 Directors' remuneration

The Company's directors were remunerated by other Group undertakings in the current and prior year for their services to the Group as a whole. None of their remuneration is directly attributable to the services provided to this Company, so none of their emoluments have been apportioned to this Company. Accordingly, the emoluments in respect of the directors are included in the aggregate directors' emoluments disclosed in the financial statements of other Group undertakings.

**Equiniti Global Payments Limited**
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## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 8 Income tax expense/(credit)

Tax charged/(credited) in the statement of comprehensive income:

| | 2022 £ 000 | 2021 £ 000 |
|---|---|---|
| **Current taxation** | | |
| UK corporation tax | 96 | - |
| Adjustments in respect of prior periods | (290) | (26) |
| | (194) | (26) |
| **Deferred taxation** | | |
| Arising from origination and reversal of temporary differences | 1 | (372) |
| Arising from changes in tax rates and laws | - | (1) |
| Adjustments in respect of prior periods | 417 | - |
| | 418 | (373) |
| Tax charge/(credit) in the statement of comprehensive income | 224 | (399) |

The tax on profit/(loss) before income tax for the year is higher (2021 – lower) than the standard rate of corporation tax in the UK of 19% (2021 - 19%).

The differences are reconciled below:

| | 2022 £ 000 | 2021 £ 000 |
|---|---|---|
| Profit/(loss) before income tax | 504 | (1,505) |
| Corporation tax at the standard UK rate of 19% (2021 - 19%) | 96 | (286) |
| Effect of changes in tax rates | - | (90) |
| Effect of research and development tax credit | 1 | 3 |
| Adjustments in respect of prior periods | 127 | (26) |
| Total tax charge/(credit) | 224 | (399) |

**Future tax changes**

The UK corporation tax rate of 19%, effective from 1 April 2017, was substantively enacted on 26 October 2015

With effect from 1 April 2023, the main rate of UK corporation tax will be 25%. This was substantively enacted on 24 May 2021 and is expected to increase the Company's tax charge accordingly.

# Notes to the financial statements for the year ended 31 December 2022 (continued)

## 8 Income tax expense/(credit) (continued)

### Deferred tax

Deferred tax (liabilities)/assets are as follows:

| 2022 | Liability £ 000 |
|---|---|
| Accelerated tax depreciation | (41) |

| 2021 | Asset £ 000 |
|---|---|
| Accelerated tax depreciation | 377 |

The deferred tax balances are calculated using the UK corporation tax rate of 25% that was substantively enacted on 24 May 2021.

Deferred tax is recognised on temporary differences between the tax base and the accounting base of tangible fixed assets and intangible fixed assets to the extent that it is reasonably certain they will be realised in future periods against taxable profits.

Deferred tax movement during the current year:

| | At 1 January 2022 £ 000 | Recognised in income £ 000 | At 31 December 2022 £ 000 |
|---|---|---|---|
| Accelerated tax depreciation | 377 | (418) | (41) |

Deferred tax movement during the prior year:

| | At 1 January 2021 £ 000 | Recognised in income £ 000 | At 31 December 2021 £ 000 |
|---|---|---|---|
| Accelerated tax depreciation | 4 | 373 | 377 |

# Notes to the financial statements for the year ended 31 December 2022 (continued)

## 9 Property, plant and equipment

| | Office equipment £ 000 |
|---|---|
| **Cost or valuation** | |
| At 1 January 2022 | 76 |
| At 31 December 2022 | 76 |
| **Accumulated depreciation** | |
| At 1 January 2022 | 75 |
| Charge for the year | 1 |
| At 31 December 2022 | 76 |
| **Carrying amount** | |
| At 31 December 2022 | - |
| At 31 December 2021 | 1 |

## 10 Intangible assets

| | Software £ 000 |
|---|---|
| **Cost or valuation** | |
| At 1 January 2022 | 3,166 |
| Additions | 396 |
| At 31 December 2022 | 3,562 |
| **Accumulated amortisation** | |
| At 1 January 2022 | 1,222 |
| Charge for the year | 548 |
| At 31 December 2022 | 1,770 |
| **Carrying amount** | |
| At 31 December 2022 | 1,792 |
| At 31 December 2021 | 1,944 |

# Notes to the financial statements for the year ended 31 December 2022 (continued)

## 11 Trade and other receivables

| | 2022<br>£ 000 | 2021<br>£ 000 |
|---|---|---|
| Trade receivables | - | 480 |
| Expected credit loss allowance | - | (240) |
| Net trade receivables | - | 240 |
| Amounts due from Group undertakings | 7,576 | 5,216 |
| Prepayments | 31 | 14 |
| Other receivables | - | 223 |
| | 7,607 | 5,693 |

Excluding trade receivables, none of these financial assets are either past due or impaired. Amounts due from Group undertakings are non-interest bearing and are repayable on demand.

### Ageing of overdue trade receivables at the reporting date

| | 2022<br>£ 000 | 2021<br>£ 000 |
|---|---|---|
| 0 to 30 days | - | 96 |
| 31 to 60 days | - | 96 |
| 61 to 90 days | - | 96 |
| More than 90 days | - | 96 |
| | - | 384 |

## 12 Cash and cash equivalents

| | 2022<br>£ 000 | 2021<br>£ 000 |
|---|---|---|
| Cash and cash equivalents | 455 | 379 |

The Company holds certain balances with banks in a number of segregated accounts in the course of providing services to its clients. These balances are appropriately not included in the Company's statement of financial position as they are held to complete these tasks and are not available for use by the Company for its own purposes. The number of accounts and balances held varies significantly throughout the year.

### Balances held by the Company that are not available for use by the Company

| | 2022<br>£ 000 | 2021<br>£ 000 |
|---|---|---|
| Balances held by the Company that are not available for use by the Company | 309 | 294 |

Cash and cash equivalents includes restricted cash of €350,000 which management has designated as restricted cash because of the minimum capital requirement as set by the FCA. At year end €350,000 was translated to £309,000 (2021 - £294,000) This cash is not available for use by the Company.

# Notes to the financial statements for the year ended 31 December 2022 (continued)

## 13 Trade and other payables

| | 2022<br>£ 000 | 2021<br>£ 000 |
|---|---|---|
| Trade payables | 70 | 96 |
| Amounts due to Group undertakings | 2,774 | 2,224 |
| Accrued expenses | 740 | 496 |
| Other payables | 67 | 54 |
| | 3,651 | 2,870 |

Amounts due to Group undertakings are non-interest bearing and repayable on demand.

## 14 Called up share capital

### Allotted, called up and fully paid shares

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | Number | £ 000 | Number | £ 000 |
| Ordinary shares of £0.01 each | 571,477 | 6 | 571,477 | 6 |
| "C" shares of £0.01 each | 161,939,196 | 1,619 | 161,939,196 | 1,619 |
| | 162,510,673 | 1,625 | 162,510,673 | 1,625 |

### Ordinary shares

Ordinary shares entitle the holder to one vote for each share held and entitles the holder to participate in any dividends declared by the Company. Ordinary shares have full capital distribution rights and do not confer the holder any rights of redemption.

### C shares

C shares are not entitled to vote and the holder is not entitled to participate in any dividends declared by the Company. C shares have full capital distribution rights and do not confer the holder any rights of redemption.

## 15 Reserves

### Share premium

The share premium balance represents consideration received in excess of the nominal value of shares issued.

### Other reserves

This balance arose in 2019 on the Company's acquisition of the EQ Group's domestic and international payments business from fellow Group company, Paymaster (1836) Limited. The purchase was treated as a common control transaction and the balance of the consideration paid less the net assets acquired was recognised within other reserves.

### Capital contribution reserve

The capital contribution reserve represents historical amounts recognised in equity in respect of equity-settled share-based compensation plans and a capital contribution from the parent company, Equiniti Holdings Limited, of £18,512,000 received during the year ended 31 December 2020.

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 16 Dividends

The Company did not pay a dividend during the year (2021 - £nil) and no dividends have been proposed post year end (2021 - £nil).

### 17 Parent and ultimate controlling undertaking

The Company is a wholly owned subsidiary of Equiniti Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. The controlling party and the smallest and largest group to consolidate these financial statements is Orbit Private Holdings I Ltd. Copies of the Orbit Private Holdings I Ltd consolidated financial statements can be obtained upon request from Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH.

The ultimate controlling party is Orbit Private GP, LLC, a limited company registered and domiciled in the Cayman Islands.

### 18 Non adjusting events after the reporting date

There have been no events subsequent to the statement of financial position date which require disclosure in or adjustment to the financial statements.