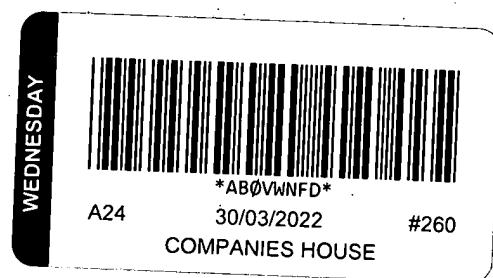


Registered number: 11976895

**TRUST PAYMENTS LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Amending**



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**TRUST PAYMENTS LTD**

**COMPANY INFORMATION**

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**Directors**

D I Holden  
J M Lindquist  
M O Cilliers  
M D V Rake

**Registered number**

11976895

**Registered office**

1 Royal Exchange  
London  
EC3V 3DG

**Independent auditor**

Blick Rothenberg Audit LLP  
Chartered Accountants & Statutory Auditor  
16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

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## TRUST PAYMENTS LTD

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Introduction

#### Business review

The group's principal activities significantly expanded in 2021 and now consist of the provision of online and in-store technology solutions, together with fully integrated payment processing services to allow merchants and partners to support digitised commerce across all channels. Within this, key services include regulated merchant acquiring services, data management, and innovative products designed for key verticals.

The business combines a scalable, global technology platform, which supports global credit/debit card and hundreds of local payment methods, together with its own regulated financial services business, licenced by Visa and Mastercard as Principal Members. This is coupled with value added services for merchants, including an all-in-one platform for eCommerce website creation and direct-to-consumer sales, and an integrated ePOS software solutions for high-volume retail and grocery sales.

These solutions support its Converged Commerce (TM) strategy of providing combined omnichannel payments, data and value added services to help merchants grow their businesses across borders, and be accessible across all channels (mobile, eCommerce, Point of Sale and integrated systems).

The directors consider Gross Revenue, Net Revenue, Gross Profit, merchant retention and Adjusted EBITDA (as defined in Note 29) to be the primary Key Performance Indicators of the group. In 2021, the group has seen total revenues grow strongly, up 73%, to £108.7m (2020: £62.7m), Net Revenues have increased to £70.2m, up 73%, (2020: £40.5m) which are defined as total revenues less interchange and scheme fees, and net merchant volume retention was over 100%.

This is supported by our expanding and broadening range of people. During 2021, total employees averaged 312 people, up 50% from 208 the previous year, and showed the level and depth of our expanded expertise and desire to deepen our unique product range with superb customer service and support.

The majority of foreign exchange gains relate to the translation of intercompany balances at the year end exchange rate.

All merchant balances held at the group's regulated subsidiary, Trust Payments (Malta) Limited, are held in segregated bank accounts and as such meet the Payments Services Directive ("PSD2") safeguarding regime requirements.

Core operational profitability is very strong, and has supported key investments in technology, people and systems to drive scale and future growth.

98% of revenues were organic, but during the year, the group acquired three companies: Core Cloud Group Ltd. (trading as Stor), Global Automate Technologies (PVT) Ltd (trading as Ammfy) and WL Solutions Limited (trading as Wonderlane). Stor provides a direct-to-consumer ecommerce platform which enables businesses to sell goods and services online, supported by compelling tools for accelerated growth. Ammfy is a Sri Lankan based technology marketplace. Wonderlane provides ePOS software systems to large regional and national grocery chains, and specialises in exceptionally engaging systems to speed up and delight the customer journey.

In combination, the businesses supplement the core payments business with key systems.

Despite the continuing disruption and turmoil of COVID, the business has transformed its operations, go-to-market strategy and product suite and has therefore driven exceptional growth in the year, whilst also building a solid base for scalable growth into the future.

At the year end, the group had cash and cash equivalents of £73.5m (2020: £36.4m) and net liabilities of £22.8m (2020: £19.9m) as a result of the loss for the period. The group is thinly capitalised, supported by securitised debt facility of £97.5m (2020: £73.8m) at rates between 14% and 20% which expire between Q1 and Q3 2023. Given the positive trajectory of the business, and its repositioning as a highgrowth fintech, the management team is very confident that a recapitalisation exercise in due course will provide an appropriate capital structure.

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## TRUST PAYMENTS LTD

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Description of principal risks and uncertainties

The turnover of the group consists of income from the provision of payment services, including merchant services and associated services, as well as data, fraud prevention and loyalty services. Sales are dependent on the group being able to continually offer its customers cost effective, versatile and reliable products while complying with ever changing demands of the environment in which it operates, including changes in global government and regulatory policies, and consumer behaviours.

The group, as it adapts to global changes in its markets, needs to ensure that it can maintain strong internal controls and procedures.

The group's principal financial instruments comprised cash in liquid resources and various items such as trade receivables and trade payables that arise directly from its operations and debt financing provided by investors.

The main risk arising from the group's financial instrument is liquidity risk. The group finances its operations through a mixture of share capital, income from sales and secured debt. Liquidity risk is monitored using a liquidity gap model which calculates the net cash flows of the group or of individual companies over time in order to detect any critical points in the expected liquidity. The total liquidity requirement is calculated as the sum of the negative gaps (outflows greater than inflows) recorded for each individual time period. Any positive gaps found in a time period are used to reduce negative gaps in subsequent periods.

Trade receivables are managed in respect of credit and cash flow risk by policies concerning the credit offered to purchasing authorities and the regular monitoring of amounts outstanding for both time and credit limits. The group has recently updated its monitoring of merchant debit balances so that reviews are undertaken on a more regular basis to mitigate this risk. Trade payables liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Foreign currency risk is the risk that the group will sustain losses through adverse movements in currency exchange rates. The group's business is impacted through its exposure to some of its fee income being in US dollars and Euros, but there is no inherent foreign exchange risk in the processing of non like for like currencies for the merchant services business.

The group is exposed to the impact of changes in relationships with its customers and suppliers. It is a key task for the operational management in each business to maintain and develop relationships with customers and suppliers during the initial transition period and further into the future.

One member of the group, Trust Payments (Malta) Ltd is required to comply with the minimum capital requirements set out by the Malta Financial Services Authority ("MFSA"). The minimum capital requirement must be maintained at all times throughout the financial period. Trust Payments (Malta) Ltd its capital level on a regular basis. Any transactions that may potentially affect the capital requirements are immediately reported to the directors and shareholders for resolution prior to notifying the MFSA.

During the financial period ended 2021, Trust Payments (Malta) Ltd met at all times the minimum capital requirements imposed by the regulatory authority. As at 31 December 2021, the minimum capital requirement amounted to £1,981,079 (€2,359,465) (2020: £1,717,955 (€1,904,388)) which is lower than the funds of Trust Payments (Malta) Ltd that were £23,530,579 (€28,024,920) (2020: £5,858,915 (€6,494,724)).

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## **TRUST PAYMENTS LTD**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Future developments**

The general wave of digitisation for merchants has driven different buying behaviours and payment options, and the group is well positioned to capture the uptick in these dynamics.

As a truly omni channel provider of payments, the December 2021 acquisition of retail technology leaders WonderLane by the group has enabled the company to expand into Android based point of sale terminals, integrated and mobile solutions for merchants and partners and developed a broader proposition for merchants. Additionally, the acquisition of Stor - an innovative eCommerce platform enabling merchants to sell direct to consumers - will accelerate Trust Payments' offering in the SME sector - where many businesses struggle with digitisation strategies. Going forward this expansion offers value-added services, to customers, letting them develop commerce journeys beyond pure payments, and giving customers and partners greater choice and support for their businesses.

There has undoubtedly been strong growth in 2021, but the underlying investment in core operations and product changes has now positioned the business well for strong future scaling. In addition, the group has recently gained its FCA licence in the UK, to supplement the existing EU based licence, which will ensure regulatory and operational continuity post Brexit, and provide optimal dynamic payment routing options to our merchants. Other innovative developments to look forward to include the ability for Trust Payments to offer its own IBANs to customers.

#### **Acquisitions**

As briefly mentioned above, during 2021, the group purchased Stor, a platform that offers powerful online shopping solutions to equip merchants with extensive easy-to-use tools and WonderLane, retail operations technology specialists who partner with global retailers to connect and deliver exceptional customer experiences in store and online through intelligent, fit for purpose technology. Their offering centres on Cloud-native, Android-based technologies deliver real-time, remote configurations, speeding up the checkout process, engaging customers and providing single view of products, customers, and inventory.

The business continues to seek non organic growth through relevant, strategic acquisitions in its chosen vertical markets.

#### **Coronavirus**

On 11 March 2020 the World Health Organisation declared that the outbreak of Covid 19 represents a pandemic. The group's client base is diversified and we are not significantly exposed to the performance of individual sectors. The share of revenue derived from our customers in travel, hospitality and retail has declined since the social distancing measures were put in place in the countries in which we operate. Vaccine rollouts across our core geographical markets helped make 2021 slightly better but whilst the overall growth in 2021 was not delivered in the same way or in the same industries as originally planned, the business proved robust and refocused its sales and marketing efforts in other ways, including contactless and non physical methods of payment. In addition, as set out in note 2.3 to the financial statements, the directors have forecast that the business has sufficient funds available to continue to settle our liabilities, maintain capital adequacy requirements and maintain our planned capital spend.

Our staff are able to work at home effectively and we have experienced little operational disruption to our business. The business was able to launch new office spaces in Harrogate, UK, Bromley, UK, Atlanta, US, Dublin, Ireland and in Cyprus once restrictions were lifted and staff have made use of these spaces when restrictions have allowed them to.

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## TRUST PAYMENTS LTD

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Ukraine

The group continues to monitor the ongoing situation in Ukraine and hopes for a prompt and peaceful resolution to the crisis.

The group is continuing to respond to the requirements of Card Schemes to ensure that appropriate transactions are blocked. The group has robust policies in place for merchant screening. Volumes generated from Russia and Ukraine have historically been very low and therefore the group does not expect a material impact on the business.

The group has minimal exposure to supply chains or contract employees based in Russia or Belarus. However, as a matter of policy, all such connections or connected companies will be terminated or removed from supply activities by end of March 2022.

The group has made a charitable contribution to the Red Cross to support their humanitarian work in Ukraine.

#### Streamlined Energy Carbon Reporting

Trust Payments Limited is required to report its UK energy use and carbon emissions in accordance with the UK Companies Act 2006.

The energy consumption is limited to the office building in which we lease to operate our business.

Trust Payments Limited operates from many offices within the UK and has reported on the emissions from the electricity it used.

The data presented below represent emissions and energy use for which Trust Payments is directly responsible. This has been obtained from gathering data from electricity, gas and water bills. Where electricity, water and gas procurement does not fall within Trust Payments control and fall within scope 3 emissions, have not been reported which is the case for a number of our UK leases. The reported scope 3 emissions comprise the consumption of fuel in employee-owned vehicles used for business purposes.

The data presented represents the 12 month period from 1 January 2021 to 31 December 2021, with the comparative period representing the 12 month period from 1 January 2020 to 31 December 2020.

	2021	2020
Total energy consumption	158,272 kWh	399,772 kWh
Total water consumption	230 Cubic metres	230 Cubic metres
Emissions from combustion of gas (scope 1)	8,585 kgCO <sub>2</sub> e	21,552 kgCO <sub>2</sub> e
Emissions from purchased electricity (scope 2)	23,816 kgCO <sub>2</sub> e	65,976 kgCO <sub>2</sub> e
Emissions from purchased water (scope 3)	34 kgCO <sub>2</sub> e	79 kgCO <sub>2</sub> e
Emissions from business travel in employee owned vehicles (scope 3)	7,857 kgCO <sub>2</sub> e	n/a
Total gross emissions	40,292 kgCO <sub>2</sub> e	87,607 kgCO <sub>2</sub> e
Annual emissions per employee (UK FTE)	159 kgCO <sub>2</sub> e/employee	893 kgCO <sub>2</sub> e/employee

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## **TRUST PAYMENTS LTD**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Comparison to previous financial year**

Transitioning from in-house to cloud-based servers in the prior year has led to a significant reduction in our energy consumption. The cloud-based platform selected can operate its servers in a more energy efficient manner due to economies of scale. The requirement to work from home due to the ongoing coronavirus pandemic also contributed to the reduction in our energy consumption.

#### **Primary energy efficiency measures implemented**

Throughout the year, the group has continued the transition from using in-house servers to utilising a cloud-based server. A 'Green Team' committee has also been established to help identify opportunities that improve the sustainability of the business facilities and operations.

The group has a strong focus on sustainability, both in its business practices and culture. During 2021, the group invested in ESG and CSR departments, and is working towards a B-Corp status. The group was classified in several of the "Best Companies" to work for categories.

#### **Methodology**

The methodology used in the creation of this SECR report is consistent with the requirements of the Greenhouse Gas Protocol Corporate Standard along with the UK Government GHG Conversion Factors for Company Reporting 2021. Organisational boundaries and scoping of greenhouse gas emissions are based on this protocol while the primary energy efficiency measures highlighted qualitatively have been created upon energy management best practice.

#### **Statement by the directors on performance of their statutory duties in accordance with S172 (1) Companies Act 2006**

Section 172 (1)(a) to (f) requires the directors to act in the way they consider would be most likely to promote the success of the company for the benefit of its members, as a whole, with regard to the following matters:

##### **a) The likely consequences of any decision in the long-term**

The directors believe that they have acted in the way they consider, in good faith, to promote the long term success of the group. Governance of the business is formalised in regular board meetings, with input from appropriate strategic advisors. Financial budgets until 2022 have been prepared allowing local and group management to assess the long term impact of operational and strategic decisions.

##### **b) The interests of the group's employees**

The directors consider our people to be a key asset and the interests of our employees are considered when decisions are taken. The directors take care over the well being and competency of staff via regular on the job training and consultations with employees. Significant investment in people and HR systems to promote good management, assessment and career development of people continues to be made in the group.

##### **c) The need to foster the group's business relationships with suppliers, customers and others**

The directors aim to work in partnership with customers and suppliers who reflected similar values and behaviours to the group. Resources have been designated to increase the number and consistency of our customer account management functions, as well as put in place strategic partnership roles for managing and communicating to current and potential suppliers. These resources include the development of social, ethical and environmental responsibility policies to ensure improved long term position of the business.



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**TRUST PAYMENTS LTD****GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**d) The impact of the group's operations on the community and environment**

The directors are mindful of the communities in which the business operates. Given the global nature of the business, with several regional sites in the UK, Malta and the USA, it is important to have appropriate support to local communities. Where practical, these differences are considered and supported, including working arrangements, supply and community relations. The group has developed social and environmental policies which are designed to reduce the impact of the group's activities on the environment. A standing committee on the board looks at these issues regularly and puts best practice recommendations forward as appropriate.

**e) The desirability of maintaining a reputation for high standards of business conduct**

As part of the financial services community, it is of vital importance that high standards of professional business conduct are maintained. Strong ethical and business rigour is embedded via onboarding training for new employees, and continued professional development programmes, delivered online, for existing employees. All employees are required to pass appropriate courses, such as anti money laundering and data protection. The directors' intentions are to behave responsibly and ensure that management operate the business in a responsible manner, whilst adhering to the high standards of business conduct and good governance expected.

**f) The need to act fairly between members of the group**

The group has a number of subsidiary entities. As such, communication between the geographic locations, and the interplay between services or functions offered by different locations is vital.

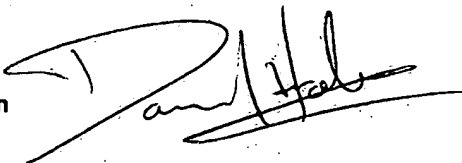
Part of the business strategy is to support a group wide deployment of our services seamlessly to the end customer, regardless of which entity or geography they are deployed from. This is also of huge benefit to global enterprises or customers wishing to expand overseas.

Each member of the group is regularly updated about the performance of the group and provided with equivalent financial and strategic reports and updates. An executive management team, representing different areas of the business operates at a group level.

In addition to this the group has appointed members to each subsidiary board to ensure that their interests are fairly reflected at this level and decisions made by the group are in line with the strategic aim of all members.

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

**D I Holden**  
Director



Date: 11 MARCH 2022

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## **TRUST PAYMENTS LTD**

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

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

#### **Principal activities**

The group's principal activities significantly expanded in 2021 and now consist of the provision of online and in-store technology solutions, together with fully integrated payment processing services to allow merchants and partners to support digitised commerce across all channels. Within this, key services include regulated merchant acquiring services, data management, and innovative products designed for key verticals.

#### **Results and dividends**

Revenue in the year amounted to £108,654,053 (2020: £62,689,486).

The loss for the year, after taxation, amounted to £3,541,409 (2020 - loss £13,157,741).

The directors do not recommend a dividend for the period.

#### **Directors**

The directors who served during the year were:

D I Holden  
J M Lindquist  
M O Cilliers  
M D V Rake

#### **Matters covered in the strategic report**

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic 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 and the group'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 and the group's auditor is aware of that information.

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

  
D I Holden  
Director

Date: 11 MARCH 2022

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## TRUST PAYMENTS LTD

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK and the separate parent company financial statements under Financial Reporting Standard 101 (FRS 101 Reduced Disclosure Framework).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- state whether the separate financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework, subject to any material departures disclosed and explained in the financial statements;
- assess the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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## **TRUST PAYMENTS LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST PAYMENTS LTD**

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#### **Opinion**

We have audited the financial statements of Trust Payments Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the company statement of changes in equity and the notes, including a summary of significant accounting policies set out on pages 27 - 36. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The financial reporting framework that has been applied in the preparation of the separate parent financial statements is applicable law and Financial Reporting Standard 101 (FRS 101 Reduced Disclosure Framework).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs;
- separate parent financial statements have been properly prepared in accordance with UK accounting standards, FRS 101 Reduced Disclosure Framework, and
- the financial statements 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 group and the parent 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 group's or the parent 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.

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**TRUST PAYMENTS LTD****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST PAYMENTS LTD (CONTINUED)**

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**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.

**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 group 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 group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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## **TRUST PAYMENTS LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST PAYMENTS LTD (CONTINUED)**

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#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 11, 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 group's and the parent 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 group or the parent 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.

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:

- the engagement partner ensured that the engagement team, including significant component auditors, 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 commercial knowledge and experience of the technology sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment legislation and Payment Card Industry Data Security Standards;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; 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.

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## **TRUST PAYMENTS LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST PAYMENTS LTD (CONTINUED)**

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- reviewed the findings of audit work performed on journals and management override by auditors of significant components.

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;
- reading the minutes of meetings of those charged with governance
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and Payment Card Industry Security Standards Council approved assessors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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**TRUST PAYMENTS LTD**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST PAYMENTS LTD (CONTINUED)**

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**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.

*Blick Rothenberg Audit LLP*

David Hough (senior statutory auditor)

for and on behalf of

**Blick Rothenberg Audit LLP**

Chartered Accountants  
Statutory Auditor

16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

Date: 11 March 2022



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**TRUST PAYMENTS LTD****CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £	2020 £
Revenue	5	108,654,053	62,689,486
Cost of sales		(65,811,001)	(36,574,661)
<b>Gross profit</b>		<b>42,843,052</b>	<b>26,114,825</b>
Administrative expenses	4	(34,357,054)	(24,370,816)
Other operating income	6	274,987	281,779
<b>Profit from operations</b>		<b>8,760,985</b>	<b>2,025,788</b>
Finance income and expense	9	(10,911,404)	(13,536,884)
Fair value gains	27.2	62,270	131,250
<b>Loss before taxation</b>		<b>(2,088,149)</b>	<b>(11,379,846)</b>
Tax on loss	16	(1,453,260)	(1,777,895)
<b>Loss for the year</b>		<b>(3,541,409)</b>	<b>(13,157,741)</b>

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**TRUST PAYMENTS LTD****STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	2021 £	2020 £
<b>Loss for the year</b>	<b>(3,541,409)</b>	<b>(13,157,741)</b>
Exchange (losses)/gains arising on translation on foreign operations	(159,571)	665,435
	<u>(159,571)</u>	<u>665,435</u>
<b>Other comprehensive income for the year, net of tax</b>	<b>(159,571)</b>	<b>665,435</b>
<b>Total comprehensive income</b>	<b><u>(3,700,980)</u></b>	<b><u>(12,492,306)</u></b>

**TRUST PAYMENTS LTD**  
**REGISTERED NUMBER: 11976895**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	5,175,713	1,554,085
Investment property	12	-	616,823
Other intangible assets	13	37,740,542	16,621,263
Goodwill	14	56,036,471	47,102,871
Deferred tax assets	16	124,383	2,122,913
		<u>99,077,109</u>	<u>68,017,955</u>
<b>Current assets</b>			
Trade and other receivables	17	35,610,071	24,367,190
Cash and cash equivalents	18	73,450,522	36,439,700
Investments held at fair value	27.2	9,215,403	9,509,861
		<u>118,275,996</u>	<u>70,316,751</u>
<b>Total assets</b>		<u>217,353,105</u>	<u>138,334,706</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other liabilities	20	3,783,766	-
Loans and borrowings	21	100,934,808	75,484,632
Deferred tax liability	16	4,282,150	1,976,530
		<u>109,000,724</u>	<u>77,461,162</u>
<b>Current liabilities</b>			
Trade and other liabilities	20	130,843,998	80,479,556
Loans and borrowings	21	350,332	298,272
		<u>131,194,330</u>	<u>80,777,828</u>
<b>Total liabilities</b>		<u>240,195,054</u>	<u>158,238,990</u>
<b>Net liabilities</b>		<u>(22,841,949)</u>	<u>(19,904,284)</u>

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**TRUST PAYMENTS LTD**  
**REGISTERED NUMBER: 11976895**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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	Note	2021 £	2020 £
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	22	100	100
Foreign exchange reserve		287,667	447,238
Retained earnings		(23,129,716)	(20,351,622)
<b>Total equity</b>		<u><u>(22,841,949)</u></u>	<u><u>(19,904,284)</u></u>

The financial statements on pages 17 to 79 were approved and authorised for issue by the board of directors and were signed on its behalf by:

  
**D I Holden**  
Director

Date: 11 MARCH 2022

The notes on pages 27 to 79 form part of these financial statements.

**TRUST PAYMENTS LTD**  
**REGISTERED NUMBER: 11976895**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	2,354,263	11,976
Other intangible assets	13	7,493,436	3,223,538
Investments	14	88,043,873	64,942,992
		<u>97,891,572</u>	<u>68,178,506</u>
<b>Current assets</b>			
Trade and other receivables	17	11,862,985	5,728,303
Cash and cash equivalents		45,079	1,253
		<u>11,908,064</u>	<u>5,729,556</u>
<b>Total assets</b>		<u>109,799,636</u>	<u>73,908,062</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other liabilities	20	3,783,766	-
Loans and borrowings	21	99,378,517	73,818,363
		<u>103,162,283</u>	<u>73,818,363</u>
<b>Current liabilities</b>			
Trade and other liabilities	20	41,299,583	19,824,745
		<u>41,299,583</u>	<u>19,824,745</u>
<b>Total liabilities</b>		<u>144,461,866</u>	<u>93,643,108</u>
<b>Net liabilities</b>		<u>(34,662,230)</u>	<u>(19,735,046)</u>

**TRUST PAYMENTS LTD**  
**REGISTERED NUMBER: 11976895**

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	22	100	100
Retained earnings		(34,662,330)	(19,735,146)
<b>Total equity</b>		<b>(34,662,230)</b>	<b>(19,735,046)</b>

The company's loss and total comprehensive income for the year was £15,240,617 (2020 - £13,269,051).

The financial statements on pages 17 to 79 were approved and authorised for issue by the board of directors and were signed on its behalf by:

  
D I Holden  
Director

Date: 11 MARCH 2022

The notes on pages 27 to 79 form part of these financial statements.

**TRUST PAYMENTS LTD**

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

	Share capital £	Foreign exchange reserve £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
<b>At 1 January 2020</b>	100	(218,197)	(7,193,881)	(7,411,978)	(7,411,978)
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	(13,157,741)	(13,157,741)	(13,157,741)
Other comprehensive income for the period	-	665,435	-	665,435	665,435
<b>Total comprehensive income for the year</b>	-	665,435	(13,157,741)	(12,492,306)	(12,492,306)
<b>At 31 December 2020</b>	<b>100</b>	<b>447,238</b>	<b>(20,351,622)</b>	<b>(19,904,284)</b>	<b>(19,904,284)</b>
<b>At 1 January 2021</b>	100	447,238	(20,351,622)	(19,904,284)	(19,904,284)
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	(3,541,409)	(3,541,409)	(3,541,409)
Other comprehensive income	-	(159,571)	-	(159,571)	(159,571)
<b>Total comprehensive income for the year</b>	-	(159,571)	(3,541,409)	(3,700,980)	(3,700,980)
Share based payments	-	-	763,315	763,315	763,315
<b>Total contributions by and distributions to owners</b>	-	-	763,315	763,315	763,315
<b>At 31 December 2021</b>	<b>100</b>	<b>287,667</b>	<b>(23,129,716)</b>	<b>(22,841,949)</b>	<b>(22,841,949)</b>

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**TRUST PAYMENTS LTD****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Share capital £	Retained earnings £	Total equity £
<b>At 1 January 2020</b>	100	(6,466,095)	(6,465,995)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(13,269,051)	(13,269,051)
<b>Total comprehensive income for the year</b>	-	(13,269,051)	(13,269,051)
<b>At 31 December 2020</b>	100	(19,735,146)	(19,735,046)
<b>At 1 January 2021</b>	100	(19,735,146)	(19,735,046)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(15,240,617)	(15,240,617)
<b>Total comprehensive income for the year</b>	-	(15,240,617)	(15,240,617)
Share based payments	-	313,433	313,433
<b>Total contributions by and distributions to owners</b>	-	313,433	313,433
<b>At 31 December 2021</b>	100	(34,662,330)	(34,662,230)



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**TRUST PAYMENTS LTD****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the year	(3,541,409)	(13,157,741)
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	1,098,230	348,848
Depreciation of investment property	-	101,527
Amortisation of intangible fixed assets	5,970,233	3,084,671
Impairment loss recognised on trade receivables	1,494,973	236,041
Change in value of investment	(62,270)	(131,250)
Finance expense	13,846,092	11,862,874
Share-based payment expense	763,315	-
Net foreign exchange (gain)/loss	(2,936,608)	1,674,010
Income tax expense	1,453,260	1,777,895
	<u>18,085,816</u>	<u>5,796,875</u>
<b>Movements in working capital:</b>		
Increase in trade and other receivables	(11,153,672)	(12,150,051)
Increase in trade and other payables	46,148,561	30,163,350
	<u>53,080,705</u>	<u>23,810,174</u>
<b>Cash generated from operations</b>	<u>53,080,705</u>	<u>23,810,174</u>
<b>Net cash from operating activities</b>	<u>53,080,705</u>	<u>23,810,174</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary, net of cash acquired	(12,986,766)	(123,315)
Purchases of property, plant and equipment	(1,968,093)	(254,601)
Purchase of intangibles	(13,817,000)	(6,425,576)
Purchases of investments	-	(2,567,162)
	<u>(28,771,859)</u>	<u>(9,370,654)</u>
<b>Net cash used in investing activities</b>	<u>(28,771,859)</u>	<u>(9,370,654)</u>

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**TRUST PAYMENTS LTD****CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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	2021 £	2020 £
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	13,218,940	3,073,042
Payment of lease liabilities	(357,393)	(483,393)
<b>Net cash from financing activities</b>	<b>12,861,547</b>	<b>2,589,649</b>
<b>Net cash increase in cash and cash equivalents</b>	<b>37,170,393</b>	<b>17,029,169</b>
Cash and cash equivalents at the beginning of year	36,439,700	18,762,920
Exchange (loss)/gains on cash and cash equivalents	(159,571)	647,611
<b>Cash and cash equivalents at the end of the year</b>	<b>73,450,522</b>	<b>36,439,700</b>

The notes on pages 27 to 79 form part of these financial statements.

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## TRUST PAYMENTS LTD

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

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#### 1. General information

Trust Payments Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The registered office is 1 Royal Exchange, London, England, EC3V 3DG.

The group's principal activities significantly expanded in 2021 and now consist of the provision of online and in-store technology solutions, together with fully integrated payment processing services to allow merchants and partners to support digitised commerce across all channels. Within this, key services include regulated merchant acquiring services, data management, and innovative products designed for key verticals.

The company's principal activity is that of a holding company.

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the United Kingdom.

The company's financial statements are presented in Sterling (£), which is also the group's presentational currency.

The following accounting policies have been applied:

#### 2. Accounting policies

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

The group financial statements consolidate those of the company and its subsidiaries (together referred to as the "group"). The parent company financial statements present information about the company as a separate entity and not about its group.

The consolidated financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs"). The separate parent financial statements of the company are prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 (FRS 101).

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Where required, equivalent disclosures have been given in the consolidated financial statements of Trust Payments Ltd.

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## TRUST PAYMENTS LTD

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

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#### 2. Accounting policies (continued)

The group and separate parent company financial statements have been prepared under the historic cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

#### 2.2 Basis of consolidation

The financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2021.

All undertakings over which the group exercises control, being the power to govern the financial and operating policies so to obtain benefits from their activities, are consolidated as subsidiary undertakings. Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively. Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement.

On consolidation, assets and liabilities of foreign undertakings are translated into sterling at period end exchange rates. The results of foreign undertakings are translated into sterling at average rates of exchange for the period (unless this average is not a reasonable approximation of the cumulative effects of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). Foreign exchange differences arising on the retranslation of foreign undertakings are recognised directly in a separate component of equity, the translation reserve.

#### 2.3 Going concern

Trust Payments Limited ("The Trust group") is under the control of Cordet Lending S.à r.l. ("Cordet"). Cordet, along with a minority shareholder Ture Invest AB ("Ture"), together "the Lenders", have provided finance to the wider group of approximately £97.5m at the balance sheet date. At this date the loans are due for repayment between 31 March 2023 and 30 September 2023.

The Trust group led by the CEO, together with a new management team have re-aligned the product suite in the payments market and embarked on a new growth trajectory. Detailed forecasts and cashflow projections have been prepared to December 2024 substantiating the growth trajectory, and these forecasts show that the group can continue to meet their working capital requirements and settle these liabilities as they fall due during that period. The forecasts do not allow for the repayment of the facilities with the Lenders but the directors are confident that a satisfactory resolution will be achieved through a deleveraging or refinancing event. The investors have demonstrated their continued willingness to support the growth trajectory of the business through loan extensions and additional facilities where they have been required historically.

As the group has determined that sufficient cash flows exist for a period of at least twelve months from the date of signing these accounts the directors continue to adopt the going concern basis in the preparation of the financial statements.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.4 Revenue**

Revenue, which consists principally of commissions priced as a percentage of transaction value and specified fees per transaction generated from processing of electronic payment services transactions, comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

The service is deemed to have been rendered and completed once a transaction has been authorised and processed. The group bills its clients and recognises revenue as soon as this event takes place. Monthly fees are billed prior to month-end. Charges are either netted off from the value of the transactions processed or accumulated and collected following month-end depending on the model chosen by the client. The model is specified on the contract entered with the merchant together with the pricing.

The group provides a secure value-added payment gateway facility. The group recognises revenue when performance obligations have been satisfied and for the group this is once a transaction has been authorised and processed. The group bills its clients at the end of each month for any transactions that have been authorised and processed during that period.

**Contract assets**

Contract assets primarily relate to the group's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional.

**2.5 Foreign currency translation****Functional and presentation currency**

The group's presentational currency is Sterling (£).

**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 the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

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## TRUST PAYMENTS LTD

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

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#### 2. Accounting policies (continued)

##### 2.6 Pensions

###### Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group 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 income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

##### 2.7 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from temporary differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the balance sheet date, except that:

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**Computer software and development expenditure**

Acquired computer software and development expenditure is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Internally developed intangible assets are capitalised when the criteria set by IAS 38 is met. These costs are amortised through administrative expenses on a straight-line basis over their estimated useful lives of three years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

The assets' carrying amounts and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Other licences**

Expenses incurred in relation to acquiring principal membership status with two card schemes are capitalised and shown at historical cost. The assets are amortised through administrative expenses on a straight-line basis over three years, and are carried at cost less accumulated impairment losses.

The assets' carrying amounts and useful lives are renewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Customer relationships**

Customer relationships acquired through business combinations are recorded at fair value at the date of acquisition less amortisation less impairment. Assumptions are used in estimating the fair value of these relationships and include management's estimates of revenue and profits to be generated by them. The assets are amortised through administrative expenses on a straight-line basis over five years.

**Acquired technology**

Technologies acquired through business combinations are recorded at fair value at the date of acquisition less amortisation less impairment. Assumptions are used in estimating the fair value of these relationships and include management's estimates of revenue and profits to be generated by them. The assets are amortised through administrative expenses on a straight-line basis over ten years.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****Goodwill**

Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually or when a change in circumstances or situation indicates that the goodwill has suffered an impairment loss. The need for impairment is tested by comparing the recoverable amount of the cash-generating unit (CGU) to the carrying value. Any impairment is recognised immediately in the income statement. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a business include the amount of goodwill relating to that business.

**2.10 Property, plant and equipment**

Property, plant and equipment 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.

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:

Fixtures and fittings	- 3 years
Office equipment	- 3 years
Computer equipment	- 2-3 years
Right-of-use assets: Leasehold property	- Length of the lease

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 the income statement.

**2.11 Investment properties**

Investment properties are recognised under the cost model and are stated at historic 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.

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 over the length of the lease.



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## TRUST PAYMENTS LTD

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

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#### 2. Accounting policies (continued)

##### 2.12 Investments

Investments and other financial assets, other than investments in group undertakings, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Investments in subsidiary undertakings are held at cost less impairment.

##### 2.13 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- (a) those that the group intends to sell immediately or in the short term, which are classified as held-for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; or
- (b) those for which the holder may not recover substantially all of their initial investment, other than because of credit deterioration.

Loans and receivables mainly consist of loans and advances to companies' funds receivable from card schemes and funds advanced as collateral. They are initially recognised at fair value - which is the cash consideration to originate or purchase the loan including any transaction costs - and measured subsequently at amortised cost using the effective interest rate method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method.

The effective interest method is a method of calculating the cost of a financial asset or a financial liability (and groups of financial assets or financial liabilities) and of allocating the 'Net interest income' over the relevant period.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which use a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.14 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**2.15 Trade and other payables**

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables include settlement processing obligations representing transactions that have been processed but not yet funded together with funds withheld from merchants that serve as collateral to minimise contingent liabilities associated with any losses that may occur under the merchant agreement ("merchant rolling reserve").

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.16 Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**2.17 Provisions**

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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## TRUST PAYMENTS LTD

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

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#### 2. Accounting policies (continued)

##### 2.18 Share based payments

The fair value of shares with specific share appreciation rights is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

The awards granted do not have any performance-based vesting conditions and vest on the sale, asset sale, IPO or winding up of the group ('the exit event').

The equity settled share based payment expense has been recognised over the likely timescale to an exit event.

##### 2.19 Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising in rate, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised in administrative expenses on a straight line basis over the lease term.

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## TRUST PAYMENTS LTD

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

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#### 2. Accounting policies (continued)

##### 2.20 New IFRS Accounting standards and interpretations

###### a) Standards issued and effective beginning on or after 1 January 2021

There are no new standards, interpretations and amendments that are effective for the first time for the financial year beginning 1 January 2021 that had a material impact on the group. The details are below;

###### Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the group. The group intends to use the practical expedients in future periods if they become applicable.

###### Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

###### b) Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective. The details are below;

IFRS 17, Amendments to IAS 1, Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37, Amendments to IFRS 9 and IAS 8.

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

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**3. Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, 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 discussed below.

**Fair value of acquired intangibles**

The group makes an estimate of the fair value of certain intangibles at the acquisition date of subsidiaries. When assessing the value of these assets the directors are required to identify and assign a value that a market participant would be willing to pay to acquire each of the intangibles being purchased. When assessing the fair value of intangibles, management considers factors including the estimated revenues and profits to be generated by the asset based on current and anticipated market conditions that have been considered and approved by the Board. See Note 13 for the net carrying amount of acquired intangibles.

**Impairment testing**

The directors consider the recoverable amount of goodwill allocated to its acquired cash generating units to be sensitive to the achievement of forecasts. Budgets comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board. Whilst the group is able to manage costs, revenue projections are inherently uncertain due to the nature of the group's business and unstable market conditions. Goodwill is allocated across the following cash generating units; Payment Gateway, Acquiring Bank and Commerce Platform. See Note 14 for the net carrying amount of goodwill.

**Fixed asset investments**

Determining whether fixed asset investments are impaired requires an estimate of the fair value, less costs to sell of the investments. The fair value assessment requires the use of the group's current market presence and its projections. See Note 11 for the net carrying amount of the fixed asset investments.

**Impairment of trade receivables**

The group makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 17 for the net carrying amount of the receivables and associated impairment provision.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**3. Critical accounting estimates and judgements (continued)****Incremental borrowing rate**

The group makes an estimate of the incremental borrowing rate which is used to calculate the present value of lease obligations on agreements entered that do not contain an implicit rate of interest. When assessing the incremental borrowing rate management consider current interest rates on group or subsidiary loans and interest rates available in the market place. See Note 24 for the future minimum lease payments and the present value of minimum lease payments. The incremental borrowing rate for additions in the year was 10% (2020: no additions).

**Impairment of amounts due from group undertakings**

The company makes an estimate of the recoverable value of amounts due from group undertakings. The company considers the risk of impairment by assessing the credit worthiness of the counterparty. See Note 17 for the net carrying amount of amounts due from group undertakings.

**Share based payments**

The group has adopted long-term incentive plans whereby share-based awards have been granted to certain employees. The group uses judgement in evaluation the key terms and conditions of share-based awards to determine whether the share-based award should be classified and accounted for as equity or as a liability when the share-based awards are issued. The classification of the award impacts the timing and frequency of the fair market value calculation of the award. The nature of the share-based awards granted were determined to be equity settled. Recognised in the group's consolidated accounts is a share based payment expense of £731,344 (2020: £Nil) in relation to equity-settled share based payments in the parent, Trust Payments Holdings Ltd.

**Asset acquisition**

On 29 April 2021 Trust Payments Ltd acquired 100% of the issued share capital of Core Cloud Group Ltd (trading as Stor), a company offering an all-in-one eCommerce platform that allows merchants to start an online shop to sell their products or services. Core Cloud Group Ltd has been treated as asset acquisition rather than a business combination, under IFRS 3 as it met the requirements of the concentration test as a group of similar identifiable assets.

The total consideration payable in respect of this acquisition is dependent on future net revenue generation. The consideration has been principally allocated to the entity's primary asset; technology, and the directors have estimated the future amount payable having prepared forecasts for the acquired technology. A liability has been recognised for the future estimated consideration.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**4. Administrative expenses**

Administrative expenses includes:

	2021 £	2020 £
Impairment of trade receivables	1,494,973	1,178,603
Depreciation of property, plant and equipment and investment property	1,098,230	450,375
Amortisation of intangible assets	5,955,532	3,084,671
Exchange differences	(986,851)	3,659,741
Defined contribution pension cost	293,795	212,238
Staff costs	16,963,645	11,844,648
Audit fees payable to the parent company auditor for the audit of the company and its associates	125,500	99,000
Non audit fees payable to the parent company auditor	17,500	15,000
Computer costs	1,547,724	1,002,340
Share based payment expense	731,344	-
Other administrative expenses	7,115,662	2,824,200
	<u>34,357,054</u>	<u>24,370,816</u>

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**5. Revenue**

The following is an analysis of the group's revenue for the year from continuing operations:

	2021 £	2020 £
Sale of services	<u>108,654,053</u>	<u>62,689,486</u>

The total revenue of the group has been derived from contracts with customers.

Analysis of revenue by location of business unit:

	2021 £	2020 £
United Kingdom	6,570,656	4,762,640
Rest of Europe	100,801,513	57,435,041
Rest of the world	1,281,884	491,805
	<u>108,654,053</u>	<u>62,689,486</u>

Timing of revenue recognition:

	2021 £	2020 £
Goods and services transferred over time	101,484,441	57,909,379
Goods and services transferred at a point in time	7,169,612	4,780,107
	<u>108,654,053</u>	<u>62,689,486</u>

As per Note 15 the acquired business contributed revenues of £178,494 to the group for the period from 14 December to 31 December 2021.

**6. Other operating income**

	2021 £	2020 £
Net rents receivable	-	112,580
Government grants receivable	274,987	-
Sundry income	-	169,199
	<u>274,987</u>	<u>281,779</u>



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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**7. Employees**

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

	2021 £	2020 £
<b>Employee benefit expenses (including directors) comprise:</b>		
Wages and salaries	15,171,098	10,599,733
National insurance	1,498,752	1,244,915
Defined contribution pension cost	293,795	212,238
	<u>16,963,645</u>	<u>12,056,886</u>

Payroll costs amounting to £1,036,287 (2020: £Nil), not included in the above, have been capitalised in the year as computer software and development expenditure relating to time spent by employees on capital projects.

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, including the directors of the company.

	2021 £	2020 £
Wages and salaries	<u>2,780,359</u>	<u>2,383,916</u>

During 2020, seven members of key management personnel entered the group's long-term incentive scheme (see Note 26). Recognised in the group's consolidated accounts is a share based payment expense of £731,344 (2020: £Nil) in relation to equity-settled share based payments in the parent, Trust Payments Holdings Ltd.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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	<b>31 December 2021 Number</b>	<b>31 December 2020 Number</b>
Operating staff	-	140
Administrative staff	-	44
Management	-	19
Executives	8	5
IT staff	46	-
Sales and administrative staff	258	-
	<b>312</b>	<b>208</b>

Employee categories are not comparable as the categories used by the group have changed due to growth of the business.

**8. Directors remuneration**

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
Wages and salaries	<b>555,000</b>	<b>497,500</b>

The highest paid director received remuneration of £555,000 (2020: £497,500).

During the year no retirement benefits were accruing to directors in respect of defined contribution pension schemes.

During 2020 one director entered the group's long-term incentive scheme (see Note 26).

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**9. Finance income and expense****Recognised in profit or loss**

	2021 £	2020 £
<b>Finance expense</b>		
Bank interest payable	-	62,348
Lease interest payable	186,085	88,001
Foreign exchange (gain)/loss on secured loans	(2,934,688)	1,676,178
Unwinding of discount on non-current liabilities	232,942	-
Loan interest payable	13,183,933	11,239,136
Other finance charges	243,132	471,221
<b>Total finance expense</b>	<u>10,911,404</u>	<u>13,536,884</u>
<b>Net finance expense recognised in profit or loss</b>	<u>(10,911,404)</u>	<u>(13,536,884)</u>

All financial expenses included above were in respect of liabilities not held at fair value through profit or loss.

**TRUST PAYMENTS LTD**

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

**10. Property, plant and equipment**

**Group**

	<b>Fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Right of use assets Leasehold property £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 January 2020	200,852	90,341	1,075,075	1,834,460	3,200,728
Additions	10,853	11,746	232,002	-	254,601
Disposals	-	-	-	(204,484)	(204,484)
Foreign exchange movements	7,426	5,261	11,412	91,440	115,539
<b>At 31 December 2020</b>	<b>219,131</b>	<b>107,348</b>	<b>1,318,489</b>	<b>1,721,416</b>	<b>3,366,384</b>
Additions	635,721	198,224	1,134,148	2,858,158	4,826,251
Acquisition of subsidiary	(180)	11,193	78,036	-	89,049
Foreign exchange movements	(9,348)	(21,451)	(158,566)	(114,732)	(304,097)
<b>At 31 December 2021</b>	<b>845,324</b>	<b>295,314</b>	<b>2,372,107</b>	<b>4,464,842</b>	<b>7,977,587</b>

TRUST PAYMENTS LTD

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

10. Property, plant and equipment (continued)

	Fixtures and fittings £	Office equipment £	Computer equipment £	Right of use assets Leasehold property £	Total £
<b>Accumulated depreciation and impairment</b>					
At 1 January 2020	176,669	81,670	1,030,518	349,042	1,637,899
Charge owned for the year	27,796	11,267	78,951	230,834	348,848
Disposals	-	-	-	(204,484)	(204,484)
Exchange adjustments	7,026	4,764	6,293	11,953	30,036
<b>At 31 December 2020</b>	<b>211,491</b>	<b>97,701</b>	<b>1,115,762</b>	<b>387,345</b>	<b>1,812,299</b>
Charge owned for the year	86,865	21,822	323,714	665,829	1,098,230
Exchange adjustments	(9,066)	(6,760)	(7,365)	(85,464)	(108,655)
<b>At 31 December 2021</b>	<b>289,290</b>	<b>112,763</b>	<b>1,432,111</b>	<b>967,710</b>	<b>2,801,874</b>
<b>Net book value</b>					
At 1 January 2020	24,183	8,671	44,557	1,485,418	1,562,829
At 31 December 2020	7,640	9,647	202,727	1,334,071	1,554,085
At 31 December 2021	556,034	182,551	939,996	3,497,132	5,175,713

The fair value of property, plant and equipment is not materially different from the carrying amount.

TRUST PAYMENTS LTD

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

10. Property, plant and equipment (continued)

Company

	Fixtures and fittings £	Office equipment £	Computer equipment £	Right of use assets Leasehold property £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	23,334	-	-	204,484	227,818
Additions	10,853	-	6,818	-	17,671
Disposals	-	-	-	(204,484)	(204,484)
<b>At 31 December 2020</b>	<b>34,187</b>	<b>-</b>	<b>6,818</b>	<b>-</b>	<b>41,005</b>
Additions	542,358	62,072	185,123	1,747,152	2,536,705
<b>At 31 December 2021</b>	<b>576,545</b>	<b>62,072</b>	<b>191,941</b>	<b>1,747,152</b>	<b>2,577,710</b>
	Fixtures and fittings £	Office equipment £	Computer equipment £	Right of use assets Leasehold property £	Total £
<b>Accumulated depreciation and impairment</b>					
At 1 January 2020	8,166	-	-	105,731	113,897
Charge owned for the year	19,158	-	1,705	98,753	119,616
Disposals	-	-	-	(204,484)	(204,484)
<b>At 31 December 2020</b>	<b>27,324</b>	<b>-</b>	<b>1,705</b>	<b>-</b>	<b>29,029</b>
Charge owned for the year	77,028	7,398	22,634	87,358	194,418
<b>At 31 December 2021</b>	<b>104,352</b>	<b>7,398</b>	<b>24,339</b>	<b>87,358</b>	<b>223,447</b>
<b>Net book value</b>					
At 1 January 2020	15,168	-	-	98,753	113,921
At 31 December 2020	6,863	-	5,113	-	11,976
At 31 December 2021	472,193	54,674	167,602	1,659,794	2,354,263

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## TRUST PAYMENTS LTD

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

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#### 11. Subsidiaries

Details of the group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Registered office
Trust Payments (Malta) Limited	Acquiring bank	Level 2, Ewropa Business Centre, Birkirkara, BKR 9034, Malta
Trust Payments (UK) Limited	Payment gateway	1 Royal Exchange, London, EC3V 3DG, England
Trust Payments Malta Holdings Limited	Holding company	Level 2, Ewropa Business Centre, Birkirkara, BKR 9034, Malta
Trust Payments Operations Malta Limited	Holding company	Level 2, Ewropa Business Centre, Birkirkara, BKR 9034, Malta
SecureTrading Group Inc.	Holding company	695 Mansell Rd; Suite 200 Roswell, GA 30076, United States of America
SecureTrading Inc.	Payment gateway	695 Mansell Rd; Suite 200 Roswell, GA 30076, United States of America
	Dormant	
TrustUK Payments Limited		1 Royal Exchange, London, EC3V 3DG, England
Mobilize Systems Limited	Loyalty card provider	1 Royal Exchange, London, EC3V 3DG, England
Trust Payments (IRE) Merchant Services DAC	Dormant	One Spencer Dock, North Wall Quay, Dublin, Ireland D01 X9R7
Core Cloud Group Ltd	E-commerce platform	1 Royal Exchange, London, EC3V 3DG, England
WL Solutions Limited	E-commerce platform	1 Royal Exchange, London, EC3V 3DG, England
Sure Can Pay Limited	E-commerce platform	1 Royal Exchange, London, EC3V 3DG, England
Global Automate Technologies (PVT) Ltd	E-commerce platform	No.290 Dr Wijewardana Mawatha, Colombo 10, Colombo 01000

The group owns 100% of the issued share capital and voting rights of the above subsidiaries.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Company**

	31 December 2021 £	31 December 2020 £
As at the beginning of the year	64,942,992	64,871,491
Additions	23,100,881	71,501
<b>As at the end of the year</b>	<b>88,043,873</b>	<b>64,942,992</b>

During the year the company acquired a 100% share of Core Cloud Group Ltd (trading as Stor), WL Solutions Limited (trading as Wonderlane) and Sure Can Pay Limited whose registered offices are listed above.

**12. Investment property****Group**

	31 December 2021 £	31 December 2020 £
Opening balance	616,823	681,076
Transferred to right of use assets	(616,823)	-
Fair value loss recognised in profit and loss	-	(101,527)
Foreign exchange rate movements	-	37,274
	<b>-</b>	<b>616,823</b>

Right of use investment properties related to sub-leased parts of one of the group's offices and neighbouring parking spaces. As the group did not own the right of use investment properties and rents these through an operating lease a fair value cannot be reliably measured. During the year this was recategorised to right of use assets due to the group ceasing sub-let agreements in the year.

During the period rental income from investment properties was £Nil (2020: £112,580).



**TRUST PAYMENTS LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**13. Intangible assets**

**Group**

	Other licenses £	Other intangibles £	Technology £	Customer relationships £	Computer software and development expenditure £	Total £
<b>Cost</b>						
At 1 January 2020	1,845,220	-	8,598,000	4,318,000	2,129,673	16,890,893
Additions	1,885	291,942	-	-	6,131,749	6,425,576
Transfer	(914,379)	-	-	-	914,379	-
Foreign exchange movement	30,664	39,021	-	-	82,289	151,974
<b>At 31 December 2020</b>	<b>963,390</b>	<b>330,963</b>	<b>8,598,000</b>	<b>4,318,000</b>	<b>9,258,090</b>	<b>23,468,443</b>
Additions	11,628	633,154	-	-	13,172,218	13,817,000
On acquisition of subsidiaries	-	404,000	6,988,753	5,661,000	-	13,053,753
Foreign exchange movement	(63,386)	(29,726)	-	-	(155,981)	(249,093)
<b>At 31 December 2021</b>	<b>911,632</b>	<b>1,338,391</b>	<b>15,586,753</b>	<b>9,979,000</b>	<b>22,274,327</b>	<b>50,090,103</b>

TRUST PAYMENTS LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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13. Intangible assets (continued)

	Other licenses £	Other intangibles £	Technology £	Customer relationships £	Computer software and development expenditure £	Total £
<b>Accumulated amortisation and impairment</b>						
At 1 January 2020	1,439,563	-	555,287	575,733	1,058,875	3,629,458
Charge for the year	23,877	62,994	859,800	863,600	1,274,400	3,084,671
Transfer	(559,960)	-	-	-	559,960	-
Foreign exchange movement	48,864	3,286	-	-	80,901	133,051
<b>At 31 December 2020</b>	<b>952,344</b>	<b>66,280</b>	<b>1,415,087</b>	<b>1,439,333</b>	<b>2,974,136</b>	<b>6,847,180</b>
Charge for the year	11,417	168,670	892,458	910,775	3,986,913	5,970,233
Foreign exchange movement	(62,657)	(5,976)	-	-	(399,219)	(467,852)
<b>At 31 December 2021</b>	<b>901,104</b>	<b>228,974</b>	<b>2,307,545</b>	<b>2,350,108</b>	<b>6,561,830</b>	<b>12,349,561</b>
<b>Net book value</b>						
At 1 January 2020	405,657	-	8,042,713	3,742,267	1,070,798	13,261,435
At 31 December 2020	11,046	264,683	7,182,913	2,878,667	6,283,954	16,621,263
At 31 December 2021	10,528	1,109,417	13,279,208	7,628,892	15,712,497	37,740,542

Technology, customer relationships and other assets acquired in the year of £8,852,000 are based on a third party assessment of the fair value of acquired intangibles represents at the acquisition date. The remaining £4,201,753 of technology arises from a business combination classed as an asset acquisition.

Included in computer software and development expenditure additions is £13,172,218 (2020: £4,642,924) of development expenditure in relation to contractor time spend, software licenses purchased in order to develop new and existing computer software, and internally generated development costs representing salary costs of developers.

At 31 December 2021 the group had capital commitments of £1,526,199 (2020: £2,355,898) in relation to software licenses and development work.

TRUST PAYMENTS LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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13. Intangible assets (continued)

Company

	Other intangibles £	Computer software and development expenditure £	Total £
<b>Cost</b>			
At 1 January 2020	20,867	371,079	391,946
Additions	19,307	3,220,055	3,239,362
<b>At 31 December 2020</b>	<b>40,174</b>	<b>3,591,134</b>	<b>3,631,308</b>
Additions	-	6,364,934	6,364,934
<b>At 31 December 2021</b>	<b>40,174</b>	<b>9,956,068</b>	<b>9,996,242</b>
	Other intangibles £	Computer software and development expenditure £	Total £
<b>Accumulated amortisation and impairment</b>			
At 1 January 2020	1,159	47,529	48,688
Charge for the year	6,956	352,126	359,082
<b>At 31 December 2020</b>	<b>8,115</b>	<b>399,655</b>	<b>407,770</b>
Charge for the year	13,391	2,081,645	2,095,036
<b>At 31 December 2021</b>	<b>21,506</b>	<b>2,481,300</b>	<b>2,502,806</b>
<b>Net book value</b>			
At 1 January 2020	19,708	323,550	343,258
At 31 December 2020	32,059	3,191,479	3,223,538
At 31 December 2021	18,668	7,474,768	7,493,436

Included in computer software and development expenditure additions is £6,364,934 (2020: £2,588,206) of development expenditure in relation to contractor time spend, software licenses purchased in order to develop new and existing computer software, and internally generated development costs representing salary costs of developers.

At 31 December 2021 the company had capital commitments of £1,526,199 (2020: £2,355,898) in relation to software licenses and development work.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**14. Goodwill****Group**

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
Cost	<b>56,036,471</b>	47,102,871
	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
Cost		
At 1 January	<b>47,102,871</b>	47,102,871
Additions	<b>8,933,600</b>	-
At 31 December	<b>56,036,471</b>	47,102,871

**14.1 Allocation of goodwill to cash generating units**

Goodwill is allocated to the group's cash generating units as follows:

	<b>2021 £</b>	<b>2020 £</b>
Payment Gateway	<b>4,311,289</b>	4,311,289
Acquiring bank	<b>42,791,582</b>	42,791,582
Commerce platform	<b>8,933,600</b>	-
	<b>56,036,471</b>	47,102,871

**Acquiring bank and payment gateway**

The goodwill recognised represents the expected future opportunities and staff expertise in the marketplace that the group operates.

The goodwill arising on the purchase of the two CGU and are considered to have an indefinite useful life and are reviewed for impairment at least annually or when a change in circumstances or situation indicates that the goodwill has suffered an impairment loss.

The recoverable amounts of the cash generating units have been projected using value-in-use calculations. Cash flows have been forecast a divisional CGU basis using detailed budgets produced at cash generating unit level, based on past experience and known and expected future business levels. The unit forecasts revenue based upon an assessment of industry growth, current trading conditions, group strategy and specific unit circumstances. Costs have been forecast at expected running levels including all major operating costs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**14. Goodwill (continued)**

**14.1 Allocation of goodwill to cash generating units (continued)**

A terminal growth rate of 2% has been applied beyond a two-year projected period with the value-in-use calculation based on an extrapolation of the budgeted cash flows for future years. The post-tax discount rate applied in discounting projected cash flows to net present value is 15.8%.

The review process resulted in no impairment charge of goodwill for the current year.

**Commerce platform**

The goodwill recognised represents the expected future opportunities and staff expertise in the marketplace that the group operates.

The goodwill arising on the purchase of the CGU is considered to have an indefinite useful life and is reviewed for impairment at least annually or when a change in circumstances or situation indicates that the goodwill has suffered an impairment loss.

Given the proximity of the acquisition to the year end, and no significant changes to conditions during the due diligence process, the directors have concluded that there is no impairment charge of goodwill for the current year.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**15. Business combinations during the year****15.1 Subsidiaries acquired**

On 29 April 2021 Trust Payments Ltd acquired 100% of the issued share capital of Core Cloud Group Ltd (trading as Stor), a company offering an all-in-one eCommerce platform that allows merchants to start an online shop to sell their products or services. Core Cloud Group Ltd has been treated as asset acquisition rather than a business combination, under IFRS 3 as it met the requirements of the concentration test as a group of similar identifiable assets.

The maximum consideration payable for the principle acquired asset is £5,000,000 representing technology. The amount payable is based upon the revenue generation of the newly acquired technology and the due date for the first payment instalment is 29 July 2022 and the second payment instalment is 29 July 2023. The discounted value of the estimated purchase consideration is £4,150,723 of which £4,201,753 has been included in acquired intangible assets on acquisition of subsidiaries (note 13).

On 14 December 2021 Trust Payments Ltd acquired 100% of the issued share capital of WL Solutions Limited (trading as Wonderlane), a company specialising in the design, build and delivery of commerce platforms for next generation shopping journeys.

Name	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %	Consideration transferred £
WL Solutions Limited	Commerce platform	14/12/21	100	17,977,812
				<u>17,977,812</u>

**15.2 Consideration transferred**

	WL Solutions Limited £
Cash paid	14,977,812
Ordinary shares issued	3,000,000
	<u>17,977,812</u>

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**15. Business combinations during the year (continued)****15.3 Assets acquired and liabilities recognised at the date of acquisition**

	<b>WL Solutions Limited £</b>	<b>Fair value adjustments £</b>	<b>Total £</b>
<b>Non-current assets</b>			
Property, plant and equipment	89,048	-	89,048
Intangible assets	-	8,852,000	8,852,000
<b>Current assets</b>			
Cash and cash equivalents	1,992,651	-	1,992,651
Trade and other receivables	642,405	-	642,405
Inventories	74,249	-	74,249
<b>Non-current liabilities</b>			
Deferred tax liabilities	-	(2,121,000)	(2,121,000)
<b>Current liabilities</b>			
Trade and other liabilities	(485,141)	-	(485,141)
	<u>2,313,212</u>	<u>6,731,000</u>	<u>9,044,212</u>

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**15. Business combinations during the year (continued)****15.4 Goodwill arising on acquisition**

	<b>WL Solutions Limited £</b>	<b>Total £</b>
Consideration transferred	17,977,812	17,977,812
Fair value of net assets acquired	(9,044,212)	(9,044,212)
<b>Goodwill arising on acquisition</b>	<b>8,933,600</b>	<b>8,933,600</b>

**15.5 Net cash outflow on acquisition**

	<b>2021 £</b>
Consideration paid in cash	(14,977,812)
Cash and cash equivalent balances acquired	1,992,651
	<b>(12,985,161)</b>

**15.6 Impact of acquisition on the results of the group**

The acquired business contributed revenues of £178,494 and net profit of £119,690 to the group for the period from 14 December to 31 December 2021.



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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**16. Tax expense****16.1 Income tax recognised in profit or loss**

	2021 £	2020 £
<b>Current tax</b>		
Current tax on profits for the year	(653,801)	3,425,552
<b>Total current tax</b>	<u>(653,801)</u>	<u>3,425,552</u>
<b>Deferred tax expense</b>		
Origination and reversal of timing differences	2,107,061	(1,647,657)
<b>Total deferred tax</b>	<u>2,107,061</u>	<u>(1,647,657)</u>
	<u>1,453,260</u>	<u>1,777,895</u>
<b>Total tax expense</b>		
Total tax expense	<u>1,453,260</u>	<u>1,777,895</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2021 £	2020 £
Loss for the year	3,541,409	13,157,741
Income tax expense	(1,453,260)	(1,777,895)
<b>Loss before income taxes</b>	<u>2,088,149</u>	<u>11,379,846</u>
Tax using the company's domestic tax rate of 19% (2020:19%)	(396,748)	(2,162,171)
Expenses not deductible for tax purposes	1,590,966	1,913,573
Difference in tax rates	(2,378,391)	855,168
Unrelieved tax losses carried forward	3,227,372	910,282
Change in deferred taxation due to change in rates	(588,562)	235,700
Other differences	(12,188)	25,343
Withholding tax	251,418	-
Utilisation of tax losses	(240,607)	-
<b>Total tax expense</b>	<u>1,453,260</u>	<u>1,777,895</u>

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**16. Tax expense (continued)****16.1 Income tax recognised in profit or loss (continued)****Changes in tax rates and factors affecting the future tax charges**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**16.2 Current tax assets and liabilities**

	2021 £	2020 £
<b>Current tax assets</b>		
Corporation tax repayable	158,215	-
<b>Current tax liabilities</b>		
Corporation tax payable	1,390,932	4,854,662

**16.3 Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2021 £	2020 £
Deferred tax assets	124,383	2,122,913
Deferred tax liabilities	(4,282,150)	(1,976,530)
	(4,157,767)	146,383

TRUST PAYMENTS LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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16. Tax expense (continued)

16.3 Deferred tax balances (continued)

	Opening balance £	Recognised in profit or loss £	Recognised in other comprehensive income £	Acquisitions/ disposals £	Closing balance £
<b>2021</b>					
<b>Deferred tax</b>					
<b>liabilities/(assets) in</b>					
<b>relation to:</b>					
Fixed asset temporary differences	(12,582)	12,210	517	-	145
Intangible assets	1,911,700	249,305	-	2,121,000	4,282,005
Other temporary differences	(2,045,501)	1,845,546	75,572	-	(124,383)
	<u>(146,383)</u>	<u>2,107,061</u>	<u>76,089</u>	<u>2,121,000</u>	<u>4,157,767</u>

	Opening balance £	Recognised in profit or loss £	Recognised in other comprehensive income £	Closing balance £
<b>2020</b>				
<b>Deferred tax liabilities/(assets) in relation</b>				
<b>to:</b>				
Fixed asset temporary differences	(59,123)	47,215	(674)	(12,582)
Intangible assets	2,003,446	(91,746)	-	1,911,700
Other temporary differences	(397,625)	(1,603,126)	(44,750)	(2,045,501)
	<u>1,546,698</u>	<u>(1,647,657)</u>	<u>(45,424)</u>	<u>(146,383)</u>

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**17. Trade and other receivables****Group**

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
Receivables from contracts with customers	<b>32,999,061</b>	25,433,808
Provision for bad debts - contracts with customers	<b>(3,334,868)</b>	(3,672,721)
<b>Receivables from contracts with customers - net</b>	<b>29,664,193</b>	21,761,087
Receivables from related parties	<b>867,528</b>	-
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<b>30,531,721</b>	21,761,087
Prepayments and accrued income	<b>3,735,153</b>	1,651,631
Other receivables	<b>1,343,197</b>	954,472
<b>Total trade and other receivables</b>	<b>35,610,071</b>	24,367,190
Less: current portion - trade receivables	<b>(29,664,193)</b>	(21,761,087)
Less: current portion - prepayments and accrued income	<b>(3,735,153)</b>	(1,651,631)
Less: current portion - other receivables	<b>(1,343,197)</b>	(954,472)
Less: current portion - receivables from related parties	<b>(867,528)</b>	-
<b>Total current portion</b>	<b>(35,610,071)</b>	(24,367,190)
<b>Total non-current portion</b>	<b>-</b>	-

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**17. Trade and other receivables (continued)**

Receivables from contracts with customers are stated after provisions for impairment of £3,334,868 (2020: £3,672,721), relating to receivables arising from contracts with customers.

The Expected Credit Loss provision of £3,334,868 (2020: £3,672,721) based on the profile of merchant balances in debit.

Group policy is to provide 100% against merchant balances in debit over 90 days old which represents the majority of the Expected Credit Loss provision.

Included in prepayments and accrued income are contract assets of £1,745,038 (2020: £454,763). No impairment loss has been recognised in the period on any contract assets arising from the group's contracts with customers.

**Ageing of unimpaired receivables**

	31 December 2021 £	31 December 2020 £
Up to 3 months	28,106,232	20,929,322
3 to 6 months	878,438	530,216
6 to 12 months	679,523	301,549
	<u>29,664,193</u>	<u>21,761,087</u>

Movements in the impairment allowance for receivables from contracts with customers are as follows:

	31 December 2021 £	31 December 2020 £
At 1 January	3,672,721	2,989,645
Charge for the year	1,494,973	1,178,603
Utilised in the year	(1,655,566)	-
Foreign exchange movement	(177,260)	(495,527)
	<u>3,334,868</u>	<u>3,672,721</u>

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**17. Trade and other receivables (continued)****Company**

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
Receivables from related parties	9,985,212	4,440,624
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<b>9,985,212</b>	<b>4,440,624</b>
Prepayments and accrued income	1,136,818	695,985
Other receivables	740,955	591,694
<b>Total trade and other receivables</b>	<b>11,862,985</b>	<b>5,728,303</b>
<b>Total current portion</b>	<b>(11,862,985)</b>	<b>(5,728,303)</b>

The company does not hold any collateral as security.

**18. Notes supporting statement of cash flows**

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
Cash at bank available on demand	73,450,522	36,439,700
<b>Cash and cash equivalents in the statement of financial position</b>	<b>73,450,522</b>	<b>36,439,700</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>73,450,522</b>	<b>36,439,700</b>

Significant non-cash transactions are as follows:

Commitment to issue variable number of ordinary shares as consideration for acquisition of WL solutions: £3,000,000 (Note 15).

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**19. Related party transactions**

Transactions with related parties are as follows:

Relationship	Transaction	Amount		Amount due to/(from) related parties	
		2021 £	2020 £	2021 £	2020 £
CORDET Lending S.à r.l.	Loan (gross of transaction fees)	13,013,509	-	78,312,237	54,790,309
(Shareholder)	Interest	10,585,055	8,342,040	-	-
Ture Invest AB	Loan (gross of transaction fees)	-	-	19,227,479	19,028,054
(Shareholder)	Interest	2,598,878	2,897,096	-	-
Trust Payments Holdings Limited	Intercompany balance	-	-	1,196,189	676,705

Amounts owed to CORDET Lending S.à r.l. and Ture Invest AB are secured by fixed and floating charges over the groups assets and charge interest between 14-20%.

Amounts owed to Trust Payments Holdings Limited are unsecured, interest free and repayable on demand.

**Company**

During the year the company charged management fees to subsidiaries of £10,953,586 (2020: £6,400,174).

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**20. Trade and other payables****Group**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade payables	9,110,143	5,341,425
Payables to related parties	2,063,816	676,705
Other payables	110,279,537	66,123,011
Accruals	11,191,505	3,215,439
<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<b>132,645,001</b>	<b>75,356,580</b>
Other payables - tax and social security payments	1,982,763	5,122,976
<b>Total trade and other payables</b>	<b>134,627,764</b>	<b>80,479,556</b>
Less: current portion - trade payables	(9,110,143)	(5,341,425)
Less: current portion - payables to related parties	(2,063,816)	(676,705)
Less: current portion - other payables	(112,262,300)	(71,245,987)
Less: current portion - accruals	(7,407,739)	(3,215,439)
<b>Total current portion</b>	<b>(130,843,998)</b>	<b>(80,479,556)</b>
<b>Total non-current position</b>	<b>3,783,766</b>	<b>-</b>



TRUST PAYMENTS LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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20. Trade and other payables (continued)

Company

	31 December 2021 £	31 December 2020 £
Trade payables	2,762,099	907,343
Payables to related parties	30,770,094	17,113,287
Other payables	245,244	254,564
Accruals	11,084,670	1,417,663
<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<b>44,862,107</b>	<b>19,692,857</b>
Other payables - tax and social security payments	221,242	131,888
<b>Total trade and other payables</b>	<b>45,083,349</b>	<b>19,824,745</b>
Less: current portion - trade payables	(2,762,099)	(907,343)
Less: current portion - payables to related parties	(30,770,094)	(17,113,287)
Less: current portion - other payables	(466,486)	(386,452)
Less: current portion - accruals	(7,300,904)	(1,417,663)
<b>Total current portion</b>	<b>(41,299,583)</b>	<b>(19,824,745)</b>
<b>Total non-current position</b>	<b>3,783,766</b>	<b>-</b>

Amounts payable to group undertakings are unsecured, interest free and repayable on demand.

Included in non-current accruals is £3,783,766 of deferred consideration due within 1-2 years.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**21. Loans and borrowings****Group**

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
<b>Non-current</b>		
Loans	<b>97,539,716</b>	73,818,363
Lease liabilities	<b>3,395,092</b>	1,666,269
	<b>100,934,808</b>	75,484,632
<b>Current</b>		
Lease liabilities	<b>350,332</b>	298,272
	<b>350,332</b>	298,272
<b>Total loans and borrowings</b>	<b>101,285,140</b>	75,782,904

Loans are secured by fixed and floating charges over the assets and intellectual property of the group.

The loans bear interest at 14-20% and are repayable within 1 to 2 years.

Included in non-current loans are loans of £97,768,655 (2020: £74,048,202) stated net of £228,939 (2020: £229,839) of transaction fees which are being amortised over the loan period.

At 31 December 2021 the group has an unused amount on its secured loan facility of £Nil (2020: £Nil).

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

The currency profile of the group's loans and borrowings is as follows:

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
GBP	<b>46,359,323</b>	38,351,653
EUR	<b>54,925,817</b>	37,431,251
	<b>101,285,140</b>	75,782,904

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**21. Loans and borrowings (continued)****Company**

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
<b>Non-current</b>		
Loans	<b>97,539,716</b>	73,818,363
Lease liabilities	<b>1,838,801</b>	-
	<b>99,378,517</b>	73,818,363
<b>Current</b>		
<b>Total loans and borrowings</b>	<b>99,378,517</b>	73,818,363

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

Loans are secured by fixed and floating charges over the assets and intellectual property of the group.

The loans bear interest at 14-20% and are repayable within 1 to 2 years.

Included in non-current loans are loans of £97,768,655 (2020: £74,048,202) stated net of £228,939 (2020: £229,839) of transaction fees which are being amortised over the loan period.

At 31 December 2021 the group has an unused amount on its secured loan facility of £Nil (2020: £Nil).

The currency profile of the company's loans and borrowings is as follows:

	<b>31 December 2021 £</b>	<b>31 December 2020 £</b>
GBP	<b>45,886,352</b>	38,185,474
EUR	<b>53,492,165</b>	35,632,889
	<b>99,378,517</b>	73,818,363

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**22. Share capital****Authorised**

	31 December 2021 Number	31 December 2021 £	31 December 2020 Number	31 December 2020 £
<b>Shares treated as equity</b>				
Allotted, called up and fully paid shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Issued and fully paid**

	31 December 2021 Number	31 December 2021 £	31 December 2020 Number	31 December 2020 £
<b>Allotted, called up and fully paid shares of £1 each</b>				
At 1 January and 31 December	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**23. Reserves****Foreign exchange reserve**

The foreign exchange reserve represents cumulative translation differences arising on translation of the net investment in subsidiary undertakings in the current and prior periods.

**Retained earnings**

Retained earnings represents accumulated comprehensive income for the period.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**24. Leases****Group**

Future minimum lease payments are due as follows:

	Minimum lease payments £	Interest £	Total £
<b>December 2021</b>			
Not later than one year	597,673	(247,341)	350,332
Between one year and five years	2,910,935	(906,772)	2,004,163
Later than five years	1,738,645	(347,716)	1,390,929
	<u>5,247,253</u>	<u>(1,501,829)</u>	<u>3,745,424</u>
<b>December 2020</b>			
Not later than one year	309,824	(11,552)	298,272
Between one year and five years	1,920,854	(254,585)	1,666,269
	<u>2,230,678</u>	<u>(266,137)</u>	<u>1,964,541</u>

**Company****Leases**

Future minimum lease payments are due as follows:

	Minimum lease payments £	Interest £	Total £
<b>December 2021</b>			
Not later than one year	152,208	(185,105)	(32,897)
Between one year and five years	1,289,012	(633,502)	655,510
Later than five years	1,498,298	(315,005)	1,183,292
	<u>2,939,518</u>	<u>(1,133,612)</u>	<u>1,805,905</u>
<b>December 2020</b>			
Not later than one year	-	-	-

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**25. Financial risk management****Financial risk factors**

The group's activities potentially expose it to a variety of financial risks including credit risk, market risk, specifically foreign exchange risk, and liquidity risk. Accordingly, the directors provide principles for overall risk management as well as policies covering specific areas. In order to manage these risks, the group did not make use of derivative financial instruments to hedge certain risk exposures during the periods.

*(a) Credit risk*

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and rises principally from the group's receivables from customers, receivables from intra group balances and negative balances. The carrying amounts of financial assets represent the maximum credit exposure.

The group's exposures to credit risk as at the end of the reporting period based on carrying amounts as reported in the statement of financial position for on-balance sheet financial assets are analysed as follows:

	31 December 2021 £	31 December 2020 £
Trade and other receivables (Note 17)	29,664,193	21,761,087
Cash and cash equivalents (Note 18)	73,450,522	36,439,700
	<u>103,114,715</u>	<u>58,200,787</u>

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**25. Financial risk management (continued)**

Group trade and other receivables from third party financial institutions consists of £2.3m (2020: £1.4m) of deposits held with reputable financial institutions of high quality rating, as a financial safeguard in relation to Visa and Mastercard ('the card schemes') together with an amount of £21m (2020: £17m) representing funds receivable from card schemes relating to transactions processed in the last few processing days of the period. The group considers the funds advanced as collaterals to have low risk based on the external credit ratings of the counterparties which does not attract any material expected credit losses ("ECL"). The remainder of the balances relate to amounts due from parties who are not financial institutions where the group internally assess the credit risk through credit checks and customer payment history.

Whilst the group notionally has concentration risk in respect of having receivables from two card schemes, these card schemes are underpinned by financial stability/creditworthiness within the wider financial markets. Card schemes interpose themselves between issuing and acquiring banks to ensure the performance of transactions being processed by using several layers of financial safeguards to cover losses resulting from the default of one or more member. Accordingly, the credit risk emanating from the group's exposures to card schemes are deemed by the directors to be insignificant.

The group is also exposed to credit risk to the extent that the card schemes of which it is a member may charge-back credit card purchases. In order to manage its credit card exposures arising from its payment processing operations, the group compiles and updates due diligence reports in respect of its merchants and establishes appropriate transaction volumes and value limits. The group monitors its merchants' adherence to limits in relation to charge-backs on a daily basis to prevent any collection losses that are inherent in the group's payment processes.

It is the group's policy to provide for a 100% ECL for negative merchant balances accumulated over periods exceeding 90 days, including merchants with a negative balance that never transacted. The group also consider the credit worthiness for merchant balances not exceeding 90 days but for which significant increase in credit risk is observed.

Credit concentration risk also exists with respect to the group's cash equivalents, which are held with a reputable financial institution of high quality standing which are A rated. ECL on cash and cash equivalents is insignificant due to the low risk based on the external credit rating of the counterparties.

**(b) Market risk**

**Foreign exchange risk**

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency. The group takes on exposures to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Foreign exchange risk is the risk to earnings and value caused by a change in foreign exchange rates. To reduce its currency exposure, the group generally matches its assets and liability positions represented by the amounts due from card schemes and funds attributable to merchants with the relative amounts due to the merchants. The remaining open foreign exchange exposures mainly consist of part of the funds advanced as collateral to card schemes, bank balances and part of the amounts receivable from group undertakings denominated in foreign currency.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**25. Financial risk management (continued)**

As at the financial reporting date, the group was mainly exposed to foreign currency risk on amounts due on shareholder loans.

A breakdown of the groups exposure to foreign currency is as follows:

	31 December 2021		31 December 2020	
	Asset	Liability	Asset	Liability
	£	£	£	£
USD	20,546,631	(8,919,339)	6,995,600	(34,247,269)
EUR	116,059,556	(170,401,745)	34,161,239	(55,260,315)
AUD	3,649,371	(31,267)	359,226	(1,687,738)
CAD	1,478,717	(51,092)	229,095	(3,071,564)
CHF	1,121,947	(59,287)	2,483,181	(4,248,695)
CZK	158,499	-	-	-
DKK	736,214	(346,059)	51,912	(213,721)
HKD	156,016	(20,862)	14,592	(95,170)
HUF	48,857	(0)	-	-
JPY	4,503,584	(2,643,702)	28,156	(231,795)
NOK	2,507,152	(1,823,306)	92,134	(633,768)
NZD	847,424	(23,262)	62,005	(381,076)
PLN	671,332	(168,078)	110,623	(357,313)
SEK	719,940	(249,898)	122,810	(372,306)
ZAR	44,301	(15,279)	1,691	(62,447)
	<b>153,249,540</b>	<b>(184,753,177)</b>	<b>44,712,265</b>	<b>(100,863,177)</b>

The group has net liabilities denominated in foreign currencies of £31,503,637 as at 31 December 2021 (31 December 2020: £56,150,912). Based on this exposure had sterling weakened by 10% against these foreign currencies with all other variables held constant the group's comprehensive income for the period would have been £3,150,364 lower (31 December 2020: £5,615,091 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months and the spot rate at the reporting date.

(c) Interest rate risk

The majority of the group loans bear interest at a fixed rate mitigating the group's exposure to interest rate risk.



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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**26. Share based payments**

The parent company, Trust Payments Holdings Limited, has established a long term incentive plan whereby equity settled share-based awards were granted to certain employees, including key management of the company. Awards granted do not have any performance-based vesting conditions and vest on the sale, asset sale, IPO or winding up of the group ('the exit event'). At 31 December 2021 a number of employees of the company held Ordinary B shares in the parent company in respect of this scheme. Employees enter the scheme at market value at the date of the award and exit based on the enterprise value at an exit event using a defined ratchet on proceeds above defined thresholds.

The long term incentive plan is considered as an equity settled share-based award of the parent company with an appropriate recognition of the share based payment charge in the company, and hence is measured at fair value at the end of each reporting period.

At 31 December 2021 the share based payment expense of £731,344 (2020: £Nil) representing the fair value of the incentive plan has been recognised in administrative expenses.

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**TRUST PAYMENTS LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**27. Financial instruments - fair values and risk management**

**27.1 Liquidity risk management**

**Liquidity and interest risk tables**

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the group may be required to pay.

	Carrying amount £	Total £	1 - 3 months £	3 - 12 months £	1 - 2 years £	2 - 5 years £	More than 5 years £
<b>31 December 2021</b>							
Secured bank loans	97,539,716	128,108,693	-	-	128,108,693	-	-
Finance lease liabilities	3,745,424	5,218,308	96,480	472,248	756,293	2,154,642	1,738,645
Trade payables	9,110,143	9,110,143	9,110,143	-	-	-	-
Other payables	110,256,615	110,256,615	110,256,615	-	-	-	-
	<u>220,651,898</u>	<u>252,693,759</u>	<u>119,463,238</u>	<u>472,248</u>	<u>128,864,986</u>	<u>2,154,642</u>	<u>1,738,645</u>

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**TRUST PAYMENTS LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**27. Financial instruments - fair values and risk management (continued)**

**27.1 Liquidity risk management (continued)**

	Carrying amount £	Total	1 - 3 months £	3 - 12 months £	1 - 2 years £	2 - 5 years £	More than 5 years £
<b>31 December 2020</b>							
Secured bank loans	73,818,363	99,975,869	-	-	99,975,869	-	-
Finance lease liabilities	1,964,541	2,140,839	-	219,985	370,650	1,550,204	-
Trade payables	5,341,425	5,341,425	5,341,425	-	-	-	-
Other payables	66,025,023	66,025,023	66,025,023	-	-	-	-
	<u>147,149,352</u>	<u>173,483,156</u>	<u>71,366,448</u>	<u>219,985</u>	<u>100,346,519</u>	<u>1,550,204</u>	<u>-</u>

## TRUST PAYMENTS LTD

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

#### 27. Financial instruments - fair values and risk management (continued)

##### 27.2 Fair value measurements

This note provides information about how the group determines fair values of various financial assets and liabilities.

##### Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Some of the group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value at year end		Fair value hierarchy	Valuation technique(s) and key input(s)
	2021	2020		
Money market funds	7,906,099	8,203,811	Level 2	Quoted prices in active markets are identified for similar assets
Unlisted shares	1,309,304	1,306,050	Level 3	Fair value as at the financial reporting date, referenced has been made to similar listed instruments after applying a 15% discount to unmarketability

##### Reconciliation of fair value measurements

	Money market funds £	Unlisted shares £	Total £
<b>31 December 2021</b>			
Opening balance	8,203,812	1,306,049	9,509,861
<b>Total gains or losses:</b>			
- in profit or loss	(28,812)	91,082	62,270
- foreign exchange movement	(268,899)	(87,829)	(356,728)
<b>Closing balance</b>	<b>7,906,101</b>	<b>1,309,302</b>	<b>9,215,403</b>

The level 3 assets are subject to the unobservable input of the discount due to unmarketability. A 5% change would increase/decrease the fair value by £65,465 (2020: £65,303).

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**27. Financial instruments - fair values and risk management (continued)****27.2 Fair value measurements (continued)**

	<b>Money market funds £</b>	<b>Unlisted shares £</b>	<b>Total £</b>
<b>31 December 2020</b>			
Opening balance	5,257,294	1,177,250	6,434,544
<b>Total gains or losses</b>			
- in profit or loss	69,860	61,390	131,250
- foreign exchange movement	309,495	67,409	376,904
Purchases	2,567,163	-	2,567,163
<b>Closing balance</b>	<u>8,203,812</u>	<u>1,306,049</u>	<u>9,509,861</u>

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**27.3 Changes in liabilities arising from financing  
activities - current period**

	<b>Loans</b>	<b>Lease liability</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 January 2021	73,818,363	1,964,541	75,782,904
Proceeds of borrowing	13,218,940	2,297,558	15,516,498
Repayments made	-	(357,393)	(357,393)
Loan arrangement fees	243,132	-	243,132
Interest payable	13,183,933	186,085	13,370,018
Foreign exchange	<u>(2,924,652)</u>	<u>(345,367)</u>	<u>(3,270,019)</u>
As at 31 December 2021	<u>97,539,716</u>	<u>3,745,424</u>	<u>101,285,140</u>

**Changes in liabilities arising from financing activities - prior year**

	<b>Loans</b>	<b>Lease Liability</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	57,368,206	2,245,846	59,614,052
Proceeds of borrowing	3,073,042	-	3,073,042
Repayments made	-	(483,393)	(483,393)
Loan arrangement fees	463,969	-	463,969
Interest payable	11,239,136	88,001	11,327,137
Foreign exchange	<u>1,674,010</u>	<u>114,087</u>	<u>1,788,097</u>
As at 31 December 2020	<u>73,818,363</u>	<u>1,964,541</u>	<u>75,782,904</u>

**28. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Trust Payments Holdings Limited, an entity incorporated in England & Wales and with a registered office of 1 Royal Exchange, London, EC3V 3DG.

There is no one ultimate controlling party. The ultimate parent company is CORDET Direct Lending SCSp, an entity incorporated in Luxembourg.

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**TRUST PAYMENTS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**29. Reconciliation between profit from operations and adjusted EBITDA (unaudited)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit from operations	<b>8,760,985</b>	2,025,788
Depreciation	<b>1,098,230</b>	348,848
Amortisation	<b>5,970,233</b>	3,084,671
Foreign exchange (gains)/losses	<b>(986,851)</b>	3,659,741
Non-recurring costs	<b>3,682,896</b>	855,737
Share based payments	<b>763,315</b>	-
Performance based executive committee remuneration	<b>1,400,000</b>	1,075,450
	<b>20,688,808</b>	11,050,235

Adjusted EBITDA is a non-GAAP reporting measure.

**30. Post balance sheet events**

On 3 March 2022, borrowing facilities were extended by €6,000,000 (£4,996,296) to fund working capital requirements.