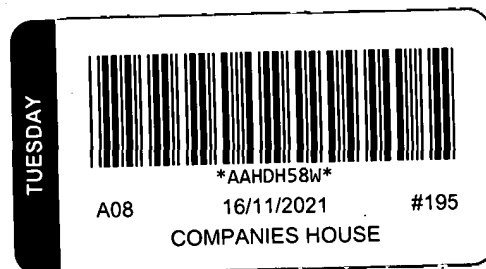


Registered No. 02134777

FDR U.K. Limited

Report and Financial Statements

For the year ended 31 December 2020



Financial statements

for the year ended 31 December 2020

Table of Contents	Page
Corporate information	2
Strategic report	3 - 4
Directors' report	5 - 6
Directors' responsibilities statement	7
Independent auditor's report	8 - 11
Income statement	12
Statement of changes in equity	13
Balance sheet	14
Notes to the Financial Statements	15 - 25

Corporate information

Directors

K P Rowling
G A Piel
C W Gurney

Bankers

Citi Bank
Citigroup Centre
25 Canada Square
Canary Wharf
London
E14 5LB

Solicitors

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London
EC4M 7WS

Auditors

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Registered Office

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Endeavour Drive
Basildon
Essex
SS14 3WF
England

Strategic report

The directors present their Strategic report of FDR U.K. Limited ("the Company") for the year ended 31 December 2020.

Principal activities and business review

FDR U.K. Limited is a limited company incorporated under the laws of England and Wales and is part of the global First Data Corporation group ("the Group"). On 29th July 2019, First Data Corporation announced the completion of its merger with Fiserv Inc. and a new group structure with the combined company operating under the name Fiserv Inc.

The principal activity of the Company is that of an investment holding company.

In July 2019, as part of international legal entity group restructuring the Company took over the group's cash pooling activities from fellow subsidiary First Data Luxembourg Sarl III and became the Europool leader.

This triggered the re-assessment of the Company's functional and presentational currency and it was determined that the functional and presentational currency of the Company should be changed from Sterling to Euro effective from 1 January 2019.

The Company's key financial and other performance indicators were as follows:

	2020	2019	Change
	€000	€000	%
(Loss)/Profit before tax for the financial year	(6,754)	17,410	(139)%
Total assets	736,162	693,513	6%
Shareholder's equity	173,996	181,303	(4)%

The decrease in profit for the year compared to the prior year is primarily driven by foreign exchange fluctuations on loans advanced to group undertakings, denominated in GBP.

The Company is in a net asset position as at 31 December 2020.

Operating review

During the year, the Company extended four short term loan notes aggregating to €69 million (promissory notes of €15 million at annual interest of 0.7569%, €14 million at annual interest of 0.7155%, €20 million at annual interest of 0.6200% and €20 million at annual interest of 0.5620%) to First Data Corporation.

In January 2019, the Company received capital contributions of €0.02 million from its parent company, First Data Luxembourg IV SARL, in the form of additional share premium on one ordinary share of £1 issued in December 2018 with respect to a loan note receivable re-assignment from First Data Luxembourg III SARL.

In January 2019 the Company made a capital contribution of £3 million (€4 million) into First Data Europe Limited in return for 3,000 ordinary shares with nominal value of £1.00 each.

In March 2019, the Company made an additional capital contribution of £10 million (€12 million) into First Data Europe Limited in return for 10,000 ordinary shares with a nominal value of £1.00 each.

Strategic report

Cash pooling operations

In July 2019, the Company assumed, through First Data UK Holdings Limited the entire contractual position, including the rights and obligations existing under a cash pooling arrangement governed by a multi-target balancing agreement of fellow subsidiary, First Data Luxemburg Sarl III. This meant the Company assumed the aggregate net Europool liability of €266 million in return for a loan note receivable from First Data Holdings Limited in the principal amount of £238 million and bearing interest at the annual rate of 2.54%.

Principal risks and uncertainties

Being an investment holding company, the Company's principal risk relates to non-recoverability of the value of its investments. The Company is also exposed to credit risk arising from intercompany transactions relating to loans and cash pooling operations.

Brexit: On 31 January 2020 the United Kingdom finally left the European Union. The parties agreed upon a transition period lasting until 31 December 2020. The Company monitored the situation closely and believe that based on the information available there was no impact on the financial statements for the year ended 31 December 2020. The Company will continue to monitor progress on these negotiations to gauge potential implications for the business. We have evaluated the forms that Brexit could take and our businesses have completed all practical preparations and have contingency plans in place should they experience some disruption at the time of exit.

Covid-19: Since beginning of 2020 the Covid-19 pandemic has caused economic disruption across the globe. The company is monitoring the situation however the risk to the Company is minimal as discussed in the Going Concern section of Directors' Report on page 5.

The report was approved by the Board on 4 November 2021 and signed on its behalf by:



C W Gurney
Director
Date: 4 November 2021

Directors' report

Company registered number: 02134777

The directors present their Directors' report of FDR U.K. Limited ("the Company") for the year ended 31 December 2020.

Directors of the Company

The directors of the Company at the date of this report and who served throughout the year and up to the date of signing the financial statements were as follows:

Director

K P Rowling
C W Gurney
G A Piel

No shares in the Company were held by directors.

Going Concern

The Company's business activities together with the factors likely to affect the future development, performance and position are set out in the principal activities and operating review section of the Strategic report.

As at 31 December 2020 the Company is in net asset position. On the basis of the future business plan, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence at least for 12 months from the date of approving these financial statements and accordingly these financial statements are prepared on the going concern basis. In addition, the Company has received guarantees from fellow Group entities that funding will be available to satisfy any liabilities as they fall due.

Since 31 December 2019, the spread of COVID-19 has severely impacted many economies round the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The financial impact of Covid-19 on the Company may manifest itself in the value of its investment holding. However, this is expected to be temporary and will return to normal as soon as restrictions are eased. Furthermore, the Company is part of Fiserv Inc. which has vast financial resources that can be made available should the Company require it.

Future developments

The Company intends to continue as an investment holding company and group cash pool leader.

Proposed dividends

The directors did not propose a dividend during the period (2019: NIL).

Directors' report

Company registered number: 02134777

Events since the balance sheet date

The directors are not aware of any significant event since the balance sheet date, which requires adjustment in the financial statements.

Employees

The Company does not have any employees.

Directors' Liabilities

The Company provides indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

Energy and Carbon Report

The Streamlined Energy & Carbon Reporting ("SECR") framework set by the UK government requires that UK based quoted and large unquoted companies make specific disclosures within their financial statements in relation to their energy and carbon usage. Whilst the Company does not meet the set criteria to be classified as a 'large' company, when considered in aggregate with the subsidiaries (the sub-group), it does meet the criteria of a 'large' group and is therefore required to disclose this information for the Company only. The energy consumption of the Company was less than 40,000 kWh during the financial year and, as a result of this, the Company has taken advantage of an exemption with regards to this requirement.

Disclosure of Information to Auditors

Each person who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

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

The report was authorised for issue on behalf of the members on 4 November 2021 and signed on its behalf by:

Craig Gurney

C W Gurney
Director

Date: 4 November 2021

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Directors' responsibilities statement

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

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

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

- select suitable accounting policies and apply consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

Independent auditor's report to the members of FDR U.K. Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of FDR U.K. Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Independent auditor's report to the members of FDR U.K. Limited

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of FDR U.K. Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

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

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

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

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

Independent auditor's report to the members of FDR U.K. Limited

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception


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

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

We have nothing to report in respect of these matters.

Use of our report

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



Alastair Morley (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

4 November 2021

Income statement

for the year ended 31 December 2020

	Notes	2020 €000	2019 €000
Income from associated undertakings	2	286	171
Interest income on Europool assets	5	1,268	708
Interest expenses on Europool liabilities	6	(3,970)	(2,028)
		<hr/>	<hr/>
Operating (loss) / profit		(2,416)	(1,149)
Foreign exchange (loss)/gain	2	(15,928)	11,124
Interest income	5	11,922	7,696
Interest expense	6	-	(179)
Other expenses	2	(332)	(82)
		<hr/>	<hr/>
(Loss)/Profit on ordinary activities before taxation		(6,754)	17,410
Tax (charge)/Credit on profit on ordinary activities	7	(553)	87
		<hr/>	<hr/>
Profit(loss) for the year after taxation		(7,307)	17,497

All the amounts in the current and preceding financial years relate to continuing operations.

Statement of Other Comprehensive Income

For the year ended 31 December 2020

	2020 €000	2019 €000
(Loss)/Profit for the financial year	(7,307)	17,497
	<hr/>	<hr/>
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustment	-	-
	<hr/>	<hr/>
Total other comprehensive income/(loss)	-	-
	<hr/>	<hr/>
Comprehensive (loss)/income	(7,307)	17,497
	<hr/>	<hr/>

The accompanying notes on pages 15-25 form an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2020

	<i>Notes</i>	Called up share capital €000	Share premium account €000	Retained earnings account €000	Total Equity €000
At 1 January 2019		34	148,129	15,622	163,785
Profit for the year	2	-	-	17,497	17,497
Total comprehensive income for the year	2	-	-	17,497	17,497
Issue of shares		-	21	-	21
At 31 December 2019		34	148,150	33,119	181,303

	<i>Notes</i>	Called up share capital €000	Share premium account €000	Retained earnings account €000	Total Equity €000
At 1 January 2020		34	148,150	33,119	181,303
Profit/(loss) for the year	2	-	-	(7,307)	(7,307)
Total comprehensive loss for the year	2	-	-	(7,307)	(7,307)
Issue of shares		-	-	-	-
At 31 December 2020		34	148,150	25,812	173,996

The accompanying notes on pages 15-25 form an integral part of these financial statements.

Balance sheet

at 31 December 2020

	Notes	2020 €000	2019 €000
Non-current assets			
Investments	8	71,586	71,300
Debtors	9	402,463	407,994
		<u>474,049</u>	<u>479,294</u>
Current assets			
Debtors	9	262,007	212,964
Deferred tax assets		-	3
Cash at bank and in hand		106	1,252
		<u>262,113</u>	<u>214,219</u>
Creditors: amounts falling due within one year	10	(562,166)	(512,210)
Net current liabilities		<u>(300,053)</u>	<u>(297,991)</u>
Total assets less current liabilities		<u>173,996</u>	<u>181,303</u>
Net assets		<u>173,996</u>	<u>181,303</u>
Capital and reserves			
Called up share capital	11	34	34
Share premium account		148,150	148,150
Retained earnings		25,812	33,119
Equity shareholder's funds		<u>173,996</u>	<u>181,303</u>

The accompanying notes on pages 15-25 are an integral part of the financial statements.

These financial statements of FDR UK Limited (02134777) were approved and authorised for issue by the Board of Directors on 4 November 2021 and signed on its behalf by:

Craig Gurney

C W Gurney
Director

Company registration number: 02134777

Notes to the financial statements

at 31 December 2020

1. Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year in dealing with items which are considered material in relation to the Company's financial statements.

a) Basis of preparation

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

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

In accordance with the guidance defined in IAS 21 "The Effects of Changes in Foreign Exchange Rates", for the full year results of 2020 and the full year results of 2019 have been re-translated to Euro.

(a) Assets and liabilities were translated into Euro at closing rates of exchange for balance sheet at 31 December 2020 with the exception of share capital, retained earnings and investments translated into Euro at historic rates of exchange.

(b) Income and expenses in statement of income were translated into Euro at average profit and loss rates of exchange for the period 2020

All exchange rates used were extracted from the Company's underlying financial records.

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). 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 International Financial Reporting Standards (IFRS) adopted by the United Kingdom.

Notes to the financial statements

at 31 December 2020

Principal accounting policies (continued)

The Company is a qualifying entity for the purposes of FRS 101. These financial statements contain information about FDR U.K. Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken the exemption from producing consolidated financial statements afforded by section 400 of the Companies Act 2006. Note 15 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The Company is a private limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Janus House, Endeavour Drive Basildon, Essex, SS14 3WF.

The following disclosure exemptions under FRS 101 have been considered and applied where deemed to be applicable:

- cash flow statements and related notes;
- disclosure of key management compensation and related party disclosures for intra-group transactions;
- disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IFRS 1.134-1.136 disclosure on capital management
- reduced IFRS2 disclosure for share-based payment arrangements in a subsidiary's financial statements;
- reduced IFRS7 disclosure of financial instruments;
- reduced IAS 36 disclosure of impairment review;
- reduced IFRS13 disclosure relating to fair value measurement; and
- the requirement to present comparatives in roll-forward reconciliations for property, plant and equipment and intangible assets.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

The directors have noted that there have been no critical accounting judgements or key sources of estimation uncertainty in the current year.

b) Revenue recognition

The company revenue is dividend income from its investment holdings. Dividend income is recognised when declared.

Notes to the financial statements

at 31 December 2020

Principal accounting policies (continued)

c) Going concern

The Company's business activities together with the factors likely to affect the future development, performance and position are set out in the principal activities and business review section of the Strategic report.

The Company is in a net asset position. Based on the current financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and accordingly the going concern basis is adopted in the preparation of the financial statements as discussed in the Directors' report.

d) Measurement convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of assets and liabilities held at fair value and all balances are rounded to the nearest thousand.

e) Foreign currencies

The Company's functional currency and presentation currency is Euro. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The Company does not apply hedge accounting of foreign exchange risks in its company financial statements.

f) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in shares in group undertakings, trade and other debtors, cash and cash equivalents, loans and borrowings, finance leases and hire purchase contracts and trade and other creditors.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for any financial assets classified as at fair value through the statement of comprehensive income, which are initially measured at fair value.

Debt instruments that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having

Notes to the financial statements

at 31 December 2020

Principal accounting policies (continued)

retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Investments in shares in group undertakings

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated in the Company's financial statements at cost less impairment, if any. These are reviewed for impairment when events indicate the carrying amount may not be recoverable and are accounted for in the Company's financial statements at cost less accumulated impairment losses. Any impairment loss is recognised as an operating expense in the income statement. On disposal, the difference between the net disposal proceeds and the investment's carrying amount is included in the income statement.

Investments in associated undertakings

Investments in associated undertakings are held at cost less accumulated impairments.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Finance leases and hire purchase contracts

Assets held under finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified

Notes to the financial statements

at 31 December 2020

Principal accounting policies (continued)

as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet of an affiliated company and held under Intercompany Receivables on the Company's balance sheet. The capital element of future obligations under finance leases is included under Creditors in the balance sheet. Finance charges are borne by an affiliated company.

g) Impairment (excluding deferred tax assets)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

i) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Notes to the financial statements

at 31 December 2020

Principal accounting policies (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2. Profit(loss) on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after crediting equity income, interest income, other gain and charging interest and other expense:

	2020	2019
	€000	€000
Operating loss	(2,416)	(1,149)
Foreign exchange (loss)/gain	(15,928)	11,124
Interest income	11,922	7,696
Interest expenses	-	(179)
Other expenses	(332)	(82)
	<u>(6,754)</u>	<u>17,410</u>

Operating loss consists of equity income from investments in associated undertakings (€ 286 K), interest income (€1,268K) and interest expenses (€3,970K) on cash-pooling assets and liabilities.

Foreign exchange gain represents gain resulting from the revaluation of amounts denominated in other currencies.

Other expenses include professional fees paid.

Notes to the financial statements

at 31 December 2020

3. Auditors Remuneration

The fee payable to the Company's auditor for the audit of the financial statements was £28,000 (2019: £30,000). No other fees were paid to the auditor in relation to the Company (2019: £nil).

4. Directors' and employees

The Company had no employees during 2020 (2019: Nil). Directors' remuneration for 2020 and 2019 was borne by FDR Ltd, LLC and not recharged to the Company.

5. Interest income

	2020 €000	2019 €000
Interest receivable on Europool	1,268	708
Interest receivable on loan notes	11,922	7,696
	<u>13,190</u>	<u>8,404</u>

6. Interest expense

	2020 €000	2019 €000
Europool interest payable	3,970	2,028
Loan note interest payable	-	179
	<u>3,970</u>	<u>2,207</u>

The Europool interest payable and loan interest payable were interest payments on loans from group undertakings.

Notes to the financial statements

at 31 December 2020

7. Taxation

(a) Tax charged in income statement

	2020 €000	2019 €000
Current tax		
UK Corporation tax	-	-
Amounts (overprovided)/underprovided in previous years	553	(87)
Total current income tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Impact of changes in tax laws and rates	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities (Note 7 (b))	<u>553</u>	<u>(87)</u>

(b) Reconciliation of total tax charge

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

	2020 €000	2019 €000
(Loss)/profit on ordinary activities before taxation	(6,754)	17,410
Current tax at 19% (2019 – 19%)	<u>(1,283)</u>	<u>3,308</u>
Effects of:		
Non-deductible expenditure	(2)	14
Non-taxable income	(54)	(32)
Group relief claimed for no value	63	(3,290)
Loss carry back to prior years	1,276	-
Current tax for the year	<u>-</u>	<u>-</u>
Current tax in respect of prior years	553	(87)
Total tax expense reported in the income statement (Note 7 (a))	<u>553</u>	<u>(87)</u>

Change in Corporation Tax rate

Changes to the UK corporation tax rates were enacted as part of Finance Act 2016 and included a change to the main rate of UK corporation tax to reduce the rate to 17% from 1 April 2020. On 17 March 2020 a change to the main UK corporation tax rate was substantively enacted to keep the main rate of corporation tax at 19% from 1 April 2020 and for 2021 rather than the previously enacted reduction to 17%. In addition, since the balance sheet date, the UK Government announced on 3 March 2021 (and substantively enacted on 24 May 2021) that the main UK corporation tax rate will increase to 25% from 1 April 2023.

Notes to the financial statements

at 31 December 2020

8. Fixed assets investments

	2020	2019
	€000	€000
Shares in group undertaking:		
Cost	71,586	71,300
Net carrying value	71,586	71,300
Movement in the year:		
	2020	2019
	€000	€000
At 1 January	71,300	55,964
Additions	286	15,336
At 31 December	71,586	71,300

Additions during the year of €286 K (2019: €171 K) consist of equity income (40% share of profits of associate) from NetPay Solutions Group Limited.

In January 2019, the Company made a capital contribution of £3 million (€4 million) into First Data Europe Limited in return for 3,000 ordinary shares with nominal value of £1.00 each.

In March 2019, the Company made an additional capital contribution of £10 million (€12 million) into First Data Europe Limited in return for 10,000 ordinary shares with nominal value of £1.00 each.

Investment holdings:

Details of investments in which the Company (unless indicated) holds 20% or more of the nominal value of any class of share capital, are as follows:

Company:	Holding	Proportion of voting rights and shares held	Nature of business	Country of incorporation and place of operations
First Data Europe Limited	Ordinary	100%	Merchant acquiring	England
First Data Merchant Solutions Pte. Ltd	Ordinary	100%	Merchant acquiring	Singapore
First Data Merchant Solutions (HK) Pte. Ltd	Ordinary	100%*	Merchant acquiring	Hong Kong
First Data Merchant Solutions (Macau) Pte. Ltd	Ordinary	100%*	Merchant acquiring	Macau
First Data Merchant Solutions Sdb Bhd	Ordinary	100%*	Merchant acquiring	Malaysia
First Data Merchant Solutions (B) Sdb Bhd	Ordinary	100%*	Merchant acquiring	Brunei
Merchant Solutions Private Limited	Ordinary	100%*	In liquidation	Bangladesh
Merchant Solutions Private Limited	Ordinary	100%*	In liquidation	Sri Lanka
FDR Pension Scheme Trustee Limited	Ordinary	100%	Pension trustee	United Kingdom
NetPay Solutions Group Limited	Ordinary	40%	Merchant acquiring	United Kingdom

* Indirect holdings (Subsidiaries owned by First Data Merchant Solutions Pte Ltd)

Notes to the financial statements

at 31 December 2020

9. Debtors

	2020	2019
	€000	€000
(A) Non-Current		
Loan notes	402,463	407,994
	<u>402,463</u>	<u>407,994</u>
(B) Current		
Cash-pooling receivables with group undertakings	147,274	140,745
Loan notes	114,733	72,219
	<u>262,007</u>	<u>212,964</u>

Loan notes of €402 million (2019: €408 million) are receivable from First Data UK Holdings Limited and consist of €272 million (2019: 282 million) of interest-bearing loan at 2.54% interest per annum due on 22 July 2024 and €130 million (2019: €126 million) of interest-bearing loan at 3.588% interest per annum due on 1 January 2023.

Cash-pooling receivables group undertakings are interest bearing (at agreed rates) and are repayable on demand.

Loan notes of €114 million (2019: €72 million) include aggregate of short-term advances made to First Data Corporation. During the year, the Company extended four short term loan notes summing up to €69 million (promissory notes of €15 million at annual interest of 0.7569%, €14 million at annual interest of 0.7155%, €20 million at annual interest of 0.6200% and €20 million at annual interest of 0.5620%).

10. Creditors: amounts falling due within one year

	2020	2019
	€000	€000
Tax payable	534	2
Obligations under finance lease	-	7
Amounts owed to group undertakings	2,189	2,597
Cash-pooling liabilities with group undertakings	559,146	509,604
Others	297	-
	<u>562,166</u>	<u>512,210</u>

Tax payable consists of additional corporate tax liability of £0.5 million in respect of the year ended 31 December 2019 due to changes in group relief available to be surrendered to the company.

The amounts owed to group undertakings are non-interest bearing and are repayable on demand.

Amounts owed to group undertakings with respect to cash pool liabilities are interest bearing (at agreed rates) and are repayable on demand.

Other creditors include professional fees payable to auditors and fees payable for other advisory services.

Notes to the financial statements

at 31 December 2020

11. Share capital

<i>Authorised, allotted, called up and fully paid</i>	<i>2020</i>	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>No.</i>	<i>€</i>	<i>No.</i>	<i>€</i>
Ordinary shares of £1 each				
On issue at 1 January	30,275	33,688	30,275	33,688
Issued during the year	-	-	-	-
	<u>30,275</u>	<u>33,688</u>	<u>30,275</u>	<u>33,688</u>
On issue at 31 December	30,275	33,688	30,275	33,688

In January 2019, the Company received capital contributions of €0.02 million from its parent company, First Data Luxembourg IV SARL, in the form of additional share premium on one ordinary share of £1 issued in December 2018 with respect to loan note receivable re-assignment from First Data Luxembourg III SARL.

12. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

13. Post Balance Sheet events

The directors are not aware of any significant event since the balance sheet date, which requires adjustment in the financial statements.

14. Controlling party

The Company's immediate parent undertaking and controlling party is First Data International Luxembourg IV S.à r.l., a company incorporated in Luxembourg with registration number B132660 on 10 August 2007 and a registered office at 20 Rue de la Poste, L-2346, Luxembourg.

The Company's ultimate parent undertaking and controlling party is Fiserv Inc. (registered office: 255 Fiserv Drive, Brookfield, WI 53008-0979, United States of America). Fiserv Inc. heads the smallest and largest group of undertakings for which group accounts are prepared. Copies of the financial statements of Fiserv Inc. are available from its registered office.