Registered number: 04162863

Workday (UK) Limited

Annual Report and Financial Statements

For the financial year ended 31 January 2023

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CONTENTS

COMPANY INFORMATION

Board of directors on date of signing

Shaun Redgrave (UK)
Inderpal Dhedli (UK)

Solicitors

Bird and Bird LLP
12 New Fetter Lane
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London
EC4A 1JP
United Kingdom

Registered office

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1 Finsbury Avenue
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EC2M 2PF
England

Bankers

Bank of America
2 King Edward Street
London
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United Kingdom

Registered number: 04162863

Auditor

Ernst & Young
Chartered Accountants
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 January 2023.

Business review
Workday (UK) Limited ("the Company") provides marketing support, technical support services and research and development activities to its affiliates. The Company's ultimate holding company is Workday, Inc., with its headquarters in Pleasanton, California, USA. Workday, Inc. delivers a new generation of Software as a Service (SaaS) enterprise software solutions designed to meet the needs of today's dynamic and global enterprise.

The statement of profit and loss and other comprehensive income for the year ended 31 January 2023 and the statement of financial position at that date are set out on pages 18 and 19, respectively. The profit for the financial year before taxation amounted to USD21.3 million (2022: restated USD5.7 million loss). After a taxation charge of USD5.7 million (2022: restated USD4.6 million), a profit of USD15.6 million (2022: restated USD10.3 million loss) was added to (2022: deducted from) the profit and loss reserve. Net assets at 31 January 2023 amounted to USD352.1 million (2022: restated USD267.3 million).

A prior year adjustment was made to the 2022 financial statements. Details of this adjustment are disclosed in note 21 to the financial statements.

Principal risks and uncertainties
The principal risks and uncertainties currently facing the business include the threat of competition and challenges associated with recruitment and retention of highly skilled employees.

Management has considered its exposure to the following risks and does not consider the Company to have significant exposures in respect of these risks.

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market price risk includes interest rate risk, currency risk and liquidity risk.

Interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate because of changes in interest rates. Management does not consider this to be a significant risk to the Company. Exposure to interest rate risk is monitored on an ongoing basis.

The Company's principal financial assets include cash (under a cash concentration arrangement), other debtors and amounts due from group undertakings. The credit risk associated with cash is limited. There is also limited risk with amounts due from group undertakings.

Currency risk is the risk that the fair value of the future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure to currency risk is monitored on an ongoing basis.

Liquidity risk is the risk that the Company may encounter when realising assets or otherwise raising funds to meet commitments. The Company regularly monitors its cash balances with the objective of ensuring sufficient funds are available to meet obligations as they fall due.

The directors of the Company have considered the impact of the recent macroeconomic events including higher inflation, raising interest rates, and the Russian invasion of Ukraine. The directors do not believe that these events will have a material effect on the financial statements. The macroeconomic landscape will continue to be monitored.

These risks are managed in accordance with policies approved by the directors.

STRATEGIC REPORT - continued

Section 172 statement
The board of directors of the Company (the "Board") individually and collectively believe that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, including acting in accordance with s172 of the Companies Act 2006, during the financial year ended 31 January 2023.

The Company's business is to support its ultimate parent company, Workday, Inc. and its subsidiaries (collectively, the "Group"). People are at the core of the Group's business and in alignment with this people-first focus, as more fully explored in the Group's most recently published Global Impact Report, the Board considers individuals and organisations affected by the Group's business activities as the Company's key stakeholders. This includes, among others, the Group's employees ("Workmates"), customers, suppliers, shareholders and the communities in which the Group operates. The people-first focus of the Group underpins the Group's core values of employees, customer service, innovation, integrity, fun and profitability, which are shared by the Company and form the framework for guiding and evaluating the Company's leadership and Board decision-making. As part of its decision-making process, the Board considers the potential impact of its decisions on stakeholders as well as the impact on the wider community and the environment.

The Board is supported in fulfilling its oversight duties by being kept abreast of the activities, risks and issues affecting the Company and its stakeholders through regular briefings from the executive team and functional leads and is provided with advice from external counsel on material topics where appropriate. Representatives and executives from various functions of the business, as well as advisors to the Company and the Group, attend board meetings to address any queries the Board may have.

The Board's principal decisions and considerations of key briefings
Throughout the year, the Board made certain principal decisions that took into account important communications and input provided by stakeholders from key areas of the business. The following is an overview of the principal decisions made and key briefings considered and supported, by the Board during the financial year ended 31 January 2023:

- After being briefed, conducting a review and giving consideration to the Company's financial position for the financial year ended on 31 January 2022, the Company's statement of profit and loss and other comprehensive income for the applicable period and the related strategic, directors' and auditor's reports (collectively, the "Reports"), the Board approved the execution of the Reports and decided against the payment of a dividend for the year ended 31 January 2022.
- In addition to briefings on the state of ethics for the Group, the Board received reports from the Group's integrity and legal teams, including a training and overview of the Group's Code of Conduct, in furtherance of the Company's goals to promote a culture of integrity. The Board acknowledged the legal requirements to build a successful ethics and compliance programme and their obligations and fiduciary duties with respect to the Code of Conduct.
- The Board received regular briefings on the impact of recent macroeconomic conditions on the business and operations of the Company and business continuity plans, and the Board considered how the Company would need to adapt to the changing needs of its customers due to recent macroeconomic conditions.

The Board's engagement with key stakeholders
Details of the Board's engagement with key stakeholder groups of the Company in the financial year ended 31 January 2023 are set out below:

Workmates
As driven by the Group's core values, the Group strives to be a great place to work for all, prioritising employee experience, employee compensation, employee development, employee wellbeing and the promotion of belonging and diversity.

STRATEGIC REPORT - continued

Section 172 statement - continued

The Board's engagement with key stakeholders - continued

Workmates - continued

With oversight by the Board, day-to-day employee engagement handling is delegated by the Board to the Company's executive management team. Through weekly employee surveys analysed in real time, regular online townhall meetings with Q&A sessions between Workmates and the Group's executive management teams and weekly communications, the Company's executive management team assesses and promotes employee satisfaction, opportunities and culture.

Please refer to the Directors' Report section "Employees" for further details on Workmate engagement.

Customers

Customer satisfaction and growth are critical to the Group's success and are key factors driving investment and decisions of the Board. The Group aims to maintain a customer satisfaction rating of over 95% and the Group has surpassed this rating for more than a decade.

Please refer to the Directors' Report section 'Customers' for further details on customer engagement.

Partners and Suppliers

To best support Workmates and customers, the Board believes the Company's suppliers should be representative of the Company's workforce, values and the Company's partnership network. This belief impacts the Company's approach to leadership and Board decision-making.

The Board oversees the Company's adherence to the Group's policies, including the following:

- Suppliers and partners must adhere to the Group's high ethical standards, including those set out in the Group's Supplier Code of Conduct and the Group's Partner Code of Conduct.
- The Group's Supplier Diversity programme aims to accelerate and increase Group spend with qualified diverse businesses.

Environment and Community

The Group, including the Company, strives to make a positive impact on the environment and communities in which they operate. Innovation plays a key role for the Group as it seeks to do its part to help solve some of the world's toughest challenges. The Group and the Company (including the Board), are actively engaged in fostering a more sustainable, equitable and healthier future for all through sustainability and community-focused activities.

Environment

Developing on the Group's strategic sustainability objectives of reducing the Group's carbon footprint and investing in renewable energy programmes to address climate change, the Group, including the Company, has:

- Committed to science-based emissions reduction targets, across the entire value chain, that are consistent with keeping global warming to 1.5 degrees Celsius above pre-industrial level across all three scopes of emissions:
  - Continue annually sourcing 100% renewable electricity across global operations through fiscal 2030;
  - Reduce absolute Scope 3 business travel GHG emissions by 25% by fiscal 2026 from a fiscal 2020 base year; and
  - Engage 70% of the Group's suppliers, by spend covering purchased goods and services and capital goods, to have science-based targets by fiscal 2026;
- Achieved the Group's goal of net-zero carbon emissions across global operations, inclusive of offices, data centres and business travel; and
- Provided all of the Group's global customers with a carbon-neutral cloud.

STRATEGIC REPORT - continued

Section 172 statement - continued
The Board's engagement with key stakeholders - continued
Environment - continued
The Company and the Board continue to seek strategic collaborative relationships to magnify the positive impact on the environment. With continued support and encouragement of the Board, the Company participates in RE100, led by a partnership between UK-based organisations, The Climate Group and CDP, to accelerate change towards zero-carbon electricity grids globally.

The Group is a founding member of the Business Alliance to Scale Climate Solutions (BASCS), which was founded to increase the scale and impact of business investment in climate solutions, a critical component for meeting the ambition of the Paris Agreement.

The Group serves as a member of the Sustainable Aviation Buyers Alliance (SABA), a buyer-led collaboration spearheaded by RMI and the Environmental Defense Fund focused on accelerating the path to decarbonising aviation and driving investment in and adoption of sustainable aviation fuel.

The Group joined Frontier alongside Autodesk, H&M Group, and JPMorgan Chase, contributing a combined $100 million in new funds to Frontier's advance market commitment to supporting permanent carbon removal.

Community
The Group's purpose—to inspire a brighter work day for all—guides the Group, including the Company, to focus on doing our best in service of others. Through philanthropic investments, community outreach programmes and numerous local volunteer opportunities, the Group strives to support the causes Workmates care about most. The Group's Giving & Doing Local Leader programme consists of employee volunteers in the Group's offices around the globe who are given resources and support to tailor volunteer events and charitable fundraisers to local community needs, support localised employee involvement and provide opportunities and resources to give back to the communities where Workmates live and work. Giving & Doing efforts at the Company have included supporting local philanthropic organisations such as Family Action and London Youth.

Additional detail and further initiatives are included in the Group's Global Impact Report at:
https://www.workday.com/content/dam/web/en-us/documents/other/workday-global-impact-report.pdf

On behalf of the board

Shaun Redgrave

Shaun Redgrave

Director

Date: 14 March 2024

DIRECTORS' REPORT

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

Principal activities
The principal activities of the Company are the provision of marketing support, technical support services and research and development activities to its affiliates. The Company's ultimate holding company is Workday, Inc., with its headquarters in Pleasanton, California, USA. Workday, Inc. delivers a new generation of Software as a Service (SaaS) enterprise software solutions designed to meet the needs of today's dynamic and global enterprise.

The Company also acts as an intermediate holding company.

The immediate parent company and controlling party is Workday Limited, a limited company incorporated in the Republic of Ireland with its registered office at The King's Building, May Lane, Dublin 7, Republic of Ireland.

The ultimate parent company and controlling party is Workday, Inc., a company incorporated in the USA with its registered office located at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA.

Results and dividends
No dividends were declared or paid during the year (2022: USD nil).

Directors
The names of the persons who were directors at any time during the year ended 31 January 2023 are set out below. Unless otherwise indicated, they served as directors for the entire year:

Shaun Redgrave	(UK)
Inderpal Dhedli	(UK)

Neither the directors in office at 31 January 2023, nor their immediate families, had any interest in the shares of the Company at the end of the financial year, the beginning of the financial year or their subsequent date of appointment, if later.

Financial risk management
The Company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates, liquidity risk and capital risk. The Company has in place a risk management programme that seeks to manage the financial exposure of the Company through the measurement of financial metrics and internal controls.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to operating activities. The impact from exposure to foreign currency changes for all currencies for the years ended 31 January 2023 and 2022 was USD6.7 million gain and USD0.6 million gain, respectively, and represents total recognised foreign exchange gains in the statement of profit and loss and other comprehensive income.

Liquidity risk is the risk that the Company may encounter when realising assets or otherwise raising funds to meet commitments. The Company regularly monitors its cash balances with the objective of ensuring sufficient funds are available to meet obligations as they fall due.

DIRECTORS' REPORT - *continued*

Financial risk management - continued

Capital risk is the risk that a company will lose the amount of an investment. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

Given the size of the Company, the policies are set by the board of directors and are implemented by the Company's finance department. The department has policies and procedures that set specific guidelines on managing the financial risk and the circumstances where it would be appropriate to use financial instruments.

Research and development

The Company is engaged in the activities of software development, implementation and support. Research and development is a key part of the activities, as it fosters and enhances the Company's competitive advantage in the marketplace.

Political donations

The Company did not make any political donations during the year.

Future developments

The directors are optimistic that the Company will achieve satisfactory growth in the foreseeable future.

It is the intention of the Company to continue to provide marketing support, technical support services and research and development activities to its affiliates. The Company also intends to continue as an intermediate holding company.

Going concern

The statement of financial position shows net current assets of USD335.9 million (2022: restated USD252.7 million) and it is not anticipated that the Company will incur losses in future years. The Company meets its day-to-day working capital requirements by way of advances from group companies. The ultimate parent, Workday, Inc., has confirmed that it will provide financial support to the Company, as required, for a period of no less than twelve months from the date of approval of the financial statements. On the basis of this information, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

The directors of the Company have considered the impact of the recent macroeconomic events including higher inflation, rising interest rates, and the Russian invasion of Ukraine. The directors do not believe that these events will have a material effect on the financial statements. The macroeconomic landscape will continue to be monitored.

Employees

Employee involvement

It is the policy of the Company to encourage and develop all members of staff to realise their maximum potential. The Company places considerable value on the involvement of its employees and focuses on building a culture where all employees can bring their best selves to work by deploying diversity initiatives that support everyone.

The Company provides regular information to employees through Company meetings and Company events. Updates and points of note are provided directly to employees' email as well as through feedback surveys to be completed by employees on a weekly basis.

DIRECTORS' REPORT - continued

Employees - continued

Employee involvement - continued
Wherever possible, vacancies are filled from within the Company and adequate opportunities for internal promotion are created. The Company has a comprehensive training and development programme that creates the opportunity for employees to maintain and improve their performance and to develop their potential to a maximum level of attainment.

The Company supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, age, nationality, religion, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability.

Employees with disabilities
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. The Company will not tolerate discrimination in the workplace and aims to ensure that each employee feels valued and has the opportunity to contribute to the success of the Company.

Statement on engagement with suppliers, customers and others in a business relationship with the Company

Employees
The directors believe that recruiting and promoting passionate, creative, diverse and happy employees inspires a culture of innovation and integrity, leading to happy customers. Accordingly, the Company makes meaningful investments in their people activities to enhance employee success in a safe and engaging environment and community.

Customers
The Group receives and carefully evaluates customer feedback collected through various customer engagement programmes, including routine surveys, conferences and Workday Community, an interactive space for collaborative brainstorming, to agilely position the Company to best meet the Group's and its customers' needs.

Suppliers/Partners
To best support employees and customers, the directors believe that suppliers should be representative of the workforce, values and partnership network, a position that carefully drives leadership and Board decision-making.

Environmental/Community
The Company strives to make a positive impact on employees, customers, partners and communities. In light of today's global problems, innovation plays a key role in doing the Company's part to help solve some of the world's toughest challenges. With innovation at the core of what the Company does, the Board is actively engaged in fostering a more sustainable, equitable and healthier future for all through sustainability and community-focused activities.

DIRECTORS' REPORT - continued

Non-preparation of group financial statements
The Company has not prepared consolidated financial statements on the basis that it and all of its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent company, Workday, Inc., which have been prepared in accordance with US Generally Accepted Accounting Principles ("GAAP"). The Company has relied on specified exemptions under section 401 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of Workday, Inc. are available from the ultimate parent company's website at https://www.workday.com/en-us/company/investor-relations.html.

Disclosure of information to the auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

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

Company law requires the directors to prepare financial statements that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 *"Reduced Disclosure Framework"* (FRS 101). Under UK company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company at the end of the financial year, the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2006. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effects and reasons for any material departure from those standards; 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 ensuring that the Company keeps adequate accounting records that correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2006 and enable the financial statements to be audited. 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.

Streamlined energy and carbon reporting
In compliance with the UK Streamlined Energy and Carbon Reporting (SECR), the Company is reporting on all relevant emissions sources as required under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

DIRECTORS' REPORT - continued

Streamlined energy and carbon reporting - continued
For the financial year ended 31 January 2023, the Company's total greenhouse gas (GHG) emissions were 1,045 metric tonnes of carbon dioxide equivalent (MT CO2e). Carbon dioxide emissions resulting from energy use in the Company's leased buildings and employee business travel are reported below:

	Year ended 31 January 2023	Year ended 31 January 2022
Scope 1 CO2e emissions	45	48
Scope 2 location-based CO2e emissions	124	150
Scope 2 market-based CO2e emissions	—	—
Scope 3 CO2e emissions (business travel)	876	152
Total CO2e emissions	1,045	350
Total Average Monthly Full Time Employees (FTE)	647	527
Carbon intensity per FTE		
(Total CO2 emissions / FTE)	1.6	0.7
Total energy use		
(kWh; electricity and gas)	810,717	917,436

Methodology applied
The methodologies used to estimate GHG emissions resulting from the Company's operations are World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol, Corporate Accounting and Reporting Standard, Revised Edition (Scope 1 and 2), the GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard and WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The operational control approach has been used to define the reporting boundary.

The Company's Scope 1 and 2 GHG emissions cover estimated natural gas, fugitive emissions from refrigerants and purchased electricity from the grid for leased facilities (there are no facilities owned in the UK by either the Company or the Group). Both the Company's location and market-based CO2e emissions are included, however location-based emissions were used in the calculation of total CO2e emissions. Scope 3 comprises emissions generated by employees through business travel, including air travel, hotel stays, rental cars, rail, ferry, taxi and ridesharing. Business travel emissions were estimated by extrapolating from total global business travel emissions by ratio based on total FTE for the fiscal year. Total energy use was calculated by converting gas consumption from therms to kilowatt-hours and adding this to electricity use to arrive at a total amount in kilowatt-hours.

Emissions reduction targets and projects
In May 2022, the Group announced science-based emissions reduction targets, across the entire value chain, that are consistent with keeping global warming to 1.5 degrees Celsius, above pre-industrial levels. Specifically, the Group commits:

- to continue annually sourcing 100% renewable electricity through fiscal 2030.
- to reduce absolute scope 3 business travel emissions by 25% by fiscal 2026 from a fiscal 2020 base.
- that 70% of suppliers (by spend) will have science-based targets by fiscal 2026.

In 2023 the Group was named the top-performing company for the environment in Just Capital's list of America's Most Just companies. In line with the Group's commitments, and specific science-based targets, the Group continues to innovate and invest in both internal and external initiatives to support carbon reduction initiatives. Examples of the kinds of projects to which the Group has committed to are as follows:

DIRECTORS' REPORT - continued

Streamlined energy and carbon reporting - continued

Renewable Energy
In 2016 the Group made a commitment to using 100% renewable energy and to reach Net Zero carbon by 2021. By the end of fiscal 2017 Net Zero Carbon was achieved across all offices and data centres globally and the overall goal was achieved a year early in 2020. For fiscal 2023, while location-based emissions (total emissions if the Company did not match electricity consumption with renewables) amounted to 124 MT CO_2e, market-based emissions (accounting for the Company's renewables purchasing) were nil.

Sustainable Air Travel
As part of our commitment to reduce our Scope 3 emissions, the Group has made a five-year advance purchase of Sustainable Aviation Fuel (SAF) via the SkyNRG Board Now programme. Board Now is an innovative programme with a network of leading companies as members. The Group has entered as a Board Now programme "Leader", which is the highest membership level. By investing, the Group is supporting the development of the first European SAF production facility, located in the Netherlands, which will produce 100,000 tons of SAF annually.

The Group has also joined the Sustainable Aviation Buyers Alliance (SABA), a buyer-led collaboration spearheaded by RMI and the Environmental Defense Fund focused on accelerating the path to decarbonising aviation and driving investment in and adoption of SAF. SABA will directly drive high-quality investments in SAF, standing up a rigorous and transparent system of SAF certification, educating members on policy opportunities to advance SAF adoption in the market, and addressing barriers to scaling SAF.

Driving sustainability throughout the supply chain
The sustainability expectations placed on the Group's suppliers and contractors are set out in the Supplier Code of Conduct. Specifically, this mandates that suppliers will adhere to the Group's Environmental Sustainability Policy. Suppliers are expected to contribute to environmental objectives stated in this policy and to collaborate to improve environmental performance. Suppliers should have their own environmental management system, including quantifiable goals to reduce environmental impact and GHG emissions, and minimise waste, energy consumption, and the use of materials of concern, as well as adopt measures and controls (including audits), reporting, and training. As part of the Group's commitment to science based targets, 70% of suppliers by spend, covering purchased goods and services and capital goods, will have science-based targets by fiscal 2026.

Permanent Carbon Removal
Most climate models outline the need to remove carbon from the atmosphere on the scale of 5-10 gigatons per year by 2050. Less than 10,000 tons of carbon have been permanently removed to date, so to make a difference high-potential carbon removal solutions need to be accelerated. The Group is supporting Frontier, a $1 billion advance market commitment to buy permanent carbon removal founded by Stripe, Alphabet, Shopify, Meta, and McKinsey Sustainability.

The initiative aims to accelerate the development of carbon removal technologies by guaranteeing future demand for them; in effect signalling to researchers, entrepreneurs, and investors that there's a growing market for these technologies. Run by technical and commercial experts who facilitate carbon removal purchases, Frontier aims to create a net new, durable carbon removal supply, rather than compete over what exists today.

More information on Workday's carbon reduction initiatives can be found on our corporate website, at https://globalimpact.workday.com

DIRECTORS' REPORT - continued

Events since the year end
There have been no significant events affecting the Company since the year end that require adjustment to or disclosure in the financial statements.

Auditor
The statutory auditor, Ernst & Young, Chartered Accountants, have indicated their willingness to remain in office and a resolution that they may be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board

Shaun Redgrave

Shaun Redgrave
Director

Date: 14 March 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKDAY (UK) LIMITED

Opinion

We have audited the financial statements of Workday (UK) Limited (the 'Company') for the year ended 31 January 2023 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 25, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 January 2023 and of its profit 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of not less than 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKDAY (UK) LIMITED (Continued)

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKDAY (UK) LIMITED (Continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement as set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how the Company is complying with those frameworks by making inquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our inquiries through reading the board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. Our testing included agreeing specific transactions to supporting invoices, agreeing payments in the bank statements and the testing of certain unusual journals.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKDAY (UK) LIMITED (Continued)

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud* (Continued)**

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria. We read the minutes of directors' meetings to identify any non-compliance with laws and regulations. We also made enquiries with the directors and of the management of the Company regarding compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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.

Ernst & Young

Pat O'Neill (Senior statutory auditor)
for and on behalf of Ernst & Young, Chartered Accountants, Statutory Auditor
Dublin
Republic of Ireland

14 March 2024

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
Financial year ended 31 January 2023

	Notes	2023 USD'000	2022 USD'000 (Restated)*
Turnover - continuing operations	5	253,261	223,083
Cost of services		(232,432)	(229,634)
Operating profit/(loss) on ordinary activities	6	20,829	(6,551)
Other income	9	666	969
Interest payable and similar charges	10	(188)	(85)
Profit/(loss) on ordinary activities before taxation		21,307	(5,667)
Taxation on profit/(loss) on ordinary activities	11	(5,748)	(4,583)
Profit/(loss) for the financial year		15,559	(10,250)
Other comprehensive income		—	—
Total comprehensive income/(expense)		15,559	(10,250)

The profit for the financial year and the accumulated loss brought forward have been included in the Company's profit and loss account.

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

(*) please refer to note 21 for further details of the prior year adjustments.

STATEMENT OF FINANCIAL POSITION
As at 31 January 2023

	Notes	2023 USD'000	2022 USD'000 (Restated)*
Fixed assets			
Financial assets	12	2,844	2,844
Tangible assets	13	25,381	21,665
		28,225	24,509
Current assets			
Debtors: amounts falling due after one year	15.1	17,907	20,145
Debtors: amounts falling due within one year	15.2	355,812	268,850
		373,719	288,995
Creditors: amounts falling due within one year	17.1	(37,850)	(36,300)
Net current assets		335,869	252,695
Total assets less current liabilities		364,094	277,204
Creditors: amounts falling due after one year	17.2	(10,116)	(8,510)
Provisions	18	(1,860)	(1,438)
Net assets		352,118	267,256
Capital and reserves			
Called up share capital	19	—	—
Share premium	19	2,844	2,844
Share-based payment reserve	20	333,781	264,478
Profit and loss account	19	15,493	(66)
Shareholder's funds		352,118	267,256

The above statement of financial position should be read in conjunction with the accompanying notes.

(*) please refer to note 21 for further details of the prior year adjustments.

The financial statements on pages 18 to 46 were authorised by the board of directors on 14 March 2024 and were signed on its behalf.

Shaun Redgrave

Shaun Redgrave
Director

Date: 14 March 2024

STATEMENT OF CHANGES IN EQUITY
Financial year ended 31 January 2023

	Notes	Called up share capital USD'000	Share premium USD'000	Share-based payment reserve USD'000	Profit and loss account USD'000	Total USD'000
At 1 February 2021 - as restated*		—	2,844	172,288	10,184	185,316
Loss for the financial year - as restated*		—	—	—	(10,250)	(10,250)
Total comprehensive expense for the year - as restated*		—	—	—	(10,250)	(10,250)
Share-based payment transactions - as restated*	20	—	—	85,170	—	85,170
Tax impact of share based payment transactions - as restated*	20	—	—	7,020	—	7,020
At 31 January 2022 - as restated*		—	2,844	264,478	(66)	267,256
Profit for the financial year		—	—	—	15,559	15,559
Total comprehensive income for the year		—	—	—	15,559	15,559
Share-based payment transactions	20	—	—	70,887	—	70,887
Tax impact of share-based payment transactions	20	—	—	(1,584)	—	(1,584)
At 31 January 2023		—	2,844	333,781	15,493	352,118

(*) please refer to note 21 for further details of the prior year adjustments.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

Workday (UK) Limited ("the Company"), incorporated in England and Wales and domiciled in England, is a private company limited by shares. The Company's registered number is 04162863, with its registered office located at 7th Floor, 1 Finsbury Avenue, London, EC2M 2PF, England.

The principal activities of the Company are the provision of marketing support, technical support services and research and development activities to its affiliates.

The Company also acts as an intermediate holding company.

The immediate parent company and controlling party is Workday Limited, a limited company incorporated in the Republic of Ireland with its registered office at The King's Building, May Lane, Dublin 7, Republic of Ireland.

The ultimate parent company and controlling party is Workday, Inc., a company incorporated in the USA with its registered office located at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA.

2 Accounting policies

The principal accounting policies, all of which have been applied consistently by the Company throughout the current and the preceding financial years, are set out below.

2.1 Basis of preparation

The annual financial statements have been prepared on a going concern basis in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

FRS 101 sets out the reduced disclosure framework for a 'qualifying company', as defined in FRS 101, which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of adopted IFRS.

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

- The following paragraphs of IAS 1, 'Presentation of Financial Statements':
  - 10(d) (statement of cash flows),
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for a minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information) and
  - 134 - 136 (capital management disclosures).
- Paragraph 38 of IAS 1, 'Presentation of Financial Statements', to present comparative information in respect of: Paragraph 73(e) of IAS 16, 'Property, Plant and Equipment'.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.1 Basis of preparation - continued

- IAS 7, 'Statement of Cash Flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements in IAS 24, 'Related Party Disclosures' (disclosure of related party transactions entered into between two or more members of a group).
- Paragraphs 17 and 18A of IAS 24, 'Related Party Disclosures' (key management compensation).
- Paragraphs 134(d) to 134(f) of IAS 36, 'Impairment of Assets' (disclosures regarding detailed information about the estimates used to measure recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 45(b) and 46 - 52 of IFRS 2, 'Share-based Payment' (details of the number and weighted-average exercise prices of share options and how the fair value of goods or services received was determined).
- Paragraphs 91 - 99 of IFRS 13, 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The requirements of paragraph 52, paragraph 58, the second sentence of paragraph 89 and paragraphs 90, 91 and 93 of IFRS 16, 'Leases'.

Equivalent disclosures for disclosure exemptions are included in the consolidated financial statements of Workday, Inc. as at 31 January 2023 which are available to the public and can be obtained from the ultimate parent company's website https://www.workday.com/en-us/company/investor-relations.html.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Currency

Functional and presentation currency

The financial statements are prepared in U.S. Dollars (USD), which is also the functional currency of the Company. Figures are rounded to the nearest thousand USD unless otherwise stated.

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into USD at rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into USD at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the statement of profit and loss and other comprehensive income.

2.3 Turnover and revenue recognition

The turnover comprises the value of services provided, exclusive of value added tax. Fees receivable from group companies comprise amounts in respect of services provided during the year to its affiliates. The Company recognises revenue when control of the promised goods or services are transferred to its customers for an amount that reflects the consideration that the Company expects to be entitled to in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.4 Research and development

Research and development expenditure, other than on fixed assets, is expensed to the statement of profit and loss and other comprehensive income in the year in which it is incurred.

Expenditures relating to the development of applications are written off in full in the years in which the costs are incurred. Research and development expenditure credits are recognised as other income as soon as there is reasonable assurance that the Company will comply with all the conditions of the tax credit and the tax credit becomes allowable against the income tax base of the current and preceding years.

2.5 Financial assets

Financial fixed assets represent investments in subsidiaries, which, for the Company, comprise of investments in unquoted companies. They are accounted for in accordance with the requirements of IAS 27, 'Separate Financial Statements' and are carried at cost less any applicable provision for impairment.

2.6 Tangible assets and depreciation

Tangible assets are stated at cost less accumulated depreciation.

Depreciation is charged to the statement of profit and loss and other comprehensive income over the years set out below on a straight-line basis to write off tangible fixed assets, adjusted for their estimated residual values, over their expected useful lives. Leased assets and leased properties are depreciated over the shorter of their useful life or the term of the lease. Assets under construction are not depreciated until such time as the assets are ready for their intended use. The remaining useful life of the assets and their estimated residual values are reviewed on a regular basis.

Fixtures and fittings	Five years
Capitalised equipment	Two-three years
Leasehold properties	Shorter of ten years or the lease period
Right-of-use asset	Shorter of five years or the lease period

2.7 Impairment of fixed assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's cash generating unit's fair value, less costs to sell and its value in use. Fair value is the price that would be received by selling an asset in an ordinary transaction between market participants on a measurement date. Value in use is defined as the present value of the future cash flows obtainable through continued use of an asset, including those anticipated to be realised at its eventual disposal.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.8 Leases

The Company leases various office buildings. At the inception of a contract, the Company 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 Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The Company recognises right-of-use ("ROU") assets and lease liabilities at the lease commencement date. The ROU assets are initially measured based on the initial amount of lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets or to restore the underlying assets or the site on which they are located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the ROU asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Lease terms range from 7 to 10 years. If management believes that there is an indicator of impairment, the ROU assets are assessed for impairment and reduced by the amount of impairment loss, if any and adjusted for certain remeasurements of the lease liability. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease liability is initially measured at the present value of the lease payments that are not paid on 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 Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. The lease liability is measured at an amortised cost using the effective interest method.

Lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentives received,
- variable lease payments that depend on an index or a rate,
- amounts expected to be paid under residual value guarantees,
- the exercise price of a purchase option when the Company is reasonably certain to exercise that option, and
- payment of penalties for terminating the lease if the lease term reflects exercising the option to terminate.

The above payments are remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.8 Leases - continued

The Company has elected to apply the practical expedient to not recognise ROU assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. To determine the incremental borrowing rate, the Company based the calculation on a credit rating assessment of Workday, Inc.

2.9 Taxation

Income tax on the statement of profit and loss and other comprehensive income for the year comprises current and deferred tax. Income tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted for the year and any adjustment to tax payable in respect of previous years.

The Company offsets current tax assets and current tax liabilities if the Company has a legally enforceable right to settle the current tax assets and liabilities, the current tax assets and liabilities relate to income taxes levied by the same taxation authority and the Company intends to either settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Under provision/over provision of income tax is presented as part of "Income tax expense" in the statement of profit and loss and other comprehensive income.

Deferred taxation

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and for the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced when it is probable that sufficient taxable profit will not be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.9 Taxation - continued

The Company offsets deferred tax assets and deferred tax liabilities if the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In accordance with the requirements of IAS 12, 'Income taxes', the Company recognises directly to equity, deferred taxes related to the excess of the expected tax deduction for share-based payments over the cumulative remuneration expense charged to the statement of profit and loss.

Current tax or deferred tax assets and liabilities are not discounted.

2.10 Pensions

Contributions to the Company's defined contribution pension scheme are charged to the statement of profit and loss and other comprehensive income in the year to which they relate to. Any difference between amounts charged to the statement of profit and loss and other comprehensive income and contributions paid to the pension scheme is included in debtors or creditors in the statement of financial position.

2.11 Share-based payment transactions

The Company measures and recognises compensation expense for share-based awards issued to employees and non-employees, including restricted stock units ("RSUs"), performance based restricted stock units ("PRSUs"), stock options and purchases under the Workday, Inc. Amended and Restated 2012 Employee Stock Purchase Plan ("ESPP").

On 22 June 2022, the stockholders of Workday, Inc. approved the 2022 Equity Incentive Plan ("2022 Plan"). The 2022 Plan serves as the successor to the 2012 Equity Incentive Plan ("2012 Plan" and together with the 2022 Plan, "Stock Plans"). Awards that are granted on or after the effective date of the 2022 Plan will be granted pursuant to and subject to the terms and provisions of the 2022 Plan. Prior awards granted under the 2012 Plan continue to be subject to the terms and provisions of the 2012 Plan.

For RSUs and PRSUs, fair value is based on the closing price of the ultimate parent company's common stock on the grant date. Compensation expense, net of estimated forfeitures, is recognised using the accelerated attribution method over the service period for each tranche of awards. The requisite service period for the awards is generally the same as the vesting period.

For stock options assumed, fair value is estimated using the Black-Scholes option-pricing model. Stock compensation expense, net of estimated forfeitures, is recognised on a straight-line basis over the requisite service period. The Company determines the assumptions for the option-pricing model as follows:

- *Risk-Free Interest Rate:* The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date closest to the grant date for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the stock option grants.
- *Expected Term:* The expected term represents the period that the share-based award is expected to be outstanding. The expected term for stock options was determined based on the vesting terms, exercise terms and contractual lives.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.11 Share-based payment transactions - continued

- *Volatility.* The volatility is based on a blend of historical volatility and implied volatility of Workday Inc., common stock. Implied volatility is based on market traded options of Workday Inc., common stock.
- *Dividend Yield.* The dividend yield is assumed to be zero as the Company has not paid and does not expect to pay dividends.

For shares issued under the ESPP, fair value is estimated using the Black-Scholes option pricing model. Compensation expense is recognised on a straight-line basis over the offering period. The Company determines the assumptions for the option-pricing model as follows:

- *Risk-Free Interest Rate.* The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date closest to the grant date for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the ESPP purchase rights.
- *Expected Term.* The expected term represents the period that our ESPP is expected to be outstanding. The expected term for the ESPP approximates the offering period.
- *Volatility.* The volatility is based on a blend of historical volatility and implied volatility of Workday Inc., common stock. Implied volatility is based on market traded options of Workday Inc., common stock.
- *Dividend Yield.* The dividend yield is assumed to be zero as the Company has not paid and does not expect to pay dividends.

Share-based payment recharges received from the ultimate parent company are recorded as a reduction to equity of previously recognised share-based payment charges.

2.12 Dilapidations

A provision is recognised to cover dilapidations on buildings leased by the Company, as required in the lease agreements. The amount recognised is based on management's best estimate of the costs likely to be incurred in carrying out the remedial work required.

2.13 Financial instruments

(a) Financial assets
Classification
The Company classifies its financial instruments in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortised cost.

Recognition and derecognition
Financial assets are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ('FVTPL'), directly attributable transaction costs. A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or has been transferred and the Company has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset in its entirety, except for those subsequently measured at fair value through other comprehensive income ('FVTOCI'), the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of profit and loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.13 Financial instruments - continued

(a) Financial assets - continued

Recognition and derecognition - continued

On derecognition of financial assets measured at FVTOCI, any cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains and losses. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, which is the date that the Company settles the purchase or sale of the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the year and are generally established by regulation or convention in the marketplace concerned.

Classification and measurement

At initial recognition, the Company measures a financial asset at its fair value. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company reclassifies debt instruments when its business model for managing those assets changes.

Subsequent measurement – debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through other comprehensive income ('FVTOCI'): Assets that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When a financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains and losses. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss.

The Company's debt instruments consist of the following:

- Amounts receivable from group undertakings
- Trade and other debtors

All of the Company's debt instruments have been carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.13 Financial instruments - continued

(a) Financial assets - continued

Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debtors and intercompany trade debtors, the Company applies the simplified approach permitted by IFRS 9 "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of these debtors.

(b) Financial liabilities

Financial liabilities at amortised cost include amounts owed to group undertakings and trade and other creditors. These financial instruments are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate. Amounts owed to group undertakings are classified as current liabilities (creditors due within one year) unless the Company has an unconditional right to defer settlement of the liability for at least one year after the statement of financial position date.

Financial liabilities are derecognised when the Company's obligations specified in the contract expire, are discharged or cancelled. Interest expenses are recognised using the effective interest rate method.

2.14 Cash and cash equivalents

The Company is a member of a physical cash concentration arrangement with its immediate parent company, Workday Limited. The cash account balances under this arrangement are physically pooled into a centralised account maintained by Workday Limited on a daily basis with a target cash balance for the Company of USD nil.

2.15 Recent accounting pronouncements

The following new standards and amendments are effective for the first time for years beginning on or after 1 January 2022:

- Reference to the Conceptual Framework - Amendments to IFRS 3.
- Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16
- Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37
- Annual Improvements Process:
    - IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter
    - IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
    - Illustrative Examples accompanying IFRS 16 Leases
    - IAS 41 Agriculture - Taxation in fair value measurements.

The adoption of the amendments has had no impact on the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Accounting policies - continued

2.16 Consolidation exemption

The Company has not prepared consolidated financial statements on the basis that it and all of its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent company, Workday, Inc., which have been prepared in accordance with US Generally Accepted Accounting Principles ("GAAP"). The Company has relied on specified exemptions under 401 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of Workday, Inc. are available from the ultimate parent company's website at https://www.workday.com/en-us/company/investor-relations.html.

3 Going concern

The statement of financial position shows net current assets of USD335.9 million (2022: restated USD252.7 million) and it is not anticipated that the Company will incur losses in future years. The Company meets its day-to-day working capital requirements by way of advances from group companies. The ultimate parent, Workday, Inc., has confirmed that it will provide financial support to the Company, as required, for a period of no less than twelve months from the date of approval of the financial statements. On the basis of this information, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

The directors of the Company have considered the impact of the recent macroeconomic events including higher inflation, rising interest rates, and the Russian invasion of Ukraine. The directors do not believe that these events will have a material effect on the financial statements. The macroeconomic landscape will continue to be monitored.

4 Critical accounting estimates and judgements

Estimates and judgements 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

(a) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the tangible assets and note 2.6 for the useful economic lives for each class of asset.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Critical accounting estimates and judgements- continued

(b) Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with finite useful lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Determination of the fair value of share-based payments

Estimating the fair value of share-based payment arrangements requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share-based payment, actual and projected employee share-based payment exercise behaviours and the risk-free interest rate for the expected term of the award. The value of the portion of the award that is ultimately expected to vest is recognised as an expense.

The assumptions and models used for estimating fair value for share-based payment arrangements are disclosed in note 2.11.

(d) Determination of lease terms, extension, termination and borrowing rates

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows are included in the lease liability if it is not reasonably certain that the leases will be extended (or not terminated).

When the Company cannot readily determine the interest rate implicit in a lease, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The Company estimates the IBR by considering its parent company's centralised treasury function, guarantees, credit risk profile, lack of publicly issued debt and positive cash flow, in combination with the specific currency and interest rate environment of the Company. Further details have been included in notes 2.8 and 14.

(e) Correction of error

During the current period the prior period amounts were restated to reflect the recognition and measurement of share based payments. For more details please refer to note 21.

The directors are of the opinion that there are no critical judgements or key assumptions concerning the future or other key sources of estimation uncertainty that would have a significant effect on the amounts recognised in the financial statements or that might cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Turnover

The turnover of the Company is derived from the provision of marketing support, technical support services and research and development activities to its affiliates undertaken in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Operating profit/(loss) on ordinary activities

	2023 USD'000	2022 USD'000 (Restated)*
The operating profit/(loss) is stated after charging/(crediting):		
Depreciation of tangible assets (note 13)	8,071	7,431
Research and development expense	21,969	15,735
Share-based payment expense (note 20)	70,887	85,170
Foreign exchange gain	(6,704)	(608)

(*) please refer to note 21 for further details of the prior year adjustments.

7 Staff costs

Particulars of employees (including executive directors) are shown below.

	2023 USD'000	2022 USD'000 (Restated)*
Employee costs during the year amounted to:		
Wages and salaries	111,183	95,902
Social security costs	22,481	19,769
Pension costs (note 22)	5,028	4,114
Share-based payment expense (note 20)	70,887	85,170
	209,579	204,955

(*) please refer to note 21 for further details of the prior year adjustments.

The average monthly number of persons employed by the Company (including executive directors) during the year was as follows:

	2023 Number	2022 Number
Executive directors	2	2
Customer support/professional services	182	162
Developers	118	75
General and administration	144	138
Sales	201	151
	647	528

	2023 USD'000	2022 USD'000
Included in staff costs are the following:		
Directors' remuneration	1,184	1,154

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Staff costs - continued

Directors did not receive any incremental fees for their role as a statutory director of the Company.

	2023 Number	2022 Number
Number of directors who received shares in respect of qualifying services	—	—
Number of directors who exercised share options	1	2

	2023 USD'000	2022 USD'000
Aggregate remuneration in respect of the highest paid director	880	831

8 Auditor's remuneration

	2023 USD'000	2022 USD'000
Fees paid to the Company's auditor for the audit of the Company's annual accounts	62	56

The statutory auditor did not provide any tax advisory or non-audit services to the Company during the year.

9 Other income

	2023 USD'000	2022 USD'000
Research and development income	666	969

10 Interest payable and similar charges

	2023 USD'000	2022 USD'000
Interest expense relating to lease liabilities (note 14)	180	68
Accretion of dilapidation provision (note 18)	8	17
	188	85

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Taxation on profit/(loss) on ordinary activities

	2023 USD'000	2022 USD'000 (Restated)*
Current tax		
Current tax on profit/(loss) for the year	7,364	6,920
Adjustment in respect of prior years**	(1,065)	46
	6,299	6,966
Deferred tax		
Origination and reversal of timing differences	2,827	(3,219)
Adjustment in respect of prior years**	2	807
Effect of changes in tax rates	(3,380)	29
	(551)	(2,383)
Tax charge on profit/(loss) on ordinary activities	5,748	4,583

(*) please refer to note 21 for further details of the prior year adjustments.

**Mainly relate to the recognition of carry back losses in prior years and fixed assets resulting in the adjustment of current and deferred taxes in the prior year and 2023.

Factors affecting the tax charge for the year
The tax assessed on the profit/(loss) on ordinary activities differs from that calculated using the standard rate of corporation tax of 19% (2022:19%). The differences are reconciled below:

	2023 USD'000	2022 USD'000 (Restated)*
Profit/(loss) on ordinary activities before taxation	21,307	(5,667)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	4,048	(1,077)
Effects of:		
Expenses not deductible for tax purposes	429	166
Deferred tax recognised at a different rate	(3,380)	29
Non-taxable income	—	(105)
Research and Development Expenditure Credit	—	(88)
Share-based payment adjustment	5,714	4,805
Adjustment in respect of prior years	(1,063)	853
Tax charge for the financial year	5,748	4,583

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Taxation on profit/(loss) on ordinary activities - continued

	2023 USD'000	2022 USD'000 (Restated)*
Deferred tax (note 15)		
At 1 February	(17,376)	(14,797)
Adjustment in respect of prior years	2	807
Credited to the statement of profit and loss and other comprehensive income	(553)	(3,190)
Charged to the statement of changes in equity	2,555	(196)
	(15,372)	(17,376)

Of the USD1.6 million net debit (2022: USD7.0 million credit) to the share-based payment reserve, USD2.6 million of a credit (2022: USD0.2 million charge) pertains to the recognition of the deferred taxes during the year.

	2023 USD'000	2022 USD'000 (Restated)*
Deferred tax asset comprises the following:		
Depreciation less than/(in excess of) capital allowances	(703)	126
Pension charge accrual and donations***	(666)	(415)
Losses	(4)	(1,372)
Share options	(13,999)	(15,619)
Research and development expenditure credit	—	(96)
Total deferred tax asset (note 15.1)	(15,372)	(17,376)

***In the prior year, these amounts were disclosed under "share options".

The Company had trading tax losses amounting to USD7.2 million in 2022 that have been fully utilised in 2023.

The Company had HMRC transfer pricing enquiries relating to the periods ended 31 January 2016 to 31 January 2019 arising from which amended tax returns were filed by the Company and an equivalent tax charge of USD0.7 million in respect of these returns was recognised during the financial year 2022. The Company initiated a mutual agreement procedure (MAP) between the Competent Authorities of UK and Ireland in April 2022 relating to the HMRC transfer pricing enquiries for the periods ended 31 January 2017 to 31 January 2021 and subsequently added the period ended 31 January 2022 into the process. In the middle of January 2024, the Company received a notice from HMRC on the settlement position between UK Competent Authority and Ireland Competent Authority regarding Workday MAP request ("HMRC settlement letter") without any supporting details, and the Company intends to accept the settlement position subject to administrative steps required thereafter. The Company further applied a transfer pricing policy change considering various factors and the updated policy is consistent with what is implied in the HMRC settlement letter. The consequent impact of the HMRC settlement letter for the periods of 31 January 2017 to 31 January 2022, as stated in the HMRC settlement letter and subject to the Company's acceptance and administrative steps followed thereafter, is reflected in the Company's 2023 financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Taxation on profit/(loss) on ordinary activities - continued

From 1 April 2023 the corporation tax rate has increased to 25% and deferred tax assets have been measured taking this rate change into account.

12 Financial assets

	2023 USD'000	2022 USD'000
At beginning and end of year	2,844	2,844

In the opinion of the directors, the fair value of the Company's investment is not less than the carrying value.

As at 31 January 2023, the Company's investments consist of 100% ownership of the following company:

Name	Business	Registered office
Adaptive Insights Limited	Distributor	7th Floor, 1 Finsbury Avenue, London, EC2M 2PF, England

13 Tangible assets

	Construction in progress USD'000	Fixtures and fittings USD'000	Capitalised equipment USD'000	Leasehold properties USD'000	Total USD'000
Cost					
At 31 January 2022	292	1,347	2,914	33,172	37,725
Additions	4,636	10	102	7,039	11,787
Transfers	(4,928)	458	841	3,629	—
Disposals	—	—	—	(579)	(579)
At 31 January 2023	—	1,815	3,857	43,261	48,933
Depreciation					
At 31 January 2022	—	431	1,905	13,724	16,060
Charge for the year	—	276	523	7,272	8,071
Disposals	—	—	—	(579)	(579)
At 31 January 2023	—	707	2,428	20,417	23,552
Net book value					
At 31 January 2022	292	916	1,009	19,448	21,665
At 31 January 2023	—	1,108	1,429	22,844	25,381

Right-of-use assets amounting to USD14.0 million (2022: USD12.2 million) are included within leasehold properties. See note 14 for further details.

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Leases

Right-of-use assets	Leasehold Properties 2023 USD'000	Leasehold Properties 2022 USD'000
At 1 February	12,228	12,591
Additions	6,225	4,202
Depreciation	(4,455)	(4,565)
At 31 January	13,998	12,228

Right-of-use assets are included in the line item 'Tangible assets' in the statement of financial position.

Lease obligations

	2023 USD'000	2022 USD'000
Current	3,626	3,564
Non-current	10,116	8,510
	13,742	12,074

Current and non-current lease obligations are included in the line item 'Creditors: amounts falling due within one year' and 'Creditors: amounts falling due after one year' in the statement of financial position.

The table below summarises the undiscounted contractual cash flows related to the Company's lease liabilities based on their contractual maturities.

	2023 USD'000	2022 USD'000
Less than one year	3,656	3,584
Between one and five years	9,543	8,684
More than five years	1,178	—
Total undiscounted contractual lease cash flows	14,377	12,268

The following amounts related to leases were recognised in the statement of profit and loss and other comprehensive income:

	2023 USD'000	2022 USD'000
Interest expense on lease liabilities (included in interest payable and similar charges)	180	68
Depreciation of right-of-use assets	4,455	4,565

Total cash outflows in relation to leases for the year ended 31 January 2023 were USD3.3 million (2022 USD5.0 million).

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Debtors

15.1 Amounts falling due after one year:

	2023 USD'000	2022 USD'000 (Restated)*
Deposits	2,535	2,769
Deferred tax asset (note 11)	15,372	17,376
	17,907	20,145

Deposits relate to funds held by the landlord in respect of leases.

(*) please refer to note 21 for further details of the prior year adjustments.

15.2 Amounts falling due within one year:

	2023 USD'000	2022 USD'000
Corporation tax prepaid	—	4,399
Due from group undertakings	353,079	262,611
VAT recoverable	1,388	758
Prepayments	1,345	1,058
Other debtors	—	24
	355,812	268,850

Amounts due from group undertakings are unsecured, non-interest bearing and repayable on demand.

16 Cash at bank

The Company is a member of a physical cash concentration arrangement with its immediate parent company, Workday Limited. The cash account balances under this arrangement are physically pooled into a centralised account maintained by Workday Limited on a daily basis with a target cash balance for the Company of USD nil.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Creditors

17.1 Amounts falling due within one year:

	2023	2022
	USD'000	USD'000
Trade creditors	1,853	935
Amounts owed to group undertakings	125	—
Other taxes and social security	12,518	12,766
Accruals	18,006	19,035
Lease liabilities (note 14)	3,626	3,564
Corporation tax payable	1,722	—
	37,850	36,300

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

17.2 Amounts falling due after more than one year:

	2023	2022
	USD'000	USD'000
Lease liabilities (note 14)	10,116	8,510
	10,116	8,510

18 Provisions

	2023	2022
	USD'000	USD'000
At 1 February	1,438	342
Accretion expense	8	17
Movement in provision	414	1,079
At 31 January	1,860	1,438

The provision relates to the dilapidation provision, which is based on estimated costs likely to be incurred in carrying out the remedial work required to complete the potential future restoration of the leased building to its original condition.

NOTES TO THE FINANCIAL STATEMENTS - continued

19 Called up share capital and reserves

Authorised	2023	2022
	GBP	GBP
100,000 ordinary shares of GBP1 each	100,000	100,000

	2023	2022
	USD	USD
Allotted, called up and fully paid		
3 ordinary shares (2022:3 ordinary shares) of GBP1 each	4	4

Share premium
Share premium represents the excess of proceeds received in relation to the issuance of shares over the par value of those shares.

Profit and loss account
The profit and loss account represents accumulated comprehensive income for the financial year and prior financial years.

20 Share-based payment reserve

	2023	2022
	USD'000	USD'000 (Restated)*
At 1 February	264,478	172,288
Movement in provision for the year	70,887	85,170
Tax effect of share-based payment	(1,584)	7,020
At 31 January	333,781	264,478

(*) please refer to note 21 for further details of the prior year adjustments.

The Company has reviewed the accounting assessment of share-based payment reserve and this has resulted in the retrospective application and an adjustment of comparative amounts and opening balances for the financial year 2022.

Employee Equity Plans
On 22 June 2022, the stockholders of Workday, Inc. approved the 2022 Equity Incentive Plan ("2022 Plan"). The 2022 Plan serves as the successor to the 2012 Equity Incentive Plan ("2012 Plan" and together with the 2022 Plan, "Stock Plans"). Awards that are granted on or after the effective date of the 2022 Plan will be granted pursuant to and subject to the terms and provisions of the 2022 Plan. Prior awards granted under the 2012 Plan continue to be subject to the terms and provisions of the 2012 Plan.

In the fourth quarter of fiscal 2023, Workday, Inc. modified the vesting date of all unvested RSU awards from the 15th to the 5th of each month.

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Share-based payment reserve - continued

Restricted stock units

The Workday, Inc. Stock Plans provide for the issuance of RSUs to employees and non-employees. RSUs generally vest over four years. A summary of information related to RSU activity is as follows:

	Number of shares	Weighted average grant date fair value
		USD
At 31 January 2022	688,258	221.21
RSU's granted	360,635	175.11
RSU's vested	(355,412)	218.41
RSU's forfeited	(52,183)	196.43
RSU's transferred	21,169	215.27
At 31 January 2023	662,467	183.14

The weighted-average grant date fair value of RSUs granted during fiscal 2023 and 2022 was USD175.11 and USD258.08, respectively. The total fair value of RSUs vested as of the vesting dates during fiscal 2023 and 2022 was USD57.7 million and USD77.8 million respectively.

Performance based restricted stock units

During fiscal 2023, no shares of PRSUs (2022: 0.01 million) were granted that included both service conditions and performance conditions related to company-wide goals. 2022 performance conditions were met and the PRSU awards vested on 15 March 2022.

Stock options

The Workday, Inc. Stock Plans provide for the issuance of incentive and non-statutory stock options to employees and non-employees. Stock options issued under the Workday Inc. Stock Plans generally are exercisable for periods not to exceed ten years and generally vest over five years. A summary of information related to stock option activity is as follows (in millions, except share and per share data):

	Outstanding stock options	Weighted average exercise price	Aggregate intrinsic value
	Number	USD	USD'000
At 31 January 2022	6,766	19.40	1,581
Stock options exercised	(3,708)	9.92	—
Stock options cancelled	—	—	—
Stock options expired	(5)	21.41	—
At 31 January 2023	3,053	30.90	460
Vested and expected to vest as of 31 January 2023	3,053	30.90	460
Exercisable as of 31 January 2023	3,053	30.90	460

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Share-based payment reserve - continued

The total grant date fair value of stock options vested during fiscal 2023 and 2022 was USD0.01 million and USD0.2 million, respectively. The total intrinsic value of stock options exercised during fiscal 2023 and 2022 was USD0.7 million and USD4.3 million, respectively. The intrinsic value is the difference between the current fair value of the stock and the exercise price of the stock option. The weighted-average remaining contractual life of vested and expected to vest stock options as of 31 January 2023, is approximately five years.

The stock options that are exercisable as of 31 January 2023, have a weighted-average remaining contractual life of approximately five years. The weighted-average remaining contractual life of outstanding stock options as of 31 January 2023, is approximately five years.

There were no stock options granted during fiscal 2023 and 2022.

Employee stock purchase plan
Under the Workday Inc., Amended and Restated 2012 Employee Stock Purchase Plan ("ESPP"), eligible employees are granted options to purchase shares at the lower of 85% of the fair market value of the stock at the time of grant or 85% of the fair market value at the time of exercise. Options to purchase shares are granted twice yearly on or about 1 June and 1 December and are exercisable on or about the succeeding 30 November and 31 May, respectively, of each year.

Employee stock purchase plan - continued
The fair value of stock purchase rights granted under the ESPP was estimated using the following assumptions:

	2023	2022
Expected volatility	46.2% - 48.5%	30.4% - 41.5%
Expected term (in years)	0.50	0.5
Risk-free interest rate	1.63% - 4.65%	0.04% - 0.10%
Dividend yield	0%	0%
Grant date fair value per share	USD156.56 – USD169.48	USD225.70 – USD260.86

21 Correction of prior period error

From inception of the 2012 Equity plan up to 31 January 2022, the Company accounted for share based awards issued to employees, including restricted stock units ("RSUs") and performance based restricted stock units ("PRSUs") among other types of awards, on a straight-line basis over the requisite service period. The requisite service period of the awards is generally the same as the vesting period. These share based payment awards have graded vesting features and should have been accounted for by applying IFRS 2 "Share based payment", requiring awards where tranches of the award vest on different dates to be recognised over their respective vesting periods. In the current year, these awards are being accounted for under the accelerated attribution method. The expense is now being recognised over the period from the grant date to the vesting date for each tranche of the underlying award.

In accordance with IAS 8 "Accounting Policies, Changes in accounting Estimate and Errors", the correction of this error has been reflected in the financial statements by restating the prior year comparatives (including the deferred tax impact on the taxation charge and cumulative deferred tax asset included within "Debtors: amounts falling due after one year"). For comparability with the current period accounting treatment, the correction of this error has resulted in the following adjustments to the financial statements:

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Correction of prior period error - continued

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (extract)	31 January 2022 (As previously reported)	Adjustment	31 January 2022 (Restated)
	USD'000	USD'000	USD'000
Turnover - continuing operations	223,083	—	223,083
Cost of services	(207,962)	(21,672)	(229,634)
Operating profit/(loss) on ordinary activities	15,121	(21,672)	(6,551)
Other income	969	—	969
Interest payable and similar charges	(85)	—	(85)
Profit/(loss) on ordinary activities before taxation	16,005	(21,672)	(5,667)
Taxation on profit/(loss) on ordinary activities	(5,879)	1,296	(4,583)
Profit/(loss) for the financial year	10,126	(20,376)	(10,250)
Other comprehensive income	—	—	—
Total comprehensive income/(expense)	10,126	(20,376)	(10,250)

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Correction of prior period error - continued

STATEMENT OF FINANCIAL POSITION (extract)	31 January 2022 (As previously reported)	Adjustment	31 January 2022 (Restated)
	USD'000	USD'000	USD'000
Fixed assets			
Financial assets	2,844	—	2,844
Tangible assets	21,665	—	21,665
	24,509	—	24,509
Current assets			
Debtors: amounts falling due after one year	8,584	11,561	20,145
Debtors: amounts falling due within one year	268,850	—	268,850
	277,434	11,561	288,995
Creditors: amounts falling due within one year	(36,300)	—	(36,300)
Net current assets	241,134	11,561	252,695
Total assets less current liabilities	265,643	11,561	277,204
Creditors: amounts falling due after one year	(8,510)	—	(8,510)
Provisions	(1,438)	—	(1,438)
Net assets	255,695	11,561	267,256
Capital and reserves			
Called up share capital	—	—	—
Share premium	2,844	—	2,844
Share-based payment reserve	205,266	59,212	264,478
Profit and loss account	47,585	(47,651)	(66)
Shareholder's funds	255,695	11,561	267,256

21 Correction of prior period error - continued

STATEMENT OF CHANGES IN EQUITY (extract)	Called up share capital	Share premium	Share-based payment reserve	Profit and loss account	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 February 2021 (As previously reported)	—	2,844	136,598	37,459	176,901
Correction of prior period error increase/(decrease)	—	—	35,690	(27,275)	8,415
At 1 February 2021 - as restated	—	2,844	172,288	10,184	185,316
Profit for the financial year (As previously reported)	—	—	—	10,126	10,126
Increase in loss for the year as a result of a correction of prior period error	—	—	—	(20,376)	(20,376)
Total comprehensive expense for the year (Restated)	—	—	—	(10,250)	(10,250)
Share-based payment transactions (As previously reported)	—	—	63,498	—	63,498
Increase in share-based payment transactions	—	—	21,672	—	21,672
Tax impact of share based payment transactions (As previously reported)	—	—	5,170	—	5,170
Tax impact of share based payment transactions increase	—	—	1,850	—	1,850
At 1 February 2022 (Restated)	—	2,844	264,478	(66)	267,256

NOTES TO THE FINANCIAL STATEMENTS - continued

22 Pensions

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 USD5 million (2022: USD4.1 million). Contributions totaling USD0.8 million (2022: USD0.7 million) were payable to the fund at the statement of financial position date and are included in creditors.

23 Events since the year end

There have been no significant events affecting the Company since the year end that require adjustment to or disclosure in the financial statements.

24 Parent undertakings and controlling parties

The immediate parent company and controlling party is Workday Limited, a limited company incorporated in the Republic of Ireland with its registered office at The King's Building, May Lane, Dublin 7, Republic of Ireland.

The ultimate parent company and controlling party is Workday, Inc., a company incorporated in the United States of America with its registered office at The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, United States of America.

The smallest and largest group into which the results of the Company are consolidated into is Workday, Inc. The consolidated financial statements are available from the ultimate parent company's website at https://www.workday.com/en-us/company/investor-relations.html.

25 Approval of financial statements

The directors approved the financial statements and authorised them for issue on 14 March 2024.