Registration number: 13408201

Orbit Private Holdings I Ltd
Annual Report and Financial Statements
for the 227 day period ended 31 December 2021

Orbit Private Holdings I Ltd
Registration number: 13408201

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
M Hulslander – Non-executive Director
P Lynam - Executive Director
C Millington – Non-executive Director
J Swainson – Non-executive Director
E Wintle – Non-executive Director
N Wright – Non-executive Director
D Yates – 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

Group strategic report for the 227 day period ended 31 December 2021

The directors present their strategic report for Orbit Private Holdings I Limited for the period ended 31 December 2021.

General information

Orbit Private Holdings I Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales. The Company was incorporated on 19 May 2021.

On 9 December 2021, Earth Private Holdings Ltd, a subsidiary of the Company also incorporated on 19 May 2021, acquired 100% of Equiniti Group plc ("EQ"). On the same date, Orbit Private Holdings I Limited acquired 100% of Armor Holdco Inc. ("AST"). These two acquisitions combine to form the Orbit group of companies (the "Group"). The Group commenced trading on 10 December 2021 and the results of EQ and AST have been included on a consolidated basis for the period from the date of acquisition until 31 December 2021 (22 days).

Principal activities

During the period ended 31 December 2021, the principal activity of the Company was that of a holding company. The Group is an international provider of technology and solutions for complex and regulated data and payments, serving blue-chip enterprises in the United Kingdom and United States of America and public sector organisations in the United Kingdom.

These services include:

- share registration
- the administration of SAYE schemes and share incentive plans
- provision of share dealing relating to executive share options and share incentive plans
- administering Individual Savings Accounts ("ISAs")
- reinvestment of dividends in Dividend Reinvestment Plans ("DRIPs")
- share dealing services
- administering share dealing programmes for shareholders endorsed by corporate clients
- administration and payment services to pension schemes
- securities dealing administration
- securities custody
- execution only stockbroking
- provision of specialist proprietary software for financial services clients
- proxy solicitation services for mutual funds and corporates
- restructuring services
- providing transfer agent, equity compensation and proxy solicitation services

These services are provided to pension schemes, pensioners, corporate clients and their shareholders, investors and employees, and retail customers, with the latter activity provisioned as a receiver and transmitter or as agency broker. The Group's services do not involve the giving of advice or dealing as principal or the taking of positions. A number of these services are regulated by the Financial Conduct Authority ("FCA") in the United Kingdom and New York State Department of Financial Services ("DFS") in the United States of America.

Review of the business

On acquisition, the Group brought the employees of the EQ and AST Groups together under a common management team, led by Paul Lynam as Chief Executive and Andrew Peeler as Chief Financial Officer. The Group is organised on a divisional basis and five new divisions have been established by the new management team; Shareholder services - UK, Shareholder services - US, Pension services, Remediation and Credit Services. Post acquisition, EQ sold its EQ US division to AST to form the Shareholder services - US division, which is led by AST's former Chief Executive Marty Flanigan. The other divisions, which are primarily UK focused, continue to be led by the incumbent EQ Managing Directors.

The Group maintained a policy of hybrid working arrangements for our employees across our core operations of the UK, US, India and Poland, allowing staff to split their time between home and the office as the local rules permitted. The stated aim of the Group is to maintain this approach and we expect more staff to spend time in the office as restrictions continue to ease.

Given the acquisition completed so close to the end of 2021, the financial performance of the Group only covers a 22 day trading period, of which 14 were working days. As such, the income statement data presented for the period is not representative of a full year's trading and the related commentary is therefore necessarily brief.

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Review of the business (continued)

The Group experiences seasonal trading with trading biased to the final quarter of the year. The revenue for the final 22 days of December 2021 includes revenue recognised for services provided in line with IFRS 15 Revenue from Contracts with Customers. The Group experienced varied aspects of the economic impact of Covid-19 on this element of the revenue: our core share registration, transfer agency and mutual funds businesses saw continued recovery, whilst our pensions business saw modest improvements. Our remediation, software sales and pension project businesses saw little material activity in the period. Also included in revenue is interest income, as it represents fee income for services provided. Given central bank interest rates were at record lows for the majority of 2021, and the Group having few hedging arrangements in place for the period, the revenue earned was correspondingly low.

The Board focuses on the alternative performance measure of EBITDA as the primary indicator of profitability. Expenses relating to the acquisition of £51.7m were included within the administrative costs of £76.0m, causing the EBITDA loss of £43.3m. The Group's cost base comprises primarily of people, IT and property expenses. Excluding the acquisition expenses, the Board believe the cost and related EBITDA for the period is appropriate for the Group for the 22 day period and provides the basis for the control of future profitability and margin expansion.

The Board monitors its cost base and its strategy is to manage expenses in proportion to revenue and risk within the business to support its capital position.

Depreciation and amortisation reflects the consumption of our asset base in delivering our core services to clients and for the provision of the Group's infrastructure in the period.

Net finance income represents favourable foreign exchange rate movements, primarily recognised in the Group's USD denominated businesses, net of the interest expense on the Group's external borrowing facilities, interest recognised on lease liabilities and losses arising from the termination of derivative financial instruments.

The Group's key financial performance indicators are revenue and EBITDA, which reconciles to loss before income tax as follows:

	2021
	£m
Revenue	32.7
Administrative costs	(76.0)
EBITDA*	**(43.3)**
Depreciation and amortisation	(8.9)
Net finance income	3.5
Loss before income tax	**(48.7)**

*EBITDA is defined as loss before interest, tax, depreciation and amortisation. EBITDA is the performance measure used by the Group which the directors feel best reflects the sustainable operating performance of the business.

The Group commenced trading on 10 December 2021, following the consummation of the EQ and AST acquisitions. The financial results of EQ and AST are only included in the consolidated financial statements from the date of acquisition (i.e. 22 days), although the businesses traded for a full 12-month period during 2021. Pro-forma information, which is not audited, is presented below to give stakeholders an overview of the financial performance of both businesses, as though they had been combined from 1 January 2021.

The information is presented on a last 12 months basis to December 2021 and has been derived by adding the unaudited results for the year ended 31 December 2021 for EQ to the unaudited results for the same period for AST. The information presented for EQ is on an IFRS basis and the information presented for AST is on a US GAAP basis (the primary US GAAP to IFRS difference for AST relates to the treatment of property leases, which would be a positive adjustment of c. £2.7m to EBITDA).

	Unaudited EQ FY 2021	**Unaudited AST FY 2021**	**Pro Forma Consolidated FY 2021**
	£m	**£m**	**£m**
Revenue	424.2	151.9	576.1
Administrative costs	(357.5)	(115.6)	(473.1)
EBITDA	**66.7**	**36.3**	**103.0**

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Review of the business (continued)
Prior to the acquisition of EQ and AST completing, the Group had secured debt facilities consisting of £200.0m and $630.0m first lien secured term loans, $350.0m of senior notes and a $175.0m revolving credit facility (RCF). These facilities were used to repay the EQ and AST debt inherited in the acquisition, which led to a cash outflow of £716.0m, and to finance the combined group post-acquisition.

Future developments
The Group's performance in 2022 will be dependent on the continued economic recovery, the continuation of market led activity, the successful integration of AST into EQ and a review of the Group's underlying cost base. The new management team, led by Paul Lynam, have established a plan that brings the latter two elements together to work in conjunction with the complicated economic environment such that shareholder, employee and regulatory interests are best served into the future.

Principal risks and uncertainties
We provide business-critical services to our clients, often in highly regulated and complex environments. As we grow, our business and our risk environment may also become more complex.

It is therefore vital that we effectively identify, evaluate, manage and mitigate the current and emerging risks we face, that we continue to evolve our approach to risk management and we are aware of the wider economic and environmental influences on the Group. We recognise that a number of our principal risks, such as increasing and changing regulation, also create opportunities for us, as we can develop products and services that help our clients to manage their own regulatory burdens.

Our risk profile
Managing risk effectively is fundamental to delivering our strategy and operating successfully. We believe that a robust risk management culture is vital for sustainable growth and must be at the centre of everything we do. 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.

The Group has two prime geographic regions (UK and US) and will target growth in these two jurisdictions. Whilst there is continuing uncertainty in the economic and regulatory environment, the overall operational risk profile for EQ and AST remained broadly stable during 2021 and this continued post-acquisition.

Opportunity and risk emanating from the US business is assessed and reported as part of our integrated Group reporting. The US business assesses risks at a local level and these are then reviewed through the Group's risk management framework, and where applicable are captured within the Group's principal risks (for example, the resilience of our IT infrastructure). We have aligned the Group's risk management framework in the US business and will focus on further embedding the framework in 2022.

Our risk appetite
The Board has defined risk appetite statements for the main risks that we face during the normal course of business. By assessing the level of each risk against our appetite for it, we ensure that we focus appropriately on the risks that need additional attention. Risks that are within our appetite require no further mitigating actions, but we continue to monitor them actively. Given the nature of our services and the regulatory environment we operate in, we have a lower risk appetite for many of the risks we face and no appetite for breaches of policy or control in certain critical areas, such as regulatory reporting or breaches of our anti-money laundering controls.

External factors

In response to COVID-19, we initiated our Group-wide response programme. We are actively supporting colleagues who are personally at risk of exposure in line with Government guidance and have ensured that all offices in the Group are following a high level of hygiene, including managing travel risk. We have undertaken scenario testing within all key departments, to ensure the active management of systems and processes under a number of changing circumstances.

Where practical, IT and operational practices are able to support a range of remote working options, which provides a greater level of flexibility and resilience. We are working closely with key clients and suppliers to ensure that core services are maintained under higher risk scenarios.

The uncertain economic environment, produced by the pandemic, meant that some of the standard risks, such as currency exchange and employment of suitable candidates received more focus so that they could be effectively managed and controlled.

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

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 natural person.	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 now supported by formal attestations. • First-line ownership of data protection risk. • Enforcement of security software, encryption and data
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 in updating legacy technology. • 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 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 Financial Instruments, 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.

Orbit Private Holdings I Ltd
Registration number: 13408201

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

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.	• Ongoing investment in internal and external cyber security. • ISO27001 aligned control framework. • Implementation of SOC2 for Information Security. • Ongoing review of cyber security capability and emerging threats. • Regular penetration testing. • Security measures to prevent unauthorised access to systems and premises and to protect personnel. • 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; • 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. • A well-diversified client base and portfolio of services. • Monitoring for changes in demand, the competitive environment and new technologies. • 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 response to the pandemic.	• 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 forum, surveys and action plans. • Diversity and inclusion groups. • Active monitoring and management of gender pay gap. • Resilient distributed working capability.

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

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 sites available, where appropriate. • Liaison with regulated clients to ensure their own resilience. • Crisis and resilience testing. • The move to a distributed working practice during the pandemic has been successful, however this model introduces different resilience weaknesses. • Effective, tested 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 health checks 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 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.

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

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 counter parties 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.

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.	• 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, resource and expertise to deliver change.

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 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 as between members of the 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 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 2021.

The Board has identified and highlighted the Group's key stakeholders. This section below sets out how those stakeholders were engaged with throughout the period, and how the key issues that concerned each stakeholder group were responded to.

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Our Stakeholders and how we engage with them

People

People are at the heart of the business and the Board recognises that employees are central to the Group's implementation and development of its strategy. The Group is committed to providing an environment that encourages involvement of all employees and a culture that invests in employees, enhances engagement, and increases work flexibility. Colleague engagement is a key goal within the Group's strategy. For the Group to succeed the Board understands the need to prioritise employees' wellbeing, manage their performance and support their development and training, as this will enable us to bring through talent whilst ensuring they operate efficiently. Throughout the COVID-19 pandemic, it was critical to maintain regular lines of communication with employees to continue monitoring their wellbeing and the provision of support to them throughout the challenging period. With the COVID-19 pandemic, and the acquisition of EQ and AST, it has never been more important to maintain regular communication with employees and continue with clear purpose, building on the values which underpin the Group's strategy. Regular internal communications are provided by the Group to keep employees up to date with the activities of the Group.

The Group runs an annual employee survey which is available to all employees within the Group and helps understanding of where the Group is doing well and where the Group needs to enhance the employee's experience. The Gallop engagement model, first introduced by EQ in 2019, will continue to be used.

The Group's Chief Executive has an open online forum allowing all employees within the Group to communicate directly with him.

The Group also engages with employees through its Global Colleague Forum. This forum consists of representatives from different business locations and functions. Meetings are attended by a Company non-executive director ensuring the Board hears directly from the Group's employees. The forum meets regularly to discuss the Group's strategy, sustainability, diversity and inclusion and purpose, mission, and values.

The Group gives full and fair consideration to employment applications from people with health conditions, having regard to their particular aptitude and abilities. Where an existing employee becomes disabled, it is the Group's policy to arrange retraining and adjust the employee's environment where possible, to allow them to maximise their potential and continue to work with the Group. The Group has a Wellbeing, Mental Health and Disability Network responsible for training and setting policies in this area, which applies to all companies in the Group.

The Board is committed to the management and continued monitoring of our employees' health and safety, with a detailed 'Fire, Safety, Health and Environment' update to be presented at Board meetings on a regular basis.

Key issues:
- Health and wellbeing
- Safe working environment
- Culture within the Company
- Support and information
- Organic growth from a diverse pipeline of talent

Our response:
- Arranging office visits by the Board and management team. This provides the Board with a chance to spend time with colleagues and understand more about the work they are undertaking and challenges they face
- Reviewing and responding to feedback following employee engagement surveys
- Monitoring action plans arising from annual employee survey feedback
- It is intended that a 'Values and Behaviour Assessment' will be included in all Group Internal Audits to assess culture within the Group, which includes the Company. If this is successful it will be introduced into all reviews in 2022
- Provision of regular internal communications via the intranet site, 'Engage', and input into the Global Colleague Forum
- Ensuring the Board receives regular updates on employee wellbeing, morale and motivation from senior management
- Increasing flexibility for employees in line with Group's culture transformation
- Receiving regular updates on the Group's numerous networks including Gender, Multicultural and LGBT+, as well as people policies such as the Diversity & Inclusion policy

Our Stakeholders and how we engage with them (continued)

Clients and customers

The aim is to continue reaching many millions of customers through the services provided for clients. As part of the Group's strategy its aim is to develop competitive products, as well as transform service experience for all customers. Throughout the global pandemic, both EQ and AST have made it a priority to continue providing an excellent service to all clients.

Key issues:
- Customer experience
- Understanding client needs
- Reliable and efficient service

Our response:
- Receiving updates from senior management on the largest customer key 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
- Discussing updates received regarding the quality, range and reliability of products
- 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

Suppliers

The Group's aim is to develop and maintain strong relationships with all suppliers. The Group values all its 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 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
- Adoption of the 'Payment Practices Policy'
- *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 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
- 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 social distancing, protect employees, their families and the communities within which they work.
- *Consideration and discussion about the potential impact of decisions on vulnerable customers*
- A number of colleagues across the Group, have been on training webinars to learn more about neurodiversity
- The Board fully supports colleague volunteering activities to support social mobility and education

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Our Stakeholders and how we engage with them (continued)

Regulators

The Group operates in a regulated market and seeks to maintain a positive, transparent and open relationship with the 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 Financial Conduct Authority ("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

Culture and Values

The Board recognises the importance of having the right corporate culture. The Group's long-term success depends on achieving its strategic goals in the right way, so that the best interests of employees, customers, clients and all other stakeholders will be looked after. It is the Group's culture and values that underpin and help drive its strategy.

Key Decisions in 2021

The Board is fully aware of its duty under s172 to promote the success of the Company for the benefit of its members. The Board is aware of all stakeholder interests, and as such takes a long-term view in reaching key decisions, and when taking decisions, the Board looks to act in the interests of the stakeholders and to ensure all stakeholders are treated fairly.

The Board held its first meeting in December 2021 following the acquisition of EQ and AST whereby they formed three committees, the Audit and Risk Committee, Human Capital Committee and Technology Committee and set out the schedule of Board meetings and Committee meetings to be held during 2022. During 2022 the Board will undertake the following activities and key decisions:

Operational performance
• Review of Chief Executive reports
• Receiving business review updates
• Review of risk and regulatory reports
• Regular monitoring and updates on all areas of the business and workforce
• Annual Stress testing
• Receive updates presented on IT Security and Fire, Health, Safety and Environment

Financial performance and risk
• Review of Chief Financial Officer reports
• Approve the annual report and financial statements
• Approve the 2022 budget
• Continued consideration and discussion concerning the Supervisory Review and Evaluation Process and subsequent risk mitigation plan

Governance
• Receive updates from the Company's secretary on key governance developments, requirements and recommendations
• Adopt and review Committee terms of references
• Approve senior management changes, where necessary

Group strategic report for the 227 day period ended 31 December 2021 (continued)

Key Decisions in 2021 (continued)

Strategy
- Monitor and delivery of strategy
- Updates on IT transformation plan
- Receive market updates on cyber security

Culture and stakeholders
- Consideration and confirmation of the Group's 'purpose'
- To receive regular HR updates on people, including gender pay gap
- To closely monitor workforce wellbeing
- To receive an update from the Human Capital Committee on the EQ Employee Engagement Survey
- To receive updates from the Human Capital Committee on people, talent development and succession
- Consideration of vulnerable customers
- Review of customer complaints reports

Approved by the Board on 29 June 2022 and signed on its behalf by:

....
P Lynam - Executive Director

Group directors report for the 227 day period ended 31 December 2021

The directors present their report and the audited consolidated financial statements for the Company for the period ended 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:
B Ally – Director (appointed 19 May 2021 and resigned 21 May 2021)
F Baker - Non-executive Director (appointed 21 May 2021)
P Berger - Non-executive Director (appointed 21 May 2021)
J Cooper - Non-executive Director (appointed 10 December 2021)
A Olli – Non-executive Director (appointed 10 December 2021)
B Griess – Non-executive Director (appointed 10 December 2021)
J Hendren – Non-executive Director (appointed 21 May 2021)
M Hulslander – Non-executive Director (appointed 10 December 2021)
P Lynam - Executive Director (appointed 10 December 2021)
J Swainson – Non-executive Director (appointed 10 December 2021)
E Wintle – Non-executive Director (appointed 10 December 2021)
N Wright – Non-executive Director (appointed 10 December 2021)
D Yates – Non-executive Director (appointed 10 December 2021)

The following director was appointed after the period end:
C Millington – Non-executive Director (appointed 5 January 2022)

Review of the business and future developments

The Company's results, future developments and principal risks and uncertainties are discussed in the strategic report on pages 4 to 14.

Dividends

No dividends were declared or paid to shareholders during the period.

Charitable and political donations

No charitable or political donations were paid during the period.

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 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 2021, the Group had £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 'springs' 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 is currently well within the covenant requirement and latest forecasts suggest compliance 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 2022 and assumes:

- Mutual fund proxy work and corporate actions (our major event driven business lines) deliver comparable business performance to the historic trend.
- A modest margin improvement, from 2021, in Pension services, Remediation and Credit services.
- Achieving a 94% operating cash conversion (a historical average).
- Maintaining a minimum cash balance (after restricted cash) of £25.0m, balanced via draws on the RCF.

Group directors report for the 227 day period ended 31 December 2021 (continued)

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. Essentially, good business stewardship.

Management devised three scenarios to support this:

1) Budget (or base) scenario: this covers the 2022 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 2023 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.
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. In addition, we ran all three scenarios, on a monthly basis, to the end of 2023, extrapolating beyond our 2022 budget horizon. As a result, we went beyond the prescribed going concern horizon to ensure we balanced best practice and good business stewardship.

Employee involvement
How the Group engages with its employees is discussed in the Strategic Report on page 11.

Employment of disabled persons
Employment of disabled persons is discussed in the Group Strategic Report on page 11.

Health and safety
Health and safety is discussed in the Group Strategic Report on page 11.

Engagement with suppliers, customers and other relationships
Engagement with key stakeholders is discussed in the strategic report on pages 12 to 13.

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.

Disclosure of information to the auditors
Each director who held office at the date of approval of this Directors' report confirms that, so far as they are aware, there is no relevant audit information of which the Company's and Group's auditors are unaware, and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

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 will be adopting the Wates Corporate Governance Principles going forward.

Group directors report for the 227 day period ended 31 December 2021 (continued)

Streamline Energy and Carbon Report (SECR)
The environmental impact of our products and services and the physical impacts of climate change on our business are key issues for the Group. Our colleagues, and current and prospective clients, are increasingly interested in how we can deliver our services in ways which minimise our environmental impact.

With the Government's Carbon Zero strategy in mind, we are conducting a great deal of work to better understand and reduce our own emissions. We have adopted the carbon reduction targets in line with the Paris Agreement and will be seeking SBTi approval for these targets during 2022.

Our Environmental Performance

Group GHG Emissions	Total (tCO2e) Base Year 2021
Scope 1	829
Scope 2	734
Scope 3	1,284
Total Scope	**2,847**

Group Energy Use	Total Energy Use in kWh Base Year 2021
Natural Gas	7,485,879
Electricity	11,720,993
Total kWh	**19,206,872**

Carbon Intensity

	Base Year 2021
Tonnes of CO2 per £m revenue	87.1
Turnover £m	32.7

Measurement Methodology
The Group reports Scope 1, 2 and 3 carbon emissions in line with Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019.

Scope 1	Scope 2	Scope 3
• Fuel combustion • Company vehicles • Fugitive emissions	• Purchased electricity, heat and steam	• Purchased goods and services • Business travel • Employee commuting • Waste disposal • Use of sold products • Transportation and distribution (up and downstream) • Investments • Leased assets

Energy Efficiency
We have committed to several carbon reduction projects:

- Green energy - Using renewable energy at our sites.
- LED Lighting – Installing LED lighting complete with PIR sensors in office spaces to help reduce energy consumption.
- Data Centre Cooling - Improving the way we cool two of our data centres to help improve their efficiency.
- Property Rationalisation – With the change in working practices with increased remote working due to Covid-19, reductions to our office space will help to reduce our Scope 1 & 2 carbon emissions.

Approved by the Board on 29 June 2022 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 2021 and of the group's loss and the group's cash flows for the 227 day period then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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: consolidated and company statement of financial position as at 31 December 2021; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statement of changes in equity and the consolidated statement of cash flows for the period 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.

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.

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

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 period ended 31 December 2021 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.

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 and UK investment business activities (which are regulated by the FCA, DFS and SEC) 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 defer 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 and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business. In particular any journal entries posted with unusual account combinations, unusual words or those posted by selected members of senior management;

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

- Challenging and testing assumptions and judgements made by management in respect of significant accounting estimates (because of the risk 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.

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
30 June 2022

Orbit Private Holdings I Ltd
Registration number: 13408201

Consolidated income statement for the 227 day period ended 31 December 2021

	Note	2021 £m
Revenue	3.1	**32.7**
Administrative costs	3.2	(76.0)
Depreciation of property, plant and equipment	4.2	(0.6)
Depreciation of right-of-use assets	4.3	(0.5)
Amortisation of software	4.4	(5.0)
Amortisation of acquisition-related intangible assets	4.4	(2.8)
Finance income	6.1	9.4
Finance costs	6.1	(5.9)
Loss before income tax		**(48.7)**
Income tax charge	8.1	(1.3)
Loss for the period		**(50.0)**
Loss for the period attributable to:		
- Owners of the parent		(50.1)
- Non-controlling interest		0.1
Loss for the period		**(50.0)**

The notes on pages 28 - 75 form part of these financial statements.

Orbit Private Holdings I Ltd

Registration number: 13408201

Consolidated statement of comprehensive income for the 227 day period ended 31 December 2021

	Note	2021 £m
Loss for the period		**(50.0)**
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Fair value movement through hedging reserve	6.3	0.3
Net exchange gains on translation of foreign operations	6.3	2.2
Other comprehensive income for the period		**2.5**
Total comprehensive expense for the period		**(47.5)**
Total comprehensive (expense)/income attributable to:		
- Owners of the parent		(47.6)
- Non-controlling interests		0.1
Total comprehensive expense for the period		**(47.5)**

The notes on pages 28 - 75 form part of these financial statements.

Orbit Private Holdings I Ltd

Registration number: 13408201

Consolidated statement of financial position as at 31 December 2021

	Note	2021 £m
Assets		
Non-current assets		
Property, plant and equipment	4.2	25.0
Right-of-use assets	4.3	29.6
Goodwill	4.4	732.5
Intangible assets	4.4	802.1
Contract fulfilment assets	5.2	18.3
Other financial assets	9.1	0.7
		1,608.2
Current assets		
Trade and other receivables	5.1	70.6
Contract fulfilment assets	5.2	41.3
Agency broker receivables		7.2
Income tax receivable	8.1	1.3
Other financial assets	9.1	0.4
Cash and cash equivalents	6.9	86.5
		207.3
Total assets		**1,815.5**
Liabilities		
Non-current liabilities		
External loans and borrowings	6.6	879.2
Post-employment benefits	9.3	27.3
Provisions	5.5	7.4
Lease liabilities	6.7	28.9
Other financial liabilities	9.2	0.1
Deferred income tax liabilities	8.2	143.4
		1,086.3
Current liabilities		
External loans and borrowings	6.6	4.7
Trade and other payables	5.3	94.0
Contract fulfilment liabilities	5.4	25.4
Agency broker payables		7.2
Provisions	5.5	9.9
Lease liabilities	6.7	9.6
Other financial liabilities	9.2	0.1
		150.9
Total liabilities		**1,237.2**
Net assets		**578.3**

Consolidated statement of financial position as at 31 December 2021

	Note	2021 £m
Equity		
Equity attributable to owners of the parent		
Share capital	6.2	621.4
Hedging reserve	6.3	0.9
Translation reserve	6.3	2.2
Accumulated losses		(50.1)
		574.4
Non-controlling interest	6.5	3.9
Total equity		**578.3**

The notes on pages 28 - 75 form part of these financial statements.

The financial statements on pages 22 - 27 were approved by the Board of Directors on 29 June 2022 and were signed on its behalf by:

....
P Lynam - Executive Director

Orbit Private Holdings I Ltd
Registration number: 13408201

Consolidated statement of changes in equity for the 227 day period ended 31 December 2021

	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						
(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 loss 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**

The notes on pages 28 - 75 form part of these financial statements.

Orbit Private Holdings I Ltd
Registration number: 13408201

Consolidated statement of cash flows for the 227 day period ended 31 December 2021

	Note	2021 £m
Loss before income tax		**(48.7)**
Adjustments for:		
Depreciation and impairment of property, plant and equipment		0.6
Depreciation and impairment of right-of-use assets		0.5
Amortisation of software		5.0
Amortisation of acquisition-related intangibles		2.8
Finance income		(9.4)
Finance costs		5.9
Changes in working capital:		
Net increase in receivables		(6.1)
Net increase in contract assets		(4.3)
Net decrease in payables		(28.4)
Net decrease in contract liabilities		(4.6)
Net decrease in provisions		(0.9)
Cash flows from operating activities		**(87.6)**
Interest paid		(5.3)
Net cash outflow from operating activities		**(92.9)**
Cash flows from investing activities		
Business acquisitions net of cash acquired	4.1	(571.3)
Acquisition of property, plant and equipment		(0.8)
Payments relating to developing and acquiring software		(1.2)
Net cash outflow from investing activities		**(573.3)**
Cash flows from financing activities		
Proceeds from issue of share capital		621.4
Proceeds from new term loans and senior notes	6.6	942.1
Repayment of previous EQ and AST bank loans	6.6	(716.0)
Repayment of revolving credit facility	6.6	(50.0)
Payment of loan set up fees	6.6	(47.8)
Payments in respect of leases	6.9	(1.6)
Net cash inflow from financing activities		**748.1**
Net increase in cash and cash equivalents		81.9
Net foreign exchange losses		4.6
Cash and cash equivalents at 31 December		**86.5**

The notes on pages 28 - 75 form part of these financial statements.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

1 GENERAL INFORMATION

Orbit Private Holdings I Limited (the Company) is a private limited company, limited by shares, and is incorporated and domiciled in the United Kingdom. The Company and its subsidiaries (collectively, the Group) provide complex administration and payment services, supported by technology platforms, to a wide range of organisations. 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.

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 in conformity with the requirements of the Companies Act 2006. 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 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.

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 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 2021, the Group had £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 'springs' 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 is currently well within the covenant requirement and latest forecasts suggest compliance with the requirements for the foreseeable future.

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 in the Pension Services division and Credit Services and Remediation delivering modest improvement over 2021.
- Achieving a 91% operating cash conversion, historical average.
- Maintaining a minimum balance of cash (after restricted cash) of £25m, 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. Essentially, good business stewardship.

Management devised three scenarios to support this:

1) Budget (or base) scenario: this covers the 2022 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 2023 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.

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. In addition, we ran all three scenarios, on a monthly basis, to the end of 2023, extrapolating beyond our 2022 budget horizon. As a result, we went beyond the prescribed going concern horizon to ensure we balanced best practice and good business stewardship.

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 227 day period ended 31 December 2021

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, 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

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 provisions for impairment. 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 227 day period ended 31 December 2021

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.

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 periods when the hedged item affects profit or loss (for example, when the forecast transaction that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging interest income is recognised within revenue in the income statement at the same time as the Group recognises the interest accruing on balances under administration. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised within finance costs in the income statement. 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.

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. Bank overdrafts are included in cash and cash equivalents in the statement of financial position when the Group has a legally enforceable right to offset and there is an intention to settle on a net basis. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents in the statement of cash flows as they form an integral part of the Group's cash management.

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.

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.

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.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

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.

Defined benefit plans (continued)

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.

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 227 day period ended 31 December 2021

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.

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 services includes revenue generated from the majority of 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 227 day period ended 31 December 2021

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 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.

Intermediary income

Intermediary revenue includes interest income 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 227 day period ended 31 December 2021

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 reporting segment:

Segment	Professional services	Out of pocket expenses	Software and support	Transactional fees	Intermediary income
Shareholder Services	•	•		•	
Pension Services	•		•		
Remediation and Credit Services	•		•		
Interest					•

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. Amounts billed in advance of work being performed are deferred in the statement of financial position as contract fulfilment liabilities.

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 as it accrues, using the effective interest method.

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 period, using tax rates enacted or substantively enacted at the statement of financial position date.

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

Fair value of intangible assets
When a business combination occurs, in accordance with IFRS 3, management needs to determine the fair value of net assets acquired. This includes assets, such as customer-related intangibles, that are not recognised in the books of the acquired business. Therefore management needs to calculate the fair value of intangible assets arising on acquisition. This is based on two key assumptions; the discount rate and the long-term growth rate.

The acquisition of EQ resulted in the recognition of customer-relationships with a fair value of £263.8m and brand names with a fair value of £51.3m. The fair value of EQ's software assets was also assessed to have a fair value of £216.4m, which exceeded its carrying value immediately prior to the acquisition by £145.1m. Goodwill with a carrying value of £495.0m was also identified.

The Group's acquisition of AST resulted in the recognition of customer-relationships with a fair value of £178.8m and brand names with a fair value of £24.6m. The fair value of AST's software assets was also assessed to have a fair value of £81.9m, which exceeded its carrying value immediately prior to the acquisition by £63.0m. Goodwill with a carrying value of £248.2m was also identified.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

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. 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 2021, the Group capitalised £1.2m of staff costs. 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 227 day period ended 31 December 2021

3 OPERATING PROFIT

3.1 REVENUE

Revenue from continuing operations:	2021 £m
Rendering of services	31.9
Interest income	0.8
Total revenue	**32.7**

The Group's reporting segments have been identified as Shareholder Services, Pension Services, Remediation and Credit Services and Interest, in line with how the Group runs and structures its business.

The inter-segmental revenue represents trading between the Group's operating divisions, which is eliminated on consolidation.

	2021 £m
Shareholder Services	19.5
Pension Services	6.2
Remediation & Credit Services	6.2
Interest	0.8
Total revenue	**32.7**

Reported revenue by geographical market	2021 £m
UK and Europe	19.8
USA	12.9
Total revenue	**32.7**

Timing of revenue recognition	2021 £m
Point in time	7.9
Over time	24.8
Total revenue	**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 remediation business and software support services.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

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 2021	Shareholder Services - UK £m	Shareholder Services - US £m	Pension Services £m	Remediation & Credit Services £m	Total £m
Less than one year	32.1	37.9	51.3	7.8	129.1
Between one and five years	71.1	29.8	78.1	23.0	202.0
More than five years	-	0.2	26.6	-	26.8
	103.2	**67.9**	**156.0**	**30.8**	**357.9**

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 2021, 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 ADMINISTRATIVE COSTS

Expenses by nature:	2021 £m
Employee benefit expense (note 3.3)	15.3
Employee costs capitalised in respect of software development	(1.2)
Direct costs	3.5
Printing and postage	1.4
IT licences and maintenance	3.1
Contractors	0.4
Legal and professional fees	51.7
Premises costs	0.4
Short-term lease costs	0.2
Government grants	(0.1)
Other general business costs	1.3
Total administrative costs	**76.0**

3.3 STAFF NUMBERS AND COSTS

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

Number of employees - by function:	2021 Number
Operations	5,211
Support functions	186
Sales and marketing	818
Total employees	**6,215**

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

3.3 STAFF NUMBERS AND COSTS (CONTINUED)

Number of employees - by geography:	**2021 Number**
UK	3,566
Rest of Europe	124
Asia	1,098
North America	1,427
Total employees	**6,215**

The aggregate payroll costs of these persons were as follows:

	2021 £m
Wages and salaries	13.8
Social security costs	0.7
Other pension costs	0.8
Total employee benefit expense	**15.3**

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

4 INVESTMENTS

4.1 BUSINESS ACQUISITIONS

Equiniti

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 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.

On acquisition, intangible assets with a provisional fair value of £531.5m relating to software, brand, customer contracts and related relationships, were identified. The value of goodwill reflects 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. The amounts relating to the intangible assets and goodwill are provisional and subject to further evaluation and adjustment, in accordance with accounting standards.

Fair value of identifiable assets acquired and liabilities assumed	**£m**
Property, plant and equipment	42.2
Intangible assets	531.5
Trade and other receivables	39.8
Contract fulfilment assets	44.1
Cash and cash equivalents	59.1
External loans and borrowings	(309.5)
Post-employment benefits	(23.6)
Provisions	(18.1)
Lease liabilities	(30.1)
Deferred income tax liabilities	(43.7)
Other financial liabilities	(4.3)
Trade and other payables	(74.3)
Contract fulfilment liabilities	(25.1)
Net identifiable assets	**188.0**
Non-controlling interest	(5.0)
Hedging reserve	(0.6)
Goodwill on acquisition	489.6
Total consideration	**672.0**
Cash acquired	(59.1)
Net cash outflow in the period	**612.9**

4.1 BUSINESS ACQUISITIONS (CONTINUED)

AST

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 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.

On acquisition, intangible assets with a provisional fair value of £285.3m relating to customer contracts and related relationships, were identified. The value of goodwill reflects 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. The amounts relating to the intangible assets and goodwill are provisional and subject to further evaluation and adjustment, in accordance with accounting standards.

Fair value of identifiable assets acquired and liabilities assumed	**£m**
Property, plant and equipment	13.1
Intangible assets	285.3
Trade and other receivables	24.7
Contract fulfilment assets	11.2
Cash and cash equivalents	41.6
External loans and borrowings	(457.3)
Post-employment benefits	(3.8)
Lease liabilities	(10.0)
Deferred income tax liabilities	(101.1)
Trade and other payables	(47.0)
Contract fulfilment liabilities	(4.9)
Net identifiable liabilities	**(248.2)**
Goodwill on acquisition	248.2
Total consideration	-
Cash acquired	(41.6)
Net cash outflow in the period	**(41.6)**

The acquisition-related expenses of acquiring Equiniti and AST during the period, such as legal fees and stamp duty, amounted to £51.7m. This includes a completion fee payable to Siris of $20.1m. These costs have been included in administrative costs in the income statement.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

4.2 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improve-ments £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 period	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**

4.3 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 period	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**

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

4.4 INTANGIBLE ASSETS

	Goodwill	Software	Customer relationships and brands	Total
	£m	£m	£m	£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)
Balance at 31 December 2021	**732.5**	**297.7**	**511.6**	**1,541.8**
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	**732.5**	**292.9**	**509.2**	**1,534.6**

Software predominately relates to investment in enhancing the functionality of the Group's main operating platforms. Included within additions in the period is £1.2m of directly attributable employee staff costs that have been capitalised in respect of internal software development. Software includes £25.6m for assets which are still under construction at 31 December 2021. 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 £434.3m and a remaining useful life of between 8 - 20 years and brands with a carrying value of £74.9m and a remaining useful life of 15 years.

Goodwill is the only intangible asset with an indefinite life.

Goodwill

Goodwill arose on the EQ and AST acquisitions in the period. Goodwill is monitored by management in line with the Group's operating segments, which are the lowest cash-generating units (CGUs): Shareholder Services, Pension Services and Remediation & Credit Services.

	Opening balance	Acquisition of business	Translation adjustment	Closing balance
Period ended 31 December 2021	£m	£m	£m	£m
Shareholder Services - UK	-	184.3	-	184.3
Shareholder Services - US	-	293.9	(5.3)	288.6
Pension Services	-	61.5	-	61.5
Remediation & Credit Services	-	198.1	-	198.1
Total goodwill	**-**	**737.8**	**(5.3)**	**732.5**

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

4.4 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 Groups Divisions (CGUs) are required to submit budgets for the next year and financial forecasts for the following years. These plans are approved by the Board and represent management's best view of future revenue and cash flows.

Given that the acquisition of EQ and AST was consummated so close to the period end date, the cash flow forecasts used to support the carrying value of goodwill remain unchanged from the cash flows used to identify the goodwill acquired in the business acquisitions.

The other key assumptions used within the Group's financial forecasts by CGU include discount rates, used to discount the projected cash flows to their net present value and the terminal growth rate applied beyond the approved forecast period. The Directors believe 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 the Directors do not consider that the goodwill has been impaired, given that the value in use is greater than the carrying value of the net assets of the CGUs.

Assumptions in determining the value in use were:

Period ended 31 December 2021	**Shareholder Services - UK**	**Shareholder Services - US**	**Pension Services**	**Remediation & Credit Services**
Period on which management approved forecasts are based	5 years	5 years	5 years	5 years
Growth rate applied beyond approved forecast period	2.0%	2.0%	2.0%	2.0%
Discount rate pre-tax	10.9%	7.8% - 12.0%	10.7%	9.9%

4.5 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 2021
Direct Investments			
Orbit Private Holdings II Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100
Armor Holdco, Inc.	2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America	Holding company	100
Indirect Investments			
American Stock Transfer & Trust Company, LLC	80 State Street, Albany, NY 12207, United States of America	Limited purpose trust company	100
Armor Holding II, LLC	80 State Street, Albany, NY 12207, United States of America	Holding company	100
Armor Intermediate Company, LLC	2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America	Holding company	100
AST Fund Solutions, LLC	2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America	Proxy solicitation	100
AST Private Company Solutions, Inc.	2711 Centerville Road, Wilmington, DE 19808, United States of America	Consultancy	100
Boudicca Proxy Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Proxy solicitation	100
Brooklyn Property LLC	251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, United States of America	Dormant	100
Charter.Net Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100
Charter UK Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Software service provider	100
Circle of Insight Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100
Claybrook Computing Limited	Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH, United Kingdom	Computer software consultancy	100
Connaught Secretaries Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100
Custodian Nominees Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Dormant	100
David Venus & Company LLP	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	50
D.F. King & Co., Inc.	2711 Centerville Road, Wilmington, DE 19808, United States of America	Proxy solicitation	100
D.F. King Acquisition LLC	2711 Centerville Road, Wilmington, DE 19808, United States of America	Holding company	100
D.F. King Holding LLC	2711 Centerville Road, Wilmington, DE 19808, United States of America	Holding company	100
Donlin, Recano & Company, Inc.	80 State Street, Albany, NY 12207, United States of America	Debt consultancy	100
Earth Private Holdings Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100
EQ Tech sp.zo.o	Building C, Equal Business Park, Wielicka 28B, Kraków, Małopolskie, Poland	Technology enabled services	100

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

4.5 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of controlled entity	Registered office address	Principal activities	Ownership % on 31 December 2021
Equiniti Benefactor Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Non-trading	100
Equiniti Corporate Nominees Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100
Equiniti Data Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Software service provider	100
Equiniti David Venus Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Company secretarial	100
Equiniti Delivery Services Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Non-trading	100
Equiniti Employee Services (PTY) Limited	102B Newlands Plaza, CNR Lois & Dely, Newlands, 00181, South Africa	Computer software development	100
Equiniti Finance (Holdings) Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100
Equiniti Financial Services Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Financial services	100
Equiniti Gateway Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Technology enabled services	100
Equiniti Global Payments Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	International payment services	100
Equiniti Holdings Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100
Equiniti ICS Limited	205 Airport Road West, Belfast, BT3 9ED, United Kingdom	Business process outsourcing	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
Equiniti ISA Nominees Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100
Equiniti (Jersey) Limited	26 New Street, St Helier, JE2 3RA, Jersey	Registrars	100
Equiniti KYC Solutions B.V.	Danzigerkade 23B, 1013 AP, Amsterdam, Netherlands	Software service provider	100
Equiniti KYC Systems B.V.	Danzigerkade 23B, 1013 AP, Amsterdam, Netherlands	Software service provider	100
Equiniti Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Registrars	100
Equiniti Nominees Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100
Equiniti Pension Trustee Limited	Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH, United Kingdom	Dormant	100
Equiniti PMS Limited	Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH, United Kingdom	Software service provider	100
Equiniti Registrars Nominees Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100
Equiniti Savings Nominees Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Dormant	100
Equiniti Services Limited	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100
Equiniti Share Plan Trustees Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom	Trustee company	100

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

4.5 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

4.5 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Company name	Registra-tion number	Company name	Registra-tion number
Boudicca Proxy Ltd	07847924	MyCSP Limited	07640786
Charter UK Limited	02453655	Orbit Private Holdings II Ltd	13408832
Claybrook Computing Limited	01287205	Pancredit Systems Ltd.	02215760
Earth Private Holdings Ltd	13410052	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		

5 WORKING CAPITAL

5.1 TRADE AND OTHER RECEIVABLES

	2021 £m
Trade receivables	49.8
Expected credit loss allowance	(3.0)
Other receivables	11.1
Prepayments	12.7
Total trade and other receivables	**70.6**

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 period end, trade receivables are shown net of an expected credit loss allowance of £3.0m.

Credit risk

The ageing of trade receivables at the reporting date was:

	2021 £m
Not past due	30.7
Past due 1-30 days	9.7
Past due 31-90 days	2.8
Past due more than 90 days	6.6
Total trade receivables	**49.8**

Trade receivables not past due of £30.7m are all existing customers with no defaults in the past.

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 period end of £3.0m. The impairment loss recognised in the period was £nil.

The movement in the period in the Group's estimated credit loss allowance on trade receivables and contract fulfilment assets is as follows:

	2021 £m
Balance at 19 May 2021	-
Balances acquired from business acquisitions	3.0
Balance at 31 December	**3.0**

Trade receivables past due but not impaired of £10.3m relate to a number of independent customers for whom there is no recent history of default or expectation of such going forwards.

5.2 CONTRACT FULFILMENT ASSETS

	2021 £m
Accrued income	49.8
Contract set-up costs	9.8
Total contract fulfilment assets	**59.6**
Non-current asset	18.3
Current asset	41.3
Total contract fulfilment assets	**59.6**

5.2 CONTRACT FULFILMENT ASSETS (CONTINUED)

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. This allows accrued income to be underpinned and recovered from clients, even on the rare occasions that clients cease projects with us permanently. There is no material expected credit loss allowance against accrued income.

5.3 TRADE AND OTHER PAYABLES

	2021
	£m
Trade payables	14.7
Accruals	59.7
Other payables	19.6
Total trade and other payables	**94.0**

5.4 CONTRACT FULFILMENT LIABILITIES

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

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

Revenue recognised in relation to contract fulfilment liabilities

	2021
	£m
Amounts recognised in revenue in the period which were held in deferred income on acquisition of businesses	8.6
	8.6

5.5 PROVISIONS

	Contingent consideration	**Property provisions**	**Legal provisions**	**Total provisions**
	£m	**£m**	**£m**	**£m**
Balances acquired from business acquisitions	1.6	9.4	7.1	18.1
Amounts utilised during the period	(0.8)	-	-	(0.8)
Balance at 31 December 2021	**0.8**	**9.4**	**7.1**	**17.3**
Non-current liability	0.8	6.6	-	7.4
Current liability	-	2.8	7.1	9.9
Total provisions	**0.8**	**9.4**	**7.1**	**17.3**

Contingent consideration

A provision for contingent consideration as at 31 December 2021 of £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.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

5.5 PROVISIONS (CONTINUED)

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 periods from 2022 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 227 day period ended 31 December 2021

6 CAPITAL STRUCTURE

6.1 FINANCE INCOME AND COSTS

	2021
Finance income	**£m**
Net foreign exchange gains	9.4
Total finance income	**9.4**

	2021
Finance costs	***£m***
Interest cost on term loan borrowings	5.6
Interest cost on lease liabilities	0.1
Net gain on derivatives not in a hedging relationship	0.2
Total finance costs	**5.9**

6.2 SHARE CAPITAL

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

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

The Group issued 621,446,005 ordinary shares for cash consideration of £621.4m in the period. The shares have full voting, dividend and capital distribution rights and do not confer any rights of redemption.

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 period and the Board has not recommended a final dividend payable in respect of the period ended 31 December 2021.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

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 2021, set out below, is prior to intercompany eliminations.

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

Summarised statement of comprehensive income for the period from 10 December 2021	2021 £m
Revenue	2.0
Profit for the period	0.5
Total comprehensive income	**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 £1.5m and the tax saving was £0.3m. The net amount of £1.2m is reflected within transactions with non-controlling interests in the consolidated statement of changes in equity.

6.6 EXTERNAL LOANS AND BORROWINGS

	2021 £m
Term loans	634.8
Senior notes	249.1
Total external loans and borrowings	**883.9**

	2021 £m
Non-current	879.2
Current	4.7
Total external loans and borrowings	**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

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

6.6 EXTERNAL LOANS AND BORROWINGS (CONTINUED)

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. 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. 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 which 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. There is a mandatory repayment equivalent to 0.25% of the initial principal of the $630.0m term loan on each calendar quarter end date.

6.7 LEASE LIABILITIES

	2021 £m
Non-current	28.9
Current	9.6
Total lease liabilities	**38.5**

6.8 FINANCIAL LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	2021 £m
Term loans	634.8
Senior notes	249.1
Lease liabilities	38.5
Cash and cash equivalents	(86.5)
Net debt	**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
Modification of lease liabilities	-	-	-	-	-	-
Interest	2.7	2.9	-	0.1	-	5.7
Foreign exchange movements	(11.0)	(5.8)	-	(0.1)	-	(17.0)
Net debt at 31 December 2021	**634.8**	**249.1**	**-**	**38.5**	**(86.5)**	**835.9**

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

6.9 CASH AND CASH EQUIVALENTS

	2021
	£m
Cash and cash equivalents per statement of financial position	86.5
Cash and cash equivalents per statement of cash flows	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 period.

Cash and cash equivalents includes £17.5m and 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.

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 customer 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 on a regular basis.

6.10 FINANCIAL RISK MANAGEMENT (CONTINUED)

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 at the reporting dates was as follows:

31 December 2021	Note	Carrying Amount £m	Total contract-ual 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 2021, the Group had £86.5m of cash and a revolving credit facility of USD $175.0m, which was undrawn at the period end.

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 based on floating interest rates largely driven by changes in the Bank of England base rate and the US Federal Reserve benchmark rate. 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 in 2023.

6.10 *FINANCIAL RISK MANAGEMENT (CONTINUED)*

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 £430.0m and $70.0m to protect the income it earns on cash balances held on behalf of customers. Derivatives with a notional value of $70.0m will mature in March 2028, £215.0m will mature in September 2022 and the remaining balance of £215.0m will mature in September 2023.

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 is managing the IBOR transition plan to ensure that all of the necessary documentation is updated prior to the index cessation effective dates.

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-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 for the Group by £6.4m, but would increase interest income by £19.3m yielding a net increase of £12.9m. 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, particularly in relation to the Group's operations in the US, Poland and India. FX risk is actively 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 2021, the Group had outstanding forward contracts against Sterling totalling PLN 17.5m and INR 460.0m, to hedge the expected 2022 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.

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 highly 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 has its 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	2021 £m
Equity		578.3
Term loans	6.6	634.8
Senior notes	6.6	249.1
Lease liabilities	6.7	38.5
Cash and cash equivalents	6.9	(86.5)
Total equity plus net debt		**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	2021 £m
At amortised cost		
Trade and other receivables	5.1	60.9
Contract fulfilment assets	5.2	59.6
Cash and cash equivalents	6.9	86.5
At fair value through profit or loss		
Derivatives used for hedging	6.13	1.1
Total financial assets		**208.1**

Financial liabilities	Note	2021 £m
At amortised cost		
Trade and other payables	5.3	94.0
Contract fulfilment liabilities	5.4	25.4
Term loans	6.6	634.8
Lease liabilities	6.7	38.5
At fair value through profit or loss		
Derivative used for hedging	6.13	0.2
Total financial liabilities		**792.9**

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

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	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	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 period.

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 period.

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 Chief Financial Officer and prepares presentations for the Audit & Risk Committee. Valuations are reviewed regularly through 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 considered to have a fair value materially similar to their carrying amounts, since the interest payable on those borrowings is closely aligned to current market rates.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

6.13 DERIVATIVES

The Group's derivative portfolio comprises interest rate swaps and forward FX contracts. Sterling denominated interest rate swaps with notional values of £215.0m maturing in September 2022 and £215.0m maturing in September 2023 are used to hedge the interest income on customer balances held in the UK. US Dollar denominated interest rate swaps with a notional value of $70.0m maturing in April 2028 are used to hedge the interest income on customer 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.

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.

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 2021	Carrying amount £m	Total contract-ual 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)**

7 GOVERNANCE

7.1 DIRECTORS' REMUNERATION

The directors' remuneration for the period was as follows:

	2021 £m
Short-term employee benefits	0.2
Total	**0.2**

In respect of the highest paid director:

	2021 £m
Short-term employee benefits	0.1
Total	**0.1**

7.2 RELATED-PARTY TRANSACTIONS

Transactions with key management personnel
The compensation of key management personnel is as follows:

	2021 £m
Short-term employee benefits	0.2
Total	**0.2**

Key management are the Directors of the Group who have authority and responsibility to control, direct or plan the major activities within the Group. 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 above.

Transactions with other related parties
Following the completion of the acquisition Equiniti Group plc, 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 £1.3m ($1.5m), pro-rated for the 22 day post-acquisition period, to Siris Capital Group, LLC in consideration for services provided to the Group. These amounts were unpaid at 31 December 2021 and included within accruals in note 5.3.

7.3 AUDITORS' REMUNERATION

	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	1.2
- Audit of the Company's subsidiaries	0.4
Audit fees	**1.6**
Fees payable to Group's auditors and its associates for non-audit services were as follows:	
- Other assurance services required by regulation	0.4
- Other assurance services	0.3
- Other services	0.2
Non-audit fees	**0.9**
Total	**2.5**

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

8 TAXATION

8.1 INCOME TAX CHARGE

Recognised in the income statement in the period:	2021 £m
Current tax:	
Current period	-
Total current tax	**-**
Deferred tax:	
Origination and reversal of temporary differences	1.3
Total deferred tax	**1.3**
Total income tax charge	**1.3**

Reconciliation of effective tax rate:	2021 £m
Loss for the period	(50.0)
Total tax charge	1.3
Loss before tax	**(48.7)**
Tax using the UK corporation tax rate of 19.0%:	(9.3)
Non-deductible expenses	11.4
Difference in overseas tax rates	(0.8)
Total income tax charge	**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 2021 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 2021 that relate to the UK have been calculated based on this rate, reflecting the expected timing of reversal of the related temporary differences.

8.2 DEFERRED INCOME TAX ASSETS AND LIABILITIES

Recognised assets

Deferred income tax assets are attributable to the following:

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

Recognised liabilities

Deferred income tax liabilities are attributable to the following:

	2021 £m
Intangible assets	(228.7)
Tax liabilities	**(228.7)**
Net of tax assets	85.3
Net tax liabilities	**(143.4)**

The Group has recognised deferred tax assets in respect of tax losses carried forward on the basis that there is an expectation that the Group will be profitable in future periods and these losses will be utilised.

No deferred tax asset has been recognised in respect of £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 period:

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	-	(233.0)	1.9	-	2.4	(228.7)
Employee benefits and other timing differences	-	13.6	(1.0)	0.3	-	12.9
Tax value of losses carried forward	-	60.1	(1.7)	-	-	58.4
	-	**(144.8)**	**(1.3)**	**0.3**	**2.4**	**(143.4)**

9 OTHER DISCLOSURES

9.1 OTHER FINANCIAL ASSETS

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

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

9.2 OTHER FINANCIAL LIABILITIES

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

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

9.3 POST-EMPLOYMENT BENEFITS

Employees Gratuity Scheme

All employees in our Indian business 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 935 active members as at the latest actuarial valuation on 31 March 2021. The principal assumptions are the discount rate, rate of increase in salaries and attrition rate.

	2021 **£m**
Equiniti India (Private) Limited	0.4
	0.4

Defined benefit pension plans

The Group operates 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 net liability of the schemes is set out below:

	2021 **£m**
ICS Pension Scheme	(0.3)
Paymaster Pension Scheme	20.5
Prudential Platinum Pension - MyCSP Limited	3.1
Prudential Platinum Pension - Equiniti Services Limited	(0.1)
D.F. King & Company, Inc Pension Plan	3.7
Total defined benefit pension plan net liability	**26.9**

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

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 2018 and concluded in 2019. Except for the Equiniti Services Limited scheme whereby the first full actuarial valuation is currently being 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.

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 and Trustees are aware of these risks and manage them through investment and funding strategies. The Trustees manage governance and operational risks through a number of internal control policies, including a risk register.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit plan - ICS Pension Scheme

A full actuarial valuation was carried out at 6 April 2018 and has since been updated to 31 December 2021 by a qualified independent actuary.

	2021 £m
Present value of obligations	(13.9)
Fair value of plan assets	14.2
Recognised liability for defined benefit obligations	**0.3**

Movement in present value of defined benefit obligation	2021 £m
Balance acquired from business acquisition	13.9
Defined benefit obligation at 31 December	**13.9**

Movement in fair value of plan assets	2021 £m
Balance acquired from business acquisition	14.2
Fair value of plan assets at 31 December	**14.2**

Plan assets are comprised of the following:	2021 £m
Quoted equities	4.0
Corporate bonds	1.2
Diversified growth funds	2.7
Liability-driven investment funds	2.8
Illiquid asset funds	3.3
Cash	0.2
Fair value of plan assets at 31 December	**14.2**

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

Weighted average life expectancy for mortality tables (107% SAPS S2PMA, 106% SAPS S2FA, 107% SAPS S2PA CMI 2020 with 0.5% adjustment, 1.0% long-term trend) used to determine benefit obligations at 31 December 2021:

	Male	Female
Member age 65 (current life expectancy)	86.3	88.5
Member age 45 (life expectancy at 65)	87.3	89.7

Contributions

Equiniti ICS Limited expects to contribute £0.2m to its pension plan in 2022.

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit plan - Paymaster Pension Scheme

A full actuarial valuation was carried out at 6 April 2018 and has since been updated to 31 December 2021 by a qualified independent actuary.

	2021
	£m
Present value of obligations	(69.7)
Fair value of plan assets	49.2
Recognised liability for defined benefit obligations	**(20.5)**

	2021
Movement in present value of defined benefit obligation	**£m**
Balance acquired from business acquisition	69.7
Defined benefit obligation at 31 December	**69.7**

	2021
Movement in fair value of plan assets	**£m**
Balance acquired from business acquisition	49.2
Fair value of plan assets at 31 December	**49.2**

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

Weighted average assumptions used to determine benefit obligations:	**2021**
Discount rate	1.91%
Rate of compensation increase	2.00%
Rate of increase for pensions in payment	2.16%-3.31%
Rate of increase for pensions in deferment	2.31%-3.31%
Inflation assumption	3.31%

Weighted average life expectancy for mortality tables (99% SAPS S2PMA, 87% SAPS S2PFA CMI 2020, 1.0% long-term trend, 0.5% initial addition) used to determine benefit obligations at 31 December 2021:

	Male	**Female**
Member age 65 (current life expectancy)	86.4	89.8
Member age 45 (life expectancy at 65)	87.6	91.0

Contributions

Paymaster (1836) Limited expects to contribute £1.6m of additional funding to its pension plan in 2022.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit plan - Prudential Platinum Pension - MyCSP Limited

The latest full actuarial valuation was carried out as at 31 December 2018 and has since been updated to 31 December 2021 by a qualified independent actuary.

	2021 **£m**
Present value of obligations	(11.7)
Fair value of plan assets	8.6
Recognised liability for defined benefit obligations	**(3.1)**

Movement in present value of defined benefit obligation	**2021** **£m**
Balance acquired from business acquisition	11.7
Defined benefit obligation at 31 December	***11.7***

Movement in fair value of plan assets	**2021** **£m**
Balance acquired from business acquisition	8.6
Fair value of plan assets at 31 December	**8.6**

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

Weighted average assumptions used to determine benefit obligations:	**2021**
Discount rate	1.86%
Rate of increase for pensions in payment	2.17%-3.07%
Rate of increase for pensions in deferment	2.17%-3.07%
Inflation assumption	3.17%

Weighted average life expectancy for mortality tables (102% SAPS S2PMA, 102% SAPS S2PFA, 102% SAPS S2PxA CMI 2019, 0.8% long-term trend, 0.4% initial addition) used to determine benefit obligations at 31 December 2021:

	Male	**Female**
Member age 65 (current life expectancy)	86.6	88.6
Member age 45 (life expectancy at 65)	87.5	89.8

Contributions

MyCSP Limited expects to contribute £0.3m of additional funding to its pension plan in 2022.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

9.3 POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit plan - Prudential Platinum Pension - Equiniti Services Limited

The first formal actuarial valuation as at 31 December 2020 is currently in progress for this scheme. The preliminary results of that valuation have been projected to 31 December 2021 by a qualified independent actuary.

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

Movement in present value of defined benefit obligation	**2021 £m**
Balance acquired from business acquisition	0.8
Defined benefit obligation at 31 December	**0.8**

Movement in fair value of plan assets	**2021 £m**
Balance acquired from business acquisition	0.9
Fair value of plan assets at 31 December	***0.9***

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

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

Weighted average life expectancy for mortality tables (100% SAPS S2PMA, 100% SAPS S2PFA, CMI 2020, 1.0% long-term trend, 0.5% initial addition) used to determine benefit obligations at 31 December 2021:

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

Contributions

Equiniti Services Limited expects to contribute £0.3m of additional funding to its pension plan in 2022.

Notes to the consolidated financial statements for the 227 day period ended 31 December 2021

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 2021 by a qualified independent actuary.

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

Movement in present value of defined benefit obligation	**2021 £m**
Balance acquired from business acquisition	15.3
Translation adjustment	(0.1)
Defined benefit obligation at 31 December	**15.2**

Movement in fair value of plan assets	**2021 £m**
Balance acquired from business acquisition	11.5
Fair value of plan assets at 31 December	**11.5**

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

Weighted average assumptions used to determine benefit obligations:	**2021**
Discount rate	2.63%

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 2021:

	Male	**Female**
Member age 65 (current life expectancy)	85.5	*87.5*
Member age 45 (life expectancy at 65)	86.9	88.8

Contributions

AST is not expected to contribute additional funding to its pension plan in 2022.

Sensitivity analysis

Estimates of the discount rate, inflation rate and life expectancy are used in calculating the pension obligation. The total effect on the employee benefit liability on all schemes as at 31 December 2021 of an increase in life expectancy by one year would be an increase of £4.7m, a 0.5% decrease in the discount rate used would be an increase of £10.8m, and a 0.5% increase in the inflation assumption would be an increase of £8.4m. These individual sensitivity analyses are based on a change in one assumption, whilst holding all other assumptions constant.

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 2021. The term loan facilities are repayable in 2028 and the revolving credit facility is repayable in 2026.

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.

9.5 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Orbit Private GP, LLC, a limited company registered and domiciled in the Cayman Islands.

9.6 EVENTS AFTER THE REPORTING DATE

There have been no other material events between 31 December 2021 and the date of authorisation of the consolidated financial statements that would require disclosure within, or adjustments to, the consolidated financial statements.

Orbit Private Holdings I Ltd
Registration number: 13408201

Company statement of financial position as at 31 December 2021

	Note	2021 £m
Assets		
Non-current assets		
Investments in subsidiaries	8	621.4
Total assets		**621.4**
Liabilities		
Current liabilities		
Accruals		1.2
Total liabilities		**1.2**
Net assets		**620.2**
Equity		
Equity attributable to owners of the parent		
Share capital	9	621.4
Accumulated losses		(1.2)
Total equity		**620.2**

The Company's loss for the period was £1.2m. The notes on pages 78 - 82 form part of these financial statements.

The financial statements of Orbit Private Holdings I Ltd on pages 76 - 77 were approved by the Board of Directors on 29 June 2022 and were signed on its behalf by:

....
P Lynam - Executive Director

Company statement of changes in equity for the 227 day period ended 31 December 2021

	Share capital	Accumulated losses	Total equity
	£m	£m	£m
Comprehensive income			
Loss for the 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**

The notes on pages 78 - 82 form part of these financial statements.

Notes to the company financial statements for the 227 day period ended 31 December 2021

1 GENERAL INFORMATION

Orbit Private Holdings I Ltd (the Company) is a private limited company, limited by shares, and is incorporated and domiciled in the 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 £1.2m in the period.

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

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.

Notes to the company financial statements for the 227 day period ended 31 December 2021

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 period.

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 227 day period ended 31 December 2021

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:	**2021** **£m**
Equity	620.2
Total equity	**620.2**

5 AUDITORS' REMUNERATION

The audit fees for these financial statements of £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.

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.

Notes to the company financial statements for the 227 day period ended 31 December 2021

8 INVESTMENTS IN SUBSIDIARIES

The Company has the following investments in subsidiaries:

Cost and net book value	2021 £m
Additions	621.4
Total investment in subsidiaries	**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 2021
Orbit Private Holdings II Ltd	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	Holding company	100
Armor Holdco, Inc	2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America	Holding company	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 4.5 to the consolidated financial statements.

9 SHARE CAPITAL

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

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

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

Notes to the company financial statements for the 227 day period ended 31 December 2021

10 DIVIDENDS

No dividends were paid in the period and the Board has not recommended a final dividend payable in respect of the period ended 31 December 2021.

11 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 2021. Both facilities are repayable in 2028.

12 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.