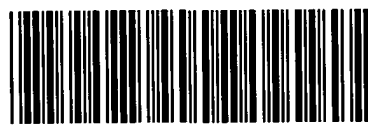


DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

COMPANY INFORMATION

Directors	N D Cucci J S Jacobs W E Muirhead (resigned 28 March 2024) T K Giavedoni (appointed 1 July 2024)
Company secretary	Corporation Service Company (UK) Limited
Registered number	10164768
Registered office	C/O Corporation Service Company (UK) Limited 5 Churchill Place, 10th Floor London E14 5HU
Independent auditor	Cooper Parry Group Limited Statutory Auditor Cubo Birmingham 3rd Floor Two Chamberlain Square Birmingham B3 3AX

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 27

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Principal activity

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

On 31 January 2024 the company changed its name from Ceridian Europe Limited to Dayforce EMEA Limited.

Business review

The loss of £4,204,408 (2022: £10,128,188) principally relates to our growth strategy. To support our expansion in the United Kingdom, we have increased our headcount, resulting in higher personnel costs, including salary, bonuses, commissions, and equity compensation. The investment in our people is strategic in nature, aimed at establishing a strong market presence and positioning ourselves for future growth.

While these expenditures result in a loss for the current year, they are critical to achieving our long-term objectives of market share expansion, revenue growth, and profitability within the United Kingdom. On the balance sheet, amounts owed to group undertakings have increased compared with the prior year and the year end cash balance is £4,623,171 (2022: £2,953,578).

Principal risks and uncertainties

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

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

Financial key performance indicators

Turnover was £43,921,812 (2022: £31,810,036) being 38% higher than the prior year.

The loss for the year, after taxation, amounted to £4,204,408 (2022: £10,128,188).

Employees

We provide a wide range of compensation and benefits to our employees that enhance the workplace experience. In addition to salaries, these benefits include annual bonuses, equity awards, a global employee stock purchase program, retirement savings plans, healthcare and insurance benefits, fertility and family building benefits, health savings and flexible savings spending accounts, unlimited time away from work, parental leave, flexible and remote work options, employee assistance programs, and tuition reimbursement.

Promoting diversity, equity, and inclusion within our workforce is also a priority for us. We have a company-wide employee Global Diversity Advisory Council, and our nine employee resource groups foster inclusion, connection, and career development opportunities for their members. Our Achieving Corporate Equity program helps to empower high-potential diverse talent and improve the internal mobility of employees from underrepresented and underserved communities.

The health, safety, and wellbeing of our employees is of high importance to us. We host an annual global Mental Health Summit, and we offer two paid wellness days to all employees. In addition, our global emergency threat monitoring and mass communications system helps to ensure connectivity and support for our employees both during and after natural disasters and other dangerous events

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Directors' statement of compliance with duty to promote the success of the company

The directors, in line with our duties under s172 of the Companies Act of 2006, act in a way we consider would most likely be in the best interests of the company taking into account the requirements of all stakeholders. We aim to build positive relationships with stakeholders who share our values to help deliver simplicity at scale, with payroll, HR, benefits, talent, and workforce management all in one place to help our customers people and business thrive.

Decision making is made within our ultimate parent company's executive operating committee and Board of Directors, key decisions are made in full consultation with the directors of the company. They have the full support of the shareholders in developing the company for the benefit of all stakeholders.


The directors consider our key stakeholders to be our employees, the customers we support and their employees, affiliates and third-party vendors, and taxing authorities.

Going Concern

Despite its current losses and net liability position, the company is considered a going concern primarily due to the support from its parent company, which has committed to providing ongoing financial support. This financial backing led to the increase in our cash balance during the year, providing essential liquidity, and demonstrates a firm commitment to our long-term success and strategic stability. The present losses are primarily attributed to an aggressive growth strategy and expansion into the United Kingdom, which involves significant investment costs. However, these investments are strategically aimed at future profitability and market positioning. The company continues to gain new customers and diversify its product offerings, indicating a positive trajectory and increased market potential. The parent company's continued financial support and the company's ongoing expansion efforts suggest a strong foundation for future success, mitigating concerns about its short-term financial results. Refer to note 2.2 for further details.

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

N D Cucci
Director

DocuSigned by:

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Date: 26 September 2024

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Results and dividends

The loss for the year, after taxation, amounted to £4,204,408 (2022: £10,128,188).

The directors did not propose any dividends during the year (2022: £Nil).

Directors

The directors who served during the year were:

N D Cucci
J S Jacobs
W E Muirhead (resigned 28 March 2024)

Future developments

The directors consider both the results for the year and trading prospects to be satisfactory. It is the directors' intention to continue to develop the present activities of the company.

Engagement with employees

Please refer to the strategic report.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Engagement with suppliers, customers and others

Suppliers

The company works with a large number of suppliers. The company undertakes risk assessments on all its suppliers as it recognises the importance of its role in the company's continued success. If an assessment deems a supplier to be high-risk, a higher level of monitoring and scrutiny is required to manage the relationship and supply. The company works closely with all of its suppliers to ensure the integrity of the products the company supplies.

Customers

The company's customers are key to our business and we aim to provide them with the best product and service offering on the market. We look to keep increasing the quality of the information we provide to our customers. We regularly seek feedback from our customers and have an open and honest dialogue with them throughout the year.

Shareholders

The company relies on the support of its shareholders, and their opinions are important to the company. The company has an open dialogue with its shareholders through regular shareholder meetings, with most shareholders being represented on the company board. Discussions cover a wide range of topics including financial performance, strategy, outlook, governance and ethical and diversity practices.

Qualifying third party indemnity provisions

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

Branches outside the United Kingdom

No branches exist outside of the United Kingdom.

Disclosure of information to auditor

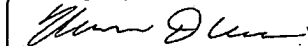
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

Auditor

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

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

DocuSigned by:

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N D Cucci
Director

Date: 26 September 2024

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

Opinion

We have audited the financial statements of Dayforce EMEA Limited (formerly Ceridian Europe Limited) (the 'company') for the year ended 31 December 2023, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

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

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

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

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

Use of our report

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

Signed by:

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Holly Green (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham
3rd Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 27 September 2024

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	43,921,812	31,810,036
Cost of sales		(809,632)	(300,441)
Gross profit		<u>43,112,180</u>	<u>31,509,595</u>
Administrative expenses		(48,138,222)	(42,600,190)
Operating loss	5	(5,026,042)	(11,090,595)
Tax on loss	8	821,634	962,407
Loss for the financial year		<u><u>(4,204,408)</u></u>	<u><u>(10,128,188)</u></u>

There was no other comprehensive income for 2023 (2022: £Nil).

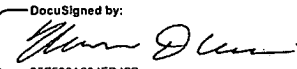
The notes on pages 12 to 27 form part of these financial statements.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)
REGISTERED NUMBER: 10164768

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	9	2,037	2,263
Tangible assets	10	815,237	851,660
		<u>817,274</u>	<u>853,923</u>
Current assets			
Debtors	11	12,907,149	11,344,131
Cash at bank and in hand		4,623,171	2,953,798
		<u>17,530,320</u>	<u>14,297,929</u>
Creditors: amounts falling due within one year	12	<u>(32,368,685)</u>	<u>(24,968,535)</u>
Net current liabilities		<u>(14,838,365)</u>	<u>(10,670,606)</u>
Total assets less current liabilities		<u>(14,021,091)</u>	<u>(9,816,683)</u>
Net liabilities		<u><u>(14,021,091)</u></u>	<u><u>(9,816,683)</u></u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account	15	(14,021,092)	(9,816,684)
		<u>(14,021,091)</u>	<u>(9,816,683)</u>

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

DocuSigned by:

35F508A834FD42B...
N D Cucci
 Director

Date: 26 September 2024

The notes on pages 12 to 27 form part of these financial statements.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	1	311,504	311,505
Loss for the year	-	(10,128,188)	(10,128,188)
At 1 January 2023	<u>1</u>	<u>(9,816,684)</u>	<u>(9,816,683)</u>
Loss for the year	-	(4,204,408)	(4,204,408)
At 31 December 2023	<u><u>1</u></u>	<u><u>(14,021,092)</u></u>	<u><u>(14,021,091)</u></u>

The notes on pages 12 to 27 form part of these financial statements.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Dayforce EMEA Limited (previously Ceridian Europe Limited) (the 'company') is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The registered office is C/O Corporation Service Company (UK) Limited, 5 Churchill Place, 10th Floor, London, E14 5HU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in Sterling (£), which is the functional and presentational currency of the company and are for the year ended 31 December 2023 (2022: year ended 31 December 2022).

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

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

The following accounting policies have been applied:

2.2 Going concern

At 31 December 2023 the company has net current liabilities of £14,838,365 (2022: £10,670,606), and net liabilities of £14,021,091 (2022: £9,816,083), which are funded by amounts due to group undertakings. The company is therefore reliant on the financial support of other group companies.

The directors have assessed going concern by reference to the wider group of which it is part. Based on information available to the directors there is no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company or wider group to continue as a going concern.

In light of the structure of the group, the business is dependent upon the future financial support of its parent company, Dayforce, Inc., and a letter of support has been provided from this company for at least the next 12 months from the date of these accounts. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.3 Disclosure exemptions

The company has adopted the following disclosure exemptions:

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

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

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

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

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.5 Turnover

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

Rendering of services

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

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

2.6 Operating leases: the company as lessee

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

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

2.7 Pensions

Defined contribution pension plan

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

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.8 Share based payments

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

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

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

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

2.9 Intangible assets

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

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.

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.10 Tangible fixed assets

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

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:

Long-term leasehold property	-	20% straight line
Plant and machinery	-	25% straight line
Fixtures and fittings	-	10% straight line
Office equipment	-	20% straight line

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

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

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 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.

2.13 Creditors

Short-term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

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

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

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.15 Financial instruments

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

2.16 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 recognise as other comprehensive income or to an item recognise directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing 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.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

Impairment of fixed assets

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

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

Depreciation, amortisation and residual values

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

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

Recoverability of trade debtors

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

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

Provisions

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

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Turnover

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

5. Operating loss

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

	2023	2022
	£	£
Amortisation of intangible fixed assets (note 9)	-	649
Exchange differences	(328,520)	343,265
Other operating lease rentals	153,540	237,432
Share based payment (note 16)	4,379,713	3,214,000
Auditor's remuneration (incl. accounts preparation)*	28,050	23,490
Depreciation of tangible fixed assets (note 10)	542,509	1,113,455
	<u> </u>	<u> </u>

*restated prior year fee to reflect correct entity split

6. Employees

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

	2023	2022
	£	£
Wages and salaries	25,944,063	24,172,852
Social security costs	3,971,404	3,044,508
Cost of defined contribution scheme	1,284,369	1,010,871
	<u> </u>	<u> </u>
	<u>31,199,836</u>	<u>28,228,231</u>

The average number of employees, including directors, during the year was 336 (2022: 280).

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	1,169,354	485,010
Company contributions to defined contribution pension schemes	10,425	7,594
	<u>1,179,779</u>	<u>492,604</u>

During the year retirement benefits were accruing to 1 director (2022: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,169,354 (2022: £485,010).

Certain of the companies directors are remunerated through fellow group companies for their services, and it would not be practical to allocate this remuneration across the different group companies. 1 director (2022: 1) is remunerated by the company.

8. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax charge / (credit) for the year	67,787	(4,327)
	<u>67,787</u>	<u>(4,327)</u>
Deferred tax		
Origination and reversal of timing differences	816,012	(958,080)
Adjustments in respect of previous periods	(940,665)	-
Impact of change in tax rate	110,596	-
Adjustment for valuation allowance of deferred tax asset not recognised	(875,364)	-
Total deferred tax	<u>(889,421)</u>	<u>(958,080)</u>
Taxation on loss on ordinary activities	<u>(821,634)</u>	<u>(962,407)</u>

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****8. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 -higher than) the standard rate of corporation tax in the UK of 23.52% (2022: 19%). The differences are explained below:

	2023	2022
	£	£
Loss on ordinary activities before tax	(5,026,042)	(11,090,595)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022: 19%)	(1,182,125)	(2,107,213)
Effects of:		
Non-tax deductible amortisation and depreciation	127,560	242,109
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	74,676	500,454
Capital allowances for year in excess of depreciation	(57,481)	(29,127)
Tax deduction arising from exercise of employee options	215,736	431,370
Total tax for the year	(821,634)	(962,407)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Intangible assets

	Computer software £
Cost	
At 1 January 2023	61,774
At 31 December 2023	<u>61,774</u>
Amortisation	
At 1 January 2023	59,511
Charge for the year	226
At 31 December 2023	<u>59,737</u>
Net book value	
At 31 December 2023	<u>2,037</u>
At 31 December 2022	<u>2,263</u>

10. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 January 2023	11,768	1,192,203	1,255,834	636,651	3,096,456
Additions	-	506,086	-	-	506,086
At 31 December 2023	<u>11,768</u>	<u>1,698,289</u>	<u>1,255,834</u>	<u>636,651</u>	<u>3,602,542</u>
Depreciation					
At 1 January 2023	1,765	710,754	969,295	562,982	2,244,796
Charge for the year	2,354	356,858	132,308	50,989	542,509
At 31 December 2023	<u>4,119</u>	<u>1,067,612</u>	<u>1,101,603</u>	<u>613,971</u>	<u>2,787,305</u>
Net book value					
At 31 December 2023	<u>7,649</u>	<u>630,677</u>	<u>154,231</u>	<u>22,680</u>	<u>815,237</u>
At 31 December 2022	<u>10,003</u>	<u>481,449</u>	<u>286,539</u>	<u>73,669</u>	<u>851,660</u>

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Debtors

	2023	2022
	£	£
Due after more than one year		
Prepayments and accrued income	761,191	252,637
	<u>761,191</u>	<u>252,637</u>
Due within one year		
Trade debtors	7,101,145	6,651,888
Amounts owed by group undertakings	144,054	18,543
Other debtors	817,293	1,084,626
Prepayments and accrued income	4,083,466	3,080,885
Deferred taxation (note 13)	-	255,552
	<u>12,907,149</u>	<u>11,344,131</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	232,409	422,282
Amounts owed to group undertakings	27,453,212	17,009,952
Other taxation and social security	932,904	1,337,216
Other creditors	1,026,939	900,838
Accruals and deferred income	2,723,221	5,298,247
	<u>32,368,685</u>	<u>24,968,535</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Deferred taxation

	2023	2022
	£	£
At beginning of year	255,552	(29,536)
Charged to the profit and loss account	(255,552)	134,226
Arising on business combinations	-	150,862
At end of year	<u>-</u>	<u>255,552</u>

The deferred tax asset is made up as follows:

	2023	2022
	£	£
Tax losses carried forward	<u>-</u>	<u>255,552</u>

The company has assessed the recoverability of its deferred tax assets and has recognised a valuation allowance to reduce the carrying amount of the deferred tax assets to the amount that is more likely than not to be realised. The valuation allowance is based on considering historical pre-tax book income, tax planning strategies, current tax law as well as management's estimates of future taxable income and the periods over which the deferred tax assets are expected to be recovered.

14. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
1 (2022: 1) share of £1.00	<u>1</u>	<u>1</u>

15. Reserves

Share premium account

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

Profit and loss account

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Share based payments

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

The share-based remuneration expense is £4,380,000 (2022: £3,214,000).

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

Term-Based Stock Option (TBO)

Term-Based Stock Option activity for 2022 and 2023, was as follows:

	Weighted average exercise price (USD) 2023	Number of shares 2023	Weighted average exercise price (USD) 2022	Number of shares 2022
Outstanding at the beginning of the year	59.34	69,677	59.34	72,376
Granted during the year	-	-	-	-
Exercised during the year	57.96	(12,856)	65.26	(135)
Forfeited or expired during the year	65.26	(715)	90.69	(2,564)
Outstanding at the end of the year	58.31	56,106	58.32	69,677

The exercise price of options outstanding at the year end ranged between \$13.46 and \$94.27 (2022: \$13.46 and \$94.27) and their weighted average contractual life was 5.81 years (2022: 6.82 years).

Of the total number of options outstanding at the year end, 169,222 (2022: 77,267) had vested and were exercisable at the end of the year.

No term-based stock options were granted in 2022 or 2023.

	2023 Black- Scholes	2022 Black- Scholes
Option pricing model used		
Weighted average share price	Nil	Nil
Weighted average exercise price	Nil	Nil
Weighted average contractual life (years)	Nil	Nil
Expected volatility	Nil	Nil
Expected dividend growth rate	Nil	Nil
Risk-free interest rate	Nil	Nil

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

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Performance Stock Units (PSU)

	Number of shares 2023	Number of shares 2022
Outstanding at the beginning of the year	22,150	5,334
Granted during the year	21,204	23,127
Released during the year	(9,530)	(5,334)
Forfeited or expired during the year	(4,249)	(977)
Outstanding at the end of the year	29,575	22,150

In 2023 and 2022, we granted PSU awards under our Management Incentive Plan ("MIP") for the incentive period of 1 January through to 31 December, and also as part of long-term incentive ("LTI") grants to certain members of management. These awards are primarily earned based upon performance of key financial metrics of the ultimate parent company, and certain LTI awards are earned based upon our total shareholder return, a market condition, as compared to an indexed shareholder return over the course of a fiscal based three-year performance period, starting in the year of grant. Earned awards typically vest in the quarter following the conclusion of the performance period.

As of 31 December 2023, there was 29,575 (2022: 22,150) unvested PSUs not recognised related to certain members of management with long term incentive PSUs.

Restricted Stock Units (RSU)

	Number of shares 2023	Number of shares 2022
Outstanding at the beginning of the year	85,076	35,905
Granted during the year	67,882	67,703
Released during the year	(45,288)	(13,041)
Forfeited or expired during the year	(3,419)	(5,491)
Outstanding at the end of the year	104,251	85,076

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

As of 31 December 2023, there were 48,707 (2022: 18,532) RSUs vested and releasable. RSUs generally vest quarterly or annually over a one or three year period. As of 31 December 2023, there was 104,251 (2022: 85,076) unvested RSUs not yet recognised.

17. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,284,369 (2022: £1,010,871). There were no contributions payable to the fund at the balance sheet date (2022: £Nil).

DAYFORCE EMEA LIMITED (FORMERLY CERIDIAN EUROPE LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. Commitments under operating leases

At 31 December 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	164,008	164,173
Later than 1 year and not later than 5 years	371,304	535,894
	<u>535,312</u>	<u>700,067</u>

19. Controlling party

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

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