

Company Registration No. 00239726 (England and Wales)

CAPITA TRUST COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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CAPITA TRUST COMPANY LIMITED

COMPANY INFORMATION

Directors	S P Martin H A Montagu C A Benford D J Osborne
Secretary	Capita Group Secretary Limited
Company number	00239726
Registered office	The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors	Herbert Smith Freehills Exchange House Primrose Street London EC2A 2HS

CAPITA TRUST COMPANY LIMITED

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CAPITA TRUST COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report and financial statements for the year ended 31 December 2016.

Review of the business

The company is a wholly owned subsidiary of Capita plc (indirectly held) and operates within the group's Asset Services division.

The principal activity of the company continued to be that of corporate trustees and the provision of trust and corporate administration services. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 5, the company's turnover has decreased from £9,480,020 to £9,041,042 in the current year. Operating profit has decreased from £2,544,386 to £2,258,580 in the same period.

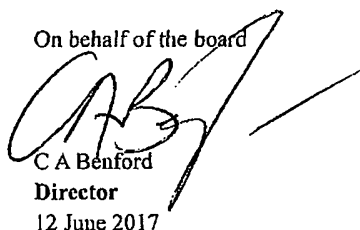
The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. The company is party to a group banking arrangement under which it does not earn interest on any positive cash balances. Net assets have increased from £11,198,180 to £12,983,296. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 8 and 9 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Asset Services division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

On behalf of the board



C A Benford
Director
12 June 2017

CAPITA TRUST COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and financial statements for the year ended 31 December 2016.

Results and dividends

The results for the year are set out on page 5.

No interim or final ordinary dividends were paid during the year (2015: £2,275,760).

Directors

The following directors, have held office since 1 January 2016:

S P Martin
H A Montagu
C A Benford
D J Osborne
P C Corrigan

(Resigned 2 February 2016)

Auditor

In accordance with section 487(2) of the Companies Act 2006, the auditors, KPMG LLP, will be deemed to be reappointed and therefore continue in office.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

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

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

Statement of disclosure to auditors

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 its report, of which the company's auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CAPITA TRUST COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Qualifying 3rd party indemnity provisions

The company has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



C A Benford

Director

12 June 2017

CAPITA TRUST COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPITA TRUST COMPANY LIMITED

We have audited the financial statements of Capita Trust Company Limited for the year ended 31 December 2016 set out on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

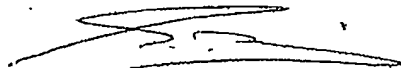
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report;

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Salim Tharani (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

13 June 2017

CAPITA TRUST COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover		9,041,042	9,480,020
Cost of sales		(3,543,722)	(5,155,700)
Gross profit		5,497,320	4,324,320
Administrative expenses		(2,488,668)	(2,315,677)
Other operating expenses		(750,072)	535,743
Operating profit	3	2,258,580	2,544,386
Tax on profit	4	(473,464)	(722,442)
Profit for the financial year		1,785,116	1,821,944

The statement of profit and loss and comprehensive income has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CAPITA TRUST COMPANY LIMITED

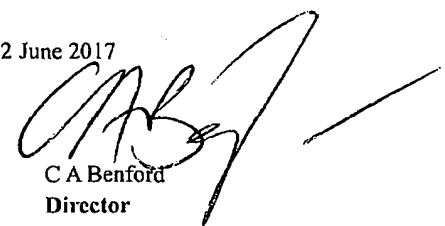
BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible fixed assets	6	190,035	236,594
Investments	7	4	4
		<u>190,039</u>	<u>236,598</u>
Current assets			
Debtors	8	27,842,048	27,866,818
Cash at bank and in hand		1,716,900	2,032,197
		<u>29,558,948</u>	<u>29,899,015</u>
Creditors: amounts falling due within one year	9	(16,717,024)	(18,937,433)
Net current assets		<u>12,841,924</u>	<u>10,961,582</u>
Total assets less current liabilities		<u>13,031,963</u>	<u>11,198,180</u>
Provisions for liabilities	11	(48,667)	-
		<u>12,983,296</u>	<u>11,198,180</u>
Capital and reserves			
Called up share capital	12	8,975,001	8,975,001
Share premium account	12	999,999	999,999
Profit and loss account	12	3,008,296	1,223,180
Shareholders' funds		<u>12,983,296</u>	<u>11,198,180</u>

Approved by the Board and authorised for issue on 12 June 2017


S P Martin
Director


C A Benford
Director

Company Registration No. 00239726

CAPITA TRUST COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	8,975,001	999,999	1,676,996	11,651,996
Profit for the year	-	-	1,821,944	1,821,944
Total comprehensive income for the period	-	-	1,821,944	1,821,944
Dividends	-	-	(2,275,760)	(2,275,760)
Contribution in respect of share based payment charge	-	-	(5,555)	(5,555)
Settlement of share based payment charge by intercompany	-	-	5,555	5,555
At 31 December 2015	8,975,001	999,999	1,223,180	11,198,180
Profit for the year	-	-	1,785,116	1,785,116
Total comprehensive income for the period	-	-	1,785,116	1,785,116
Contribution in respect of share based payment charge	-	-	(10,604)	(10,604)
Settlement of share based payment charge by intercompany	-	-	10,604	10,604
At 31 December 2016	8,975,001	999,999	3,008,296	12,983,296

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

Capita Trust Company Limited is a company incorporated and domiciled in the UK.

The company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.2 Compliance with accounting standards

These financial statements were prepared in accordance with Financial Reporting Standard 101 - Reduced Disclosure Framework (FRS 101).

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's ultimate parent undertaking, Capita plc, includes the company in its consolidated statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from 71 Victoria Street, London SW1H 0XA. In these financial statements, the company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Capita plc include equivalent disclosures, the company has also taken the disclosure exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company, in the current and prior periods including the comparative period reconciliation for goodwill;
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

1.3 Revenue

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Turnover comprises fee and commission income and is accounted for on the basis of when the income is earned.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvement	Over the period of the lease
Computer equipment	3 years

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Bank overdrafts are shown within current liabilities.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.8 Taxation

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

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

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.9 Pensions

The company maintains a number of defined contribution schemes and contributions are charged to the profit and loss account in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the company. The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the group liability centrally. Any unpaid contributions at the year end have been accrued in the accounts of that company.

The company also has employees who are members of defined benefit schemes operated by the group. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer which is Capita Business Services Limited, a fellow subsidiary undertaking. The company then recognises a cost equal to its contribution payable for the period. The contributions payable by the participating entities are determined on the following basis:

The Capita Pension & Life Assurance Scheme (the "Capita DB Scheme") provides benefits on a defined benefit basis funded from assets held in a separate trustee-administered fund.

The Capita DB Scheme is a non-segregated scheme but there are around 200 different sections in the Scheme where each section provides benefits on a particular benefit basis (some based on final salary, some based on career average earnings) to particular groups of employees. Of these sections around 80 include members currently accruing benefits.

At each funding assessment of the Capita DB Scheme (carried out triennially) the contribution rates for those sections containing active members are calculated. These are then rationalised such that sections with similar employer contribution rates (when expressed as a percentage of pensionable pay) are grouped together and an average employer contribution rate for each of the rationalised groups calculated.

The company's contribution is consequently calculated by applying the appropriate average employer contribution rates to the pensionable pay of its employees participating in the scheme.

Following the most recent funding assessment of the Capita DB Scheme which was carried out as at 31 March 2014, the Group entered into an agreement to make additional contributions to the Capita DB Scheme over a period of time until 2027. The next scheme funding assessment will be carried out with an effective date of 31 March 2017.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.10 Share-based payments

The company participates in various share option and sharesave schemes operated by Capita plc, the ultimate parent undertaking. Details of these schemes are contained in the group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the company, since the previous balance sheet date is recognised in the profit and loss account and settled with Capita plc, the ultimate parent undertaking.

In accordance with IFRS 2, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the company are disclosed as a charge to the profit and loss account and a credit to equity. The company's policy is to reimburse its ultimate parent company through the inter company account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-company which better describes the underlying nature of the transaction.

1.11 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is fully exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Capita plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Profit for the year

	2016 £	2015 £
Operating profit for the year is stated after charging:		
Net foreign exchange losses/(gains)	750,072	(535,743)
Depreciation of property, plant and equipment	95,583	128,205
Operating lease rentals - plant and machinery	1,844	138
	<u>750,072</u>	<u>(535,743)</u>

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £5,000 (2015: £3,000). The company has taken advantage of the exemption provided by regulations 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

4 Taxation

	2016 £	2015 £
Corporation tax		
Current year	458,090	528,602
Adjustments in respect of prior periods	106,708	202,673
	<u>564,798</u>	<u>731,275</u>
Deferred tax		
Origination and reversal of temporary differences	1,853	(6,271)
Adjustment in respect of prior periods	(93,187)	(2,562)
	<u>(91,334)</u>	<u>(8,833)</u>
Total tax expense	<u>473,464</u>	<u>722,442</u>

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

(Continued)

4 Taxation

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £	2015 £
Profit before taxation on continued operations	2,258,580	2,544,386
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2015 - 20.25%)	451,716	515,238
Taxation impact of factors affecting tax charge:		
Effect of change in UK corporation tax rate	7,327	-
Expenses not deductible for tax purposes	900	4,324
Adjustment to previous periods	-	2,769
Adjustments in respect of current income tax of prior years	106,708	202,673
Adjustments in respect of deferred income tax of prior years	(93,187)	(2,562)
Total adjustments	21,748	207,204
Total tax charge for the year	473,464	722,442

The UK corporation tax rate will decrease from 20% to 19% from 1 April 2017 with a further reduction to 17% from 1 April 2020. The deferred tax balance has been adjusted to reflect this change

5 Dividends

	2016 £	2015 £
Ordinary shares		
Final dividend paid	-	2,275,760

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Property, plant and equipment

	Leasehold improvement £	Computer equipment £	Total £
Cost			
At 1 January 2016	198,567	400,127	598,694
Additions	-	49,024	49,024
Disposals	(198,567)	(36,074)	(234,641)
At 31 December 2016	-	413,077	413,077
Depreciation			
At 1 January 2016	182,020	180,080	362,100
Charge for the year	16,547	79,036	95,583
On disposal	(198,567)	(36,074)	(234,641)
At 31 December 2016	-	223,042	223,042
Net book value			
At 31 December 2016	-	190,035	190,035
At 31 December 2015	16,547	220,047	236,594

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2016 & 31 December 2016	4
Net book value	
At 31 December 2016	4
At 31 December 2015	4

Holdings of ordinary share capital

Details of the company's subsidiaries at 31 December 2016 are as follows:

Company	Country of registration or incorporation	Ordinary shares held (%)	Nature of business
Pacific Quay Nominees No. 1 Ltd***	England	100	Trustee & Administration Services
Capita Trust Corporate Ltd#	England	100	Trustee & Administration Services
Capita Consortium Nominees No. 1 Ltd#	England	100	Trustee & Administration Services
Royal Exchange Trust Company Ltd#	England	100	Trustee & Administration Services
Pacific Quay Trustees No. 1 Ltd***	England	100	Trustee & Administration Services
Capita KWS Ltd*	England	100	Trustee & Administration Services
Capita Consortium Nominees No. 3 Ltd*	England	100	Trustee & Administration Services
Royal Exchange Trustee Nominees Ltd*	England	100	Trustee & Administration Services
White City Property Trustees Ltd***	England	100	Trustee & Administration Services
Capita Trust Secretaries Ltd*	England	100	Trustee & Administration Services
Capita Trust Corporate Services Ltd*	England	100	Trustee & Administration Services
Capita Pension Trustee Company (1997) Ltd*	England	100	Trustee & Administration Services
White City Property Nominee Ltd***	England	100	Trustee & Administration Services
Capita Pension Trustees Ltd*	England	100	Trustee & Administration Services
Capita Trust Nominees No. 2 Ltd*	England	100	Trustee & Administration Services
Capita Consortium Nominees No. 2 Ltd*	England	100	Trustee & Administration Services
Capita ASOP Ltd**	England	100	Trustee & Administration Services
Capita ATL Pension Trustees Ltd*	England	100	Trustee & Administration Services
Capita Pension Secretariat Ltd*	England	100	Trustee & Administration Services
Capita Trust Nominees No. 1 Ltd*	England	100	Trustee & Administration Services
CT Nominee Ltd**	England	100	Trustee & Administration Services
CT Director Limited**	England	100	Trustee & Administration Services

- Directly held and incorporated at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

- Directly held and incorporated at 17 Rochester Row, London, SW1P 1QT

- Directly held and incorporated at 4th Floor, 40 Dukes Place, London, EC3A 7NH

* - Indirectly held and incorporated at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

** - Indirectly held and incorporated at 17 Rochester Row, London, SW1P 1QT

*** - Indirectly held and incorporated at 4th Floor, 40 Dukes Place, London, EC3A 7NH

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Investments

(Continued)

8 Debtors

	2016	2015
	£	£
Trade receivables	1,492,309	1,217,709
Other debtors	361,416	477,413
Amount due by parent and fellow subsidiary undertakings	25,503,369	25,509,377
Prepayments and accrued income	369,701	638,400
Deferred tax asset (see note 11)	115,253	23,919
	<u>27,842,048</u>	<u>27,866,818</u>

Amounts falling due after more than one year and included in other debtors above are £361,416 (2015: £477,413).

9 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	115,110	133,720
Amount due to parent and fellow subsidiary undertakings	13,790,455	15,234,012
Corporation tax	660,765	731,275
Other taxes and social security	365,328	366,218
Other payables	6,174	-
Accruals and deferred income	1,480,035	2,472,208
Deferred consideration	299,157	-
	<u>16,717,024</u>	<u>18,937,433</u>

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Pensions and other post-retirement benefit commitments

The company offers both defined benefit and defined contribution pension schemes.

Contributions in respect of defined contribution schemes payable by the company during the year amounted to £276,770 (2015: £271,890).

The company has current and former employees who are members of the Capita Pension and Life Assurance Scheme (the "Capita scheme"), a defined benefit scheme.

The most recent funding assessment of the Capita scheme which was carried out as at 31 March 2014 revealed an actuarial deficit. As a result of this, Capita plc entered into an agreement to make past service deficit recovery payments to the Capita scheme until the end of 2027. In addition, Capita plc agreed an average employer contribution rate of 13.8% (excluding employee contributions made as part of a salary sacrifice scheme).

The next scheduled scheme funding assessment will be carried out with an effective date of 31 March 2017.

For the purpose of the consolidated accounts of Capita plc, an independent qualified actuary projected the results of this valuation to 31 December 2016.

The pension charge for the defined benefit scheme for the year was £52,101 (2015: £57,942). The average employer contribution rate during 2016 across all Capita companies to final salary pension arrangements was approximately 27.4% pa (2015: 29.4%) of pensionable salaries including employee contributions made as part of a salary sacrifice scheme.

The major assumptions for the valuation at 31 December 2016 were as follows: rate of price inflation - RPI/CPI 3.35%/2.25% (2015: 3.0%/2.0%); rate of salary increase - 3.25% (2015 - 3.0%); rate of increase for pensions in payment - 3.15% (2015 - 2.9%); discount rate - 2.8% (2015 - 3.9%). The Capita scheme assets at fair value at 31 December 2016 were (i) equities/hedge funds/absolute returns/diversified growth funds - £509.4m (2015: £428.1m); (ii) bonds - £492.5m (2015: £308.7m); (iii) property/US High Yield - £70.4m (2015: £68.2m); (iv) insurance contracts - £51.2m (2015: £47.2m); (v) cash/other - (£96.5m) (2015: £92.8m), totalling £1,038m (2015: £849.4m). The actuarially assessed value of scheme liabilities at 31 December 2016 was £1,366.4m (2015: £1,017.7m) indicating that the Capita scheme had a net liability of £328.4m (2015: net liability of £168.3m). These figures are quoted gross of deferred tax. The full disclosure is available in the consolidated accounts of Capita plc.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Provisions

	Restructuring £
Additional provisions in the year	88,029
Utilisation of provision	(39,362)
At 31 December 2016	<u>48,667</u>

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2016
Balance at 1 January 2016	(23,919)
Profit and loss account	(91,334)
Balance at 31 December 2016	<u>(115,253)</u>

	2016 £	2015 £
Accelerated capital allowances	(115,253)	(23,919)
	<u>(115,253)</u>	<u>(23,919)</u>

12 Capital and reserves

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
8,975,001 Ordinary shares of £1 each	<u>8,975,001</u>	<u>8,975,001</u>

Share capital

The nominal proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

Share premium

The amount paid to the company by shareholders, in cash or other consideration, over and above the nominal value of the shares issued to them.

Profit and loss account

Net profits kept to accumulate in the company after dividends are paid and retained in the business as working capital.

CAPITA TRUST COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Directors' remuneration	2016 £	2015 £
Remuneration for qualifying services	428,664	626,473
Company pension contributions to defined contribution schemes	8,365	19,559
Company pension contributions to defined denefit schemes	19,452	21,443
	<u>456,481</u>	<u>667,475</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2015 - 6).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2015 - 3).

The number of directors who exercised share options during the year was 0 (2015 - 1).

14 Employees

The average monthly number of employees (including non-executive directors) were:

	2016 Number	2015 Number
Sales	4	1
Operations	31	52
Administration	23	21
	<u>58</u>	<u>74</u>

Their aggregate remuneration comprised:

Employment costs	2016 £	2015 £
Wages and salaries	3,835,709	4,374,558
Social security costs	90,808	496,889
Pension costs	328,871	329,832
Share based payments	(10,604)	5,555
	<u>4,244,784</u>	<u>5,206,834</u>

15 Controlling party

The company's immediate parent undertaking is Capita International Financial Services Holdings Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking is Capita plc, a company incorporated in England and Wales. The accounts of Capita plc are available from the registered office at 71 Victoria Street, London, SW1H 0XA.