

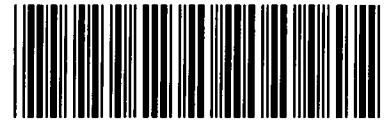
Registered number: 10164768

CERIDIAN EUROPE LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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**CERIDIAN EUROPE LIMITED**

**COMPANY INFORMATION**

|                            |  |
|----------------------------|--|
| <b>Directors</b>           | N D Cucci<br>W E McDonald (resigned 7 September 2021)<br>W E Muirhead (appointed 7 September 2021)<br>J S Jacobs   |
| <b>Company secretary</b>   | Corporation Service Company (UK) Limited   |
| <b>Registered number</b>   | 10164768   |
| <b>Registered office</b>   | C/O Corporation Service Company (UK) Limited<br>5 Churchill Place, 10th Floor<br>London<br>E145HU  |
| <b>Independent auditor</b> | Cooper Parry Group Limited<br>Chartered Accountants & Statutory Auditor<br>Sky View<br>Argosy Road<br>East Midlands Airport<br>Castle Donington<br>Derby<br>DE74 2SA |

## CERIDIAN EUROPE LIMITED

### CONTENTS

|                                   | Page    |
|-----------------------------------|---------|
| Strategic report                  | 1       |
| Directors' report                 | 2 - 3   |
| Independent auditor's report      | 4 - 7   |
| Statement of comprehensive income | 8       |
| Balance sheet                     | 9       |
| Statement of changes in equity    | 10      |
| Notes to the financial statements | 11 - 22 |

**CERIDIAN EUROPE LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Principal activity**

The company's principal activity is providing services that allow other companies the time, information and tools to manage their people better. These activities include an array of services to support the basic processes of employing and paying people, and it also provides value adding tools to allow companies to leverage the investments they make in their people by improving productivity, engagement and motivation.

**Principal risks and uncertainties**

The company is a wholly owned subsidiary within the Ceridian HCM Holding Inc. group, and the directors of the group manage operations at a group level.

The directors are responsible for assessing and monitoring business risk of the group. Regularly scheduled board meetings are held to oversee potential risks and areas of uncertainty to ensure that the company is appropriately addressing operational and financial risks when and if they arise. Group business risks include business risk, client risk and delivery risk. The directors anticipate that these will remain unchanged for the forthcoming financial year.

**Financial key performance indicators**

The loss for the year, after taxation, amounted to £1,386,172 (2020: profit £3,156,327).

This report was approved by the board and signed on its behalf.



**N D Cucci**  
Director

Date: September 14, 2022

## CERIDIAN EUROPE LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

#### Results and dividends

The loss for the year, after taxation, amounted to £1,386,172 (2020 -profit £3,156,327).

The directors did not propose any dividends during the year.

#### Directors

The directors who served during the year are noted on the company information page.

W E Muirhead (appointed 7 September 2021)

#### Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of the directors were in force for the year end up to the date of this report.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CERIDIAN EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021

**Auditor**

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**N D Cucci**  
Director

Date: September 14, 2022

## CERIDIAN EUROPE LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERIDIAN EUROPE LIMITED

#### Opinion

We have audited the financial statements of Ceridian Europe Limited (the 'company') for the year ended 31 December 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

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.

## CERIDIAN EUROPE LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERIDIAN EUROPE LIMITED (CONTINUED)

#### **Opinion 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.

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

## CERIDIAN EUROPE LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERIDIAN EUROPE LIMITED (CONTINUED)

#### 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.

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:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement team collectively had the appropriate competence capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our experience of working with other clients in the same sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- reviewed management's basis for provisions including doubtful debt.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing legal and professional nominals;

CERIDIAN EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERIDIAN EUROPE LIMITED  
(CONTINUED)

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect any irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**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.



Melanie Hopwell (Senior statutory auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington

Derby  
DE74 2SA

Date: 3 November 2022

**CERIDIAN EUROPE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

|   | Note | 2021<br>£          | 2020<br>£         |
|---|------|--------------------|-------------------|
| Turnover                                    | 4    | 24,939,617         | 23,539,021        |
| Cost of sales                               |      | (105,731)          | (908,275)         |
| <b>Gross profit</b>                         |      | <u>24,833,886</u>  | <u>22,630,746</u> |
| Administrative expenses                     |      | (27,669,562)       | (18,735,069)      |
| <b>Operating (loss)/profit</b>              | 5    | (2,835,676)        | 3,895,677         |
| Tax on (loss)/profit                        | 8    | 1,449,504          | (739,350)         |
| <b>(Loss)/profit for the financial year</b> |      | <u>(1,386,172)</u> | <u>3,156,327</u>  |

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 11 to 22 form part of these financial statements.

**CERIDIAN EUROPE LIMITED**  
**REGISTERED NUMBER: 10164768**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

|   | Note |              | 2021<br>£    | 2020<br>£ |
|---|------|--------------|--------------|-----------|
| <b>Fixed assets</b>                                   |      |              |              |           |
| Intangible assets                                     | 9    |              | 2,909        | 3,555     |
| Tangible assets                                       | 10   |              | 1,695,776    | 1,829,074 |
|   |      |              | 1,698,685    | 1,832,629 |
| <b>Current assets</b>                                 |      |              |              |           |
| Debtors: amounts falling due after more than one year | 11   | 360,018      | 333,789      |           |
| Debtors: amounts falling due within one year          | 11   | 12,932,225   | 10,806,481   |           |
| Cash at bank and in hand                              |      | 1,384,796    | 1,749,863    |           |
|   |      | 14,677,039   | 12,890,133   |           |
| Creditors: amounts falling due within one year        | 12   | (14,482,891) | (11,443,757) |           |
| <b>Net current assets</b>                             |      |              | 194,148      | 1,446,376 |
| <b>Total assets less current liabilities</b>          |      |              | 1,892,833    | 3,279,005 |
| <b>Net assets</b>                                     |      |              | 1,892,833    | 3,279,005 |
| <b>Capital and reserves</b>                           |      |              |              |           |
| Called up share capital                               | 14   |              | 1            | 1         |
| Profit and loss account                               | 15   |              | 1,892,832    | 3,279,004 |
|   |      |              | 1,892,833    | 3,279,005 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on September 14, 2022.



**N D Cucci**  
 Director

The notes on pages 11 to 22 form part of these financial statements.

CERIDIAN EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

|                     | Called up<br>share capital | Profit and<br>loss account | Total equity |
|---------------------|----------------------------|----------------------------|--------------|
|                     | £                          | £                          | £            |
| At 1 January 2020   | 1                          | 122,677                    | 122,678      |
| Profit for the year | -                          | 3,156,327                  | 3,156,327    |
| At 1 January 2021   | 1                          | 3,279,004                  | 3,279,005    |
| Loss for the year   | -                          | (1,386,172)                | (1,386,172)  |
| At 31 December 2021 | 1                          | 1,892,832                  | 1,892,833    |

The notes on pages 11 to 22 form part of these financial statements.

## CERIDIAN EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. General information

Ceridian Europe Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements are prepared in Sterling (£), which is the functional currency of the company and are for the year ended 31 December 2021 (2020: year ended 31 December 2020).

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement, complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following accounting policies have been applied:

##### 2.2 Going concern

At the balance sheet date the company had a significant cash balance and strong net current asset position. The financial forecasts prepared by the directors show that the company will be able to operate within the facilities available to it. On that basis, the directors have prepared these financial statements on a going concern basis.

##### 2.3 Disclosure exemptions

The company has adopted the following disclosure exemptions:

Under FRS 102 Section 1.12, the company is exempt from the requirements to prepare a statement of cash flows on the grounds that the parent company of the group, Ceridian HCM Holding Inc, includes the company's cash flows in its own published consolidated financial statements.

The entity is a 'qualifying entity' and has also taken advantage of the exemption from disclosing key management personnel (other than directors emoluments) under FRS 102 Section 1.12.

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publicly available, the company has taken advantage of the FRS 102 Section 33.1a exemption from disclosing transactions with group undertakings.

Where required, equivalent disclosures are given in the group accounts of Ceridian HCM Holding Inc. The group accounts of Ceridian HCM Holding Inc are available to the public and can be obtained as set out in note 19.

## CERIDIAN EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.4 Foreign currency translation

###### Functional and presentation currency

The company's functional and presentational currency is GBP.

###### Transactions and balances

*Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.*

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

##### 2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

## CERIDIAN EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.7 Pensions

###### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### 2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

##### 2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### 2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## CERIDIAN EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                       |   |                   |
|-----------------------|---|-------------------|
| Plant and machinery   | - | 25% straight line |
| Fixtures and fittings | - | 10% straight line |
| Office equipment      | - | 20% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

##### 2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

##### 2.13 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current or deferred tax is recognised in the profit and loss account, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current or deferred tax is also recognised in other comprehensive income or directly in equity respectively.

The current and deferred tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## CERIDIAN EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Impairment of fixed assets**

The directors assess the impairment of tangible fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

##### **Depreciation, amortisation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors, in re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and project disposal values.

##### **Recoverability of trade debtors**

Trade debtors and accrued income are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of provision required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

##### **Provisions**

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. The company does not maintain a dilapidation provision in respect of occupied leasehold properties, as the directors do not believe any such liability would be material to the financial statements.

**CERIDIAN EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the company and arose within the United Kingdom.

**5. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

|   | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|
|   | £           | £           |
| Depreciation of tangible fixed assets   | 432,790     | 304,192     |
| Amortisation of intangible fixed assets | 649         | 10,249      |
| Exchange differences                    | 55,397      | 130         |
| Other operating lease rentals           | 172,670     | 24,708      |
|   | 172,670     | 24,708      |

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

|                                     | <b>2021</b> | <b>2020</b> |
|-------------------------------------|-------------|-------------|
|                                     | £           | £           |
| Wages and salaries                  | 16,885,409  | 10,619,715  |
| Social security costs               | 2,121,536   | 1,380,809   |
| Cost of defined contribution scheme | 717,191     | 439,906     |
|                                     | 19,724,136  | 12,440,430  |

The average number of employees, including directors, during the year was 226 (2020: 154).

**7. Directors' remuneration**

|   | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|
|   | £           | £           |
| Directors' emoluments   | 491,914     | -           |
| Company contributions to defined contribution pension schemes | 10,050      | -           |
|   | 501,964     | -           |

During the year retirement benefits were accruing to 1 director (2020 -NIL) in respect of defined contribution pension schemes.

Certain of the companies directors are remunerated through fellow group companies for their services, and it would not be practical to allocate this remuneration across the different group companies. 1 director is remunerated by the company.

**CERIDIAN EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Taxation**

|  | 2021<br>£   | 2020<br>£ |
|--|-------------|-----------|
| <b>Corporation tax</b>                         |             |           |
| Current tax on profits for the year            | (257,764)   | 832,873   |
| Adjustments in respect of previous periods     | (1,313,056) | -         |
|  | (1,570,820) | 832,873   |
| <b>Deferred tax</b>                            |             |           |
| Origination and reversal of timing differences | (281,014)   | (93,523)  |
| Adjustments in respect of previous periods     | 402,330     | -         |
|  | (1,449,504) | 739,350   |

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 -higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

|  | 2021<br>£   | 2020<br>£ |
|--|-------------|-----------|
| (Loss)/profit on ordinary activities before tax  | (2,835,676) | 3,895,677 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%) | (538,778)   | 740,179   |
| <b>Effects of:</b>   |             |           |
| Adjustments to tax charge in respect of prior periods  | (910,726)   | -         |
| ther timing differences leading to an increase (decrease) in taxation  | -           | (829)     |
|  | (1,449,504) | 739,350   |

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 December 2022 is 25% and deferred tax has been re-measured at this rate. The recent budget on 23 September 2022, the Chancellor of the Exchequer announced that the corporation tax rate would not increase to a maximum of 25% however this not been enacted as at year end.

**CERIDIAN EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. Intangible assets**

|                                     | <b>Computer<br/>software<br/>£</b> |
|-------------------------------------|------------------------------------|
| <b>Cost</b>                         |                                    |
| At 1 January 2021                   | 61,774                             |
| At 31 December 2021                 | 61,774                             |
| <b>Amortisation</b>                 |                                    |
| At 1 January 2021                   | 58,219                             |
| Charge for the year on owned assets | 646                                |
| At 31 December 2021                 | 58,865                             |
| <b>Net book value</b>               |                                    |
| At 31 December 2021                 | 2,909                              |
| At 31 December 2020                 | 3,555                              |

**10. Tangible fixed assets**

|                                     | <b>Plant and<br/>machinery<br/>£</b> | <b>Fixtures and<br/>fittings<br/>£</b> | <b>Office<br/>equipment<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------------|--------------------------------------|--|-----------------------------------|--------------------|
| <b>Cost or valuation</b>            |                                      |  |                                   |                    |
| At 1 January 2021                   | 951,607                              | 1,254,590                              | 321,428                           | 2,527,625          |
| Additions                           | -                                    | 1,244                                  | 298,248                           | 299,492            |
| At 31 December 2021                 | 951,607                              | 1,255,834                              | 619,676                           | 2,827,117          |
| <b>Depreciation</b>                 |                                      |  |                                   |                    |
| At 1 January 2021                   | 348,889                              | 235,211                                | 114,451                           | 698,551            |
| Charge for the year on owned assets | 64,582                               | 127,200                                | 241,008                           | 432,790            |
| At 31 December 2021                 | 413,471                              | 362,411                                | 355,459                           | 1,131,341          |
| <b>Net book value</b>               |                                      |  |                                   |                    |
| At 31 December 2021                 | 538,136                              | 893,423                                | 264,217                           | 1,695,776          |
| At 31 December 2020                 | 602,718                              | 1,019,379                              | 206,977                           | 1,829,074          |

**CERIDIAN EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Debtors**

|                                     | <b>2021</b>       | <b>2020</b>              |
|-------------------------------------|-------------------|--------------------------|
|                                     | £                 | £                        |
| <b>Due after more than one year</b> |                   |                          |
| Prepayments and accrued income      | 360,018           | 333,789                  |
|                                     | <u>360,018</u>    | <u>333,789</u>           |
|                                     | <b>2021</b>       | <b>Restated<br/>2020</b> |
|                                     | £                 | £                        |
| <b>Due within one year</b>          |                   |                          |
| Trade debtors                       | 5,542,976         | 1,782,976                |
| Amounts owed by group undertakings  | 3,330,146         | 7,425,190                |
| Other debtors                       | 902,391           | 113,214                  |
| Prepayments and accrued income      | 3,035,386         | 1,242,459                |
| Deferred taxation                   | 121,326           | 242,642                  |
|                                     | <u>12,932,225</u> | <u>10,806,481</u>        |

During the year the Directors reviewed the classification of balances previously presented as Other debtors and concluded that certain of those balances would be more fairly presented as accrued income. Accordingly the amounts disclosed above for 2020 have been restated to reclassify £985,011 from Other debtors to Prepayments and accrued income. There was no impact on profit for the year or on net assets at 31 December 2020.

**12. Creditors: Amounts falling due within one year**

|                                    | <b>2021</b>       | <b>2020</b>       |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Trade creditors                    | 733,978           | 402,671           |
| Amounts owed to group undertakings | 10,139,337        | 8,014,430         |
| Corporation tax                    | -                 | 782,644           |
| Other taxation and social security | 653,300           | 198,013           |
| Other creditors                    | 970,150           | 1,314,663         |
| Accruals and deferred income       | 1,986,126         | 731,336           |
|                                    | <u>14,482,891</u> | <u>11,443,757</u> |

**CERIDIAN EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Deferred taxation**

|                           | 2021<br>£      | 2020<br>£      |
|---------------------------|----------------|----------------|
| At beginning of year      | 242,642        | 149,119        |
| Charged to profit or loss | (121,316)      | 93,523         |
| <b>At end of year</b>     | <u>121,326</u> | <u>242,642</u> |

The deferred tax asset is made up as follows:

|                               | 2021<br>£      | 2020<br>£      |
|-------------------------------|----------------|----------------|
| Tax losses carried forward    | 121,326        | 160,214        |
| Short term timing differences | -              | 82,428         |
|                               | <u>121,326</u> | <u>242,642</u> |

**14. Share capital**

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 1 (2020: 1) share of £1.00                | 1         | 1         |
|   | <u>1</u>  | <u>1</u>  |

**15. Reserves**

**Share premium account**

The share premium account includes the premium on issue of equity shares net of any issue costs.

**Profit and loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**CERIDIAN EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**16. Share based payments**

The ultimate controlling party Ceridian HCM Holding Inc operates an equity-settled share based remuneration scheme which includes certain employees of Ceridian Europe. There are various vesting conditions, including performance based conditions relating to the Ceridian HCM Holding Inc group results.

|   | <b>Weighted<br/>average<br/>exercise<br/>price (USD)<br/>2021</b> | <b>Number<br/>2021</b> | <b>Weighted<br/>average<br/>exercise<br/>price (USD)<br/>2020</b> | <b>Number<br/>2020</b> |
|---|---|------------------------|---|------------------------|
| Outstanding at the beginning of the year  | 47.32   | 107,653                | 42.27   | 88,491                 |
| Granted during the year                   | 80.95   | 51,235                 | 92.48   | 53,640                 |
| Exercised during the year                 | 37.26   | (24,190)               | 92.48   | (34,092)               |
| Forfeited or expired during the year      | 37.72   | (21,083)               | 0   | (386)                  |
| <b>Outstanding at the end of the year</b> | <b>59.34</b>  | <b>113,615</b>         | <b>47.32</b>  | <b>107,653</b>         |

The exercise price of options outstanding at the year end ranged between \$16.58 and \$94.27 (2020: \$16.58 and \$94.27) and their weighted average contractual life was 7.85 years (2020 - 8.26 years).

Of the total number of options outstanding at the year end, 39,423 (2020 - 43,257) had vested and were exercisable at the end of the year.

The following information is relevant in the determination of the fair value of options granted during the year and previous years under the equity-settled share based remuneration scheme.

|   | <b>2021<br/>Black-<br/>Scholes</b> | <b>2020<br/>Black-<br/>Scholes</b> |
|---|------------------------------------|------------------------------------|
| Option pricing model used                 |                                    |                                    |
| Weighted average share price              | 80.95                              | 92.48                              |
| Weighted average exercise price           | 37.26                              | 69.18                              |
| Weighted average contractual life (years) | 7.85                               | 9.43                               |
| Expected volatility                       | 37.33%                             | 30%                                |
| Expected dividend growth rate             | Nil                                | Nil                                |
| Risk-free interest rate                   | 1.20%                              | 0.70%                              |

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The share-based remuneration expense is £1,345,000 (2020 - £440,000)

The company did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

CERIDIAN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £717,191 (2020: £439,906). There were no contributions payable to the fund at the balance sheet date.

18. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | 2021<br>£      | 2020<br>£      |
|--|----------------|----------------|
| Not later than 1 year                        | 115,266        | 66,640         |
| Later than 1 year and not later than 5 years | 644,028        | 360,432        |
| Later than 5 years                           | 42,539         | -              |
|  | <u>801,833</u> | <u>427,072</u> |

19. Controlling party

The company is a wholly owned subsidiary undertaking of Ceridian Global UK Holding Company Limited which is the immediate parent company incorporated in England and Wales.

Following a group reorganisation on 25 April 2018 the ultimate controlling party became Ceridian HCM Holding Inc. prior to this Ceridian Holding LLC was the ultimate parent company.

At the year end the smallest and largest group in which the results of the company of are consolidated is that headed by Ceridian HCM Holding Inc. which was the company's ultimate controlling party at the year end. Copies of the group accounts which includes the company are available from 3311 East Old Shakopee Road, Minneapolis, MN, USA.