Orbit Private Holdings I Ltd

Annual Report and Financial Statements

for the year ended 31 December 2022

Registration number: 13408201

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Contents

Company information

Directors
F Baker – Non-executive Director
P Berger – Non-executive Director
J Cooper – Non-executive Director
A Olli – Non-executive Director
B Griess – Non-executive Director
J Hendren – Non-executive Director
P Lynam – Executive Director
C Millington – Non-executive Director
J Swainson – Non-executive Director
N Wright – Non-executive Director
D Yates – Non-executive Director
D Goetz – Non-executive Director

Company secretary
Prism Cosec Limited

Registered office
Highdown House
Yeoman Way
Worthing
West Sussex
BN99 3HH

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

About the Group

Orbit Private Holdings I Ltd ("Orbit") is a holding company and affiliate of Siris Capital Group. In December 2021, Orbit acquired Armor Holdco Inc. ("AST"). At the same time, Equiniti Group plc ("Equiniti") was acquired by Earth Private Holdings Ltd, a subsidiary of Orbit. Equiniti and AST were combined to create the Orbit group of companies trading as EQ ("the Group"). 2022 was the first full year of operation for the new business.

EQ is a leading international provider of shareholder, pension, remediation, and credit technology. With over 6,000 employees, it supports 37 million people in 120 countries. EQ's purpose is to care for every customer and simplify every transaction, delivered with less of an impact on the environment.

The business comprises five divisions: UK Shareholder Services; US Shareholder Services; Retirement Solutions; Customer Resolutions; and Credit, Fraud and Analytics.

Key statistics

- 47% of the FTSE 100 work with us
- 15% of the NYSE work with us
- 37 million people benefit from our services
- Offices in 28 locations across the UK, US, India, Poland & the Netherlands
- 6,000+ employees worldwide

Key highlights 2022

- UK Top Employer in 2022
- Top Employer in the UK, US and India for 2023
- Best Governance, Risk & Compliance Programme at the Agility Customer Awards
- Market share of FTSE 100 increased to 47% from 44% in 2021
- Consumer Inclusivity Initiative Award at the Public Trust Awards from the Chartered Insurance Institute
- High-profile client wins, including Rolls Royce, HSBC, Saga and Standard Life
- Successful sale of the ICS business in November 2022
- Commitment to Net Zero by 2040 announced

CEO letter

2022 was a strong year for EQ, despite being a difficult and volatile one for global capital markets. It was also the first full year of the post-acquisition business strategy. I am pleased to say that significant progress has been made towards achieving our goal of becoming the world's leading global share registrar and provider of complementary products and services. The integration of EQ and AST is continuing smoothly, the transformation is progressing to plan, and we have materially improved the business's financial performance.

It is particularly encouraging that so much was achieved despite some notable headwinds. With the Russian invasion of Ukraine turbocharging existing inflationary pressures, capital market activity dropped significantly in 2022, which subsequently impacted EQ's event-driven income. In light of this, the leadership team responded by implementing a wide range of measures to effectively manage costs, cash and interest income. Through these measures, which included simplifying the management structure and reducing senior manager roles, the Group was able to materially increase underlying earnings and exceed the EBITDA budget for the year, albeit with a different mix of contributors than originally anticipated. The overall loss after tax does not reflect these improvements due to the changes in our debt structure post-acquisition.

Meanwhile, we maintained our focus on implementing the business strategy, which will transform and align our operations around our mission. The execution of the plan is built around ten key value drivers, and excellent progress has been made in every area. We have also streamlined and de-risked the portfolio, winding up unprofitable legacy activities and selling non-core businesses.

The strategy is already delivering results. Our investment in leadership development and the launch of new company values have contributed to greatly improved employee engagement scores and we expect these to improve further in 2023. Through the integration of our US-based operations, we have achieved significant cost savings and we are well on the way to transforming our products and services through a phased programme of digital transformation.

Our achievements have also been recognised externally. We were thrilled to be named as a Top Employer in the UK, US and India in early 2023 and received several awards for our efforts to support vulnerable customers. Our risk and compliance programme was also acknowledged as Risk & Compliance Programme of the Year at the Agility 2022 Customer Awards. Furthermore, in late 2022, Moody's maintained our credit grade rating and risk outlook.

It was a year of considerable commercial success for EQ, including high-profile client wins for our businesses. The HSBC Pension Scheme transfer to the Retirement Solutions business was completed a month early in May 2022. We were also appointed by Standard Life to administer its bulk purchase annuity policies, representing a promising entry into a new market for EQ. The UK Shareholder Services business also increased its market share in each of the FTSE 100, the FTSE 250 and the FTSE 350 and the US Shareholder Services business now works with over 175 clients in the S&P 500.

But none of these achievements would have been possible without the hard work and dedication of our colleagues. Businesses do not achieve success, people do. I am hugely grateful for the individual and collective efforts of all colleagues across our offices. EQ has a great team, and I am extremely confident that we will build on our position as a leading player in our core markets.

I would also like to thank our current clients for their continued loyalty and welcome the many new clients who chose to work with us in 2022. We really appreciate your business, and we are 100% focused on delivering the best possible service to you.

Looking ahead, we are very confident that the business will continue to improve its performance in 2023. Although there is still work to do to address some legacy challenges of EQ, we have clear plans in place to remediate these issues. The Group's EBITDA momentum is much higher entering 2023 and we expect another increase in earnings, building on the growth achieved in 2022. Our strategy is working well and has set us firmly on the way to achieving our goal of becoming the leading global share registrar.

Paul Lynam
CEO – EQ

Group strategic report for the year ended 31 December 2022

The acquisitions of Equiniti Group plc and AST completed in December 2021 meaning that 2022 was the first full year of operation as a combined business. The significant progress of the business during the year served to firmly underscore the logic of the investment thesis behind combining the businesses to create a leading global share registrar offering complementary products and services to clients. The value creation drivers identified prior to the acquisition of both businesses are already yielding results and creating a stronger, more profitable business, *with significant future potential.*

A very clear strategy, with ambitious targets, is being implemented at pace by the management team. The timely and skilful execution of the strategy, while delivering great "business-as-usual" (BAU) service, remains the primary *objective of the Executive Committee (see Governance section on page 14 for more information). Although* volatile market conditions during the year led to an increased emphasis on robust cost management, the core focus of the strategy did not change, and the Group is tracking well against key milestones.

Progress against our strategic value drivers

The strategy is underpinned by ten value drivers that map a path for EQ to achieve significant efficiencies while positioning the Group to grow strongly in the future. Focus areas include the integration of our US businesses, digital transformation throughout the organisation and the creation of a global platform for our shareholder services businesses.

Clear plans are in place for all drivers, and great progress has already been achieved for the majority of them. While some of these initiatives are shorter-term in nature, some, like the creation of a global shareholder services platform, will take longer to implement prudently and efficiently. Nonetheless, all the value drivers are building important foundations for future growth and resilience of the EQ Group.

Business review

The EQ Group comprises five divisions: UK Shareholder Services; US Shareholder Services; Retirement Solutions; Customer Resolutions; and Credit, Fraud and Analytics ("CFA").

UK Shareholder Services

Previously known as EQ Boardroom, we rebranded the business as UK Shareholder Services during 2022. It offers a broad range of services, including managing share registers, Annual General Meetings ("AGMs"), corporate actions, employee share plans, custody and dealing services and advisory solutions. A market leader in the UK, it holds over 15 million shareholder records, sends £60 billion in payments each year, and looks after 1.1 million share plan investors.

In June 2022, Thera Prins was appointed as the new CEO for the UK Shareholder Services division. Having joined Equiniti in 2016 to lead its retail investor business, she has a proven track record of growing businesses as well as extensive experience in transformative leadership roles in blue-chip companies. Thera will oversee the optimisation plan for UK Shareholder Services, initially focusing on digitising and automating processes to improve efficiency and customer service.

The division's financial performance was impacted during the year by market and political turbulence leading to lower event-driven revenue. Despite this, client retention was strong and new high-profile clients were won, increasing market share to 48% of the FTSE 100, 38% of the FTSE 250 and 40% of the FTSE 350. The higher interest rate environment also benefited the division, offsetting some of the weakness in activity-related income. It remains a well-run, high-margin business and is positioned to grow strongly when market activity recovers.

Group strategic report for the year ended 31 December 2022 (continued)

US Shareholder Services

The US Shareholder Services division was created by combining the legacy Equiniti EQ-US division and legacy AST to create an industry-leading provider of ownership data management, analytics and advisory services to public companies, private companies and mutual funds. It is the number two transfer agent in the US in terms of market share, and the number one IPO administrator. It also includes the leading proxy advisory firm D.F. King & Co., Inc. It provides services to 6.3 million shareholders and works with 35% of the S&P 500.

During 2022, our focus has been on integrating EQ-US and AST. Post-merger integration commenced in 2022 with several key milestones achieved including the selection of the combined US leadership team, implementation of a unified go to market strategy, consolidation of benefits plans for employees and the reduction of our real estate footprint across the US. At the same time, AST employees were migrated onto several EQ IT platforms enabling the retirement of an approximately 25-year-old legacy AST application.

These integration activities have been executed smoothly and are already achieving material cost savings. When the integration is complete, we expect the business to be able to leverage its strong position in the US market to drive growth. This growth will include the expansion of market share across numerous products in the US coupled with increasing share of wallet of existing clients.

Although event driven and transactional revenues were impacted by market volatility, this was offset somewhat by higher interest income and lower than planned expenses.

Retirement Solutions

The Retirement Solutions division was formerly known as EQ Paymaster and covers pensions and annuity software, business process outsourcing and payments, employee rewards and benefits, and payments. A new management team was put in place two years ago, and significant progress has been made to strengthen the business after a number of challenging years.

During the pandemic lockdowns, and for some time afterwards, the number of organisations making discretionary changes to their pension schemes service providers dropped sharply, and other event-related and project driven activities were also dampened. There is now a clear plan in place to continue to improve services through digitisation and straight through processing, reduce costs within the business and increase productivity.

Despite the challenges of recent years, Retirement Solutions is winning significant clients again and has a promising future. It operates in a very well established reasonably commoditised, low-cost market, and is now in a position to recover from some difficult years by maximising the deployment of its market leading technology.

Customer Resolutions

Customer Resolutions is a specialist division that provides consultancy and technology solutions for complex customer challenges. The business was impacted significantly by the pandemic, as the Financial Conduct Authority ("FCA") paused its pursuits and income related to payment protection insurance ("PPI") mis-selling dropped away.

As a result, Customer Resolutions' revenues significantly reduced. However, it is a lean business that operates with a small fixed-cost team, and a fully variable workforce. With the FCA resuming its enforcement activity, we expect demand for remediation services to pick up. In particular, we anticipate an uptick in remediation activity related to Motor Finance as well as collections work as a result of the cost-of-living crisis and increased demand for Customer Due Diligence work.

Group strategic report for the year ended 31 December 2022 (continued)

Credit, Fraud and Analytics

The Credit, Fraud and Analytics division helps businesses to build digital capabilities to combat fraud and automate consumer and commercial lending. It monitors in excess of £37 billion in lending activity and provides fraud solutions to 90% of the receivable finance market in the UK.

The impact of reduced consumer confidence against a tightening economic backdrop resulted in a difficult year for the business as lenders sought to address market uncertainty. Optimisation plans for the division are in train and progressing well. We streamlined the business to focus on three core services lines, and a significant investment was made to move core credit services onto a single platform. We are confident that our strategy will yield positive results as we focus our attention on building long-term underlying, recurring revenues. Elements of the division's business model are counter-cyclical, and we have the opportunity to shift focus to suit market conditions.

Our people

Engaged and committed team members are essential to our efforts to build a stronger business and achieve continued success. Attracting and retaining talent is also crucial to our mission of becoming the leading global share registrar.

In 2021, we developed a new People Strategy to help us foster a stronger culture at EQ and enable our colleagues to thrive. It focuses on five key aspects that support the creation of an environment where everybody feels they can build a rewarding career.

Culture and Leadership | **Engagement and Experience** | **Learning and Talent** | **Diversity and Inclusion** | **Performance and Reward**

2022 was the first full calendar year of the new People Strategy, and significant progress has already been made to create a more engaged, aligned and diverse workforce. Employee engagement scores improved significantly in 2022 compared to 2021, and we are working to improve these even further.

We were also named as a Top Employer in the UK in 2022, joining many of the world's leading organisations by being independently audited on topics such as working environment, learning, wellbeing and diversity & inclusion. In 2023, we have built further on this achievement and made excellent progress towards implementing our People Strategy. This success led us to be awarded Top Employer status in the UK, the US and India.

Culture, leadership and learning

An important step towards establishing a unified culture across EQ was refreshing our corporate values. To do this, we asked our Global Colleague Forum to lead a collaborative and inclusive process that captured input from every part of the Group. The output was a set of values that capture the best aspects of EQ.

Group strategic report for the year ended 31 December 2022 (continued)

TRUSTED | COMMERCIAL | COLLABORATIVE | IMPROVE

The new values were launched in November 2022 via a comprehensive communications campaign that included physical events in ten global locations. Plans are now in place to embed the values throughout our processes, including performance and recognition programmes, internal audits and recruitment.

We have also invested heavily in leadership skills at EQ. We began by streamlining the management structure and removing a number of management layers. This led to improved engagement at middle-management levels as we sought to give all leaders sensible spans of control. We have now begun to roll out the most significant investment in our leadership training programme that has ever taken place at EQ. Over 2023, leaders across the business will have the opportunity to attend LEAP (Learn-Engage-Align-Perform) sessions to develop the skills we need to build a stronger EQ for the future. EQ's Executive Committee kicked off the programme in late 2022 as its first participants. Over 2023, LEAP will be rolled out to other levels of management, and we expect to see significant benefits as leaders attend and contribute to the sessions, and then implement key learnings with their teams.

We want all team members to feel they can build a rewarding, long-term career at EQ, so our learning programmes are designed to enable people to manage their careers and steer their own development. We were pleased to see this result in more than 180 internal promotions during 2022.

Engagement and experience

One of the priorities of our People Strategy has been to amplify the employee voice at EQ, and we are doing this by promoting two-way listening and increasing transparency. Our Global Employee Forum is a great example of this. The forum includes representatives from all locations and divisions within the organisation and is now meeting more regularly to give colleagues more opportunities to share feedback or concerns. We are also working to raise the profile of these sessions so colleagues are fully aware of when and how they can contribute.

We run regular global 'all-colleague' broadcasts, where colleagues are able to ask real-time questions of the CEO and his team. Similar interactive webinars are also hosted in each business division.

The impact of these efforts can be seen in our employee engagement scores, which rose sharply in 2022. We have implemented a new tool (Workday Peakon) that allows us to capture real time feedback on employee engagement, providing insights that we can use to lift our engagement scores even further.

Diversity and inclusion

We have worked hard to improve Diversity & Inclusion (D&I) at EQ over recent years. We believe that a more inclusive working environment will help us access untapped pools of talent, strengthen our decision-making and create a company that better reflects our clients and customers. To achieve this, we have implemented a comprehensive D&I Strategy that aims to:

Group strategic report for the year ended 31 December 2022 (continued)

- Improve our diverse recruitment practices and our monitoring of diversity through our UK policy for giving full and fair consideration to applications for employment that disabled people make to the company
- Support the organisation through learning and development with the policy for employment, training, career development and the promotion of disabled people and for the continuing employment and training of employees who have become disabled while employed by the company
- Adapt our approach to the needs of each location.
- Deliver products and services that are accessible to all.

One of our first steps was establishing colleague-led networks around key shared characteristics or life experiences. Our first four networks were Gender, Multicultural, LGBT+, and Disability & Mental Health. The response from employees has been very positive, and more than 300 colleagues are now members of a network. The networks have also helped to develop a calendar of activities to make diversity and inclusion a core part of our internal communications strategy.

We have also delivered a voluntary Inclusivity Charter that has been signed by more than 85% of our colleagues. Following the launch of the Charter, unconscious bias training was rolled out to the business, in addition to the mandatory D&I training already provided. Our networks have also led 'all-colleague' webinars that invite internal and external experts to share advice and insights on a range of diversity topics.

Our efforts have seen our D&I metrics improve over recent years: diversity of senior management has improved, our gender pay gap has narrowed, and we have seen significant uplift in our engagement survey scores on D&I related questions. We have also been recognised by external bodies for our D&I programme. For example, we were shortlisted by the HR Excellence Awards in the UK for Best Diversity Strategy.

Performance and reward

We want to attract the best talent in the marketplace, so we are working to make our packages more competitive. As part of this work, during 2022, we introduced an organisation wide Job-Grading Framework to provide global consistency and transparency.

In a similar vein, we brought all US employees onto the global employee benefits package. The transition to the new package included a merger of 401K plans but was completed simply and effectively. We were even able to secure better deals for all employees due the increased scale and purchasing power of the EQ Group.

To support our employees, we also provide Employee Assistance Programmes (EAP) in all locations. The EAP can be accessed via an app that encourages use and engagement.

Transforming our products and services

As well as being one of the value drivers of our strategy, the digital transformation of our business underpins the strategy as a whole. Our digital capabilities will be a critical enabler of our goal of becoming the leading global share registrar and provider of complementary products and services to our clients.

By addressing an historical underinvestment in the customer experience at EQ, our digital transformation plans will enable us to put our clients and customers first and build a better customer experience. It will also improve operational efficiency significantly, while reducing opportunities for human error. Further to this, we are also striving to modernise our products, improve the services we provide and increase the value we deliver to clients.

Reflecting the importance of digital transformation within the broader optimisation work, we recently introduced the role of Chief Product & Technology Officer and appointed Craig Smiley to lead EQ's Product and Engineering Teams. Craig brings a wealth of experience in engineering transformation roles across the fintech, media, payments and pharma sectors.

Group strategic report for the year ended 31 December 2022 (continued)

Product simplification

In 2022, we commenced work to develop a new product strategy, starting with a comprehensive global review of our current offering. This review will focus on understanding where our products sit across markets, both in terms of their pricing and profitability as well as their functionality and customer experience. We will also be looking for opportunities to merge products with similar functionality across our businesses to provide a better customer experience.

A core focus of this work will be to enhance the value we provide to customers, and to price our products at the right level so we can continue investing to provide high-quality services.

Digital transformation

The global product teams are working to understand where digitisation and automation can be deployed effectively. Our initial priority is to pursue straight-through processing across all products.

However, the focus of our work is not limited to digitising and automating existing tasks, we are also taking the time to review the business processes around those tasks and the controls needed to secure them. Digitisation is one part of this process, but we are taking a broader view to determine where our operations need to modernise further. This broader digital transformation will involve transforming our business processes and digitising to drive efficiency, reduce errors, enhance engagement with customers and create new value.

This work will be essential in laying the foundations for the future growth of our business and enabling us to scale our global operations.

Technology simplification

We have already achieved good progress towards simplifying our technology. Our early efforts have delivered cost and efficiency savings, and we are progressing with plans to reduce technology debt across businesses and streamline our product sets.

The integration of AST is an early example of the success of this simplification work, with the majority of AST colleagues now on our global End User Computing ("EUC") platform. We also migrated AST from their legacy and outdated finance platform to our global instance of Workday, with HR and payroll following in 2023. We are working to migrate US Shareholder Services onto our global shareholder services platform in 2023, with AST to follow shortly after.

Looking ahead, we are working to develop a Global Platform Strategy for shared services and customer portals. This is being done in conjunction with the development of the new Product Strategy, so we can align our product and technology approach throughout the organisation.

Our approach is to think globally, aiming to build once and reuse technology across locations, adapting to local requirements as needed. This programme of work will also focus on updating legacy programmes and platforms, identifying and streamlining common capabilities and moving to cloud-based technologies where appropriate.

Group strategic report for the year ended 31 December 2022 (continued)

Environmental, Social & Governance (ESG)

It is important that we achieve our goal of becoming the leading global share registrar in a responsible and sustainable way. This means advocating for our customers, our local communities, our suppliers, our colleagues and the environment in the decisions we make. To do this, we are working to embed responsible business principles throughout our operations.

Environment

After significant work to understand our carbon footprint, in July 2022, we published our carbon reduction plan and announced our commitment to achieve Net Zero by 2040. As part of these efforts, we have made significant improvements to the completeness and accuracy of greenhouse gas reporting during 2022 and improved the quality of calculations. We have committed to nearly halve our Scope 1, 2 and 3 emissions by 2029.

Our commitments align with the requirements of the Paris Agreement that aims to limit global warming to 1.5°C (compared to pre-industrial levels). We are also seeking certification from the Science Based Targets initiative (SBTi) for our targets.

Carbon Reduction

We have been working to reduce our carbon emissions since 2018, and most of our UK sites have been powered by renewable energy sources since then. The shift to a hybrid working model has also had an impact with a change to the number of colleagues commuting to offices. With fewer employees using our offices every day, we were able to reduce our office space in recent years . This has changed the mix of our emissions across Scope 1, 2 and 3 emissions but the acquisition in 2022 makes direct comparison harder due to the historic reporting differences between AST and EQ. Further work is needed to allow colleagues to make informed choices about where they work and the impact this has.

During 2022, EQ has further improved the way we manage environmental impact by improving transparency of the management systems through the Carbon Disclosure Project and EcoVadis reporting; both of these have resulted in improved scores. EQ has also improved governance and visibility to move towards formally embedding active management of carbon within corporate decision-making processes.

In the ESG report for the period ended 31 December 2021 the Group Green House Gas ("GHG") Carbon emissions were based on data available at the time. As noted above the ongoing work carried out during 2022 has allowed for improvements to the completeness and accuracy of the reporting information and the 2021 disclosure is in line with the Carbon Reduction Plan published in June 2022. The 2021 emissions figures reported represented a full year of EQ and not just the period post-acquisition but the carbon intensity disclosure for 2021 was calculated using post-acquisition revenue. This has been restated using revenue from the whole year to give a more comparable figure.

Group GHG Carbon emissions in tonnes of carbon dioxide equivalent (tCO_2e)	2022	2021
Scope 1	1,089	829
Scope 2	2,000	734
Scope 3	2,981	1,284
Total Emissions	**6,070**	**2,847**

Group energy use in kilowatt hours (kWh)	2022	2021
Natural gas	6,821,490	7,485,879
Electricity	13,600,653	11,720,993
Total kWh	**20,422,143**	**19,206,872**

Group strategic report for the year ended 31 December 2022 (continued)

Carbon Intensity	2022	2021 (restated)
Tonnes of CO_2 per £1m revenue	9.6	6.7
Tonnes of CO_2 per capita	0.9404	0.45809

Measurement Methodology

Scope 1, 2 and 3 global emissions have been reported and recorded in accordance with Streamlined Energy & Carbon Reporting Guidance (2019) and the Greenhouse Gas Reporting Protocol corporate standard. The calculations use the appropriate UK government emission conversion factors for greenhouse gas company reporting.

A summary of what is included in EQ's carbon calculations for each Scope category:

Scope 1	Scope 2	Scope 3
Fuel combustion	Purchased electricity	Purchased goods and services
Fugitive (unintentional) emissions		Business travel
		Employee commuting
		Home working
		Waste
		Water

Looking ahead, EQ is committed to further carbon reduction projects during 2023, our plans include broadening the use of LED lighting in our offices and centralising our data centres into energy efficient co-location facilities. We are installing electric vehicle charge points at offices in Worthing and Crawley as a pilot for the wider estate. We will also work with our third-party suppliers to reduce carbon throughout our supply chain and help our clients to reduce their carbon footprints through digitisation. Additionally, EQ is encouraging and supporting our staff to work and commute in the lowest carbon-intensive way.

Social

Caring for every customer

We strive to incorporate our purpose - to care for every customer and simplify every transaction - into everything we do.

We focus particularly on understanding and addressing the needs of vulnerable customers. Our colleagues are trained to identify potentially vulnerable customers and support them appropriately. This work has been recognised externally, and we have won awards for our initiatives to support vulnerable customers. In 2022, the Retirement Solutions division won the Consumer Inclusivity Initiative Award at the Chartered Insurance Institute's Public Trust Awards. It also won the Impact on Customer Experience Award at the PMI Pinnacle Awards.

Supporting communities

We also want to support the communities where we live and work. We have a passionate team that is involved with a multitude of charities that are often personally significant to them. To enable and amplify their efforts, we rolled out a global volunteering day programme in 2022. All employees are now able to claim up to two days in lieu of time spent volunteering in their local community. The allocation is flexible for colleagues who are not able to volunteer in the week, as our approach enables them to volunteer at the weekends and still claim time back during the week.

Group strategic report for the year ended 31 December 2022 (continued)

The business also contributes to our communities through partnerships with local schools and colleges that aim to support social mobility and educational opportunities for young people. Through these relationships, we are regularly involved in offering work experience placements, sponsoring school fundraising activities and running employability workshops.

An inspiring and inclusive working environment

We want our work to be interesting, provide challenge and be enjoyable. To that end, we have implemented a comprehensive People Strategy described in more detail in the 'Our People' section above, it covers:

- Culture and Leadership
- Engagement and Experience
- Learning and Talent
- Diversity and Inclusion
- Performance and Reward

Governance

We have strong governance processes and structures to deliver alignment with and accountability for our business strategy. Our governance framework provides oversight to ensure responsible operations throughout the organisation. Through appropriate delegation of responsibility and upward reporting to the Board, all key stakeholders have full visibility of material issues.

The Board operates a robust enterprise risk management framework, with appropriate monitoring in place to ensure its effectiveness. Our approach is supported by a policy and control framework, which guides and informs our colleagues' work behaviours and the decisions they make.

We have specialist risk management teams, both centrally and across all locations, that help to embed a risk management culture. Our risk programme is aligned with global standards and, in 2022, we won an award for the Governance, Risk & Compliance Programme of the Year at the Agility Customer Awards.

All our employees are expected to comply with the highest standards of behaviour and business conduct, and we have robust whistleblowing mechanisms that enable anonymous reporting of any wrongdoing or concerns.

Group strategic report for the year ended 31 December 2022 (continued)

Financial performance

Overview

2022 was a very good year for EQ, with the business strategy and transformation plans already delivering clear benefits and creating a business that is positioned to perform strongly. Despite challenging market conditions, revenue increased by 9.5% to £630.6m (2021: £576.1m, on a pro forma basis) and underlying EBITDA increased by 39.6% to £143.8m (2021: £103.0m, on a pro forma basis) as we have continued to expand our share in core markets.

The business enjoyed healthy underlying cash generation, supported by greater interest income. Overall EQ has achieved stronger profit margins and a high level of profit to cash conversion. Meanwhile, capex was flat or declining across all divisions.

While underlying earnings materially improved from the prior year, the Group did generate a loss before tax of £372.4m (2021: loss before tax of £48.7m). The loss before tax was mostly as a result of non-cash items; a full year of amortisation of acquired intangibles and amortisation on the fair valued software was £98.5m in 2022 (2021: £7.8m); the impairment of goodwill and acquired intangibles of £206.3m; and finance costs of £136.8m (2021: £5.9m), which includes non-cash foreign exchange losses of £42.3m (2021: £nil). The finance costs increase is the opposing result of interest rate changes that have benefitted the interest income.

The Group holds derivatives to hedge against movements in interest rates which are recognised in the statement of financial position at fair value. The mark-to-market movements recognised in 2022 gave rise to an unrealised loss of £43.2m which is recognised in the hedging reserve.

EBITDA and Underlying EBITDA

EBITDA is the most suitable indicator to explain the operating performance of the Group. The definition of EBITDA is earnings before net financing interest costs, income tax, depreciation of property, plant and equipment, amortisation of software and amortisation of acquired intangible assets.

Underlying EBITDA is used to explain the sustainable operating performance of the Group and its respective divisions, where EBITDA is adjusted for non-operating items. These are defined as expense items, which, if included in EBITDA, would otherwise obscure the understanding of the underlying performance of the Group.

Underlying EBITDA for the year ended 31 December 2022 reconciles to EBITDA as follows:

		2022 £m
Revenue		630.6
Operating costs		(486.8)
Underlying EBITDA		**143.8**
Non-operating charges:		
Loss on disposal of business	*(20.6)*	
Cost to achieve synergies	*(16.2)*	
Other deal related expenses	*(13.2)*	
Share-based payments	*(4.1)*	
Other	*(4.4)*	(58.5)
EBITDA		85.3

Group strategic report for the year ended 31 December 2022 (continued)

Market impacts

The results were achieved despite the turbulent market environment in 2022, which brought challenges as well as benefits for EQ. Falling markets served to suppress corporate actions and reduced revenue from high-value event-driven activity. At the same time, high inflation drove up our costs. However, offsetting these impacts, the *higher interest rate environment translated into much higher interest income for the business, and ultimately* improved underlying earnings significantly.

Optimisation plans progress

Importantly, the investment thesis that supported the acquisition and integration of EQ and AST is coming to fruition. This thesis was converted into a clear and detailed business strategy by the new management team, and the impact of the transformation programme can already be seen in the business results.

Cost savings have been achieved in line with projections, by reducing headcount and finding synergies through integration activities. Significant efficiency benefits have also been realised, and we expect more in the coming years.

Business improvement activities have also benefitted financial performance. We have wound down unprofitable, riskier legacy activities. We have also streamlined the Group portfolio through the sale of Equiniti ICS Ltd. Our work to simplify our products and technology platforms has also yielded cost savings.

During 2022 we also implemented improved management controls. This included a stronger governance framework as well as enhanced performance reporting. We are now better placed to understand and analyse the profitability of the business.

Looking ahead, the work done during 2022 has addressed many of the underlying problems that previously impacted the Group's margin and has positioned it to grow substantially in the future. EBITDA momentum is very strong leading into 2023, and we expect to see another year of good growth.

Impairment of intangible assets

Each year, the Group performs an impairment test to ensure that the carrying value of intangible assets exceeds their recoverable amount, either from use or through sale. The Group allocates its intangible assets to cash-generating units (CGUs), which are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. The Group's CGUs have been identified as; UK Shareholder Services; US Shareholder Services; Retirement Solutions; Customer Resolutions; Credit, Fraud & Analytics ("CFA"); and Other Digital.

The outcome of the impairment assessment was an impairment loss recognised against intangible assets in Customer Resolutions, CFA and Other Digital. The impairment loss recognised in the consolidated income statement for the year ended 31 December 2022 is £206.3 million (2021: £nil).

Whilst the impairment assessment indicated the value of the intangible assets in Customer Resolutions, CFA and Other Digital exceeded the recoverable amount, we noted moderate headroom in Retirement Solutions and significant headroom in UK and US Shareholder Services.

Overall, the indicative value to be generated from the combined six CGUs exceeds the carrying value of the Group's assets, which gives management comfort that the Group's performance is heading in the right direction.

Further details on the impairment review can be found in note 4.5.

Group strategic report for the year ended 31 December 2022 (continued)

Performance across divisions

UK Shareholder Services

Revenue declined by 5.1% to £128.8 million, while underlying EBITDA declined by 19.8% to £29.9 million. UK Shareholder Services underlying EBITDA excludes interest income.

The decline in revenue and profitability was partly driven by the sale of the EQi business in June 2021. However, revenue was also impacted by the timing of event-driven revenues, namely corporate actions, which clients have delayed. In addition, a number of new projects that were expected to materialise during 2022 were postponed or cancelled by clients. Project revenues in the share registration business were lower than anticipated and share dealing volumes continued to be supressed.

US Shareholder Services

2022 was the first year of operations for EQ US and AST as a combined business, however, revenues and underlying EBITDA were lower in 2022 compared to the 12-month period ending 31 December 2021, on a proforma basis.

Revenue for the year was £218.6 million, while underlying EBITDA was £29.4 million. US Shareholder Services underlying EBITDA excludes interest income.

2021 benefited from a number of corporate actions, notably from General Electric Company and The Green Bay Packers, which did not reoccur in 2022. There was also a slowdown in bankruptcy volumes and lower activity from proxy services for mutual funds. The impact was partially offset with higher transfer agency and EQ Unify revenues. The business has benefited from integration activities driving a lower cost basis and business efficiencies boosting performance.

Retirement Solutions

Revenue rose by 4.1% to £108.9 million, while underlying EBITDA rose by 77.4% to £1.9 million. Retirement Solutions underlying EBITDA excludes interest income.

Whilst the division benefitted from a number of new clients transferring their business to EQ during 2022, performance continues to be impacted by a low level of discretionary activity. The overall number of clients opting to change provider continues to be lower than we expect, given the difficult market conditions. The business also saw an increase in costs during 2022 as significant efforts were invested in the relet of the Civil Service Pension Scheme.

Customer Resolutions

Revenue fell by 6.7% to £44.6 million, while underlying EBITDA fell by 33.3% to £5.0 million.

There was a decline in revenues and profitability as remediation of payment protection insurance claims in the prior year were only partially replaced during 2022, and often with work that generated lower margins. The demand for services from the Charter platform was also lower than anticipated. The business performance was also impacted by continued low demand for remediation services due to the pause in FCA enforcement activities during the COVID-19 pandemic.

Credit, Fraud & Analytics

Revenue declined by 0.1% to £29.9 million, while underlying EBITDA fell by 61.4% to £4.4 million.

Revenue was impacted by lower spending from clients in volatile market conditions.

Interest Income

As central banks began to increase interest rates during 2022, the Group saw a significant increase in the interest income generated. Interest income for 2022 was £86.5 million, which was a significant increase from the £18.1m recognised for 2021. The average client balances administered throughout 2022 was £5.3 billion.

Group strategic report for the year ended 31 December 2022 (continued)

Principal Risks and Uncertainties

We operate in highly regulated and complex environments, so it is imperative that we effectively identify, evaluate, manage and mitigate both the existing and emerging risks that we might face.

Our approach to risk management

Managing risk effectively is fundamental to delivering our strategy and achieving our ambition to become the leading global share registrar offering complementary services. A robust risk management culture is also vital for enabling responsible business practices and sustainable growth.

Our approach to risk is supported by a policy and control framework, which guides and informs our colleagues' work behaviours and the decisions they make. Our risk culture and risk appetite support effective decision-making and enable us to deliver against our strategic priorities.

Our risk appetite

The Board has agreed a level of risk appetite for each of the key risks that we face, enabling the business to focus appropriately on those that need additional attention. Risks that are within our appetite might need no mitigation, but we monitor them actively in case that should change. Given the nature of our services and the regulatory environment we operate in, we have a low appetite for many risks that we face and no appetite for breaches of policy or controls in certain critical areas, such as regulatory reporting or anti-money laundering controls.

Principal Risks

GROUP RISK CATEGORY	IMPACT	MITIGATION
Data Protection Risk of loss, corruption, or compromise of personal data (also known as personally identifiable information) which can relate to customers, staff or any other individual.	The loss, corruption or compromise of personal data could lead to a poor customer experience, customer detriment, reputational harm, regulatory, legal or financial sanction, loss of customers and increased costs.	• Dedicated Data Protection Office. • Staff training and awareness programmes supported by formal attestations. • Group wide platform for recording of all data events, data right requests and privacy impact assessments. • First-line ownership of data protection risk. • Comprehensive security mechanisms, including scanning for movements of personal data. • Encryption of stored and transmitted personal data and regular data back-up.

Information Technology Risk of poor performance or outage of IT systems as a result of a failure of design or maintenance	The failure of a system or application could lead to the failure to provide a material client or market service, including a breach of our regulatory or legal obligations.	• Targeted investment to align certain legacy technology to our strategic Sirius platform that underpins our global shareholder business, giving us a sustainable, supportable global system of record. • Continual performance monitoring of the internal and external IT environment. • Risk based planning and prioritisation of IT development and operational resources.
Market Risk of exposure to changes in market rates, including interest and foreign exchange (FX), leading to reduction in income or unplanned losses resulting from a failure of controls to manage exposure.	Reduction in income or losses incurred by exposure to market rates or instruments, including interest incurred on our debt obligations and the interest earned on cash balances held on behalf of customers.	• Direct exposure to market risks is limited to those associated with execution only, employee benefits (such as defined benefit) and market risk mitigation strategies. • Highly probable FX transactional exposures may be hedged for a period of up to 12 months. • The Group will aim to match the currency of its assets and liabilities to mitigate FX translational exposures. Where this is not possible, derivatives may be used. • It is the Group's policy to hedge account under IFRS 9 where appropriate to do so. • The Group's contracting basis for fee income is being managed actively towards a compensation for services principle as opposed to being reliant on interest income. • The Group has a level of contractual protection for negative interest rates and is actively extending this protection with clients.
Fraud Increased risk of fraud due to the economic downturn affecting our clients, customers and colleagues, increased sophistication of fraud schemes including those by organised crime, and inappropriate access to data.	Increased probability of events and greater disruption and financial loss for EQ and our customers, legal sanctions, poor customer experience, reputational damage and increased cost.	• Dedicated Group Fraud Office and enterprise-wide event reporting. • Periodic revisions to staff training and awareness programmes. • First line ownership of fraud risk. • Security measures to prevent unauthorised access to systems and premises and to protect personnel.

Security Cyber risk, involving the disruption or corruption of systems and connectivity, or loss or leakage of data from accidental or malicious actions. Risks arising from a physical security breach including property damage, staff injury, theft, or inappropriate access to premises, systems, or information.	An information or physical security breach could reduce the quality of our services to customers or result in us breaching the law (including data protection), or our contracts, which in turn could damage our reputation, increase our costs and reduce our revenues.	• Comprehensive protection, detection and response security mechanisms deployed. • Independently certified ISO27001 security control framework. • Regular independent SOC2 verification of secure operation of key services. • Continuous monitoring for security events and new cyber threats, and regular independent penetration testing of all systems. • Rigorous control over physical and systems access, based on need to know/reach. • Annual mandated staff training and awareness programmes.
Strategy and Business Risk Risk of lower corporate performance stemming from: • a failure to identify or understand strategic market opportunities; • a failure to react to a volatile economic environment inclusive of trends and shocks; • the emergence of alternative competing markets, such as digital transformation; • a change in customer outlook; and • products that fail to meet the demands of our clients and prospective clients or that do not comply with our regulatory or legal obligations.	Loss of key clients or failure to win new business, which could significantly affect our revenues, profits, margins and customer satisfaction.	• Executive and Board focus on propositional design and service enhancement. • Executive and Board review of core products and markets, supported by external advisors. • Strategic investment and divestment. • A well-diversified client base and portfolio of services. • Monitoring of macro-economic factors, changes in demand, the competitive environment, and new technologies, to assure effective modelling and forecasting. • Group-wide product governance policy and controls deployed. • Monitoring of trends in corporate actions and other market activity. • Investment in the Group's core technology and platforms.

People *Risk of reduced colleague* engagement, low morale, or strategic mismatch in skills and capabilities.	Failure to effectively support *growth, deliver effective services,* develop new technology and enable growth and personal development. Ongoing challenges with engagement and emotional wellbeing of colleagues as a result of responses to the *pandemic* which could result in excessive attrition rates.	• Strategy in place to protect, *retain and develop high-*calibre people. • Promotion of the Group's values and behaviours to all staff. • Remuneration policies linked to appropriate staff behaviour. • *Skills and resource* management aligned with customer needs. • Employee engagement forums, surveys, and action plans. • Diversity and inclusion groups. • *Active monitoring and* management of gender pay gap. • Resilient distributed working capability.
Organisational Resilience Risk of slow, flawed or failed operational recovery following unexpected events, such as loss of a building, pandemic or major IT system *failure.*	Failure to effectively plan for and manage unexpected events could *lead to a poor customer* experience, customer detriment, reputational harm, regulatory sanction, loss of customers, lower productivity, reduced revenues and increased costs.	• Business continuity and disaster recovery plans in *place and tested regularly.* • Dual hosting of all critical servers, telecommunications and applications. • Separate business continuity disaster recovery workplaces available, where appropriate. • Liaison with regulated clients to ensure their own resilience. • Crisis and resilience testing. • Effective, tested and secure remote working capability.
Purchasing, Supply and Outsourcing Risk of a business-critical partner, subcontractor or supplier failing to deliver and/or perform to the required standards.	Partner, subcontractor or supplier failure could result in EQ being unable to meet its customer obligations or perform critical business operations. This could result in reputational impact, reduced business agility, customer detriment, increased cost and lower revenue.	• Procurement due diligence policies and standards deployed, including alignment to modern slavery and ESG requirements. • Deployment of online vendor risk management tool. • Key supplier financial, resiliency and security reviews undertaken regularly. • Supplier failure risk considered as part of our own resilience planning.

Regulatory Risk of regulatory action stemming from weaknesses or failure in areas, including: analysis of regulations, laws and codes; development of appropriate policies, processes and controls; training and education of first-line teams; effectiveness of first-line surveillance in identifying and preventing breaches; and Board and senior management governance and engagement on regulatory matters.	Failure by EQ to adhere to any of its legal or regulatory requirements could lead to legal and regulatory sanctions, redress costs, reputational risk, contract breach and, ultimately, loss of operating licences or invalid contracts, resulting in reduced revenues.	• Dedicated second-line risk, security, data protection and compliance teams. • Monitoring for upcoming regulatory change and amendments. • Capital investment programme to manage regulatory change. • Training and awareness programme for all staff working in regulated areas. • Separate legal entities used for regulated activities with their own Boards and governance.
Conduct Risk of the business being unable to demonstrate and document good corporate, staff or market conduct, for example: Board, executive and senior management leadership of the corporate culture; identifying and managing conflicts of interest; or controlling staff behaviour which could result in potential market abuse.	Poor conduct could lead to sub-optimal decision making, customer detriment, poor staff experience, legal or regulatory sanction, increased counterparty risk-based pricing, reduced availability of counterparties and reputational harm.	• Conduct risk measures which demonstrate how products and services perform for customers. • Root cause analysis of operational errors and failures. • Clear customer accountabilities for staff. • Staff reward driven by customer-centric metrics. • Framework in place to identify and support vulnerable customers. • Monitoring for changes in governance requirements and standards. • Training and policy attestations for all staff.
Material Change Risk of disruptive change leading to lower business agility, lower productivity, regulatory sanction, poor customer relationships, increased costs and lower revenues.	A continuing or rapidly increasing level of change and development may lead to material management and resource stretch. This could impact the Group's ability to achieve its key business objectives resulting in loss of customers and lower revenues.	• Key change projects aligned with the Group's principal risk mitigation plans. • Key change projects supported by dedicated programme management and reporting. • Investment in staff, resources and expertise to deliver change.

Liquidity Risk that the Group will not be able to meet its financial obligations as they fall due.		• Ensure sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. • The Group prepares cash flow forecasts on a regular basis • Ensure that minimum committed funding headroom is above the minimum policy threshold at all times.
Credit Risk of financial loss to the Group if a client or counterparty, including brokers, to a financial instrument fails to meet its contractual obligations. The Group's credit risk exposure is to its financial assets, being cash and cash equivalents, derivatives, trade receivables and contract fulfilment assets.		• Strict controls and monitoring of the credit ratings of institutions • High proportion of the customer base are large listed companies and public sector organisations. • Credit checks on potential customers before business is undertaken.

Financial Risk Management

The Group's approach to financial risk management is set out in note 6.10 to the consolidated financial statements and discusses the Group's strategy and objectives for managing credit, liquidity and market risk. Note 6.11 also addresses capital risk management and explains how the Group maintains a strong capital base.

The failure of several financial institutions subsequent to the year end, during 2023, has highlighted the importance of robust treasury policies which seek to limit any losses that could arise; our policy dictates that are banking counterparties are of the highest credit rating. The Group did not have any exposure to the banks which failed during the first quarter in 2023.

Group strategic report for the year ended 31 December 2022 (continued)

Section 172(1) statement

This statement describes how the directors have taken account of the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 ("s172") when performing their duty to promote the success of the Group and Company for the benefit of its members as a whole, and in doing so having regard (amongst other matters) to:

- the likely consequence of any decision in the long term
- the interests of the Company's employees
- the need to foster the Company's business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the Group and Company.

Both individually and collectively, the directors believe that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group and Company for the benefit of its sole member (whilst having regard to the stakeholders and matters set out in s172) in all decisions taken by the Board during the period ended 31 December 2022.

Customers
As discussed throughout our report, we have a goal of becoming the world's leading global share registrar and *provider of complementary products and services and to do this engagement with our customers is vital. We aim* to continue reaching many millions of customers through the services provided for clients and part of the Group's strategy is to develop competitive products, as well as transform service experience for all customers. EQ has made it a priority to continue providing an excellent service to all clients.

Key issues:
- Customer experience
- Understanding client needs
- Reliable and efficient service
- To provide high quality services

Our response:
- Receiving updates from executive management on the key customer accounts
- Customer Insight Programme - biannual questionnaire sent to corporate clients
- Considering satisfaction and service performance feedback collected from customer interactions
- Receiving feedback from participation in industry forums and events
- Investing in, modernising and simplifying our range of products
- Putting in place digital transformation plans to improve our customer experience
- Board receives regular management reports relevant to the Group's client and customer base
- Receiving regular updates and closely monitoring and challenging the handling of customer complaints

Group strategic report for the year ended 31 December 2022 (continued)

Suppliers

suppliers and has multi-year contracts with key suppliers. The Board is aware that maintaining long-term relationships is crucial to the sustainability of the business.

Key issues:

- Long-term relationships
- Fair treatment
- Responsible business practices

Our response:

- Promoting the maintenance of long-term relationships, and analysing results from quality management reviews
- Contract negotiation and contract renewals
- Supplier relationship management programme (Group wide)
- Annual review and renewal by the Board of policies and processes to ensure that we are compliant with the Modern Slavery Act 2015 and payments policies, practices and performance reporting requirements
- The Group complies with the Group's Supplier Code of Conduct to ensure that the business partners with like-minded suppliers who apply similar high standards of business conduct
- Ensuring suppliers comply with the Company's high standards, such as those relating to environmental responsibility, modern slavery, human rights, anti-bribery & corruption and ethics

Community and Society

The Group's approach is to use our position of strength to create positive change for the people and communities with which we interact. The Board's aim is to leverage expertise and enable colleagues to support the communities around them. The large majority of the Group's activities have a direct social benefit.

Key issues:

- Responsible business practices and principles
- Reputation within the community

Our response:

- The Group continued to support the mitigation of the impact of COVID-19 through a range of measures implemented to promote mental well-being and employee assistance programmes
- Consideration and discussion about the potential impact of decisions on vulnerable customers
- The Board fully supports colleague volunteering activities to support social mobility and education

Group strategic report for the year ended 31 December 2022 (continued)

Regulators

The Group operates in a regulated market and seeks to maintain a positive, transparent and open relationship with the Financial Conduct Authority (FCA), the Information Commissioner's Office and, in the United States, the New York State Department of Financial Services (DFS).

Key issues:

- Open and regular dialogue
- Transparency
- Proactive response to requests and review

Our response:

- Maintaining positive and open relationships with relevant regulators
- Regular contact with our assigned FCA supervisors and applicable DFS representatives communicating the business risks and controls to protect client money and assets and business strategy
- Receiving regular reporting from management on the engagement with the Company's regulator, the FCA, during the period
- Co-operating fully and working closely with the FCA as part of the Supervisory Review and Evaluation Process
- Co-operating fully with the DFS to the extent that the Group receives regulatory requests and in connection with any examination
- Reporting against the regulatory timetable all required information including quarterly reporting and annual submissions
- Responding to ad-hoc requests for specific information

Approved by the Board on 4 May 2023 and signed on its behalf by:

P Lynam – Executive Director

Group directors' report for the period ended 31 December 2022

The directors present their report and the audited consolidated financial statements for the Group and Company for the year ended 31 December 2022, the comparatives represent a period of 227 days to 31 December 2021.

Directors of the Company
The directors who held office during the period and up to the date of signing the financial statements were as follows:

F Baker – Non-executive Director
P Berger – Non-executive Director
J Cooper – Non-executive Director
D Goetz – Non-executive Director (appointed 2 December 2022)
B Griess – Non-executive Director
J Hendren – Non-executive Director
P Lynam – Executive Director
C Millington – Non-executive Director (appointed 5 January 2022)
A Olli – Non-executive Director
J Swainson – Non-executive Director
N Wright – Non-executive Director
D Yates – Non-executive Director
M Hulslander – Non-executive Director (resigned 26 October 2022)
H Robson II – Non-executive Director (appointed 27 October 2022 and resigned 10 February 2023)
E Wintle – Non-executive Director (resigned 26 August 2022)

Review of the business and future developments
The Company's results, future developments and principal risks and uncertainties are discussed in the Group Strategic Report on pages 6 to 26.

Dividends
No dividends were declared or paid to shareholders during the year (2021: nil).

Charitable and political donations
No charitable or political donations were paid during the period.

Going concern
The consolidated and company financial statements are prepared on a going concern basis as the directors are satisfied that the Group and company has the resources to continue in business for the foreseeable future (which has been taken as at least 12 months from the date of approval of the financial statements).

The Group has a large and diverse client base, which includes many of the FTSE 100 and FTSE 250 constituent companies the UK and a large number of Fortune 500 companies in the US. The Group meets its day-to-day working capital and financing requirements through the generation of cash flows from its operating activities and the availability of long term committed bank facilities.

At 31 December 2022, the Group had £39.3m (2021: £59.0m) of unrestricted cash together with additional borrowing capacity of $175.0m under its committed bank facilities, which are available to the Group through to December 2028. The Group's RCF has a single leverage covenant test. This covenant applies when more than 35% of the RCF is drawn. The Group's term loans and senior notes do not have any additional covenant tests.

Group directors report for the period ended 31 December 2022 (continued)

At 31 December 2022, the Group did not have a drawn down balance on the RCF. Therefore below the 35% covenant trigger and latest forecasts suggest compliance will continue with the requirements for the foreseeable future.

The directors have reviewed the financial forecasts for the Group, prepared by management, which sets out sufficient trading and cash generation to allow the business to meet its obligations as they fall due. The forecasts indicate that the Group will continue to recover from the impacts of COVID-19 and related economic stresses throughout 2023 and assumes:

- Mutual fund proxy work and corporate actions (our major event driven business lines) deliver comparable business performance to the historic trend.
- Retirement Solutions delivering margin improvement due to the benefits associated with cost savings.
- Credit, Fraud and Analytics and Customer Resolutions delivering modest EBITDA margin improvement over a 2022 base.
- Achieving a 94% operating cash conversion which is an historical average.
- Maintaining a minimum cash balance (after restricted cash) of £25.0m, balanced via draws on the RCF.

Management performed a thorough downside review of the Group's prospects as an integral part of the overall budgeting process for 2023. This was done with not only the going concern test in mind, but also to ensure the directors, and management, have as much transparency as possible regarding the potential risks (and opportunities) posed by the uncertain economic times we find ourselves in, exacerbated by the conflict in Ukraine.

Management devised three scenarios to support this:

- Budget (or base) scenario: this covers the 2023 calendar year and is the result of a detailed bottom-up process and a significant number of business reviews (given the new ownership structure and new CEO/CFO partnership). We have also extrapolated this into 2024 to provide a baseline for the going concern assessment.
- Downside scenario: this covers our view of a slowdown in the economy, largely a mix of legacy COVID-19 impacts and the uncertainty posed by the Ukraine conflict. In this severe but plausible scenario management are not forecasting any breach in covenants.
- Reverse Stress Test: we looked specifically at what quantum of EBITDA and net debt movements would be required to breach our banking covenants and then considered mitigant available to management.

In all of these scenarios, our primary reference point for the going concern test was the Group's ability to remain within its banking covenants, thus retaining access to funding and liquidity and therefore meet its liabilities as they fall due. We also have separately considered the Group's ability to maintain the regulatory capital and liquidity requirements that allow us to conduct our business as well as the impact of any external debt agency reviews. We have not forecast any breaches.

Our stress test and downside scenario modelling has considered severe but plausible scenarios and mitigating actions are not needed in order to comply with covenants and so there are no breaches identified. As a final point of reference, we have concluded that a worst-case scenario (considered to be implausible) could be mitigated such that no breaches arise. We ran all three scenarios, on a monthly basis, to the end of 2024, extrapolating beyond our 2023 budget horizon with no concerns noted.

Therefore the going concern assumption is appropriate.

Employee involvement
How the Group engages with its employees is discussed in the Group Strategic Report on page 9.

Employment of disabled persons
Employment of disabled persons is discussed in the Group Strategic Report on page 10.

Group directors report for the period ended 31 December 2022 (continued)

Streamlined Energy and Carbon Reporting (SECR)
Carbon reporting and the impact on the environment is included in the ESG reporting section of the strategic report on page 12.

Engagement with suppliers, customers and other relationships
Suppliers, customers and other stakeholders are discussed in the Section 172(1) statement included in the strategic report on page 24.

Financial Risk Management
The Company has established a global risk management framework to identify, assess and manage the relevant financial risks affecting the Company's operating activities and capital structure. The principal risks are liquidity, FX, interest rate and credit risk (further details are provided in note 6.10). The Company's Audit and Risk Committee ('ARC') reviews the adequacy of the risk management framework in relation to the risks faced by the Group and oversees how management monitors compliance against its policies and procedures. The ARC is assisted in their oversight role by the Group's internal audit function which undertakes both regular and ad hoc reviews of risk management controls and procedures.

Directors' liabilities
The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. Directors' and officers' liability insurance has been purchased by the Group. The insurance does not provide cover in the event that a director is proved to have acted fraudulently. Indemnity insurance is maintained for the Group's directors and officers against liability in respect of proceedings brought by third parties, subject to the terms and conditions of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (International Financial Reporting Standards, as adopted by the United Kingdom and applicable law).

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable International Financial Reporting Standards, as adopted by the United Kingdom, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Group directors report for the period ended 31 December 2022 (continued)

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Corporate governance statement

The Board is committed to upholding high standards of corporate governance and complies with the Wates Corporate Governance Principles. A summary of the six Wates Principles is set out in the table below:

Principle	Summary
Purpose and leadership	The Board is responsible for the business strategy and performance for the group, with a clear goal to become the world's leading global share registrar and provider of complementary products and services. Further details on strategy can be found in the Strategic update on page 6. During 2022 EQ relaunched its values by engaging with its colleagues via the Global Colleague Forum, an elected group of colleagues representing all regions and business areas of the Group. The Board understands the importance of maintaining a healthy culture is critical to the groups competitive advantage and is vital to the creation and protection of long-term value. To ensure that the right culture is embedded throughout the organisation, colleagues undergo regular training and complete employee surveys, together with feedback sessions with the Global Colleague Forum. A People Strategy was developed in 2021 to help foster a stronger culture and to amplify the employee voice at EQ, more details are included on page 9.
Board composition	The Board consists of 11 Non-Executive Directors with the CEO being the only Executive Director. The Board has a wide combination of skills, experience, and knowledge and the Non-Executive Directors help provide constructive challenge and influence. The roles of the Chair and CEO are separate to ensure their responsibilities clearly divided.
Director responsibilities	The Orbit Board has a separate Chair and CEO to ensure balance of responsibilities, accountabilities and decision making is maintained. The Board receives regular reports on the group, financial performance, colleague engagement, stakeholders, key business risks and updates from the activities of its sub-committees. The Board reviews the committee's terms of reference at least annually. During 2022 the Board received training on the updates relating to their statutory and fiduciary duties.
Opportunity and risk	Strategic opportunities are presented to the Board for discussion and approval. The Board has overall responsibility for managing risks and ensuring effective risk management process is in place. The Audit & Risk Committee regularly reviews principal risks, mitigations and overall risk appetite. The principal risks for EQ are highlighted on page 18.

Group directors report for the period ended 31 December 2022 (continued)

Principle	Summary
Remuneration	The Human Capital Committee is responsible for overseeing the group's compensation policies, remuneration strategy and plans, and to provide strategic direction and oversight with respect to performance management, talent development and succession, talent acquisition, employee engagement, and diversity, equity and inclusion initiatives and programs. The Committee is responsible for advising the Board regarding diversity, equity and inclusion matters in an effort to promote, foster and nurture a diverse, equitable and inclusive workforce and culture. More details are included on page 10. The Committee takes advice from independent external consultants on legislative requirements, market best practice and remuneration benchmarking.
Stakeholder relationships and engagement	The Board understands the importance of stakeholder relationships. The s.172 statement on page 24 highlights who the Group's key stakeholders are and how those stakeholders were engaged with. To engage meaningful two-way dialogue with the workforce, the Group Employee Forum meets with board representation to help provide feedback and concerns directly to the Board. In addition, regular internal communications are shared with colleagues with updates on the Group, and Divisional heads and the CEO hold frequent webinars and Q&A sessions with all colleagues.

Approved by the Board on 4 May 2023 and signed on its behalf by:

P Lynam - Executive Director

Independent auditors' report to the members of Orbit Private Holdings I Ltd

Report on the audit of the financial statements

Opinion

In our opinion:

- Orbit Private Holdings I Ltd's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 December 2022; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Independent auditors' report to the members of Orbit Private Holdings I Ltd (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Group directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Group directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Group directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Group directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Independent auditors' report to the members of Orbit Private Holdings I Ltd (continued)

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to it's transfer agent activities (which are regulated by the New York State Department of Financial Services (DFS)) and its UK investment business activities (which are regulated by the Financial Conduct Authority (FCA)) and breaches of data protection regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and corporate taxation regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to overstate reported revenue and the application of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Directors, management, staff in tax and compliance functions, internal audit and the Group's legal counsel to identify any instances of non-compliance with laws and regulations, including consideration of known or suspected instances of fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Testing selected journal entries using specific risk criteria, and evaluating the business rationale of significant transactions outside the normal course of business. In particular we tested any journal entries posted with unusual account combinations or unusual words;
- Challenging and testing assumptions and judgements made by management in respect of significant accounting estimates to assess for evidence of management bias, and obtaining appropriate audit evidence;
- Reviewing breach and complaint logs and reading key correspondence with regulatory authorities, including the FCA;
- *Obtaining and understanding the results of whistleblowing procedures and any related investigations;*
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing those to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Orbit Private Holdings I Ltd (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Darren Meek

Darren Meek (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 May 2023

Consolidated income statement for the year ended 31 December 2022

	Note	Year ended 2022 £m	227 day period ended 2021 £m
Revenue	3.1	**630.6**	**32.7**
Employee benefit expense	3.3	(329.7)	(15.3)
Direct costs		(63.1)	(3.5)
IT licences and maintenance		(54.9)	(3.1)
Legal and professional fees		(34.5)	(51.7)
Net loss on business disposals	4.2	(20.6)	-
Other expenses	3.2	(42.5)	(2.4)
Earnings before interest, tax, depreciation and amortisation		**85.3**	**(43.3)**
Depreciation of property, plant and equipment	4.3	(8.0)	(0.6)
Depreciation of right-of-use assets	4.4	(8.2)	(0.5)
Impairment of Intangible assets	4.5	(206.3)	-
Amortisation of software	4.5	(63.3)	(5.0)
Amortisation of acquisition related intangible assets	4.5	(35.2)	(2.8)
Operating loss		**(235.7)**	**(52.2)**
Finance income	6.1	0.1	9.4
Finance costs	6.1	(136.8)	(5.9)
Loss before income tax		**(372.4)**	**(48.7)**
Income tax credit / (charge)	8.1	25.6	(1.3)
Loss for the year/period		**(346.8)**	**(50.0)**
(Loss)/profit for the year attributable to:			
- Owners of the parent		(348.1)	(50.1)
- Non-controlling interest		1.3	0.1
Loss for the year/period		**(346.8)**	**(50.0)**

The notes on pages 42 - 89 form part of these financial statements.

Consolidated statement of comprehensive income for the year ended 31 December 2022

	Note	Year ended 2022 £m	227 day period ended 2021 £m
Loss for the year/period		(346.8)	(50.0)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Fair value movement through hedging reserve	6.3	(43.2)	0.3
Tax on movement in hedging reserve	8.2	4.5	-
Deferred tax on movement in hedging reserve	8.2	5.2	-
Net exchange gains on translation of foreign operations	6.3	10.5	2.2
		(23.0)	2.5
Items that will not be reclassified to profit or loss			
Defined benefit pension plan actuarial gains	9.3	8.6	-
Deferred tax on actuarial gains	8.2	(2.0)	-
		6.6	-
Other comprehensive (expense)/income for the year/period		(16.4)	2.5
Total comprehensive expense for the year/period		(363.2)	(47.5)
Total comprehensive (expense)/income attributable to:			
- Owners of the parent		(364.4)	(47.6)
- Non-controlling interests		1.2	0.1
Total comprehensive expense for the year/period		(363.2)	(47.5)

The notes on pages 42 - 89 form part of these financial statements.

Consolidated statement of financial position as at 31 December 2022

	Note	2022 £m	Restated 2021 £m
Assets			
Non-current assets			
Property, plant and equipment	4.3	21.4	25.0
Right-of-use assets	4.4	28.3	29.6
Goodwill	4.5	591.0	737.0
Intangible assets	4.5	710.9	802.1
Contract fulfilment assets	5.2	4.0	18.3
Other financial assets	9.1	-	0.7
		1,355.6	**1,612.7**
Current assets			
Trade and other receivables	5.1	82.3	71.7
Contract fulfilment assets	5.2	52.9	40.2
Agency broker receivables		7.4	7.2
Income tax receivable	8.1	1.9	1.3
Other financial assets	9.1	0.8	0.4
Cash and cash equivalents	6.9	67.1	86.5
		212.4	**207.3**
Total assets		**1,568.0**	**1,820.0**
Liabilities			
Non-current liabilities			
External loans and borrowings	6.6	977.9	879.2
Post-employment benefits	9.3	18.1	27.3
Provisions	5.5	12.0	7.4
Lease liabilities	6.7	27.5	28.9
Other financial liabilities	9.2	37.8	0.1
Deferred income tax liabilities	8.2	120.9	142.6
		1,194.2	**1,085.5**
Current liabilities			
External loans and borrowings	6.6	5.2	4.7
Trade and other payables	5.3	98.0	97.0
Contract fulfilment liabilities	5.4	27.1	25.4
Agency broker payables		7.4	7.2
Income tax payable	8.1	1.8	-
Provisions	5.5	5.9	12.2
Lease liabilities	6.7	6.7	9.6
Other financial liabilities	9.2	5.2	0.1
		157.3	**156.1**
Total liabilities		**1,351.5**	**1,241.7**
Net assets		**216.5**	**578.3**

Orbit Private Holdings I Ltd
Registration number: 13408201

Consolidated statement of financial position as at 31 December 2022

	Note	2022 £m	Restated 2021 £m
Equity			
Equity attributable to owners of the parent			
Share capital	6.2	621.4	621.4
Hedging reserve	6.3	(32.6)	0.9
Translation reserve	6.3	13.0	2.2
Other reserve		-	-
Accumulated losses		(389.1)	(50.1)
		212.7	574.4
Non-controlling interest	6.5	3.8	3.9
Total equity		216.5	578.3

The notes on pages 42 - 89 form part of these financial statements.

The financial statements on pages 36 - 41 were approved by the Board of Directors on 4 May 2023 and were signed on its behalf by:

P Lynam - Executive Director

Consolidated statement of changes in equity for the year ended 31 December 2022

	Share capital £m	Hedging reserve £m	Translation reserve £m	Accumulated losses £m	Non-controlling interest £m	Total equity £m
Balance at 19 May 2021	-	-	-	-	-	-
Comprehensive income/(expense)						
(Loss)/profit for the period per the income statement	-	-	-	(50.1)	0.1	(50.0)
Other comprehensive income						
Changes in fair value through hedging reserve (note 6.3)	-	0.3	-	-	-	0.3
Net exchange gain on translation of foreign operations (note 6.3)	-	-	2.2	-	-	2.2
Total other comprehensive income	-	0.3	2.2	-	-	2.5
Total comprehensive income/(expense)	**-**	**0.3**	**2.2**	**(50.1)**	**0.1**	**(47.5)**
Acquisition of businesses	-	0.6	-	-	5.0	5.6
Issue of share capital, net of transaction costs (note 6.2)	621.4	-	-	-	-	621.4
Transactions with non-controlling interests (note 6.5)	-	-	-	-	(1.2)	(1.2)
Transactions with owners recognised directly in equity	**621.4**	**0.6**	**-**	**-**	**3.8**	**625.8**
Balance at 31 December 2021	**621.4**	**0.9**	**2.2**	**(50.1)**	**3.9**	**578.3**

	Share capital £m	Hedging reserve £m	Translation reserve £m	Accumulated losses £m	Non-controlling interest £m	Total equity £m
Balance at 1 January 2022	**621.4**	**0.9**	**2.2**	**(50.1)**	**3.9**	**578.3**
Comprehensive income/(expense)						
(Loss)/profit for the year per the income statement	-	-	-	(348.1)	1.3	(346.8)
Other comprehensive (expense)/income						
Changes in fair value through hedging reserve (note 6.3)	-	(43.2)	-	-	-	(43.2)
Tax on movement through hedging reserve (note 8.2)	-	4.5	-	-	-	4.5
Deferred tax on movement through hedging reserve (note 8.2)	-	5.2	-	-	-	5.2
Net exchange gain/(loss) on translation of foreign operations (note 6.3)	-	-	10.8	-	(0.3)	10.5
Actuarial gain on defined benefit pension plans (note 9.3)	-	-	-	8.3	0.3	8.6
Deferred tax on defined benefit pension plans (Note 8.2)	-	-	-	(1.9)	(0.1)	(2.0)
Total other comprehensive expense	-	(33.5)	10.8	6.4	(0.1)	(16.4)
Total comprehensive income/(expense)	**-**	**(33.5)**	**10.8**	**(341.7)**	**1.2**	**(363.2)**
Share based payments (note 7.2)	-	-	-	1.4	-	1.4
Transactions with non-controlling interests (note 6.5)	-	-	-	1.3	(1.3)	-
Transactions with owners recognised directly in equity	-	**-**	-	**2.7**	**(1.3)**	**1.4**
Balance at 31 December 2022	**621.4**	**(32.6)**	**13.0**	**(389.1)**	**3.8**	**216.5**

The notes on pages 42 - 89 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2022

	Note	Year ended 2022 £m	227 day period ended 2021 £m
Loss before income tax		(372.4)	(48.7)
Adjustments for:			
Depreciation and impairment of property, plant and equipment		8.0	0.6
Depreciation and impairment of right-of-use assets		8.2	0.5
Impairment of Intangible assets		206.3	-
Amortisation of software		63.3	5.0
Amortisation of acquisition-related intangibles		35.2	2.8
Finance income		(0.1)	(9.4)
Finance costs		136.8	5.9
Net loss on business disposals		20.6	-
Share based payments		1.4	-
Changes in working capital:			
Net decrease/(increase) in receivables		0.9	(6.1)
Net increase in contract assets		(3.0)	(4.3)
Net decrease in payables		(15.9)	(28.4)
Net increase/(decrease) in contract liabilities		1.1	(4.6)
Net decrease in provisions		3.2	(0.9)
Cash flows from operating activities		**93.6**	**(87.6)**
Interest paid		(72.0)	(5.3)
Income tax paid		(1.1)	-
Net cash inflow/(outflow) from operating activities		**20.5**	**(92.9)**
Cash flows from investing activities			
Interest received	6.1	0.1	-
Business acquisitions net of cash acquired	4.1	-	(571.3)
Acquisition of property, plant and equipment		(6.5)	(0.8)
Payments relating to developing and acquiring software		(32.7)	(1.2)
Disposal of businesses, net of cash disposed		10.6	-
Net cash outflow from investing activities		**(28.5)**	**(573.3)**
Cash flows from financing activities			
Proceeds from issue of share capital		-	621.4
(Repayment of)/proceeds from term loans and senior notes	6.6	(5.2)	942.1
Repayment of previous EQ and AST bank loans	6.6	-	(716.0)
Drawdown of revolving credit facility	6.6	59.7	-
Repayment of revolving credit facility	6.6	(59.7)	(50.0)
Payment of loan set up fees	6.6	-	(47.8)
Payments in respect of leases	6.8	(8.9)	(1.6)
Transactions with non-controlling interests		(1.3)	-
Net cash (outflow)/inflow from financing activities		**(15.4)**	**748.1**
Net (decrease)/increase in cash and cash equivalents		(23.4)	81.9
Net foreign exchange gains		4.0	4.6
Cash and cash equivalents at 1 January		86.5	-
Cash and cash equivalents at 31 December		67.1	86.5

The notes on pages 42 - 89 form part of these financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2022

1 GENERAL INFORMATION

Orbit Private Holdings I Ltd (the Company) is a private limited company, limited by shares, and is incorporated and domiciled in England, United Kingdom. The Company and its subsidiaries (collectively, "EQ" or "the Group") provide shareholder, pension, remediation, and credit technology solutions. The registered office address is Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH. The Group financial statements consolidate those of the Company and its subsidiaries.

The Company was incorporated on 19 May 2021 and hence the 2021 comparative figures are shown for the 227 day period since incorporation.

2 BASIS OF PREPARATION

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated in note 2.2.

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The consolidated financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The Group's functional and presentational currency is the British Pound (£).

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree as the proportionate share in the acquiree's recognised net assets. Acquisition-related costs are expensed as incurred.

As shown in note 4.1 the acquisition of Equiniti and AST took place on 9 December 2021 and therefore the consolidated results of the group only include trading since 9 December 2021. This means that the comparative 227 day period ending 31 December 2021 only contains consolidated trading for the 22 days since the acquisition.

Measurement Period Adjustment

The Group has restated prior period balances due to the fair values of assets and liabilities recognised on acquisition in 2021 being determined only provisionally. During the measurement period, the value has been determined by an independent third party and so adjustments to the provisional amounts are recognised by revising comparative information for the prior period presented in this years financial statements as if the accounting for the business combination had been completed at the acquisition date. Restatements are shown in the statement of financial position, note 4.1 and note 4.5.

Going concern

The consolidated financial statements are prepared on a going concern basis as the Directors are satisfied that the Group has the resources to continue in business for the foreseeable future (which has been taken as at least 12 months from the date of approval of the financial statements).

The Group has a large and diverse client base, which includes many of the FTSE 100 and FTSE 250 constituent companies in the UK and a large number of Fortune 500 companies in the US. The Group meets its day to day working capital and financing requirements through the generation of cash flows from its operating activities and the availability of long term committed bank facilities.

At 31 December 2022, the Group had £39.3m (2021: £59.0m) of unrestricted cash together with additional borrowing capacity of $175.0m under its committed bank facilities, which are available to the Group through to December 2028. The Group's Revolving Credit Facility (RCF) has a single leverage covenant test. This covenant applies when more than 35% of the RCF is drawn. The Group's Term Loans and Senior Notes do not have any additional covenant tests.

The Group does not have an RCF balance drawn down at year end and is therefore below the 35% covenant trigger and latest forecasts suggest compliance will continue with the requirements for the foreseeable future.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

The Directors have reviewed the financial forecasts for the Group, prepared by management, which set out sufficient trading and cash generation to allow the business to meet its obligations as they fall due. The forecasts indicate that the Group will continue to recover from the impacts of COVID-19 and related economic stresses throughout 2022 and assume:

- Mutual fund proxy work and corporate actions (our major event driven business lines) deliver comparable business performance to the historic trend.
- A margin improvement due to the benefits associated with cost savings in the Retirement Solutions division.
- Credit Fraud and Analytics; and Customer Resolutions delivering modest improvement over 2022 in EBITDA margin.
- Achieving a 94% operating cash conversion which is an historical average.
- Maintaining a minimum balance of cash (after restricted cash) of £25.0m, balanced via draws on the RCF.

Management performed a thorough downside review of the Group's prospects as an integral part of the overall budgeting process for 2022. This was done with not only the going concern test in mind, but also to ensure the Directors, and management, have as much transparency as possible regarding the potential risks (and opportunities) posed by the uncertain economic times we find ourselves in, exacerbated by the conflict in Ukraine.

Management devised three scenarios to support this:

1) Budget (or base) scenario: this covers the 2023 calendar year and is the result of a detailed bottom up process and a significant number of business reviews (given the new ownership structure and new CEO/CFO partnership). We have also extrapolated this into 2024 to provide a baseline for the Going Concern assessment.

2) Downside scenario: this covers our view of a slowdown in the economy, largely a mix of legacy COVID-19 impacts and the uncertainty posed by the Ukraine conflict. In this severe but plausible scenario management are not forecasting any breach in covenants.

3) Reverse Stress Test: we looked specifically at what quantum of EBITDA and net debt movements would be required to breach our banking covenants and then considered mitigant available to management.

In all of these scenarios, our primary reference point for the going concern test was the Group's ability to remain within its banking covenants, thus retaining access to funding and liquidity and therefore meet its liabilities as they fall due. We also have separately considered the Group's ability to maintain the regulatory capital and liquidity requirements that allow us to conduct our business as well as the impact of any external debt agency reviews. We have not forecast any breaches. From our stress test and downside scenario modelling we have considered severe but plausible scenarios and mitigating actions are not needed in order to comply with covenants and so there are no breaches identified. As a final point of reference we have concluded that a worst case scenario (considered to be implausible) could be mitigated such that no breaches arise. We ran all three scenarios, on a monthly basis, to the end of 2024, extrapolating beyond our 2023 budget horizon with no concerns noted. Therefore the going concern assumption is appropriate.

Goodwill and intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGU) that is expected to benefit from the synergies of the combination. Each CGU to which the goodwill is allocated represents the lowest level at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense in the income statement and is not subsequently reversed.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill and intangible assets (continued)
Intangible assets

Development costs directly attributable to the design, development and testing of identifiable and unique software products controlled by the Group are recognised as an intangible asset when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- *it can be demonstrated how the software product will generate probable future economic benefits;*
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

These costs include employee benefit expenses allocated according to time spent on each project, along with an appropriate portion of relevant overheads, and external consultancy costs.

Other development-related costs that are not directly attributable or do not meet the capitalisation criteria are recognised as an expense as incurred, along with costs incurred in maintaining computer software programmes.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Intangible assets also includes assets identified as part of a business combination. They are stated at fair value at the date of acquisition less subsequent accumulated amortisation and impairment losses.

Customer relationships are valued based on the net present value of the excess earnings generated by the revenue streams over their estimated useful lives. Order books are valued based on expected revenue generation. Brand valuation is based on net present value of estimated royalty returns.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the asset, from the date it is available for use or acquired. A full month is charged in the month the asset begins amortising. The estimated useful lives are as follows:

- Software 5 years
- Customer relationships 8 – 20 years
- Brands 15 years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. For items acquired as part of a business combination, cost comprises the deemed fair value of those items on the date of acquisition. Depreciation on those items is charged over their estimated remaining useful lives from that date.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Leasehold improvements 2 – 30 years
- Office equipment 2 – 10 years
- Fixtures and fittings 3 – 10 years

Right-of-use assets

When a contract contains a lease, the Group recognises a right-of-use asset, and a corresponding lease liability, at the lease commencement date. The right-of-use asset is initially measured at the initial amount of the lease liability, including any dilapidation provisions, and adjusted for any lease payments made on or before the commencement date, any initial direct costs incurred and any lease incentives received.

Right-of-use assets are subsequently depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset, determined on the same basis as for property, plant and equipment, or the end of the lease term. The estimated useful lives are as follows:

- Right-of-use assets 2- 101 years

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill; or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are evaluated at the lowest levels for which there are separately identifiable cash flows (CGU). Non-financial assets other than goodwill, that have suffered an impairment are reviewed for possible impairment reversals at each reporting date.

Financial instruments

A financial asset or financial liability is only recognised in the statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows and management will determine the classification on initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets held at fair value through profit or loss are recognised within the income statement.

Trade and other receivables (excluding prepayments) and contract fulfilment 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, less expected credit loss. Other financial assets include derivatives which are recognised at fair value through profit or loss, unless the derivatives qualify for hedge accounting, in which case any gain or loss relating to the effective element of the hedge is recognised in other comprehensive income.

The Group classifies its financial liabilities in the following measurement categories:

- At fair value through profit or loss
- At amortised cost

The Group classifies debt and equity instruments as either financial liabilities or as equity, in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of the Group, after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Under IAS 32 Financial Instruments: Presentation (IAS 32), financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, under conditions that are potentially unfavourable to the Group: and

(b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Financial liabilities not classified as fair value through profit or loss, such as derivatives, are classified and measured at amortised cost using the effective interest method.

Derecognition

The Group derecognises a financial asset when the rights to receive cash flows from the financial asset expire or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented within administrative costs.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments and hedging activities

Derivative financial instruments

The Group's derivatives, which include interest rate swaps and forward currency contracts, are measured at fair value, being the estimated amount that the Group would receive or pay to terminate the instrument at the reporting date. Third-party valuations are used to fair value the Group's derivatives. The valuation uses inputs such as interest rate yield curves and currency prices/yields, volatilities of underlying instruments and correlations between inputs.

The fair value of a hedging derivative is classified as a non-current asset or liability to the extent that it will be settled later than 12 months after the end of the reporting period. At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to profit or loss in the same period the hedged item affects profit or loss (for example, when the hedged forecast transaction takes place and this is typically revenue for interest rate swaps hedging variable interest income on client balances under administration). When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Net investment hedges

Gains or losses on a hedging instrument relating to the effective portion of a hedge of a foreign operation are recognised in other comprehensive income. Any ineffective portion is recognised in the income statement within finance costs. Gains or losses accumulated in equity are reclassified to the income statement if the foreign operation is sold.

Trade receivables

Trade receivables represent amounts invoiced to customers, but not yet paid. They are generally due for settlement within 30 days, and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method, less an expected credit loss allowance. Expected credit losses are recognised using the simplified approach as set out in IFRS 9 Financial Instruments (IFRS 9) and consequently loss allowances are measured at an amount equal to the lifetime expected credit loss. The expected credit loss model applies a percentage, based on an assessment of historical default rates and certain forward looking information, against receivables that are grouped into certain age brackets. Where there is objective evidence that the Group will not be able to collect any amounts due according to the original terms of the agreement with the customer, the receivable is fully impaired and the loss is recognised within administrative costs in the income statement.

Contract fulfilment assets

When services or software are supplied to a customer before an invoice is issued, a contract fulfilment asset is recognised in the statement of financial position which represents the right to receive consideration from the customer for goods or services delivered. An asset is only recognised if the revenue recognition criteria are satisfied. The asset is recognised using the transaction price attributed to individual performance obligations based on their fair value. The Group's contracts with customers often include a payment schedule which determines when invoices are raised, and settlement is received, during the contractual term.

The incremental costs of obtaining a contract with a customer are recognised as an asset only if the Group expects to recover them. Those costs to obtain a contract are included in the statement of financial position within contract fulfilment assets. These assets are subsequently charged to administrative costs within the income statement over the expected contract period, using a systematic basis that mirrors the pattern in which the Group transfers control of the services or software to the customer. If it becomes apparent that contractual costs will exceed contractual revenue, the loss is recognised immediately as an expense in the income statement.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency broker balances

Where the Company acts as an agency broker for retail investors, whereby securities are purchased from one counterparty and simultaneously sold to another counterparty, balances owed by or to the retail investor and the market maker are recognised within agency broker receivables and agency broker payables until the balances are settled. Settlement of such transactions is primarily on a delivered and paid basis and typically takes place within a few business days of the trade date, according to the relevant market rules and conventions. The amounts due from and payable to counterparties in respect of unsettled transactions are shown as gross amounts in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Electronic payments are included in cash and cash equivalents until the transaction is no longer cancellable. Once the Group loses the right to cancel a payment instruction, it derecognises the cash, and the associated liability.
Certain cash balances are designated as not available for use in the Group's day-to-day operations. These balances are referred to as restricted cash. The Group's restricted cash balance represents amounts designated as restricted either by management, or by the Group's financial regulators, to ensure compliance with regulatory requirements. These balances are regularly monitored and are segregated from the cash balances available for use.

External loans and borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings, using an effective interest basis. When borrowings are extinguished, any difference between the cash paid and the carrying value is recognised in the income statement.

When the modification of borrowings does not lead to derecognition, the revised cash flows under the modified terms are discounted at the date of the modification at the original effective interest rate. The difference between the carrying amount of the borrowings immediately before the modification and the sum of the present value of the cash flows of the modified borrowings, discounted at the original effective interest rate, are recognised in the income statement as a modification gain or loss.

Trade payables

Trade payables represent liabilities for goods and services received by the Group before the end of the reporting period, which have been invoiced but are unpaid. They are presented as current liabilities unless payment is not due within 12 months after the reporting period. The amounts within trade payables are unsecured. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Contract fulfilment liabilities

Contract fulfilment liabilities are recorded when the Group has received consideration from customers, but still has an obligation to deliver services or software to the customer and meet performance obligations for that consideration. The liability is measured as the fair value of the consideration received. The Group reviews contract fulfilment liabilities at the end of each reporting period to ensure that it is still appropriate to carry forward the consideration received for recognition as revenue in a future period.

Business Disposals and Assets and liabilities held for sale

Business disposals are businesses that have been exited during the year or are in the process of being disposed of. The definition of 'discontinued operations' as stipulated by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (IFRS 5), requires disclosure and comparatives to be restated where the relative size of a disposal or business closure is significant, which is normally understood to mean a reported segment. Accordingly, the separate presentation in note 4.2 does not fall within the requirements of IFRS 5 concerning discontinued operations.

Assets and liabilities (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. On classification as held for sale, they are stated at the lower of carrying amount and fair value less costs to sell. Impairment losses are included in the income statement as are any gains and losses on subsequent re-measurement.

Employee benefits
Short-term obligations

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave, that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period. The liability is measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liabilities within trade and other payables in the statement of financial position.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Defined contribution plans
A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separately administered fund. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the income statement as incurred. Prepaid contributions are recognised as an asset, to the extent that a cash refund or reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to, the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit to the Group, the asset recognised is limited to the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income, in the period in which they arise.

Current service costs reflect the increase in the defined benefit obligation resulting from employee services in the current period, benefit curtailments and settlements. Costs are recognised as an employee benefit expense, within administrative costs in the income statement.

Past-service costs, which arise as a result of current changes to plan arrangements affecting the obligation for prior periods, are recognised immediately as an employee benefit expense, within administrative costs in the income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. The net interest cost is included within finance costs in the income statement.

Share based payments

For equity settled schemes, changes in fair value are recognised as an expense, with a corresponding increase in the performance share plan reserve. Information relating to the 2021 Long term incentive plan (the "Plan") is set out in note 7.2.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk-adjusted, future cash flows at a pre-tax risk-free rate.

Dilapidations provisions relate to the estimated cost to revert leased premises back to a required condition expected under the terms of the lease. These include provisions for wear and tear, along with provisions for leasehold improvements made that would require reinstatement to the original status on exit. Provisions for wear and tear are recognised as an expense within the income statement and are recognised as the liability is incurred. Estimated costs relating to the removal of leasehold improvements are capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the assets. Payments for dilapidations are uncertain in timing, as leases may be terminated early or extended. To the extent that exits of premises are expected within 12 months of the reporting period, the provision is shown as current.

Other provisions includes amounts recognised for legal obligations and onerous lease costs, excluding amounts recognised as lease liabilities, that the Group expects will be incurred on properties that have been vacated, over the remaining term of the lease. These amounts will be released to the income statement as the expenses are incurred.

Contingent consideration is provided for on the acquisition of a business, where the monetary amount is dependent on the future performance of the acquired business. A provision is initially recognised as the discounted expected amount payable and is unwound over the period to the legal date of settlement. The amount payable is reviewed regularly. The subsequent fair value is determined by reviewing the post-acquisition performance of the acquired company, along with available budgets and forecasts, against the earn-out arrangement in the share purchase agreement, to determine the most likely outcome.

Changes to the fair value of the contingent consideration, resulting from additional information obtained post-acquisition about facts and circumstances that existed at the acquisition date, are recognised as an adjustment against goodwill during the first 12 months following the acquisition. Any other changes are recognised in the income statement.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax, from the proceeds.

Foreign currency translation

Foreign currency transactions are translated into the functional currency for that entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies using exchange rates at the end of the reporting period, are recognised in the income statement as finance income / costs.

The results and financial position of all Group entities having a different functional currency from the Group's presentational currency are translated into the Group's presentational currency as follows:

- assets and liabilities are translated at the closing rate on the date of the statement of financial position;
- income and expenditure included in the income statement is translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income and recorded within the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate. Exchange differences arising from retranslation at the closing rate are recognised in other comprehensive income within the translation reserve.

Revenue

Revenue, which excludes sales taxes, represents the value of services provided and software supplied to customers in the UK, Europe and the US, and also includes interest received on funds under administration of the Group.

Revenue classified as rendering of goods and services represents amounts due to the Group as compensation for services performed or goods delivered under contract. Revenue included within rendering of goods and services in note 3.1 is revenue generated from the professional services which the Group offers to its customers. It does not include any additional revenue generated from client funds under administration, which are disclosed separately as interest income.

The arrangements used to pay for goods and services rendered can vary between clients. Many contracts are structured so that any fees are invoiced to the client either before, during or after performing the contractual obligations. Some contracts are structured to allow the Group to retain any interest income received from processing the client's funds, instead of an invoiced fee. Such interest income is specifically mentioned as the fee for performing contractual tasks and obligations. Given that it is not incidental to the underlying goods and services delivered, such revenue received is classified as revenue generated from the rendering of goods and services.

The Group distinguishes between revenue generated from the rendering of goods and services and revenue representing interest received on client monies held and administered by the Group. This income is considered to be ancillary to the underlying fee paid services delivered to the Group's customers. Interest income is an important source of the Group's revenue and the Group seeks to maximise these returns by holding funds in high-interest-bearing accounts, where possible.

Out of pocket expenses recharged to customers are recognised in revenue, net of the related expense, when they are recoverable from the client.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is recognised when, or as, the Group satisfies contractual performance obligations by transferring promised goods or services to its customers. Goods and services are considered to be transferred when the customer obtains control of the good or service.

Revenue is recognised either at a point in time, when the performance obligation in the contract has been performed, or over time, as control of the performance obligation is transferred to the customer.

The Group's principal revenue recognition policies are as follows:

Professional services

The Group is a large provider of outsourced professional services in the UK and US, covering pensions administration, pensions payroll, annuity services, complaints handling, resourcing services, employee share plan administration, share registration services and transfer agency services.

Revenue from fixed-price contracts, which may span a number of years, is recognised rateably over the expected life of the contract, where the Group satisfies the over time revenue recognition criteria. When the over time criteria are not satisfied, the Group recognises revenue at a point in time when the contractual performance obligations are delivered. Where the Group provides staff to customers at hourly or daily rates, revenue is recognised on the basis of time worked.

Many of the Group's contracts contain multiple deliverables to the customer. For example, contracts for the provision of outsourced pension administration services will often include provisions for the delivery of special projects and pension accountancy services. Management evaluates whether those promised services are distinct, which requires them to be accounted for as separate performance obligations. If the services are not distinct, they are combined with other services until a distinct performance obligation can be identified in the contract. If a series of services are substantially the same and have the same pattern of transfer to the customer, the deliverables may be combined and accounted for as a single performance obligation.

Software sales, hosting and support services

Software sales, hosting and support services are provided for the Group's software platforms such as Compendia, Charter and KYCnet. Revenue for sales of software licences are recognised at the point in time when the key terms are agreed; when the licences are delivered to the customer; where this results in the customer having the right to use the licence; and the performance obligation has been delivered in full. Revenue for hosting and support services is recognised rateably over the term of the agreement.

When products are bundled together for the purpose of sale, the associated revenue, net of all applicable discounts, is allocated between the constituent performance obligations based on relative standalone selling prices. The Group has a systematic basis for allocating relative fair values in these situations, which is based on internal price lists and historic and current selling prices.

Transactional revenue

Transactional revenue. represents commissions and fees earned on the purchase and sale of shares and on foreign exchange transactions.
Revenue is recognised at a point in time when the performance or processing of the related transactions takes place.

Interest income

Interest income within revenue relates to interest earned on funds under administration of the Group. Revenue is recognised at the point in time the interest is earned.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Where delivery of the services described above spans more than one accounting period, revenue is either recognised over time or at a point in time. Where the over time criteria in IFRS 15 Revenue from Contracts with Customers (IFRS 15) are satisfied, the Group recognises revenue using the 'percentage of completion' method. This may occur within the Shareholder services businesses for the supply of corporate actions related services and within the Credit services business for software hosting and support services. When the service falls into two or more accounting periods, judgement is applied in determining how much revenue to recognise in each period. Where provided for under the terms of the contract, the stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period, as a percentage of the total estimated cost for the contract. Total costs incurred under contracts in progress, net of amounts transferred to the income statement, are stated less foreseeable losses and payments on account. Where the over time criteria are not satisfied, revenue is recognised when all the performance obligations have been delivered to the customer, which may not be until the end of the contractual period.

In determining how much revenue to recognise, management is required to assess the expected costs to complete the contract. Forecasting contract costs involves judgements around the number of hours to complete a task, cost savings to be achieved over time anticipated profitability of the contract, as well as contract-specific KPIs. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Contract revenue is measured as the fair value of the consideration receivable. Where consideration is variable, it is only recognised to the extent that it is highly probable that it will not reverse in a future period. Any changes to the transaction price (excluding those resulting from contract modifications) are allocated to the performance obligations in the contract on the same basis as at the inception of the contract. A contract modification is only recognised when the modification is approved. An increase in scope of a contract could increase both the total anticipated revenue and costs to complete the contract.

Costs to date and costs to complete are continually monitored for each project through a monthly review process. If it becomes apparent that contract costs will exceed contract revenue, then the loss is recognised immediately as an expense in the income statement

The following table illustrates revenue recognition policies predominantly used in each of the Group's businesses:

Segment	Professional services	Out of pocket expenses	Software and support	Transactional fees	Interest income
UK Shareholder Services	•	•		•	•
US Shareholder Services	•	•		•	•
Retirement Solutions	•		•		•
Customer Resolutions	•		•		
Credit, Fraud & Analytics	•		•		
Other Digital	•		•		

Costs arising prior to the Group being awarded a contract, or achieving preferred bidder status, and mobilisation costs are expensed to the income statement as incurred.

Once the Group is awarded a contract. the incremental costs of obtaining or fulfilling the contract are recognised as an asset only if the Group expects to recover them. These assets are subsequently charged to the income statement over the expected contract period using a systematic basis that mirrors the pattern in which the Group recognises the contracted revenue.

Revenue earned and recognised for services not yet billed, is reflected in the statement of financial position within contract fulfilment assets. There can be a significant period of time between revenue recognition and invoicing, where revenue is recognised at a point in time but the agreed payment schedule means that invoices are raised over time. This is evident when the Group delivers term licences, and where the performance obligation is fulfilled on delivery of the licence but billing occurs throughout the contract term. Revenue is only recognised when supported by a written client contract and recoverability is expected in line with the supporting contract. Contract fulfilment assets are derecognised as invoices are raised in accordance with set milestones. Amounts billed in advance of the related services or goods being provided to the customer, and associated revenue being earned, are deferred in the statement of financial position as contract fulfilment liabilities and then income is recognised as the performance obligations are met.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants primarily relate to research and development expenditure credits, which provide income tax relief on the Group's research and development costs. Grants that compensate the Group for expenses incurred are recognised in the income statement in the same periods in which the expenses are recognised. Grants relating to capital expenditure are deferred and included within other payables in the statement of financial position and released to the income statement on a straight-line basis over the useful life of the related assets. Grants are recognised when the Group has assurance that it will comply with the conditions attached to the grant and it is confident that the funds will be received.

Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract provides the right to use an asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, which may be specified explicitly or implicitly. The Group also assesses whether the contract provides the right to obtain, substantially, all of the economic benefits from use of the asset throughout the period of use. The Group must also determine whether the contract permits the right to direct the use of the asset, which flows from the ability to decide how and for what purpose the asset is used.

When a contract contains a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. Non-lease expenses, such as service charges, are expensed in the income statement as they are incurred. When the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate is used as the discount rate. Extension and termination options included within lease contracts are generally disregarded at the lease commencement date, as the Group is not reasonably certain of exercising them.

The lease liability is measured at amortised cost, using the effective interest method. The liability is remeasured when a change in the future lease payments is recognised. A corresponding adjustment is also made to the carrying amount of the right-of-use asset. or if the right-of-use asset has been reduced to zero, recorded in the income statement.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Finance income and finance costs

Finance income and finance costs comprises the effective interest expense on external debt facilities, interest income on own funds, foreign exchange gains and losses, the interest expense on lease liabilities. the gains and losses relating to the termination of derivative financial instruments and the interest cost of defined pension scheme liabilities, net of the expected return on plan assets.

Interest income and interest payable is recognised in the income statement, using the effective interest method.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Tax on the profit for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries, to the extent that they will probably not reverse in the foreseeable future. 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.

2.2 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There are no new IFRSs or IFRS IC interpretations not yet adopted which would be expected to have a material impact on the consolidated financial statements of the Group.

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future, the results of which may affect the carrying values of assets and liabilities at the period end, as well as the revenue and costs reported for the period. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including the expected future impact of conditions such as COVID-19 and climate change, that are believed to be reasonable under the circumstances.

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

Accounting estimates

Carrying Value of intangible assets

In accordance with IFRS 3, last year management needed to determine the fair value of net assets acquired as part of the business combination. This included assets, such as customer-related intangibles, that were not recognised in the books of the acquired business. Therefore management needed to calculate the fair value of intangible assets arising on acquisition. This was based on two key assumptions: the discount rate and the long term growth rate.

At the 2022 year end management have carried out an impairment review of the intangible assets to determine the carrying value and to determine whether an impairment is required. The key assumptions used in carrying out this review were in line with those used at the initial valuation: the assumed discount rates, the long-term growth rates and the year five EBITDA, which is considered to be closely aligned to cash flow

The discount rate has been calculated using the capital asset pricing model, informed by comparable market-observed data points (such as the beta and risk-free rate) where available. The long-term growth rate is based on GDP predictions, which have been uplifted in the US for the specific market opportunities. Assumptions made within the EBITDA forecasts include a proportion of central costs allocated to each division based on proportion of overall group EBITDA and that assets will be replaced as they become fully depreciated/amortised.

The key assumptions within the Group's financial forecasts are set out on page 28 and with further detail by CGU in note 4.5.

Notes to the consolidated financial statements for the year ended 31 December 2022

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Accounting estimates (continued)

Pension assumptions

The present value of the net defined benefit pension obligation is dependent on a number of factors that are determined on an actuarial basis, using a number of assumptions. These assumptions, which are set out in note 9.3, include salary rate increases, interest rates, inflation rates, discount rates and mortality rates. Any changes in these assumptions will impact the carrying value of the pension obligation and a sensitivity analysis has been disclosed in note 9.3.

The discount rate used for calculating the present value of future pension liability cash flows is based on interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation.

Judgements in applying the Group's accounting policies

Software development

The Group capitalises certain staff costs as part of a software asset, where, in management's judgement, the costs are incremental and directly attributable to an asset, and it can be determined that the Group has the ability to develop the asset and the project is technically feasible. Specifically assumptions are made regarding the apportionment of time of staff who do not use timesheets and the allocation of central costs. Management also exercises judgement to determine whether the project will be completed and whether the asset will generate future economic benefits that outweigh its cost.

During the period ended 31 December 2022, the Group capitalised £25.1m of staff costs (2021: £1.2m). If, in management's judgement, it cannot be determined that the recognition criteria will be satisfied, the costs of the project are expensed to the income statement.

Notes to the consolidated financial statements for the year ended 31 December 2022

3 OPERATING PROFIT

3.1 REVENUE

Revenue:	Year ended 2022 £m	227 day period ended 2021 £m
Rendering of goods and services	544.1	31.9
Interest income	86.5	0.8
Total revenue	**630.6**	**32.7**

Management has identified the Group's divisions as UK Shareholder Services, US Shareholder Services, Retirement Solutions, Customer Resolutions, Credit, Fraud & Analytics, Other Digital and Interest, in line with how the Group runs and structures its business.

	Year ended 2022 £m	227 day period ended 2021 £m
Shareholder Services - UK	128.8	6.6
Shareholder Services - US	218.6	12.9
Retirement Solutions	108.9	6.2
Customer Resolutions	44.6	2.1
Credit, Fraud & Analytics	29.9	3.3
Other Digital	13.3	0.8
Interest	86.5	0.8
Total revenue	**630.6**	**32.7**

Reported revenue by geographical market	Year ended 2022 £m	227 day period ended 2021 £m
UK and Europe	356.2	19.8
USA	274.4	12.9
Total revenue	**630.6**	**32.7**

Timing of revenue recognition	Year ended 2022 £m	227 day period ended 2021 £m
Point in time	140.8	7.9
Over time	489.8	24.8
Total revenue	**630.6**	**32.7**

Point in time revenue primarily relates to share and foreign exchange dealing revenue streams, where the performance obligation is fulfilled when the transaction completes; corporate action fees where these are dependent on transactions closing; and revenue from licences sold by the Group, where revenue is recognised once licences have been delivered, accepted by the client and the Group's performance obligations satisfied in full.

Over time revenue primarily relates to our share registration businesses, including corporate actions where the Group has a contractual right to revenue for work performed, our pensions administration business, our customer resolutions business and software support services.

Notes to the consolidated financial statements for the year ended 31 December 2022

3.1 REVENUE (CONTINUED)

Unfulfilled performance obligations

The table below shows the aggregate amount of the Group's contracted transaction prices allocated to the contractual performance obligations that are unsatisfied or partially satisfied at the reporting date. The Group anticipates recognising this revenue as, or when, the contractual performance obligations are satisfied:

31 December 2022	Shareholder Services - UK £m	Shareholder Services - US £m	Retirement Solutions £m	Customer Resolutions £m	Credit Fraud & Analytics £m	Other Digital £m	Total £m
Less than one year	29.3	55.0	48.4	1.6	5.3	-	139.6
Between one and five years	57.1	57.1	90.0	0.2	10.5	-	214.9
More than five years	-	0.1	31.2	-	-	-	31.3
	86.4	**112.2**	**169.6**	**1.8**	**15.8**		**385.8**

31 December 2021	Shareholder Services - UK £m	Shareholder Services - US £m	*Retirement* Solutions (previously Pension Services) £m	(previously Remediation and Credit Services) Customer Resolutions £m	Credit Fraud & Analytics £m	Other Digital £m	Total £m
Less than one year	32.1	37.9	51.3	0.6	7.2	-	129.1
Between one and five yea	71.1	29.8	78.1	0.6	22.5	-	202.1
More than five years	-	0.2	26.6	-	-	-	26.8
	103.2	**67.9**	**156.0**	**1.2**	**29.7**	**-**	**358.0**

The table above represents the contractual consideration which the Group will be entitled to receive from customers. The total revenue that will be earned by the Group will also include transactional revenue, new wins, scope changes and contract extensions. However these elements have been excluded from the figures above, as they are not contracted and the revenue will be earned as the work is performed.

Many of the Group's contracts renew automatically until cancelled by the other party. At 31 December 2022, these contracts represented a significant proportion of the Group's contractual revenues. However these contracts have not been included in the analysis above, as the Group typically has a contractual right to revenue for a period of 12 months or less.

In addition, the Group has taken the practical expedients under IFRS 15 and has excluded the following revenue:
- contracts with a life of less than one year; and
- revenue that is earned and invoiced as the work is performed.

3.2 OTHER EXPENSES

Expenses by nature:	Year ended 2022 £m	227 day period ended 2021 £m
Employee costs capitalised in respect of software development	(25.1)	(1.2)
Printing and postage	29.6	1.4
Contractors	6.4	0.4
Premises costs	9.7	0.4
Short-term lease costs	(0.3)	0.2
Government grants	(0.7)	(0.1)
Fines and settlements	8.8	0.1
Other general business costs	14.1	1.2
Total administrative costs	**42.5**	**2.4**

Due to the early termination of leases where property was exited in previous years, there was a release of finance lease liabilities in 2022 which gave rise to a credit of £1.0m. This has been included in short-term lease costs above.

Notes to the consolidated financial statements for the year ended 31 December 2022

3.3 STAFF NUMBERS AND COSTS

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

	Year ended 2022	Period ended 2021
Number of employees - by function:	Number	Number
Operations	5,245	5,211
Support functions	1.038	818
Sales and marketing	172	186
Total employees	**6,455**	**6,215**

	Year ended 2022	Period ended 2021
Number of employees - by geography:	Number	Number
UK	3.545	3,566
North America	1,440	1,427
Asia	1 210	1,098
Rest of World	260	124
Total employees	**6,455**	**6,215**

Due to the timing of the acquisition in 2021, there were nil employees for most of the 2021 accounting period. Therefore the comparative staff numbers shown above are the average number of persons employed by the Group post acquisition in December 2021 .

The aggregate payroll costs of these persons were as follows:

	Year ended 2022	227 day period ended 2021
	£m	£m
Wages and salaries	301 7	13.8
Social security costs	17.0	0.7
Other pension costs	11.0	0.8
Total employee benefit expense	**329.7**	**15.3**

3.4 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	Year ended 2022	227 day period ended 2021
	£m	£m
Wages and salaries	5.0	0.2
Social security costs	0.4	-
Other pension costs	0.1	-
Total	**5.5**	**0.2**

In respect of the highest paid director:

	Year ended 2022	227 day period ended 2021
	£m	£m
Wages and salaries	3.1	0.1
Social security costs	0.3	-
Other pension costs	0.1	-
Total	**3.5**	**0.1**

During the year, one director (2021: one) contributed to a defined contribution pension scheme and no share options were exercised (2021: none). A number of the directors are remunerated directly by a related party for their services to that related party. They do not receive any additional remuneration for the services which they provide to the Group. There is no charge for these costs from the related parties to the Group and these costs are excluded from the total cost in note 3.4.

Notes to the consolidated financial statements for the year ended 31 December 2022

4 INVESTMENTS

4.1 BUSINESS ACQUISITIONS

There were no acquisitions in the year ended 31 December 2022

Equiniti (Restated)
On 9 December 2021, the Group purchased the entire issued share capital of Equiniti Group plc and its subsidiaries (Equiniti) for cash consideration of £672.0m. Equiniti is an international technology-led services and payments business based in the United Kingdom.

The Group took control of the business on 9 December 2021. On this date the business had net assets with a fair value of £188.0m. The fair value of the assets and liabilities acquired on 9 December 2021 have been adjusted and restated below to show net assets of £185.6m.

The results of the business have been consolidated since the date of control and Equiniti contributed £24.7m of revenue and £1.0m loss before income tax to the Group's results for the 22 day period ended 31 December 2021. If the business had been acquired on 19 May 2021, it would have contributed an additional £235.3m of revenue and £45 7m of losses before tax to the Group's results in 2021.

Post-acquisition, Equiniti Group plc re-registered at Companies House as Equiniti Group Ltd and is referred to as such in note 4 6.

The consolidated financial statements for the period ended 31 December 2021 marked the fair values of software, brands, customer contracts and related relationships as provisional. The value of goodwill reflected amounts in relation to the expected benefit of the ability to generate new streams of revenue and expected synergies of combining the operations of Equiniti and the Group These provisional amounts were subject to further evaluation and adjustment. In accordance with accounting standards, and following a detailed review adjustments have been identified which have reduced net assets acquired by £2.4m, with an equal increase in goodwill.

In accordance with IFRS 3, the Statement of Financial Position as at 31 December 2021 has been restated. The acquisition note has been restated as below. The other primary statements were unaffected by this restatement.

Fair value of identifiable assets acquired and liabilities assumed	£m	Measurement period adjustment £m	Restated £m
Property, plant and equipment	42.2	-	42 2
Intangible assets	531.5	(2.4)	529 1
Trade and other receivables	39.8	-	39 8
Contract fulfilment assets	44.1	-	44 1
Cash and cash equivalents	59 1	-	59.1
External loans and borrowings	(309.5)	-	(309.5)
Post-employment benefits	(23.6)	-	(23.6)
Provisions	(18 1)	-	(18.1)
Lease liabilities	(30.1)	-	(30.1)
Deferred income tax liabilities	(43 7)	-	(43.7)
Other financial liabilities	(4 3)	-	(4.3)
Trade and other payables	(74 3)	-	(74.3)
Contract fulfilment liabilities	(25 1)	-	(25.1)
Net identifiable assets	**188.0**	**(2.4)**	**185.6**
Non-controlling interest	(5 0)	-	(5.0)
Hedging reserve	(0 6)	-	(0.6)
Goodwill on acquisition	489 6	2.4	492.0
Total consideration	**672.0**	**-**	**672.0**
Cash acquired	(59.1)	-	(59.1)
Net cash outflow in the period ended 31 December 2021	**612.9**	**-**	**612.9**

Notes to the consolidated financial statements for the year ended 31 December 2022

4.1 BUSINESS ACQUISITIONS (CONTINUED)

AST (Restated)
On 9 December 2021, the Group purchased the entire issued share capital of Armour Holdco Inc and its subsidiaries (AST). There was no cash consideration payable, as the Group assumed responsibility for settling ASTs external debt facilities. AST is a provider of ownership data management, analytics and advisory services to public and private corporate issuers and mutual funds in the U S. and private companies globally and is based in the United States of America.

The Group took control of the business on 9 December 2021. On this date the business had net liabilities with a fair value of £248.2m The fair value of the assets and liabilities acquired on 9 December 2021 have been adjusted and restated below to show net liabilities of £250 3m

The results of the business have been consolidated since the date of control and AST contributed £8.0m of revenue and £20.9m loss before income tax to the Group's results for the 22 day period ended 31 December 2021. If the business had been acquired on 19 May 2021, it would have contributed an additional £89 1m of revenue and £62.1m loss before income tax to the Group's results in 2021.

The consolidated financial statements for the period ended 31 December 2021 marked the fair values of software, brands, customer contracts and related relationships as provisional The value of goodwill reflected amounts in relation to the expected benefit of the ability to generate new streams of revenue and expected synergies of combining the operations of AST and the Group These provisional amounts were subject to further evaluation and adjustment. In accordance with accounting standards and following a detailed review adjustments have been identified which have reduced net assets acquired by £2.1m, with an equal increase in goodwill.

In accordance with IFRS 3, the Statement of Financial Position as at 31 December 2021 has been restated. The acquisition note has been restated as below The other primary statements were unaffected by this restatement.

Fair value of identifiable assets acquired and liabilities assumed	£m	Measurement period adjustment £m	Restated £m
Property, plant and equipment	13.1	-	13 1
Intangible assets	285 3	(2.1)	283 2
Trade and other receivables	24 7	-	24 7
Contract fulfilment assets	11 2	-	11 2
Cash and cash equivalents	41 6	-	41.6
External loans and borrowings	(457 3)	-	(457.3)
Post-employment benefits	(3 8)	-	(3.8)
Lease liabilities	(10.0)	-	(10.0)
Deferred income tax liabilities	(101 1)	-	(101 1)
Trade and other payables	(47 0)	-	(47 0)
Contract fulfilment liabilities	(4.9)	-	(4.9)
Net identifiable liabilities	**(248.2)**	**(2.1)**	**(250.3)**
Goodwill on acquisition	248 2	2.1	250.3
Total consideration	-	-	-
Cash acquired	(41.6)	-	(41.6)
Net cash outflow in the period ended 31 December 2021	**(41.6)**	**-**	**(41.6)**

The acquisition-related expenses of acquiring Equiniti and AST during the period ended 31 December 2021, such as legal fees and stamp duty, amounted to £51.7m. This included a completion fee payable to Siris of $20 1m These costs were included in legal and professional fees in the income statement for the period ended 31 December 2021.

4.2 BUSINESS DISPOSALS

Business disposals are businesses that have been exited during the year or are in the process of being disposed of None of the Group's business exits in 2022 meet the definition of 'discontinued operations' as stipulated by IFRS 5, Non-current Assets Held for Sale and Discontinued Operations (IFRS 5), which requires disclosure and comparatives to be restated where the relative size of a disposal or business closure is significant, which is normally understood to mean a reported segment. Accordingly, the separate presentation described below does not fall within the requirements of IFRS 5 concerning discontinued operations.

Equiniti ICS Ltd
On 30 November 2022, the Group sold its Equiniti ICS Ltd business to Vela UK Holdco Ltd, for initial consideration of £11.8m and deferred consideration of, up to £1.3m Until the date of sale Equiniti ICS Ltd was part of the Group's Other Digital division.

Loss on business disposal	£m
Intangible assets	28 2
Tangible assets	1 0
Trade and other receivables	4.3
Cash	0 9
Trade and other payables	(2 4)
Total net assets disposed of	**32.0**
Cash purchase consideration received	11 8
Deferred consideration	0 6
Costs of disposal	
- Transaction costs - paid	(0 6)
- Transaction costs - accrued	(0 1)
- Onerous lease provision	(0 3)
Total net consideration received	**11.4**
Loss on business disposal	**(20.6)**

There were no business disposals in the period ended 31 December 2021

Notes to the consolidated financial statements for the year ended 31 December 2022

4.3 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £m	Office equipment £m	Fixtures & fittings £m	Total £m
Cost				
Acquisition of business	6.9	18.0	0 1	25.0
Additions	0.1	0.7	-	0.8
Translation adjustment	(0.1)	(0.1)	-	(0.2)
Balance at 31 December 2021	**6.9**	**18.6**	**0.1**	**25.6**
Accumulated depreciation				
Depreciation charge for the year	0 1	0.5	-	0.6
Balance at 31 December 2021	**0.1**	**0.5**	**-**	**0.6**
Net book value				
Balance at 31 December 2021	**6.8**	**18.1**	**0.1**	**25.0**
Cost				
Balance at 1 January 2022	6 9	18.6	0 1	25.6
Additions	0 2	3.7	-	3.9
Disposals	(3.6)	(0.5)	-	(4.1)
Translation adjustment	0.7	3 1	-	3 8
Balance at 31 December 2022	**4.2**	**24.9**	**0.1**	**29.2**
Accumulated depreciation				
Balance at 1 January 2022	0.1	0 5	-	0.6
Depreciation charge for the year	2.1	5.8	0 1	8.0
Disposals	(2.8)	(0.6)	-	(3.4)
Translation adjustment	0.4	2.2	-	2.6
Balance at 31 December 2022	**(0.2)**	**7.9**	**0.1**	**7.8**
Net book value				
Balance at 31 December 2022	**4.4**	**17.0**	**-**	**21.4**

4.4 RIGHT-OF-USE ASSETS

	Property £m	Office equipment £m	Total £m
Cost			
Acquisition of business	30 2	0.1	30 3
Translation adjustment	(0 3)	-	(0 3)
Balance at 31 December 2021	**29.9**	**0.1**	**30.0**
Accumulated depreciation			
Depreciation charge for the year	0.5	-	0.5
Translation adjustment	(0.1)	-	(0.1)
Balance at 31 December 2021	**0.4**	**-**	**0.4**
Net book value			
Balance at 31 December 2021	**29.5**	**0.1**	**29.6**
Cost			
Balance at 1 January 2022	29.9	0.1	30.0
Additions	8.3	-	8.3
Disposals	(4.3)	-	(4.3)
Translation adjustment	1.2	-	1.2
Balance at 31 December 2022	**35.1**	**0.1**	**35.2**
Accumulated depreciation			
Balance at 1 January 2022	0.4	-	0.4
Depreciation charge for the year	8.2	-	8.2
Disposals	(2 3)	-	(2.3)
Translation adjustment	0.6	-	0.6
Balance at 31 December 2022	**6.9**	**-**	**6.9**
Net book value			
Balance at 31 December 2022	**28.2**	**0.1**	**28.3**

Notes to the consolidated financial statements for the year ended 31 December 2022

4.5 INTANGIBLE ASSETS

	Goodwill £m	Software £m	Customer relationships and brands £m	Total £m
Cost				
Acquisition of business	737.8	298.3	518.5	1,554.6
Additions	-	1.3	-	1.3
Translation adjustment	(5.3)	(1.9)	(6.9)	(14.1)
Measurement period adjustment	4.5	-	-	4.5
Balance at 31 December 2021 restated	**737.0**	**297.7**	**511.6**	**1,546.3**
Accumulated amortisation				
Amortisation charge for the period	-	5.0	2.8	7.8
Translation adjustment	-	(0.2)	(0.4)	(0.6)
Balance at 31 December 2021	**-**	**4.8**	**2.4**	**7.2**
Net book value				
Balance at 31 December 2021 restated	**737.0**	**292.9**	**509.2**	**1,539.1**

Cost				
Balance at 1 January 2022 restated	737.0	297.7	511.6	1,546.3
Additions	-	38.6	-	38.6
Disposals	(16.7)	(13.4)	(13.3)	(43.4)
Translation adjustment	26.3	15.3	33.3	74.9
Balance at 31 December 2022	**746.6**	**338.2**	**531.6**	**1,616.4**
Accumulated amortisation				
Balance at 1 January 2022	-	4.8	2.4	7.2
Amortisation charge for the year	-	63.3	35.2	98.5
Impairment	155.6	14.7	36.0	206.3
Disposals	-	(7.6)	-	(7.6)
Translation adjustment	-	6.7	3.4	10.1
Balance at 31 December 2022	**155.6**	**81.9**	**77.0**	**314.5**
Net book value				
Balance at 31 December 2022	**591.0**	**256.3**	**454.6**	**1,301.9**

Software predominately relates to investment in enhancing the functionality of the Group's main operating platforms. Included within additions in the year to 31 December 2022 is £25.1m (2021: £1.2m) of directly attributable employee staff costs that have been capitalised in respect of internal software development Software includes £23.6m (2021: £25.6m) for assets which were still under construction at 31 December 2022 These assets are not yet available for use, so no amortisation has been charged to the income statement

Included within customer relationships and brands is customer relationships with a carrying value of £394.8m (2021 £434.3m) and a remaining useful life of between 8 - 20 years and brands with a carrying value of £62.1m (2021: £74.9m) and a remaining useful life of 14 years (2021: 15 years)

Goodwill is the only intangible asset with an indefinite life

Goodwill

Goodwill arose on the EQ and AST acquisitions in the prior period Goodwill is monitored by management in line with the Group's operating segments, which are the lowest cash-generating units (CGUs): Shareholder Services, Retirement Solutions; Customer Resolutions: Credit, Fraud & Analytics; and Other Digital. In 2021 Customer Resolutions Credit Fraud and Analytics and Other Digital represented a single division . Remediation & Credit Services (also known as EQ Digital). Following the acquisition, goodwill has been reclassified across the new CGU's as shown below to reflect the way the business is now managed and operates with independently identifiable cashflows in the new divisions of Customer Resolutions, Credit, Fraud & Analytics; and Other Digital

Year ended 31 December 2022	Opening balance restated £m	Reclassification £m	Disposal of business £m	Impairment £m	Translation adjustment £m	Closing balance £m
Shareholder Services - UK	184.3	17.2	-	-	1.0	202.5
Shareholder Services - US	291.3	-	-	-	25.3	316.6
Retirement Solutions	61.5	-	-	-	-	61.5
Remediation & Credit Services	198.1	(198.1)	-	-	-	-
Customer Resolutions	-	54.7	-	(44.3)	-	10.4
Credit, Fraud and Analytics	-	104.8	-	(104.8)	-	-
Other Digital	1.8	21.4	(16.7)	(6.5)	-	-
Total goodwill	**737.0**	**-**	**(16.7)**	**(155.6)**	**26.3**	**591.0**

Notes to the consolidated financial statements for the year ended 31 December 2022

4.5 INTANGIBLE ASSETS (CONTINUED)

Impairment testing

Goodwill is tested at least annually for impairment. The recoverable amount of each CGU has been determined in accordance with IAS 36 Impairment of Assets. This is determined from value-in-use calculations, being the present value of net cash flows generated by the business over the period for which management expects to benefit from the business.

As part of the annual financial planning process, the Group's divisions (CGUs) are required to submit budgets for the next year and financial forecasts for the following four years. These plans are approved by the Board and represent management's best view of future revenue and cash flows.

The budgets and forecasts of EBITDA include a number of assumptions and those concluded key to certain CGUs have been listed below:

Retirement Solutions
- Renewal of MyCSP contract and adequate replenishment of the existing customer base.
- Margin improvements driven by efficiencies through off-shoring, automation and digital transformation.

Customer Resolutions
- Remediation volumes to increase as regulators respond to complaints about mis-selling of motor finance

Credit, Fraud & Analytics
- New revenue streams to generate higher profit margins, achieved through a change in investment policy.

The other key assumptions used within the Group's financial forecasts by CGU include discount rates, used to discount the projected cashflows to their net present value and the terminal growth rate applied beyond the approved forecast period. The discount rate for the group and terminal growth rate have been determined with reference to other industry comparable companies.

For the prior period, the Directors believed that there was no material change to these assumptions between the date of acquisition (9 December 2021) and the period end date (31 December 2021).

Impairment tests

The outcome of the impairment assessment has been that an impairment has been recognised against Customer Resolutions, Credit Fraud and Analytics; and Other Digital as shown above. This is because the recoverable amount has been calculated as being lower than the carrying value of the net assets of those CGUs

Assumptions in determining the recoverable amount were that the period on which management approved forecasts are based is 5 years for each division (2021: 5 years) and that the long term growth rate applied beyond the approved forecast period is 2.0% (2021 2.0%).

Year ended 31 December 2022	Shareholder Services - UK	Shareholder Services - US	Retirement Solutions	Customer Resolutions	Credit, Fraud & Analytics	Other Digital
Discount rate pre-tax	11.8%	12.3%	11.6%	12.7%	13.0%	9.2%
Recoverable amount, less net assets	245.1	166.4	38.3	(47.0)	(156.6)	(19.1)

Period ended 31 December 2021	Shareholder Services - UK	Shareholder Services - US	Retirement Solutions (previously Pension Services)	Customer Resolutions (previously Remediation and Credit Services)	Credit, Fraud & Analytics (previously Remediation and Credit Services)	Other Digital
Discount rate pre-tax	10.9%	7.8% - 12.0%	10.7%	9.9%	9.9%	9.9%
Recoverable amount, less net assets	-	-	-	-	-	-

Sensitivity analysis

The key assumptions used in the value-in-use model are the assumed discount rates, the long-term growth rates and the year five EBITDA, which is considered to be closely aligned to cash flow. Key assumptions impacting the year five EBITDA are included above. The discount rate has been calculated using the capital asset pricing model, informed by comparable market-observed data points (such as the beta and risk-free rate) where available. The long-term growth rate is based on GDP predictions. As these are, in part, judgemental, and recognising that different users might arrive at different assumptions dependent on the use to which they are being put, we have demonstrated in the table below the sensitivity of each of these assumptions

The table below considers the change required to each of the key assumptions before the divisional headroom is reduced to £nil.

Year ended 31 December 2022	Highest pre-tax discount rate	Lowest long-term growth rate	Change in year 5 EBITDA
Shareholder Services - UK	16.5%	-3.6%	-118.8%
Shareholder Services - US	14.2%	-0.1%	-52.2%
Retirement Solutions	13.6%	-0.2%	-24.8%

The Board considered whether any reasonably possible change to a combination of the key assumptions could result in an impairment and concluded that there were none for UK Shareholder Services or US Shareholder Services. For Retirement Solutions, the year 5 EBITDA assumes the MyCSP contract is renewed, a change to this assumption could lead to an impairment. For Credit Fraud and Analytics and Customer Resolutions there could be potential for further impairment if the assumptions detailed above do not transpire Other Digital has been fully impaired in 2022 so no further impairment is considered

Notes to the consolidated financial statements for the year ended 31 December 2022

4.6 INVESTMENTS IN SUBSIDIARIES

The Directors consider the value of the investments to be supported by their underlying assets. The Company has the following investments in subsidiaries

Name of controlled entity	Registered office address	Principal activities	Ownership % on 31 December 2022	Ownership % on 31 December 2021
Direct Investments				
Orbit Private Holdings II Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100	100
Armor Holdco, Inc	2711 Centerville Road, Suite 400, Wilmington DE 19808, United States of America	Holding company	100	100
Indirect Investments				
American Stock Transfer & Trust Company, LLC	80 State Street, Albany, NY 12207, United States of America	Limited purpose trust company	100	100
Armor Holding II, LLC	80 State Street, Albany, NY 12207, United States of America	Holding company	100	100
Armor Intermediate Company, LLC	2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America	Holding company	100	100
AST Fund Solutions, LLC	2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America	Proxy solicitation	100	100
AST Private Company Solutions, Inc.	2711 Centerville Road, Wilmington, DE 19808, United States of America	Consultancy	100	100
Boudicca Proxy Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Proxy solicitation	100	100
Brooklyn Property LLC	251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, United States of America	Dormant	100	100
Canadian Stock Transfer Holdings LLC	2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America	Holding company	100	100
Charter.Net Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Charter UK Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Software service provider	100	100

Notes to the consolidated financial statements for the year ended 31 December 2022

4 6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of controlled entity	Registered office address	Principal activities	Ownership % on 31 December 2022	Ownership % on 31 December 2021
Circle of Insight Limited	Highdown House, Yeoman Way. Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Claybrook Computing Limited	Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH, United Kingdom	Computer software consultancy	100	100
Connaught Secretaries Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Custodian Nominees Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Dormant	100	100
David Venus & Company LLP	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	50	50
D F. King & Co., Inc	2711 Centerville Road, Wilmington, DE 19808, United States of America	Proxy solicitation	100	100
D F. King Acquisition LLC	2711 Centerville Road, Wilmington, DE 19808, United States of America	Holding company	100	100
D.F. King Holding LLC	2711 Centerville Road, Wilmington, DE 19808, United States of America	Holding company	100	100
Donlin, Recano & Company, Inc	80 State Street, Albany, NY 12207, United States of America	Debt consultancy	100	100
Earth Private Holdings Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100	100
EQ Tek sp zo.o	Building C, Equal Business Park, Wielicka 28B, Kraków, Małopolskie, Poland	Technology enabled services	100	100
Equiniti Benefactor Limited	Highdown House, Yeoman Way Worthing, West Sussex, BN99 3HH, United Kingdom	Non-trading	100	100
Equiniti Corporate Nominees Limited	Highdown House Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Equiniti Data Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Software service provider	100	100
Equiniti David Venus Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Company secretarial	100	100
Equiniti Delivery Services Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH. United Kingdom	Non-trading	100	100
Equiniti Employee Services (PTY) Limited	102B Newlands Plaza, CNR Lois & Dely, Newlands, 00181, South Africa	Computer software development	100	100
Equiniti Finance (Holdings) Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100	100
Equiniti Financial Services Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Financial services	100	100
Equiniti Gateway Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Technology enabled services	100	100
Equiniti Global Payments Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	International payment services	100	100
Equiniti Group Limited	Sutherland House, Russell Way, Crawley West Sussex, RH10 1UH	Holding company	100	100
Equiniti Holdings Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100	100
Equiniti India (Private) Limited	DLF IT Park, 1/124, Mt Poonamalle High Road, Ramapuram, Chennai, Tamil Nadu 600 089, India	Technology enabled services	100	100
Equiniti ISA Nominees Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Equiniti (Jersey) Limited	26 New Street, St Helier, JE2 3RA, Jersey	Registrars	100	100
Equiniti KYC Solutions B.V	Danzigerkade 23B, 1013 AP, Amsterdam, Netherlands	Software service provider	100	100
Equiniti KYC Systems B.V.	Danzigerkade 23B, 1013 AP, Amsterdam, Netherlands	Software service provider	100	100
Equiniti Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Registrars	100	100
Equiniti Nominees Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Equiniti Pension Trustee Limited	Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH, United Kingdom	Dormant	100	100
Equiniti PMS Limited	Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH, United Kingdom	Software service provider	100	100
Equiniti Registrars Nominees Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Equiniti Savings Nominees Limited	Highdown House, Yeoman Way, Worthing West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Equiniti Services Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100	100
Equiniti Share Plan Trustees Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Trustee company	100	100

Notes to the consolidated financial statements for the year ended 31 December 2022

4 6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of controlled entity	Registered office address	Principal activities	Ownership % on 31 December 2022	Ownership % on 31 December 2021
Equiniti Shareview Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Equiniti Solutions Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Non-trading	100	100
Equiniti Trust Company	25th Floor 90 Park Avenue, New York, NY 10016, United States of America	Limited purpose trust company	100	100
Equiniti (UK) Finance Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Non-trading	100	100
Equiniti (US) Holdings Inc	1209 Orange Street, Wilmington, Delaware, County of New Castle 19801 United States of America	Holding company	100	100
Equiniti (US) LLC	1209 Orange Street, Wilmington, Delaware, County of New Castle 19801, United States of America	Non-trading	100	100
Equiniti (US) Services LLC	1209 Orange Street, Wilmington, Delaware, County of New Castle 19801, United States of America	Non-trading	100	100
icenet Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Non-trading	100	100
Information Software Solutions Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100	100
Invigia International Limited	Highdown House, Yeoman Way, Worthing West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Invigia Limited	*Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom*	*Software service provider*	100	100
KYCnet BV	Danzigerkade 23B, 1013 AP, Amsterdam, Netherlands	Holding company	100	100
Lenvi Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Link Shareholder Services, LLC	80 State Street, Albany, NY 12207, United States of America	Asset recovery	100	100
L R Nominees Limited	Aspect House Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Dormant	100	100
MonIdee B.V	Claude Debussylaan 239, 1082MC Amsterdam Netherlands	Holding company	100	100
MyCSP Limited	Landmark House, Station Road, Cheadle, SK8 7BS, United Kingdom	Pensions administration	75	75
MyCSP Trustee Company Limited	Landmark House, Station Road, Cheadle, SK8 7BS, United Kingdom	Non-trading	75	75
MyCustomerfeedback.com Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Non-trading	100	100
Pancredit Systems Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Business process outsourcing	100	100
Paymaster (1836) Limited	Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH, United Kingdom	Pensions administration	100	100
Peter Evans & Associates Limited	*Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom*	*Business process outsourcing*	100	100
Prism Communications & Management Limited	Highdown House Yeoman Way Worthing, West Sussex, BN99 3HH, United Kingdom	Company secretarial	100	100
Prism Cosec Limited	Highdown House, Yeoman Way, Worthing West Sussex, BN99 3HH United Kingdom	Dormant	100	100
Prosearch Asset Solutions Limited	Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom	Asset recovery	100	100
Refresh Personal Finance Ltd	Highdown House Yeoman Way Worthing, West Sussex, BN99 3HH, United Kingdom	Non-trading	100	100

Notes to the consolidated financial statements for the year ended 31 December 2022

4 b INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of controlled entity	Registered office address	Principal activities	Ownership % on 31 December 2022	Ownership % on 31 December 2021
Richard Davies Investor Relations Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Investor relations	100	100
Riskfactor Solutions Limited	Highdown House, Yeoman Way, Worthing West Sussex, BN99 3HH, United Kingdom	Software service provider	100	100
Riskfactor Software Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Software service provider	100	100
SLC Corporate Services Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
SLC Registrars Limited	Highdown House Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
The Nostrum Group Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Software service provider	100	100
Toplevel Computing Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Software service provider	100	100
Toplevel Development Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Toplevel Holdings Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100	100
Toplevel Software Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Trust Research Services Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100	100
Wealth Nominees Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Dormant	100	100

All the above investments are held in the Ordinary share capital of the company

Audit exemption guarantee

The following subsidiaries took advantage of the exemption from audit of their individual financial statements, under Section 479A of the Companies Act 2006, for the year ended 31 December 2022.

Company name	Registration number	Company name	Registration number
Boudicca Proxy Ltd	07847924	Lenvi Limited	14062903
Charter UK Limited	02453655	MyCSP Limited	07640786
Claybrook Computing Limited	01287205	Orbit Private Holdings II Ltd	13408832
Earth Private Holdings Ltd	13410052	Pancredit Systems Ltd.	02215760
Equiniti Benefactor Limited	04403677	Peter Evans & Associates Limited	01870532
Equiniti Data Limited	05350329	Prism Communications & Management Limited	04352585
Equiniti David Venus Limited	06351754	Prosearch Asset Solutions Limited	02158381
Equiniti Finance (Holdings) Ltd	11092909	Richard Davies Investor Relations Limited	04557486
Equiniti Group Limited	07090427	Riskfactor Software Limited	03923431
Equiniti PMS Limited	03613039	Riskfactor Solutions Limited	02767525
Equiniti Services Limited	00756582	The Nostrum Group Limited	04274181
Equiniti Share Plan Trustees Limited	03925002	Toplevel Computing Limited	02341302
Equiniti (UK) Finance Ltd	11092548	Toplevel Holdings Limited	03270082
Invigia Limited	03318315		

Notes to the consolidated financial statements for the year ended 31 December 2022

5 WORKING CAPITAL

5.1 TRADE AND OTHER RECEIVABLES

	2022 £m	2021 £m
Trade receivables	51.4	49.8
Expected credit loss allowance	(3.4)	(3.0)
Other receivables	9.9	11 1
Prepayments	12.0	12.7
Accrued interest income	12.4	1.1
Total trade and other receivables	**82.3**	**71.7**

The Group holds trade receivables with the objective of collecting contractual cash flows. Settlement terms are generally 30 days from the date of invoice. Excluding trade receivables, none of these financial assets are either past due or impaired. At the year end, trade receivables are shown net of an expected credit loss allowance of £3.4m (2021: £3.0m).

Credit risk

The ageing of trade receivables at the reporting date was:

	2022 £m	2021 £m
Not past due	24.1	23.2
Past due 1-30 days	14.6	13.7
Past due 31-60 days	5.0	4.5
Past due 61-90 days	1.6	1.5
Past due 90-180 days	2.5	3.0
Past due180-360 days	2.1	2.5
Past due more than 360 days	1.5	1.4
Total trade receivables	**51.4**	**49.8**

Based on historic performance of these contracts, the Group has an expected credit loss allowance in respect of trade receivables and accrued income at the year end of £3.4m (2021: £3.0m).

The movement in the year on the Group's estimated credit loss allowance on trade receivables, accrued interest income and contract fulfilment assets is as follows:

	2022 £m	2021 £m
Balance at 1 January	3.0	-
Balances acquired from business acquisitions	-	3.0
Receivables written off during the year as uncollectable	(0.9)	-
Provision movements	1.3	-
Balance at 31 December	**3.4**	**3.0**

5.2 CONTRACT FULFILMENT ASSETS

	2022 £m	2021 £m
Accrued income	46.9	48.7
Contract set-up costs	10.0	9.8
Total contract fulfilment assets	**56.9**	**58.5**
Non-current asset	4 0	18.3
Current asset	52.9	40.2
Total contract fulfilment assets	**56.9**	**58.5**

Accrued income represents the fair value of goods and services supplied to customers, for which the Group is entitled to recognise revenue, which as at the reporting date is not yet invoiced or paid. All such assets are supported by client contracts and agreed invoicing and payment schedules. There is no material expected credit loss allowance against accrued income.

5.3 TRADE AND OTHER PAYABLES

	2022 £m	Restated 2021 £m
Trade payables	14.7	14.7
Accruals	64.6	61.6
Other payables	18.7	20.7
Total trade and other payables	**98.0**	**97.0**

Notes to the consolidated financial statements for the year ended 31 December 2022

5.4 CONTRACT FULFILMENT LIABILITIES

	2022 £m	2021 £m
Deferred income	27.1	25.4
Total contract fulfilment liabilities	**27.1**	**25.4**

Deferred income represents consideration received in advance of the related services or goods being provided to the customer and associated revenue being earned.

Revenue recognised in relation to contract fulfilment liabilities

	2022 £m	2021 £m
Amounts recognised in revenue in the year/period which were held in deferred income at the start of the year/period	22.1	8.6
	22.1	**8.6**

5.5 PROVISIONS

	Contingent consideration £m	Property provisions £m	Legal provisions £m	Other provisions £m	Total provisions £m
Balance at 1 January 2022	0.8	8.6	8.6	1.6	19.6
Balances disposed of with Business disposal	-	(0.2)	-	-	(0.2)
Additional provisions made during the year	0.1	3.8	-	0.7	4.6
Amounts utilised during the year	-	(1.7)	(0.7)	(0.1)	(2.5)
Amounts released during the year	-	(3.8)	-	-	(3.8)
Translation adjustment	0.1	0.1	-	-	0.2
Balance at 31 December 2022	**1.0**	**6.8**	**7.9**	**2.2**	**17.9**
Non-current liability	1.0	3.1	7.9	-	12.0
Current liability	-	3.7	-	2.2	5.9
Total provisions	**1.0**	**6.8**	**7.9**	**2.2**	**17.9**

Restated	Contingent consideration £m	Property provisions £m	Legal provisions £m	Other provisions £m	Total provisions £m
Balances acquired from business acquisitions	1.6	8.6	8.6	1.6	20.4
Amounts utilised during the period	(0.8)	-	-	-	(0.8)
Balance at 31 December 2021	**0.8**	**8.6**	**8.6**	**1.6**	**19.6**
Non-current liability	0.8	6.6	-	-	7.4
Current liability	-	2.0	8.6	1.6	12.2
Total provisions	**0.8**	**8.6**	**8.6**	**1.6**	**19.6**

Contingent consideration

A provision for contingent consideration as at 31 December 2022 of £1.0m (2021: £0.8m) relates to various requirements to be met following the Group's acquisitions. This is recognised at fair value through profit or loss and is derived from management's best estimate of the amounts likely to be paid. The minimum value of these provisions could be £nil, up to a maximum of £1.4m. These were discounted at an appropriate post-tax discount rate at the time of the acquisitions and are provided within provisions due to the uncertainty of the amount to ultimately be paid. Management regularly reconsiders the appropriateness of the amounts expected to be payable and the discount rate used, and updates when appropriate. The remaining balance is expected to be utilised in 2023.

Property provisions

Property provisions relate to dilapidations and onerous non-rent costs. The balance in respect of dilapidations will be utilised on vacation of premises. The balance in respect of onerous non-rent costs will be released to the income statement as the costs are incurred over the period from 2023 to 2028.

Legal provisions

The Group is exposed to claims and litigation proceedings arising in the ordinary course of business. These matters are reassessed regularly and, where obligations are probable and estimable, provisions are made representing the Group's best estimate of the expenditure to be incurred. Due to the nature of the remaining claims, the Group cannot give an estimate of the period over which this provision will unwind.

Notes to the consolidated financial statements for the year ended 31 December 2022

6 CAPITAL STRUCTURE

6.1 FINANCE INCOME AND COSTS

Finance income	2022 £m	2021 £m
Interest income	0.1	-
Net foreign exchange gains	-	9.4
Total finance income	**0.1**	**9.4**

Finance costs	2022 £m	2021 £m
Interest cost on term loan borrowings	89.9	5.6
Interest cost on revolving credit facility	2.3	-
Net finance cost relating to pension schemes	0.4	-
Interest cost on lease liabilities	1.8	0.1
Foreign exchange loss on translation of borrowings	42.3	-
Net gain on derivatives not in a hedging relationship	0.1	0.2
Total finance costs	**136.8**	**5.9**

6.2 SHARE CAPITAL

Allotted, called up and fully paid	2022 £m	2021 £m
Shares issued	621.4	621.4
Balance at 31 December	**621.4**	**621.4**

Ordinary shares of £0.001 each	2022 Number	2021 Number
Shares issued	621,446,005	621,446,005
Balance at 31 December	**621,446,005**	**621,446,005**

The Group issued 621,446,005 ordinary shares for cash consideration of £621.4m in the previous period. The shares have full voting, dividend and capital distribution rights and do not confer any rights of redemption. No additional shares were issued in the current year.

6.3 OTHER RESERVES

Hedging reserve
The hedging reserve comprises the effective portion of changes in the fair value of cash flow swaps and forward foreign exchange contracts, where the hedged transactions have not yet occurred.

Translation reserve
The translation reserve represents the foreign exchange movements arising from the translation of financial statements in foreign currencies to the presentational currency of the Group.

6.4 DIVIDENDS

No dividends were paid in the year and the Board has not recommended a final dividend payable in respect of the year ended 31 December 2022 (none in 2021).

Notes to the consolidated financial statements for the year ended 31 December 2022

6.5 NON-CONTROLLING INTEREST

The Group controls one non-wholly owned trading subsidiary, MyCSP Limited, by virtue of a 75% shareholding in the company. The summarised financial information for MyCSP Limited for the period post acquisition up to 31 December 2022, set out below, is prior to intercompany eliminations.

Summarised statement of financial position	2022 £m	2021 £m
Non-current assets	3.1	3.1
Current assets	33.6	33.5
Non-current liabilities	(2.7)	(4.8)
Current liabilities	(14.2)	(11.5)
Net assets	**19.8**	**20.3**

Summarised statement of comprehensive income for the year ended 31 December	2022 £m	227 day period ended 2021 £m
Revenue	32.4	2.0
Profit for the period	4.6	0.5
Other comprehensive income	1.1	-
Total comprehensive income	**5.7**	**0.5**

Transactions with non-controlling interests
25% of MyCSP Limited is owned by employees of MyCSP Limited via an employee benefit trust and their shares rank pari passu with the remaining share capital, including the right to receive annual dividends when declared. Dividends declared on shares held by the employee benefit trust are waived in lieu of a bonus payment through payroll. MyCSP Limited accrues the bonus at the end of the year in the statement of financial position and reflects the expense in its income statement. The bonus accrued in the current period was £1.6m and the tax saving was £0.3m. The net amount of £1.3m is reflected within transactions with non-controlling interests in the consolidated statement of changes in equity.

6.6 EXTERNAL LOANS AND BORROWINGS

	2022 £m	2021 £m
Term loans	702.4	634.8
Senior notes	280.7	249.1
Total external loans and borrowings	**983.1**	**883.9**

	2022 £m	2021 £m
Non-current	977.9	879.2
Current	5.2	4.7
Total external loans and borrowings	**983.1**	**883.9**

Terms and debt repayment schedule	Currency	Closing interest rate	Year of maturity
First Lien secured term loan £200.0m	Sterling	SONIA + 5.75%	2028
First Lien secured term loan	US dollar	USD Libor + 4.50%	2028
Revolving credit facility	US dollar	Reference rate + 4.25%	2026
Senior notes $350.0m	US dollar	8.50%	2029

The Group's debt facilities consist of £200.0m and $630.0m first lien secured term loans, $350.0m of senior notes and a $175.0m revolving credit facility (RCF). The Group incurred loan arrangement fees of £47.0m that are being spread over the period of the borrowings. The interest rate on the Sterling term loan is based on SONIA and the interest rate on the US Dollar term loan is based on USD LIBOR and going forward has transitioned to SOFR post year end in January 2023. The senior notes have a fixed coupon of 8.5%. The facilities are committed with the RCF tranche maturing in 2026 and the term loans maturing in 2028. The senior notes mature in 2029. There is a springing financial covenant in the RCF that will require the group to test its ratio of first lien net debt to consolidated EBITDA (as defined in the loan agreement) on each calendar quarter end date that the RCF is drawn more than 35%. This ratio must not exceed 5.50:1 on each testing date. The margin payable on both the term loans and RCF is determined by the ratio of first lien net debt to EBITDA. The $630.0m term loan requires mandatory repayments, equivalent to 0.25% of the initial principal, on each calendar quarter end date; these payments were settled during the year.

Notes to the consolidated financial statements for the year ended 31 December 2022

6.7 LEASE LIABILITIES

	2022 £m	2021 £m
Non-current	27.5	28.9
Current	6.7	9.6
Total lease liabilities	**34.2**	**38.5**

6.8 FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES

The movements during the year in financial liabilities relating to financing activities and a reconciliation to net debt is shown below:

	2022 £m	2021 £m
Term loans	702.4	634.8
Senior notes	280.7	249.1
Revolving Credit Facility	-	-
Lease liabilities	34.2	38.5
Cash and cash equivalents	(67.1)	(86.5)
Net debt	**950.2**	**835.9**

	Liabilities from financing activities				Other assets	
	Term loans £m	Senior notes £m	Revolving credit facility £m	Lease liabilities £m	Cash and cash equivalents £m	Total £m
Net debt at 19 May 2021	-	-	-	-	-	-
Liabilities acquired from business acquisitions	716.8	-	50.0	40.1	(100.7)	706.2
Cash flows	(716.0)	-	(50.0)	(1.6)	14.2	(753.4)
New loans, net of fees	642.3	252.0	-	-	-	894.3
Interest	2.7	2.9	-	0.1	-	5 7
Foreign exchange movements	(11.0)	(5.8)	-	(0.1)	-	(16.9)
Net debt at 31 December 2021	**634.8**	**249.1**	**-**	**38.5**	**(86.5)**	**835.9**
Cash flows	(50.3)	(24.4)	(62.2)	(8.9)	19.4	(126.4)
New loans, net of fees	-	-	59.7	-	-	59.7
Interest	63.6	25.7	2.3	1.8	-	93.4
Foreign exchange movements	54.3	30.3	0.2	2 8	-	87.6
Net debt at 31 December 2022	**702.4**	**280.7**	**-**	**34.2**	**(67.1)**	**950.2**

6.9 CASH AND CASH EQUIVALENTS

	2022 £m	2021 £m
Cash and cash equivalents per statement of financial position	67.1	86.5
Cash and cash equivalents per statement of cash flows	67.1	86.5

In addition to the above, the Group holds certain cash balances with banks in a number of segregated accounts. These balances represent client money under administration for third parties, and hence are not included in the Group's statement of financial position. The number of accounts and balances held vary significantly throughout the year.

Cash and cash equivalents includes £16.2m (2021: £17.5m) and US$13.9m (2021: US$13.5m) of restricted cash which the Group is required to hold by its financial regulators. This cash is not available for wider use by the Group.

Notes to the consolidated financial statements for the year ended 31 December 2022

6.10 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- market risk

The Group's strategy and objectives for managing credit, liquidity and market risk are covered in its Treasury Policies. These policies are approved annually by the Board and compliance is monitored on a monthly basis through the Treasury Committee. The Group's Audit & Risk Committee also oversees how management monitors compliance with these policies and procedures, and reviews the adequacy of the risk management framework. The Audit & Risk Committee is assisted in its oversight role by internal audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

Credit risk
Credit risk is the risk of financial loss to the Group if a client or counterparty, including brokers, to a financial instrument fails to meet its contractual obligations. The Group's credit risk exposure is to its financial assets, being cash and cash equivalents, derivatives, trade receivables and contract fulfilment assets.

Credit risk mitigation
The Group has strict controls around, and regularly monitors, the credit ratings of institutions with which it enters into transactions, either on its own behalf or for clients. The Group's trade credit risk is relatively low given that a high proportion of the customer base are large listed companies and public sector organisations. The Group has implemented procedures that require credit checks on potential customers before business is undertaken.
The Group's treasury function only transacts with counterparties that comply with the Treasury Policies. Credit limits for cash deposits with financial institutions are set using credit ratings from recognised rating agencies and exposures are monitored monthly.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that the Group will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.
The maximum exposure to liquidity risk, using undiscounted cashflows, at the reporting dates was as follows:

31 December 2022	Note	Carrying Amount £m	Total contractual cash flows £m	Within 1 year £m	1-2 years £m	2-5 years £m	After 5 years £m
Trade and other payables	5.3	98.0	98.0	98.0	-	-	-
Term loans	6.6	702.4	1,080.4	75.8	68.5	188.2	747.9
Senior notes	6.6	280.7	463.5	24.7	24.7	74.1	340.0
Lease liabilities	6.7	34.2	37.3	6.7	5.3	11.1	14.2
Derivatives used for hedging	9.2	43.0	42.2	5.1	13.3	16.6	7.2
Total		**1,158.3**	**1,721.4**	**210.3**	**111.8**	**290.0**	**1,109.3**

31 December 2021	Note	Carrying Amount £m	Total contractual cash flows £m	Within 1 year £m	1-2 years £m	2-5 years £m	After 5 years £m
Trade and other payables	5.3	94.0	94.0	94.0	-	-	-
Term loans	6.6	634.8	945.6	42.4	58.1	135.3	709.8
Senior notes	6.6	249.1	435.2	22.0	22.0	66.1	325.1
Lease liabilities	6.7	38.5	52.5	10.7	8.4	14.0	19.4
Derivatives used for hedging	9.2	0.2	0.3	(0.3)	(0.3)	0.9	-
Total		**1,016.6**	**1,527.6**	**168.8**	**88.2**	**216.3**	**1,054.3**

All trade and other payables are expected to be paid in six months or less.

Liquidity risk mitigation
The Group prepares cash flow forecasts on a regular basis, to ensure that its minimum committed funding headroom, defined as corporate cash plus unutilised revolving credit facility, is above the minimum policy threshold at all times. As at 31 December 2022, the Group had £67.1m (2021: £86.5m) of cash and a revolving credit facility of USD $175.0m, which was undrawn at the year end.

Notes to the consolidated financial statements for the year ended 31 December 2022

6.10 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices such as interest rates and foreign exchange rates will affect the Group's income or the value of its financial instruments.

Interest rate risk

The Group holds interest-bearing assets in the form of cash and cash deposits. The interest earned on cash balances, including client and corporate cash, is a material revenue stream based on floating interest rates largely driven by changes in the Bank of England base rate and the US Federal Reserve benchmark rate, therefore this interest revenue is susceptible to change. The Group's secured first lien term loans and revolving credit facility are subject to floating rate interest. The USD denominated term loan will be effected by the forthcoming reforms to USD LIBOR and transitioned to SOFR on 1 January 2023 with no risks arising from the transition and no changes to the risk management strategy.

Interest rate risk mitigation

The Group uses interest rate derivatives to reduce the impact of movements in floating interest rates on the Group's financial statements. All interest rate derivatives are approved by the Board in accordance with the Group's risk management policies and the Group does not enter into speculative transactions in financial instruments or derivatives. All of the Group's interest rate derivatives are designated in hedge relationships under IFRS 9.

The Group has entered into interest rate derivatives with total notional values of £765.0m and $830.0m to protect the interest income it earns on cash balances held and administered on behalf of clients in the UK and US.

The Group has not hedged the floating rate exposure on its floating rate debt. The $630.0m term loan and the RCF will be effected by the LIBOR reforms. The Group Treasury function has completed IBOR transition and novated to SOFR on 1 January 2023.

The Group has applied the following reliefs in its 2021 financial statements that were introduced by the amendments made to IFRS 9 in September 2019;

- when considering the highly probable requirement, the Group has assumed that the USD LIBOR interest rates on which the Group's debt are based do not change as a result of IBOR reform.

Sensitivity analysis

In managing interest rate risks, the Group aims to reduce the impact of short and medium-term fluctuations on the Group's earnings. Over the longer-term, however, changes in interest rates will have an impact on consolidated earnings.

An increase of one percentage point in UK and US interest rates is expected to increase annual finance costs in 2023 for the Group by £7.4m, but would increase interest income by £12.7m yielding a net increase of £5.3m. This analysis includes the current portfolio of interest rate swaps, which will reduce some of the earnings volatility resulting from interest rate movements

Foreign exchange rate risk

The Group has exposure to foreign exchange (FX) rate risk on cash flows and intragroup loans, particularly in relation to the Group's operations in the US, Poland and India. FX risk is managed by the Group's treasury function. Highly probable FX transactional exposures may be hedged for a period of up to 12 months. The Group will try to match the currency of its assets and liabilities to mitigate FX translational exposures. Where this is not possible, derivatives may be used.

As at 31 December 2022 the Group had outstanding forward contracts against Sterling totalling PLN 60m and INR 3,792m, to hedge the expected 2023 cash flows required to run the Polish and Indian operations These forward contracts are designated as hedges under IFRS 9.

6.11 CAPITAL RISK MANAGEMENT

The Group's objectives for managing capital are to focus on delivering value for its shareholders by maintaining a strong capital base, whilst ensuring it is able to continue effectively as a going concern and meet its regulatory requirements.

Total capital comprises total equity plus net debt, as shown in the consolidated statement of financial position. Net debt equates to the total of external interest-bearing loans plus other lease liabilities, less cash and cash equivalents, as shown in the consolidated statement of financial position and note 6.9.

The policies for managing capital are designed to increase shareholder value by maximising profits and cash. The policies are set around the budgeting and forecasting processes, with regular reviews of financial data to ensure that the Group is tracking to the targets set.

Notes to the consolidated financial statements for the year ended 31 December 2022

6.11 CAPITAL RISK MANAGEMENT (CONTINUED)

Regulated entities

In the UK, the Group has several Financial Conduct Authority (FCA) regulated entities, the most significant being Equiniti Financial Services Limited (EFSL). These entities must ensure that they have sufficient regulatory capital and liquidity to meet liabilities as they fall due, including under potentially stressed conditions. EFSL has its own governance structure and holds monthly Board meetings and quarterly Risk and Audit Committee meetings, to help ensure its regulatory objectives are met.

In the US, the Group has two entities regulated by the New York State Department of Financial Services (DFS), Equiniti Trust Company (EQTC) and *American Stock Transfer & Trust Company, LLC (ASTTC). EQTC is approved by the DFS as a limited licensed bank under the New York State Banking* Laws and has minimum capital requirements set by the DFS. To help meet its regulatory requirements, EQTC and ASTTC both have their own governance structure, which includes a Board with independent non-executive Directors; an Examination Committee; an Audit Committee; and a Remuneration and Nominations Committee. ASTTC is subject to regulation and, from time to time, examinations by the U.S. Securities and Exchange Commission as a registered transfer agent and by the DFS as a state-chartered trust company.

Management of capital	Note	2022 £m	2021 £m
Equity		216.5	578.3
Term loans	6.6	702.4	634.8
Senior notes	6.6	280.7	249.1
Lease liabilities	6.7	34.2	38.5
Cash and cash equivalents	6.9	(67.1)	(86.5)
Total equity plus net debt		**1,166.7**	**1,414.2**

6.12 *FINANCIAL INSTRUMENTS*

The carrying amounts of financial assets and liabilities are classified as per IFRS 7 Financial Instruments: Disclosures (IFRS 7) according to the following categories:

Financial assets	Note	2022 £m	2021 £m
At amortised cost			
Trade and other receivables	5.1	61.3	60.9
Contract fulfilment assets	5.2	56.9	58.5
Cash and cash equivalents	6.9	67.1	86.5
At fair value through profit or loss			
Derivatives used for hedging	6.13	0.8	1.1
Total financial assets		**186.1**	**208.1**

Financial liabilities	Note	2022 £m	2021 £m
At amortised cost			
Trade and other payables	5.3	98.0	97.0
Contract fulfilment liabilities	5.4	27.1	25.4
Term loans	6.6	702.4	634.8
Lease liabilities	6.7	34.2	38.5
At fair value through profit or loss			
Derivative used for hedging	6.13	43.0	0.2
Total financial liabilities		**904.7**	**795.9**

Notes to the consolidated financial statements for the year ended 31 December 2022

6.12 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy
The following table presents the Group's financial assets and liabilities that are measured at fair value.

Assets	Level 1 £m	Level 2 £m	Level 3 £m	2022 Total £m
Derivatives used for hedging:				
Interest rate swaps	-	-	-	-
Forward contracts	-	0.8	-	0.8
Total assets	**-**	**0.8**	**-**	**0.8**

Liabilities	Level 1 £m	Level 2 £m	Level 3 £m	2022 Total £m
Derivatives used for hedging:				
Interest rate swaps	-	42.8	-	42.8
Forward contracts	-	0.2	-	0.2
Total liabilities	**-**	**43.0**	**-**	**43.0**

Assets	Level 1 £m	Level 2 £m	Level 3 £m	2021 Total £m
Derivatives used for hedging:				
Interest rate swaps	-	0.8	-	0.8
Forward contracts	-	0.3	-	0.3
Total assets	**-**	**1.1**	**-**	**1.1**

Liabilities	Level 1 £m	Level 2 £m	Level 3 £m	2021 Total £m
Derivatives used for hedging:				
Interest rate swaps	-	0.1	-	0.1
Forward contracts	-	0.1	-	0.1
Total liabilities	**-**	**0.2**	**-**	**0.2**

There were no transfers between levels during the year (2021: none).

Valuation techniques used to derive level 2 fair values
Level 2 hedging derivatives comprise interest rate swaps and forward foreign exchange contracts. The interest rate swaps are fair valued using forward interest rates extracted from observable yield curves and the forward foreign exchange contracts are fair valued using the future contracted exchange rates. The effects of discounting are generally insignificant for level 2 derivatives.
The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.
The valuation technique used is a discounted cash flow model. There were no changes in valuation techniques during the year.

Group's valuation processes
The Group's Treasury department is responsible for monitoring the values of financial assets and liabilities required for financial reporting purposes. This team reports to the Group Chief Financial Officer and prepares presentations for the Audit & Risk Committee. Valuations are reviewed monthly at the Treasury Committee.

Fair value of financial assets and liabilities
Due to the short-term nature of the current financial assets and current financial liabilities, the carrying amount of these items is considered to be the same as their fair value. The term loans and revolving credit facility are carried at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates. The majority of the borrowings have a fair value which is not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates. Material differences are identified only for the following borrowings:

	2022 Carrying Amount £m	2022 Fair Value £m	2021 Carrying Amount £m	2021 Fair Value £m
Senior notes	280.7	248.0	249.1	249.1

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the instruments not being traded in an active market.

Notes to the consolidated financial statements for the year ended 31 December 2022

6.13 DERIVATIVES

The Group's derivative portfolio comprises interest rate swaps and forward foreign exchange contracts. Sterling denominated interest rate swaps with notional values of £765.0m are used to hedge the interest income on client balances held in the UK. US Dollar denominated interest rate swaps with a notional value of $830.0m are used to hedge the interest income on client balances held in the US.

The Group enters into forward foreign exchange contracts to hedge its highly probable exposures to GBP/INR and GBP/PLN exchange rate fluctuations as detailed in note 6.10.

Where the derivatives qualify for hedge accounting, and are designated as being in such relationships, fair value changes are recognised within other comprehensive income. All derivatives, where hedge accounting is applied, are considered to be fully effective with changes in the fair value of derivatives recognised in the hedging reserve within equity.

The following tables indicate the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and are expected to impact the profit and loss.

31 December 2022	Carrying amount £m	Total contractual cash flows £m	Within 6 months £m	6-12 months £m	1-2 years £m	2-5 years £m
Assets						
Interest rate swaps	0.1	-	-	-	-	-
Forward contracts	0.7	-	-	-	-	-
Total	**0.8**	**-**	**-**	**-**	**-**	**-**
Liabilities						
Interest rate swaps	(42.9)	(43.7)	(5.0)	-	(14.3)	(24.4)
Forward contracts	(0.1)	(0.8)	(0.5)	(0.3)	-	-
Total	**(43.0)**	**(44.5)**	**(5.5)**	**(0.3)**	**(14.3)**	**(24.4)**

31 December 2021	Carrying amount £m	Total contractual cash flows £m	Within 6 months £m	6-12 months £m	1-2 years £m	2-5 years £m
Assets						
Interest rate swaps	0.8	0.9	0.8	0.6	(0.5)	-
Forward contracts	0.3	0.3	0.3	-	-	-
Total	**1.1**	**1.2**	**1.1**	**0.6**	**(0.5)**	**-**
Liabilities						
Interest rate swaps	(0.1)	(0.2)	0.2	0.2	0.3	(0.9)
Forward contracts	(0.1)	(0.1)	(0.1)	-	-	-
Total	**(0.2)**	**(0.3)**	**0.1**	**0.2**	**0.3**	**(0.9)**

Notes to the consolidated financial statements for the year ended 31 December 2022

7 GOVERNANCE

7.1 RELATED-PARTY TRANSACTIONS

Transactions with key management personnel

Key management personnel (KMP) are considered to be the Executive Committee members who have authority, and responsibility, to control, direct or plan the major activities within the Group. The table below presents the compensation for the Executive Committee members. In 2021, due to the Group's short trading period (22days), KMP were considered to be the Directors. Therefore no comparative disclosure is included below, as the Group's Directors' remuneration is set out in note 3.4.

	Year ended 2022
	£m
Wages and salaries	9.4
Social security costs	0.8
Other pension costs	0.1
Total	**10.3**

One member of the Executive Committee is a Director and included in the remuneration above as well as in note 3.4. During the year, 6 members of the Executive Committee contributed to a defined contribution pension scheme and no share options were exercised.

Transactions with other related parties

Following the completion of the acquisition Equiniti Group plc in 2021, a consultancy fee of £15.0m ($20.0m) became due to Siris Capital Group, LLC, the ultimate controlling party for the Group. Additionally the Group pays an annual monitoring fee of $1.5m to Siris Capital Group, LLC in consideration for services provided to the Group. The amounts due for 2021 were unpaid at 31 December 2021 and included within accruals (see note 5.3). The outstanding amount was settled in 2022. The amount due for 2022 was settled during the year and no amounts are outstanding at 31 December 2022.

Summary of transactions with Non Controlling interest

Services provided to MyCSP Limited by the Group during the year were £9 2m (2021: £7.7m) and Services provided by MyCSP Limited to the Group during the year were £1.9m (2021: £1.2m).

At year end there were balances due from MyCSP of £5.6m (2021: £2.3m).

MyCSP Limited is a member of the Group's corporation tax group and received tax relief of £0.4m (2021: £0.4m) in respect of the 2020 corporation tax liability. MyCSP provides an unsecured loan facility to Equiniti Holdings Limited, the outstanding balance due to MyCSP Limited at the year ended 31 December 2022 was £27.9m (2021: £30.9m).

During the year MyCSP Limited declared a dividend of £6.1m (£153.35 per share) (2021 - £3.4m (£86.50 per share)). As the Employee Trust has waived its right to a dividend, an equivalent amount of £1.5m (2021 - £0.8m), was paid as a bonus to eligible MyCSP Limited employees through payroll. The balance of £4.6m (2021 - £2.6m) was paid to Group during the year.

7.2 SHARE-BASED PAYMENTS

During 2022, the Group announced the 2021 long term incentive plan (the "Plan") The Group granted a number of incentive rights ("IRs") to Executive Committee members and selected employees. Each IR represents a contingent right to receive payment in the form of shares upon the occurrence of a liquidity or sale event.

The value of the award will be based on a multiple of invested capital ("MOIC") to the investors using the initial purchase price at acquisition in 2021, and participants will share in the equity value creation over and above the original capital invested based on the number of IRs awarded and the growth in value since the acquisition date. These IRs vest over a combination of time, achievement of MOIC and/or the occurrence of a liquidity or sale event. The total number of IRs available for grant under the Plan is 70,600,000.

During the year ended 31 December 2022, 54,185,500 IRs were granted and 3,000,500 IRs were forfeited. As of 31 December 2022, 51,185,000 IRs were outstanding of which 15,637,900 are unvested and 4,836,100 have time-vested, which qualifies them for pay-out at the point of a liquidity or sale event.

The IRs were granted during 2022 and are equity settled. The fair value of the scheme was determined using a Monte Carlo option pricing model.

The total charge for the year relating to this scheme was £1.4m (2021: £nil) and is included within the Employee benefit expense note 3.3.

Notes to the consolidated financial statements for the year ended 31 December 2022

7.3 AUDITORS' REMUNERATION

	2022 £m	2021 £m
Fees payable to Group's external auditors, PricewaterhouseCoopers LLP, and its associates were as follows:		
- Audit of the parent company and consolidated financial statements	1.0	1.2
- Audit of the Company's subsidiaries	0.4	0.4
Audit fees	**1.4**	**1.6**
Fees payable to Group's auditors and its associates for non-audit services were as follows:		
- Other assurance services required by regulation	0.3	0.4
- Other assurance services	-	0.3
- Other services	0.5	0.2
Non-audit fees	**0.8**	**0.9**
Total	2.2	2.5

Other assurance services required by regulation includes £0.3m (2021: £0.3m) for services performed in the UK in relation to the CASS audit of Equiniti Financial Services Limited and nil (2021: £0.1m) for services performed in the USA in relation to reporting required for Equiniti Trust Company. Other assurance services in 2021 includes £0.3m for comfort letter work associated with the issue of the $350m senior notes. Other services includes £0.2m (2021: £0.2m) for tax advisory services performed in the US and £0.3m (2021: nil) for tax compliance in the US.

Notes to the consolidated financial statements for the year ended 31 December 2022

8 TAXATION

8.1 INCOME TAX CREDIT/(CHARGE)

Recognised in the income statement in the period:	2022 £m	2021 £m
Current tax:		
Current period	6.4	-
Adjustment in respect of prior periods	0.5	-
Total current tax	**6.9**	-
Deferred tax:		
Origination and reversal of temporary differences	(42.3)	1.3
Adjustment in respect of prior periods	9.8	-
Total deferred tax	**(32.5)**	**1.3**
Total income tax (credit)/charge	**(25.6)**	**1.3**

Reconciliation of effective tax rate:	2022 £m	2021 £m
Loss for the period	(346.8)	(50.0)
Total tax (credit) /charge	(25.6)	1.3
Loss before tax	**(372.4)**	**(48.7)**
Tax using the UK corporation tax rate of 19.0% (2021: 19%):	(70.8)	(9.3)
Non-deductible expenses	-	11.4
Effect of permanently disallowable items	41.4	-
Changes in tax rates	(6.5)	(0.8)
Adjustment in respect of prior periods	10.3	-
Total income tax (credit)/charge	**(25.6)**	**1.3**

The standard rate of corporation tax in the UK is 19.0% and accordingly the UK profits for the period to 31 December 2022 are subject to UK taxation at that rate. Profits earned overseas are taxable at the respective local tax rate.

An increase in the UK corporation tax rate from 19.0% to 25.0% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Group's future current tax charge accordingly. The deferred tax assets at 31 December 2022 that relate to the UK have been calculated based on this rate, reflecting the expected timing of reversal of the related temporary differences.

Notes to the consolidated financial statements for the year ended 31 December 2022

8.2 DEFERRED INCOME TAX ASSETS AND LIABILITIES

Recognised assets

Deferred income tax assets are attributable to the following:

	2022 £m	2021 £m
Property, plant and equipment	14.6	14.0
Employee benefits and other timing differences	40.7	12.9
Tax value of losses carried forward	61.7	58.4
Tax assets	**117.0**	**85.3**
Net of tax liabilities	(117.0)	(85.3)
Net tax assets	-	-

Recognised liabilities

Deferred income tax liabilities are attributable to the following:

	2022 £m	Restated 2021 £m
Intangible assets	(237.9)	(227.9)
Tax liabilities	**(237.9)**	**(227.9)**
Net of tax assets	117.0	85.3
Net tax liabilities	**(120.9)**	**(142.6)**

The Group has recognised deferred tax assets in respect of tax losses carried forward on the basis that there are deferred tax losses.
No deferred tax asset has been recognised in respect of £72.9m (2021:£278.7m) of gross tax losses, due to uncertainty in terms of future recoverability.
The Group has no other unrecognised deferred tax assets.

Movements in deferred tax during the year:

Year ended 31 December 2022	Opening balance £m	Business disposal £m	Recognised in income £m	Recognised in equity £m	Translation adjustment £m	Closing balance £m
Property, plant and equipment	14.0	-	0.4	-	0.2	14.6
Intangible assets	(228.7)	(1.1)	10.5	-	(18.6)	(237.9)
Employee benefits and other timing differer	12.9	-	19.5	3.2	5.1	40.7
Tax value of losses carried forward	58.4	-	2.1	-	1.2	61.7
	(143.4)	**(1.1)**	**32.5**	**3.2**	**(12.1)**	**(120.9)**

Movements in deferred tax during the period (restated):

Period ended 31 December 2021	Opening balance £m	Business acquisition £m	Recognised in income £m	Recognised in equity £m	Translation adjustment £m	Closing balance £m
Property, plant and equipment	-	14.5	(0.5)	-	-	14.0
Intangible assets	-	(232.2)	1.9	-	2.4	(227.9)
Employee benefits and other timing differer	-	13.6	(1.0)	0.3	-	12.9
Tax value of losses carried forward	-	60.1	(1.7)	-	-	58.4
	-	**(144.0)**	**(1.3)**	**0.3**	**2.4**	**(142.6)**

Notes to the consolidated financial statements for the year ended 31 December 2022

9 OTHER DISCLOSURES

9.1 OTHER FINANCIAL ASSETS

Non-current	2022 £m	2021 £m
Derivatives used for hedging (note 6.13)	-	0.7
Total	-	0.7

Current	2022 £m	2021 £m
Derivatives used for hedging (note 6.13)	0.8	0.4
Total	0.8	0.4

9.2 OTHER FINANCIAL LIABILITIES

Non-current	2022 £m	2021 £m
Derivatives used for hedging (note 6.13)	37.8	0.1
Total	**37.8**	0.1

Current	2022 £m	2021 £m
Derivatives used for hedging (note 6.13)	5.2	0.1
Total	5.2	0.1

9.3 POST-EMPLOYMENT BENEFITS

Employees Gratuity Scheme

All employees in our Indian business, Equiniti India (Private) Limited, receive a one-off bonus on departure from the business, following the completion of 5 years continuous service. The bonus is based on employee's salary and years in service. An actuarial valuation is completed annually and movements in the provision have been recognised within the income statement.

The scheme had 1,115 active members as at the latest actuarial valuation on 31 March 2022 (31 March 2021: 935). The principal assumptions are the discount rate, rate of increase in salaries and attrition rate.

	2022 £m	2021 £m
Equiniti India (Private) Limited	0.5	0.4
	0.5	0.4

Defined benefit pension plans

During the year the Group operated four funded defined benefit pension plans in the UK and one in the US All of the plans are final salary pension plans and provide benefits to members in the form of a guaranteed level of pension, payable for life. The liability under all schemes is based on final salary and length of service to the employer. The assets of the schemes are held independently of the Group's assets, in separate trustee-administered funds. The Trustees of the pension funds are required by law to act in the interest of the fund and of all relevant stakeholders. The ICS Pension Scheme was part of the disposal of Equiniti ICS Ltd on 30 November 2022 and so the valuation of scheme assets /liabilities at year end is shown as nil.

The net liability of the schemes is set out below.

	2022 £m	2021 £m
ICS Pension Scheme	-	(0.3)
Paymaster Pension Scheme	12.7	20.5
Prudential Platinum Pension - MyCSP Limited	1.9	3.2
Prudential Platinum Pension - Equiniti Services Limited	(0.2)	(0.1)
D.F. King & Company, Inc Pension Plan	3.2	3.7
Total defined benefit pension plan net liability	**17.6**	**27.0**

For the UK pension plans, full actuarial valuations are performed every three years which determine the funding required to eliminate the net pension plan liabilities. The latest full valuations took place in 2021 and concluded in 2022 Except for the Equiniti Services Limited scheme whereby the first full actuarial valuation was performed on the balances as at 31 December 2020.

All pension schemes have been closed to new members for a number of years and all schemes are now closed to future accrual, apart from a small sub-section of the Paymaster Pension Scheme.

The present value of the defined benefit obligation consists of approximately £6.0m relating to active employees, £53.8m relating to deferred members and £51.5m relating to members in retirement.

Notes to the consolidated financial statements for the year ended 31 December 2022

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

The investment strategy of the plans is set taking into account a number of factors, including the profile and value of plan liabilities, the strength of the employer covenant and the long-term funding objectives agreed with the employer. The schemes have a broad allocation of investments in return-seeking assets, with the remaining allocated to liability matching assets, designed to partially offset the movements in the scheme liabilities caused by movements in interest rates and inflation. The asset split reflects the Trustees' view of the most appropriate investments, balancing the risk/reward characteristics of the funds the Scheme is invested in.

Pension plan assets are valued at fair value. Quoted equities and debt instruments on a recognised stock exchange are valued at the closing market price as at the valuation date. Exchange traded and over-the-counter derivative instruments are valued at the settlement price or at the latest valuation for such instruments on the valuation date. Cash and other illiquid assets will be valued at their face value plus accrued interest at the valuation date.

The Group is exposed to a number of risks through its defined benefit pension plans, the most significant of which are described below:

- Investment risk - Scheme growth assets are invested in a diversified portfolio of debt securities, equities and other return-seeking assets such as pooled private market funds. If the assets underperform the discount rate used to calculate the defined benefit obligation, the net pension plan liabilities will increase.
- Interest rate risk - A decrease in corporate bond yields will increase plan liabilities, although this is likely to be partially offset by an increase in the value of the plans' bond/liability driven investment holdings.
- Inflation risk - The majority of the liabilities are linked to inflation, although in most cases. caps on the level of inflation increases are in place to protect the scheme against extreme inflation. An increase in inflation rates will lead to higher liabilities, although this is likely to be partially offset by an increase in the value of some of the plans' liability driven investments.
- Longevity risk - The pension plans provide benefits for the life of the members, therefore increases in life expectancy will result in an increase in the plans' liabilities.

The Group are aware of these risks and manage them through investment and funding strategies.

Defined benefit plan - ICS Pension Scheme

On 30 November 2022, the Group sold its Equiniti ICS Ltd business (see note 4.2) and the ICS pension scheme remained in that company. Therefore the last full actuarial valuation carried out at 31 December 2021 has since been updated to 30 November 2022 by a qualified independent actuary and at 31 December 2022 no further liability remained in the Group.

	2022 £m	2021 £m
Present value of obligations	(10.1)	(13.9)
Fair value of plan assets	10.6	14.2
Recognised liability for defined benefit obligations at 30 November 2022	**0.5**	**0.3**
Disposal (note 4.2)	(0.5)	-
Recognised liability for defined benefit obligations 31 December	**-**	**0.3**

Movement in present value of defined benefit obligation	2022 £m	2021 £m
Balance at 1 January	13.9	14.2
Interest cost	0.2	0.2
Actuarial losses - changes in financial assumptions	(3.9)	(0.7)
Actuarial gains - changes in demographic assumptions	-	0.3
Actuarial gains - other experience items	0.2	0.4
Benefits paid	(0.3)	(0.5)
Defined benefit obligation at 30 November	**10.1**	**13.9**

Movement in fair value of plan assets	2022 £m	2021 £m
Balance at 1 January	14.2	13.3
Interest income	0.2	0.2
Return on plan assets	(3.6)	1.0
Employer contributions	0.1	0.2
Benefits paid	(0.3)	(0.5)
Fair value of plan assets at 30 November	**10.6**	**14.2**

Expense recognised in the income statement	2022 £m	2021 £m
Interest cost	0.2	0.2
Interest income	(0.2)	(0.2)
Total expense	**-**	**-**

Actuarial gains and losses recognised in other comprehensive income	2022 £m	2021 £m
Cumulative gain at 1 January	0.9	-
Actuarial gains recognised in other comprehensive income	0.1	0.9
Cumulative gain at 31 December	**1.0**	**0.9**

Notes to the consolidated financial statements for the year ended 31 December 2022

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan assets are comprised of the following:	2022 £m	2021 £m
Quoted equities	1.3	4.0
Corporate bonds	1.1	1.2
Diversified growth funds	2.0	2.7
Liability-driven investment funds	2.3	2.8
Illiquid asset funds	3.3	3.3
Cash	0.6	0.2
Fair value of plan assets at 30 November	**10.6**	**14.2**

Weighted average assumptions used to determine benefit obligations:	2022	2021
Discount rate	4.44%	1.93%
Rate of increase for pensions in payment	1.96%-3.12%	2.11%-3.33%
Rate of increase for pensions in deferment	2.21%-3.21%	2.46%-3.46%
Inflation assumption	2.21%-3.21%	2.46%-3.46%

Weighted average life expectancy for mortality tables (107% SAPS S2PMA, 107% SAPS S2FA, 107% SAPS S2PA CMI 2021 with 0.5% adjustment, 1.0% long-term trend) used to determine benefit obligations at 30 November:

	2022		2021	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	86.4	88.4	86.3	88.5
Member age 45 (life expectancy at 65)	87.4	89.7	87.3	89.7

Contributions

Equiniti ICS Ltd was sold outside the group on 30 November 2022 and made a final contribution to the ICS pension scheme of £0.7m in 2022 as part of the disposal agreement.

Defined benefit plan - Paymaster Pension Scheme

A full actuarial valuation was carried out at 31 December 2021 and has since been updated to 31 December 2022 by a qualified independent

	2022 £m	2021 £m
Present value of obligations	(47.0)	(69.7)
Fair value of plan assets	34.3	49.2
Recognised liabilities for defined benefit obligations	**(12.7)**	**(20.5)**

Movement in present value of defined benefit obligation	2022 £m	2021 £m
Balance at 1 January	69.7	71.9
Current service cost	0.1	0.1
Interest cost	1.3	1.0
Actuarial losses - change in financial assumptions	(26.7)	(1.4)
Actuarial gains - change in demographic assumptions	0.2	0.3
Actuarial losses/(gains) - other experience items	4.2	(0.7)
Benefits paid	(1.8)	(1.5)
Defined benefit obligation at 31 December	**47.0**	**69.7**

Movement in fair value of plan assets	2022 £m	2021 £m
Balance at 1 January	49.2	45.2
Interest income	0.9	0.6
Return on plan assets	(15.9)	3.3
Employer contributions	2.1	1.9
Benefits paid	(1.8)	(1.5)
Administration expenses	(0.2)	(0.3)
Fair value of plan assets at 31 December	**34.3**	**49.2**

Notes to the consolidated financial statements for the year ended 31 December 2022

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Expense recognised in the income statement	2022 £m	2021 £m
Current service cost	0.1	0.1
Administration expenses	0.2	0.3
Interest cost	1.3	*1.0*
Interest income	(0.9)	(0.6)
Total expense	**0.7**	**0.7**

Actuarial gains and losses recognised in other comprehensive income	2022 £m	2021 £m
Cumulative loss at 1 January	-	-
Actuarial gains recognised in other comprehensive income	6.4	-
Cumulative gain at 31 December	**6.4**	**-**

Plan assets - weighted average asset allocations at year end:	2022	2021
Equities	24%	24%
Corporate bonds	53%	53%
Cash	23%	23%
	100%	**100%**

Plan assets are comprised of the following:	2022 £m	2021 £m
Private equity and diversified growth funds	14.1	21.7
Liability-driven investment funds	11.2	19.0
Illiquid asset funds	8.2	8.1
Cash and other	0.8	0.4
Fair value of plan assets at 31 December	**34.3**	**49.2**

Plan assets are primarily pooled into fund arrangements. As a result, the above disclosure of plan assets has been made at this level. All funds are considered unquoted as the funds are not exchange traded.

Weighted average assumptions used to determine benefit obligations:	2022	2021
Discount rate	4.78%	1.91%
Rate of compensation increase	4% - 4.5%	2.00%
Rate of increase for pensions in payment	2.10%-3.23%	2 16%-3.31%
Rate of increase for pensions in deferment	2.23%-3.23%	2.31%-3.31%
Inflation assumption	3.23%	3.31%

Weighted average life expectancy for mortality tables (99% SAPS S2PMA, 87% SAPS S2PFA CMI 2021 2020 W5% 2021 W5% with 0 5% initial addition and 1% long term trend used to determine benefit obligations at 31 December:

	2022		2021	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	86.5	89.7	86.4	89.8
Member age 45 (life expectancy at 65)	87.7	91.0	87.6	91.0

Contributions

Paymaster (1836) Limited expects to contribute £2 5m of additional funding to its pension plan in 2023.

Defined benefit plan - Prudential Platinum Pension - MyCSP Limited

The latest full actuarial valuation was carried out as at 31 December 2021 and has since been updated to 31 December 2022 by a qualified independent actuary.

	2022 £m	2021 £m
Present value of obligations	(6.6)	(11.8)
Fair value of plan assets	4.7	8.6
Recognised liabilities for defined benefit obligations	**(1.9)**	**(3.2)**

Movement in present value of defined benefit obligation	2022 £m	2021 £m
Balance at 1 January	11.8	11.5
Interest cost	0 2	0.2
Actuarial gains - change in financial assumptions	(6.1)	(0.1)
Actuarial gains - change in demographic assumptions	(0.1)	-
Actuarial losses - other experience items	1.0	0.3
Benefits paid	(0.2)	(0.1)
Defined benefit obligation at 31 December	**6.6**	***11.8***

Notes to the consolidated financial statements for the year ended 31 December 2022

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Movement in fair value of plan assets	2022 £m	2021 £m
Balance at 1 January	8.6	7.9
Interest income	0.2	0.1
Return on plan assets	(4.1)	0.5
Employer contributions	0.3	0.3
Benefits paid	(0.2)	(0.1)
Administration expenses	(0.1)	(0.1)
Fair value of plan assets at 31 December	**4.7**	**8.6**

Expense recognised in the income statement	2022 £m	2021 £m
Administration expenses	0.1	0.1
Interest cost	0.2	0.2
Interest income	(0 2)	(0.1)
Total expense	**0.1**	**0.2**

Actuarial gains and losses recognised in other comprehensive income	2022 £m	2021 £m
Cumulative gain at 1 January	0.3	-
Actuarial gains recognised in other comprehensive income	1.1	0 3
Cumulative gain at 31 December	**1.4**	**0.3**

Plan assets are comprised of the following:	2022 £m	2021 £m
Overseas equities	1.0	1.9
Diversified growth fund	1.1	2.4
Liability-driven debt instruments	2.6	3.8
Index linked debt instruments	-	0.4
Cash	-	0.1
Fair value of plan assets at 31 December	**4.7**	**8.6**

Plan assets are primarily pooled into fund arrangements. As a result, the above disclosure of plan assets has been made at this level. All funds are considered unquoted as the funds are not exchange traded

Weighted average assumptions used to determine benefit obligations:	2022	2021
Discount rate	4.71%	1.86%
Rate of increase for pensions in payment	2 16%-3 06%	2.17%-3.07%
Rate of increase for pensions in deferment	2 16%-3.06%	2.17%-3 07%
Inflation assumption	3 16%	3.17%

Weighted average life expectancy for mortality tables (104% SAPS S2PMA, 104% SAPS S2PFA, CMI 2021, 1.0% LTR, 0 50% initial addition) used to determine benefit obligations at 31 December:

	2022		2021	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	86 8	89 1	86.6	88.6
Member age 45 (life expectancy at 65)	87 7	90 3	87.5	89.8

Contributions

MyCSP Limited expects to contribute £0.4m of additional funding to its pension plan in 2023.

Notes to the consolidated financial statements for the year ended 31 December 2022

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit plan - Prudential Platinum Pension - Equiniti Services Limited

The latest full actuarial valuation was carried out as at 31 December 2021 and has since been updated to 31 December 2022 by a qualified independent actuary.

	2022 £m	2021 £m
Present value of obligations	(0.6)	(0.8)
Fair value of plan assets	0.8	0.9
Recognised asset for defined benefit obligations	**0.2**	**0.1**

Movement in present value of defined benefit obligation	2022 £m	2021 £m
Balance at 1 January	0.8	0.7
Current service cost	0.2	0.1
Actuarial losses - change in financial assumptions	(0.4)	-
Defined benefit obligation at 31 December	**0.6**	**0.8**

Movement in fair value of plan assets	2022 £m	2021 £m
Balance at 1 January	0.9	0.7
Return on plan assets	(0.4)	-
Employer contributions	0.3	0.2
Fair value of plan assets at 31 December	**0.8**	**0.9**

Actuarial gains and losses recognised in other comprehensive income	2022 £m	2021 £m
Cumulative loss at 1 January	-	-
Actuarial losses recognised in other comprehensive income	-	-
Cumulative loss at 31 December	-	-

Plan assets are comprised of the following:	2022 £m	2021 £m
Quoted corporate debt instruments	0.4	0.4
Index linked Government debt instruments	0.4	0.5
Fair value of plan assets at 31 December	**0.8**	**0.9**

Weighted average assumptions used to determine benefit obligations:	2022	2021
Discount rate	4.73%	1.85%
Rate of increase for pensions in payment	2.18% - 3.08%	2.09%-2.99%
Rate of increase for pensions in deferment	2.18% - 3.08%	2.09%-2.99%
Inflation assumption	3.18%	3.09%

Weighted average life expectancy for mortality tables (100% SAPS S2PMA, 100% SAPS S2PFA, CMI 2021, 1.0% long-term trend, 0.5% initial addition) used to determine benefit obligations at 31 December:

	2022		2021	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	87.1	89.1	87.1	89.0
Member age 45 (life expectancy at 65)	88.1	90.3	88.1	90.3

Contributions

Equiniti Services Limited expects to contribute £0.2 of additional funding to its pension plan in 2023.

Notes to the consolidated financial statements for the year ended 31 December 2022

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit plan - D.F. King & Company, Inc Pension Plan

The latest actuarial valuation was carried out as at 31 December 2022 by a qualified independent actuary.

	2022 £m	2021 £m
Present value of obligations	(13.6)	(15.2)
Fair value of plan assets	10.4	11.5
Recognised liability for defined benefit obligations	**(3.2)**	**(3.7)**

Movement in present value of defined benefit obligation	2022 £m	2021 £m
Balance at 1 January	15.2	15.9
Interest cost	0.4	0.4
Actuarial gains - change in financial assumptions	(3.7)	(0.3)
Actuarial gains - change in demographic assumptions	-	(0.1)
Actuarial losses - other experience items	0.6	0.1
Benefits paid	(0.7)	(0.6)
Translation adjustment	*1.8*	*(0.2)*
Defined benefit obligation at 31 December	**13.6**	**15.2**

Movement in fair value of plan assets	2022 £m	2021 £m
Balance at 1 January	11.5	9.4
Return on plan assets	0.4	0.6
Employer contributions	-	0.7
Actuarial (losses)/ gains - other experience items	(2.1)	1.5
Benefits paid	(0.7)	(0 6)
Translation adjustment	1.3	(0.1)
Fair value of plan assets at 31 December	**10.4**	**11.5**

Actuarial gains and losses recognised in other comprehensive income	2022 £m	2021 £m
Cumulative gain at 1 January	2.5	-
Actuarial gains recognised in other comprehensive income	1.0	2.5
Cumulative gain at 31 December	**3.5**	**2.5**

Plan assets are comprised of the following:	2022 £m	2021 £m
Equity	3.9	5.6
Bonds	6.4	5.8
Cash	0.1	0.1
Fair value of plan assets at 31 December	**10.4**	**11.5**

Weighted average assumptions used to determine benefit obligations:	2022	2021
Discount rate	4.95%	2.63%
Inflation assumption	4.37%	6.75%

Weighted average life expectancy for mortality tables (Pri-2012 mortality Table projected generationally using Scale MP-2021) used to determine benefit obligations at 31 December:

	2022 Male	2022 Female	2021 Male	2021 Female
Member age 65 *(current life expectancy)*	85.6	87 6	85.5	87.5
Member age 45 (life expectancy at 65)	84.1	85 9	86.9	88 8

Contributions

EQ is not expected to contribute additional funding to its pension plan in 2023.

Notes to the consolidated financial statements for the year ended 31 December 2022

9.4 CONTINGENT LIABILITIES

The Company, along with other companies in the Group, has provided a guarantee in relation to a Senior Facilities Agreement comprising term loans and a revolving credit facility made available to Equiniti Holdings Limited and Armor Holdco, Inc. The facilities comprise term loans of £200.0m and US$630.0m, and a multicurrency revolving credit facility of $175.0m, of which the drawn balance was £nil at 31 December 2022 (2021 - £nil). The term loan facilities are repayable in 2028.

Certain entities in the Group are party to legal actions and claims which may arise in the normal course of business. The Directors apply judgement in determining the merit of litigation against the Group and the chances of a claim successfully being made. The Directors assess the likelihood of an outflow of economic benefits occurring and whether there is a need to disclose a contingent liability or whether a provision might be required. At any time there are a number of claims or notifications that require assessment across the Group. While there are inherent uncertainties in the outcome of such matters, the Directors consider the likelihood of a material cash outflow to be remote in relation to these claims.

9.5 ULTIMATE CONTROLLING PARTY

The ultimate parent and controlling party is Orbit Private GP, LLC, a limited company registered and domiciled in the Cayman Islands. Orbit Private Holdings I Ltd is both the largest and smallest group for which group financial statement are drawn up and of which the company is a member.

9.6 EVENTS AFTER THE REPORTING DATE

There have been no other material events between 31 December 2022 and the date of authorisation of the consolidated financial statements that would require disclosure within, or adjustments to, the consolidated financial statements.

Company statement of financial position as at 31 December 2022

	Note	2022 £m	2021 £m
Assets			
Non-current assets			
Investments in subsidiaries	8	622.8	621.4
		622.8	**621.4**
Current assets			
Income tax receivable		0.2	-
		0.2	**-**
Total assets		**623.0**	**621.4**
Liabilities			
Current liabilities			
Accruals and deferred income		1.0	1.2
Intercompany		1.0	-
Total liabilities		**2.0**	**1.2**
Net assets		**621.0**	**620.2**
Equity			
Equity attributable to owners of the parent			
Called up Share capital	9	621.4	621.4
Accumulated losses		(0.4)	(1.2)
Total equity		621.0	620.2

The Company's loss for the year was £0.6m (2021: £1.2m). The notes on pages 92 - 96 form part of these financial statements.

The financial statements of Orbit Private Holdings I Ltd on pages 90 - 91 were approved by the Board of Directors on 4 May 2023 and were signed on its behalf by:

P Lynam - Executive Director

Company statement of changes in equity for the year ended 31 December 2022

	Called up share capital £m	Accumulated losses £m	Total equity £m
Balance at 19 May 2021	-	-	-
Comprehensive loss			
Loss for the financial period	-	(1.2)	(1.2)
Total comprehensive expense	**-**	**(1.2)**	**(1.2)**
Issue of share capital, net of transaction costs (note 9)	621.4	-	621.4
Transactions with owners recognised directly in equity	**621.4**	**-**	**621.4**
Balance at 31 December 2021	621.4	(1.2)	620.2

	Called up share capital £m	Accumulated losses £m	Total equity £m
Balance at 1 January 2022	621.4	(1.2)	620.2
Comprehensive loss			
Loss for the financial year	-	(0.6)	(0.6)
Total comprehensive expense	-	*(0.6)*	*(0.6)*
Share based payments	-	1.4	1.4
Transactions with owners recognised directly in equity	**-**	**1.4**	**1.4**
Balance at 31 December 2022	621.4	(0.4)	621.0

The notes on pages 92 - 96 form part of these financial statements.

Notes to the company financial statements for the year ended 31 December 2022

1 GENERAL INFORMATION

Orbit Private Holdings I Ltd (the Company) is a private limited company, limited by shares, and is incorporated and domiciled in England, United Kingdom. The principal activity of the Company is that of a holding company. The registered office address is Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH.

The Company was incorporated on 19 May 2021.

2 BASIS OF PREPARATION

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), under the historical cost convention, as modified by derivative financial assets and liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

Summary of disclosure exemptions

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

- IAS 1 Presentation of Financial Statements, paragraphs:
  - 10(d) - Statement of cash flows
  - 16 - Statement of compliance with all IFRS
  - 38B-D - Additional comparative information in respect of IAS 16 Property, Plant and Equipment paragraph 73(e) and IAS 38 Intangible Assets paragraph 118(e)
  - 134 to 136 - Capital management disclosures
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, paragraphs 30 and 31 - New standards issued but not yet effective
- IAS 24 Related Party Disclosures, paragraphs 17 and 18A - Certain key management personnel information and related party disclosures with transactions entered into between wholly owned group companies
- IAS 36 Impairment of Assets, paragraphs 134(d) to 134(f) and 135(c) to 135(e) - Key assumptions and estimates used to measure value in use of cash-generating units
- IFRS 2 Share-based Payments, paragraphs 45(b) and 46 to 52 - Exemption from disclosing the number of share options and how the fair values were determined
- IFRS 7 Financial Instruments: Disclosures
- IFRS 13 Fair Value Measurement, paragraphs 91 to 99 - Valuation techniques and inputs used for fair value measurement of assets and liabilities
- IFRS 15 Revenue from Contracts with Customers, paragraphs 110, 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 - Detailed revenue disclosures
- IFRS 16 Leases, paragraph 58 - Maturity analysis of lease liabilities

Basis of preparation

The principal accounting policies applied in the preparation of the Company financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. These financial statements have been prepared on the going concern basis and under the historical cost convention. The Company's functional and presentational currency is the British Pound (£).

The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual statement of comprehensive income and related notes. The Company made a loss of £0.6m in the year (2021: £1.2m loss).

Notes to the company financial statements for the year ended 31 December 2022

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in subsidiaries
Investments in subsidiaries are carried at historical cost less any provisions for impairment.

Share based payments

The Company granted a number of incentive rights ("IRs") to Executive Committee members and selected employees of its subsidiaries. Each IR represents a contingent right to receive payment in the form of shares upon the occurrence of a liquidity or sale event. *The fair value of the IR's, which are equity settled, is recognised in the performance share plan reserve. A corresponding* intercompany receivable is also recognised, as the share based payment expense is recognised in the subsidiary which employs the individual receiving the IRs.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company acquires its own ordinary shares, the consideration paid is recorded as a deduction from equity.

2.2 NEW STANDARDS AND AMENDMENTS ADOPTED

There were no new standards adopted by the Company in the year.

2.3 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There are no new IFRSs or IFRS IC interpretations not yet adopted which would be expected to have a material impact on the financial statements of the Company.

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There are no accounting policies where the use of judgements and estimates is determined to be significant to the financial statements.

Notes to the company financial statements for the year ended 31 December 2022

3 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk

The strategy and objectives for managing credit and liquidity risk are covered in the Treasury Policies of the Orbit Private Holdings I Ltd group of companies (the Group), which includes the Company. These policies are approved annually by the Board and compliance is monitored on a monthly basis through the Treasury Committee. The Group's Audit & Risk Committee also oversees how management monitors compliance with these policies and procedures, and reviews the adequacy of the risk management framework. The Audit & risk Committee is assisted in its oversight role by internal audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Further information regarding the Group's financial risks and risk management policies can be found in note 6.11 to the consolidated financial statements.

4 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to maximise shareholder value whilst safeguarding the Company's ability to continue as a going concern. Total capital is calculated as total equity on the statement of financial position.

Management of capital:	2022 £m	2021 £m
Equity	621.0	620.2
Total equity	**621.0**	**620.2**

5 AUDITORS' REMUNERATION

The audit fees for these financial statements of £20,000 (2021: £20,000) were borne by a fellow Group company.

6 STAFF NUMBERS AND COSTS

There were no persons employed directly by the Company, other than the Directors, and therefore no staff costs were incurred (2021: none).

7 DIRECTORS' REMUNERATION

Where Directors receive remuneration for their services, they receive remuneration for services to the Group as a whole and their remuneration is borne by fellow Group companies, without recharge to the Company. Their remuneration is disclosed in note 7.1 to the Group's consolidated financial statements. No Directors receive remuneration for their services provided to the Company (2021: none).

Notes to the company financial statements for the year ended 31 December 2022

8 INVESTMENTS IN SUBSIDIARIES

The Company has the following investments in subsidiaries:

Cost and net book value	2022 £m	2021 £m
At beginning and end of the year	621.4	-
Additions	1.4	621.4
Total investment in subsidiaries	**622.8**	**621.4**

The Directors consider the value of the investment to be supported by its underlying assets. The Company has the following direct investments in subsidiaries:

Name of controlled entity	Registered office address	Principal activities	Ownership % on 31 December *2022*	Ownership % on 31 December *2021*
Orbit Private Holdings II Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH,	Holding company	100	100
Armor Holdco, Inc	2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States	Holding company	100	100

The above investments are held in the Ordinary share capital of the companies. A full list of the Company's indirect investments is included in note 4.6 to the consolidated financial statements.

9 SHARE CAPITAL

Allotted, called up and fully paid	2022 £m	2021 £m
Shares issued	621.4	621.4
Balance at 31 December	**621.4**	**621.4**

Ordinary shares of £0.001 each	2022 Number	2021 Number
Shares issued	621,446,005	621,446,005
Balance at 31 December	**621,446,005**	**621,446,005**

The Company issued 621,446,005 ordinary shares for consideration of £621.4m in the prior period.

Notes to the company financial statements for the year ended 31 December 2022

10 DIVIDENDS

No dividends were paid in the year and the Board has not recommended a final dividend payable in respect of the year ended 31 December 2022 (none in 2021).

11 SHARE BASED PAYMENTS

The Company has an equity-settled long term incentive plan in place giving rise to certain incentive rights ("IR"). These represent a contingent right to receive payment in the form of shares upon the occurence of a liquidity or sale event. Share-based payments disclosures relevant to the Company are presented within note 7.2 to the consolidated financial statements.

12 CONTINGENT LIABILITIES

The Company, along with other companies in the Group, has provided a guarantee in relation to a Senior Facilities Agreement comprising term loans and a revolving credit facility made available to Equiniti Holdings Limited and Armor Holdco, Inc. The facilities comprise term loans of £200.0m and US$630.0m, both facilities are repayable in 2028; and a multicurrency revolving credit facility of £175.0m, of which the drawn balance was £nil at 31 December 2022 (2021: £nil).

13 ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking is Orbit Private Investments, L.P, a limited partnership registered and domiciled in the Cayman Islands. The ultimate controlling party is Orbit Private GP, LLC, a limited company registered and domiciled in the Cayman Islands. The Company is the parent of the largest group in which these financial statements are consolidated.