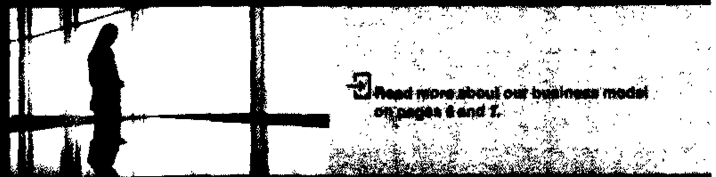
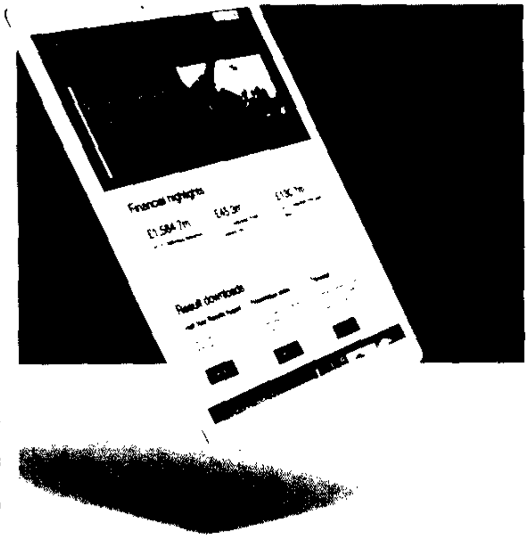
Capita

Our purpose

Capita is a purpose-led organisation which exists to 'create better outcomes' for all its stakeholders.

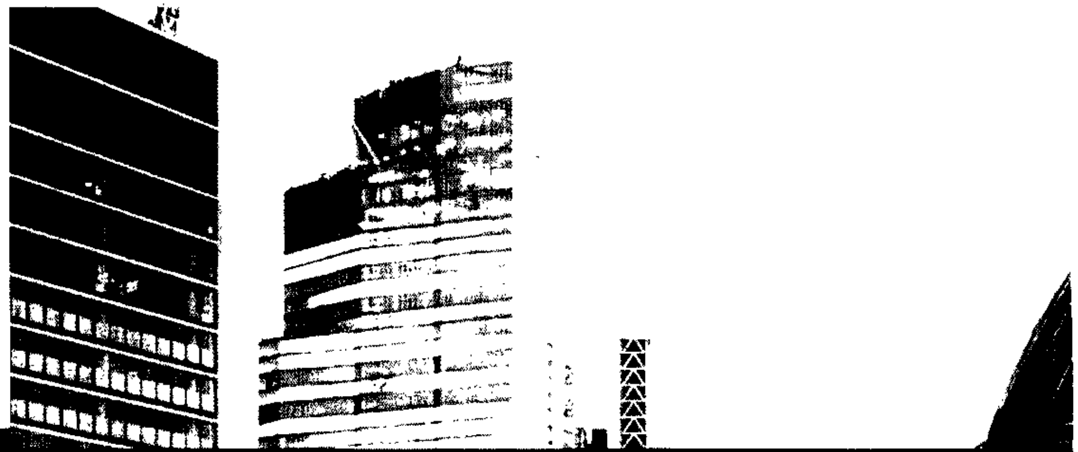
Read more about our purpose on page 4.





Our performance

During 2021, we completed our transformation, establishing a platform to drive sustainable improving financial performance, while continuing to strengthen the balance sheet. We also continued to focus on maintaining high standards of client service delivery and ensuring that all our stakeholders remain a priority for Capita.



Financial highlights and KPIs

Read more in the Chief Financial Officer's review on pages 26 to 34.

Non-financial highlights and KPIs

Points swing in employee net promoter score	Points swing in customer net promoter score	Suppliers paid within 60 days[4]	Total shareholder return (TSR)
-22pts	-3pts	98%	(6.9)%
Employee engagement	Diversity: gender M/F	Reduction in carbon footprint[6] (location-based)	CO_2 emissions Scope 1,2 and 3[7]
68%	51/49%	21%	43.6m gross tonnes
[illegible]	Diversity: ethnicity[5]	Reduction in carbon footprint[6] (market-based)	
30%	56/19%	41%	

4. Data includes invoices paid through Capita UK companies.
5. White/Black, Asian and minority ethnic. 25% of people chose not to respond or not to specify.
6. Reduction in carbon footprint based on emissions per headcount from 2018 baseline.
7. Scope 3 for business travel only.

About us

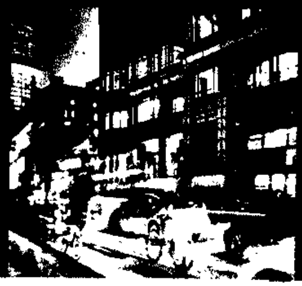
Capita is a consulting, transformation and digital services business

We are driven by our purpose: to 'create better outcomes' – for our employees, clients and their customers, suppliers and partners, investors, and society.

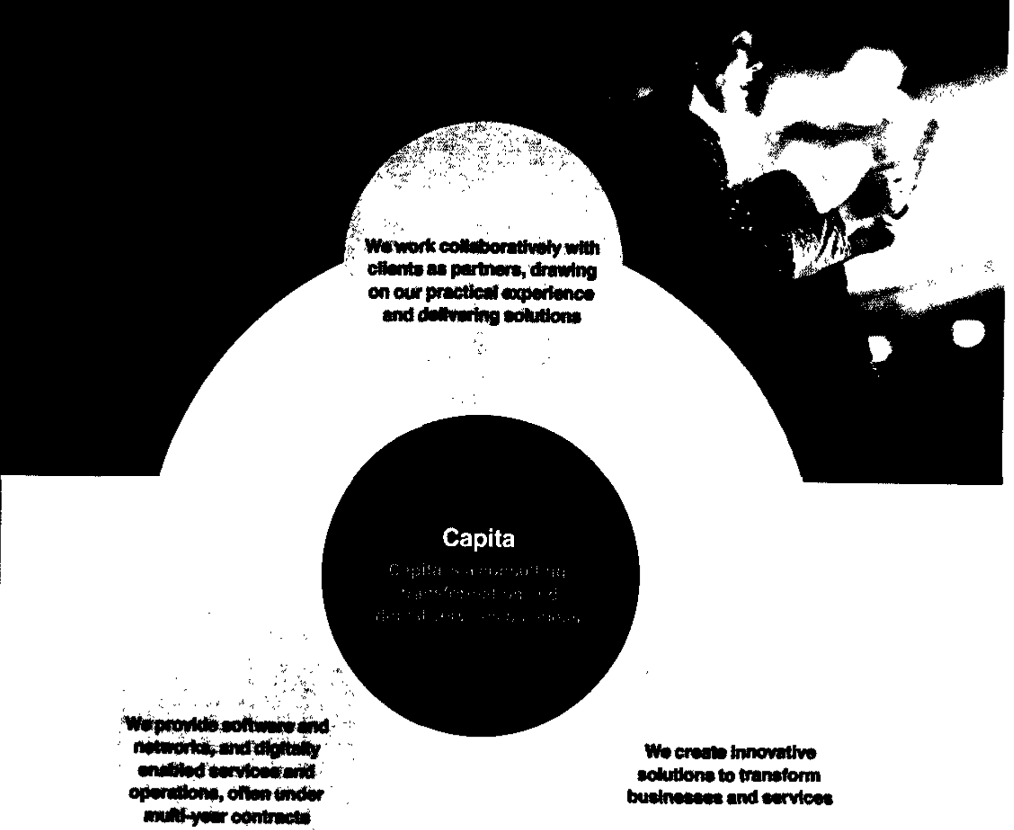
Every day we help millions of people by delivering innovative solutions to transform and simplify the connections between businesses and customers, governments and citizens.

We partner with clients and provide them with the insight and cutting-edge technologies that allow them to focus on what they do best and make peoples' lives easier and simpler.

We operate across three divisions – Public Service, Experience and Portfolio – in the UK, Europe, India and South Africa.



What we do as a business



Public Service

The number one strategic supplier of business process services (BPS) and technology services to the UK Government.

Main verticals: Education & Learning; Local Public Services; Health & Welfare; Defence, Security & Fire; Justice, Central Government and Transport

Adjusted revenue contribution

47%

Adjusted divisional operating profit contribution

51%

Adjusted revenue[1] contribution

14%

(2020: 14%)

Adjusted divisional operating profit[1] contribution

13%

(2020: 13%)

Divisional financial performance: (see also pages 19–22 and 25) is presented on an adjusted basis. Reported results are included, as the Board assesses divisional performance on adjusted results. The calculation of adjusted figures and our key performance indicators (KPIs) are contained in the APMs on pages 219 to 222.

Divisional details and performance can be found on pages 16 to 25

Our purpose

We are driven by our purpose [illegible] better outcomes – for our employees, clients and customers, suppliers and partners, investors and society.

We are committed to being a responsible business – in how we operate, serve society, respect our people and the environment, and deliver improving returns to our investors.

Capita 'creates better outcomes' for all its stakeholders:

by providing an environment in which they can thrive and develop

by delivering solutions, transforming businesses and services, and by delighting them

by treating them fairly and encouraging them to deliver

by delivering improving returns

by acting as a responsible business for the communities we serve

Everyone at Capita strives to create better outcomes for all our stakeholders by living our values of being:

- Open
- Ingenious
- Collaborative
- Effective

Our strategy

To create a simpler, stronger and more successful business that will drive organic revenue growth and sustainable free cash flow.

Simplify

Strengthen

Succeed

Measured through our KPIs:

Financial

£3,006.5m

£78.1m

1.61p

1.7x

Non-financial

-22pts

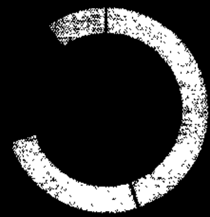
-3pts

98%

1. Refer to APMs on pages 219 to 222.

Aligning with our performance-based remuneration:

Annual bonus for the executive directors determined by:



- Free cash flow
- Adjusted profit before tax (PBT)
- Strategic objectives

How we create value

At Capita, we provide consulting, transformation and digital services.

Our markets:

Public: BPS spending growing at c.5% (Source: TechMarketView)

Government spending in the UK with private organisations is around £110bn and spending on BPS is growing at around 5%. The forecast market growth is driven by government increasingly looking to leverage technology, new digital products and emerging capabilities such as artificial intelligence.

Our expertise and resource

Market expertise

Technological resources

Client relationships

Our people

International infrastructure

Our consultants:

- Work collaboratively with clients as trusted, long-term strategic partners.
- Proactively identify opportunities within client businesses.
- Generate forward-looking insights by analysing, researching and debating trends and data.
- Support the design and implementation of better solutions for clients.
- Maximise opportunities across Capita, driving pipeline and creating pull-through revenue.

Our transformation services:

- Improve process quality, reliability and efficiency.
- Help reduce risk and cost.
- Create new opportunities for clients.
- Allow clients to focus on what they do best.

Our digital services:

- Help simplify clients' services.
- Assist better decision making.
- Contribute to process acceleration.
- Improve end-customer experiences.

Generating financial value

Efficient operations

Transformational services

Generating cash flow

Transactional services

Better outcomes for stakeholders

by providing an environment in which they can thrive and develop.

by delivering solutions, transforming businesses and services, and by delighting them.

by treating them fairly and encouraging them to deliver.

by delivering improving returns.

by acting as a responsible business for the communities we serve.

Chairman's introduction

Establishing the platform for growth

Strategy and performance

The Board and governance

Values and culture

[illegible]

[illegible]

Looking forward

[illegible]

Sir Ian Powell
Chairman

Chief Executive Officer's review

A year of significant change

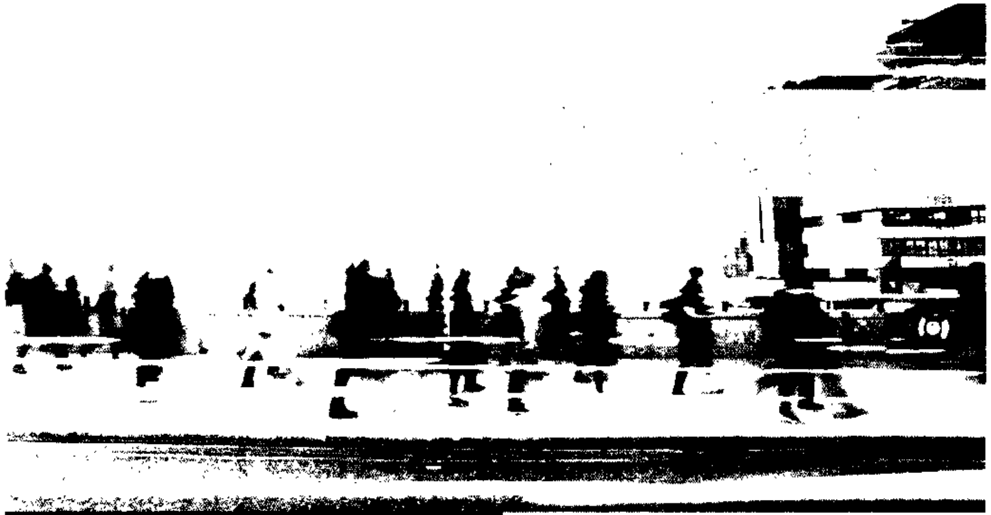
Summary

In 2021, we set out an ambitious and far-reaching roadmap to take us to net zero by 2035.

Underpinned by science-based targets, our three-phased approach aims to see us reach operational net zero by 2025 and operational and business travel net zero by 2030. This will involve reducing business travel emissions by 75% from 2019's baseline and transitioning our fleet to EV by 2032.

We have committed to achieving full net zero, including across our supply chain, by 2035, ahead of the UK Government's target of 2050. This requires working closely with our supplier base of around 21,000 to guide and support them in setting their own targets.

For additional information on our net zero plan see page 47



Our net zero timeline

Milestone 1

Operational net zero by 2025

Neutralise operational Scope 1 and 2 emissions

Milestone 2

Operational and travel net zero by 2030

Neutralise operational Scope 1 and 2, and business travel emissions

Milestone 3

Full net zero completion by 2035

Neutralise operational Scope 1 and 2, business travel and supply chain emissions

Financial results

Purpose

We operate the Ultra Low Emission Zone (ULEZ) on behalf of TfL. In 2021, we delivered the successful expansion of the zone from a small part of Central London through to the boundaries of the North and South Circular roads. This was a key milestone for Mayor of London, Sadiq Khan's, work to reduce air pollution in the city and make London's streets safer for all road users. Teams from across Capita worked in partnership with TfL and our supply chain to deliver the very significant cloud migration, scale the existing platforms and bring new team members on board to ensure the service was ready to launch.

We signed a learning services contract renewal worth up to £124m with a major UK financial services client. Under the contract, our Capita Learning Services Business provides a broad range of learning services, as well as market insight and thought leadership. These services include learning consultancy, virtual and face-to-face learning programmes, and digital and simulated learning. We are also responsible for procurement and management of any third-party learning suppliers to the client, including administrating training and the sourcing of learning professionals to deliver on client projects.

Winning business and growing revenue

Our markets

Operational delivery supporting contract retention and new business

Winning revenue

Building a pipeline for future revenue growth

Operational excellence, efficiency and scale to drive margins

Reducing cost

Managing inflation

Strengthening our balance sheet and delivering positive free cash flow

Reducing debt

Targeting sustainable free cash flow[2]

Outlook

Year ending 31 December 2022

Medium term

Jon Lewis
Chief Executive Officer

Public Service

Public Service is the number one strategic supplier of business process services (BPS) and technology services to the UK Government.

Adjusted revenue[1]

£1,410.4m

(2020: £1,273.0m) 10.8%

Adjusted operating profit[1]

£98.3m

(2020: £12.9m) 662.0%

Adjusted revenue by type (%)

1 87% Long-term contractual
2 9% Short-term contractual
3 4% Transactional

Revenue by market (%)

1 18% Education & Learning
2 19% Local Public Services
3 15% Health & Welfare
4 18% Defence, Fire & Security
5 30% Justice, Central Government & Transport

Financial performance

Divisional financial summary	2021	2020	Change %
Adjusted revenue[1] (£m)	**1,410.4**	1,273.0	10.8
Adjusted operating profit[1] (£m)	**98.3**	12.9	662.0
Adjusted operating margin[1] (%)	**7.0**	1.0	
Adjusted EBITDA[1] (£m)	**148.3**	87.7	69.1
Adjusted cash generated from operations[1] (£m)	**120.0**	95.6	25.5
Order book (£m)	**3,286.3**	2,736.6	20.1

Business units

- Education & Learning
- Local Public Services
- Health & Welfare
- Defence, Fire & Security
- Justice, Central Government & Transport

Employees

- 12,000

Client distribution

- UK

Major contract wins and renewals

- A new contract with the Royal Navy worth £925m over 12 years
- Scope expansion on the DFRP and Smart DCC contracts worth £127m
- A new contract for the JETS programme in Scotland worth £29m across two years
- A new 23-month contract worth £6m by the Department for Education to support students participating in the Turing Scheme

Competitors

- Atos
- Sopra Steria
- CGI
- TCS
- Cognizant
- Accenture
- DXC Technology
- BJSS
- Cap Gemini
- Kainos
- Serco
- Maximus

Our markets and growth drivers

Our strategy

Investing in growth

Cost and operational excellence

[illegible]

Read more online at capita.com/our-work

Financial performance

Outlook

Experience

Experience is one of Western Europe's leading customer experience businesses. It is the market leader in the UK and ranks third in EMEA.

Adjusted revenue[1]

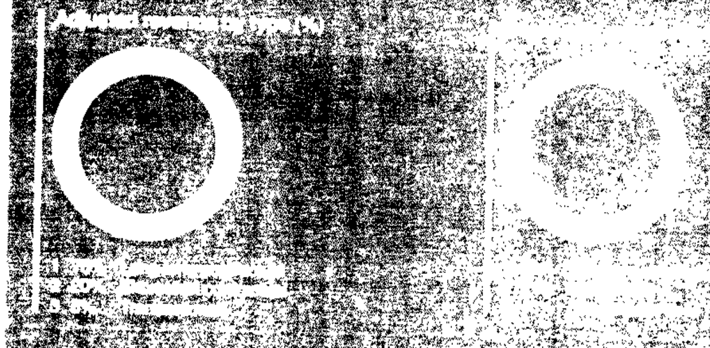
£1,184.7m

(2020: £1,307.7m) -9.4%

Adjusted operating profit[1]

£69.1m

(2020: £80.9m) -14.6%



Financial performance

Our markets and growth drivers

Our strategy

Technology

and Switzerland

client with TCV of

to provide

service across 15

with the RSPCA

- Sykes Enterprises
- In-sourcing trend

Investing in growth

Cost and operational excellence

Financial performance

Outlook

Portfolio

Portfolio comprises all our non-core businesses that are intended for disposal. This includes assets from our historical Specialist Service division, as well as businesses transferred from other divisions in our previous divisional structure.

Adjusted revenue[1]

£413.4m

(2020: £414.8m) -0.3%

Adjusted operating profit[1]

£23.8m

(2020: £14.2m) 67.6%

Our markets and growth drivers

Our strategy

Cost and operational excellence

Financial performance

Outlook

Strengthening the balance sheet

“We have already exceeded the target we set of £700m in total disposal proceeds to be delivered by June 2022.”

Summary of financial performance

Overview

Adjusted revenue[1] bridge by key driver

	£m
Year ended 31 December 2020	[illegible]
[illegible]	[illegible]
Year ended 31 December 2020 rebased	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Year ended 31 December 2021	3,008.5

Adjusted results

Adjusted revenue

Order book

Adjusted profit before tax

Adjusted profit before tax[1] bridge by key driver

	£m
Year ended 31 December 2020	5.4
[illegible]	[illegible]
Year ended 31 December 2020 rebased	29.3
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Year ended 31 December 2021	93.5

Adjusted operating profit to adjusted free cash flow[1]

	2021 £m	2020 £m
Adjusted operating profit	139.1	[illegible]
[illegible]		
[illegible]	156.0	[illegible]
Adjusted EBITDA	295.1	[illegible]
[illegible]	(123.5)	[illegible]
[illegible]	13.8	[illegible]
Adjusted cash generated from operations	185.4	[illegible]
[illegible]	(51.3)	[illegible]
[illegible]	(56.0)	[illegible]
Adjusted free cash flow	78.1	[illegible]

Adjusted free cash flow

Reported results

Adjusted to reported profit

Adjusted[1] to reported profit bridge

	Operating profit/(loss)		Profit/(loss) before tax	
	2021 £m	2020 £m	2021 £m	2020 £m
Adjusted	139.1	[illegible]	93.5	[illegible]
[illegible]				
[illegible]	(12.0)	[illegible]	(12.0)	[illegible]
[illegible]	(11.5)		(11.5)	
[illegible]	9.3		9.3	
[illegible]			(1.4)	[illegible]
[illegible]	[illegible]	[illegible]	399.1	
[illegible]				
[illegible]	(43.1)		(43.1)	
[illegible]	(148.3)	[illegible]	(148.3)	[illegible]
Reported	[illegible]	[illegible]	**285.6**	**(49.4)**

Impairment of goodwill

Business exits

Significant restructuring

Contract-related provisions and impairments

Adjusted to reported free cash flow

	2021 £m	[illegible]
Adjusted	78.1	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	(18.5)	
[illegible]	[illegible]	[illegible]
[illegible]		
[illegible]	[illegible]	
[illegible]	(194.1)	[illegible]
Reported	[illegible]	303.8

Adjusted to reported free cash flow

Cash flow headwinds

Impact on net debt

Cash flow headwinds

	Actual 2021 £m	[illegible]
[illegible]	104.1	[illegible]
[illegible]	155.5	[illegible]
[illegible]	68.6	[illegible]
Total	328.2	[illegible]

Net debt

	2021 £m	[illegible]
Opening net debt	(1,077.1)	[illegible]
[illegible]	208.5	[illegible]
[illegible]	(11.2)	[illegible]
Closing net debt	(879.8)	[illegible]
[illegible]	448.4	[illegible]
Headline net debt (pre-IFRS 16)	(431.4)	[illegible]
[illegible]	101.5	[illegible]
[illegible]	(532.9)	[illegible]
Headline net debt (pre-IFRS 16)/adjusted EBITDA	1.7x	[illegible]
Headline net debt (post-IFRS 16)/adjusted EBITDA	2.7x	[illegible]

Liquidity

	2021 £m	[illegible]
[illegible]	385.7	[illegible]
[illegible]	–	[illegible]
[illegible]	(40.0)	[illegible]
Undrawn committed facilities	345.7	[illegible]
[illegible]	101.5	[illegible]
[illegible]	(54.8)	[illegible]
Liquidity	392.4	[illegible]

Capital and financial risk management

Going concern assumption

Viability assessment

Pensions

Consolidated balance sheet

Parent Company balance sheet

Putting our people first

Like so many other businesses, we have continued to be challenged by the effects of Covid-19, while making sure that the health, safety and wellbeing of our colleagues is our number one priority.

HR operations

Continuing to focus on the health, safety and wellbeing of all colleagues

Performance and development

Capita Academy

Professional development

Youth employability

Developing colleagues' potential

Reward

Supporting future leaders

Resourcing

Systems and transformation

Property portfolio

Engaging with our stakeholders

Why they are important

What matters to them

How we engaged

Topics of engagement

Outcomes and actions

Risks to stakeholder relationship

Key metrics

Further details

Why they are important

What matters to them

How we engaged

Topics of engagement

Outcomes and actions

Risks to stakeholder relationship

Key metrics

Further details

Why they are important

What matters to them

How we engaged

Topics of engagement

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Outcomes and actions

Risks to stakeholder relationship

Key metrics

Further details

Why they are important

What matters to them

How we engaged

Topics cf engagement

Outcomes and actions

Risks to stakeholder relationship

Key metrics

Further details

Focusing on what matters

Our five-year responsible business strategy ensures we remain focused on addressing the issues where we can have the biggest impact through our own operations and through the products and services we provide to our clients.

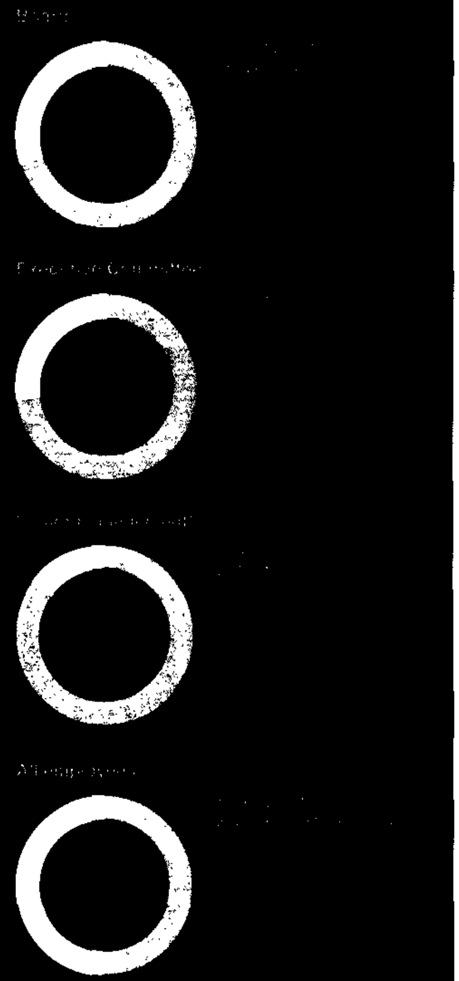
Engaging with our colleagues

Building an inclusive workplace

Delivering our strategy themes	Building a more inclusive organisation	Driving greater social mobility Enabling better digital access	Reducing our environmental impact	Operating responsibly for our stakeholders
Goals	• Ensuring our workforce reflects the diversity of the communities we serve and is inclusive.	• Empowering 100,000 young people in the communities we serve to progress into the world of work by 2023. • Equipping 10,000 people in our communities with the digital skills required for today's world by 2023.	• Seeking to reduce our carbon footprint and supporting our clients to do the same.	• Seeking to integrate environmental, social, ethical and governance considerations across our business operations.
Areas of focus	• Prioritising our colleagues' wellbeing • Engaging with our colleagues • Reimagining our workplaces • Building an inclusive organisation	• Tackling youth unemployment • Promoting digital skills for all	• Tackling environmental challenges with clients • Improving our environmental performance • Adapting to climate change	• Client relations • Supplier engagement • Ethical business
Supporting the United Nations' Sustainable Development Goals	3 8 5 10	4 8	13	8 12

Our focus on racial diversity

Employee gender diversity at 31 December 2021



Key activities in 2021 included:

Turning the dial on gender

Supporting our colleagues with a disability

Tackling economic inequalities

Digital inclusion

Fighting climate change and improving biodiversity

Net zero plan

Annual GHG emissions

Operational (Scope 1 & 2)	Operational (Scope 1 & 2) [illegible] emissions	Operational (Scope 1 & 2) + business travel [illegible] emissions

Annual GHG emissions

	2021	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	24,083	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]
[illegible]	[illegible]		[illegible]
[illegible]	43,609	[illegible]	[illegible]
[illegible] (market-based)	29,848	[illegible]	[illegible]
Total gross tonnes of CO [illegible] £1m revenue (location-based)	[illegible]	[illegible]	24.92
Total gross tonnes of CO [illegible] headcount (location-based)	0.73	0.85	[illegible]

Table of progress against targets

Progress against SBTi verified 1.5 C science-based GHG reduction targets	2021 target	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	29%	[illegible]	[illegible]

Other metrics	2021	[illegible]	[illegible]
[illegible]	80%	[illegible]	[illegible]
[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	32%		[illegible]
[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			

Notes

Scope [illegible]

Scope [illegible]

Methodology

Operating responsibly

Client relations

Supplier engagement

Employees on the Board

Targeting bribery and corruption

Upholding human rights

Protecting privacy

Non-financial information statement

This section of the report constitutes Capita's non-financial information statement, produced to comply with sections 414CA and 414CB of the Companies Act 2006. The table below, and information it refers to, is intended to help stakeholders understand our position on key non-financial matters. This builds on reporting that we do under the following frameworks: CDP, Dow Jones Sustainability Index and the EcoVadis CSR Assessment.

Reporting requirement	Policies and standards which govern our approach	Where is this referenced in this report?
Environmental matters	• Health, safety and environmental policy (E)	• Responsible business: fighting climate change and improving biodiversity pages 46 to 47
Employees	• Code of conduct (E) • Health, safety and environmental policy (E) • Diversity and inclusion policy (E) • Employee handbook (I)	• Our people section pages 35 to 39 • Responsible business: building an inclusive workplace pages 43 to 45 • Diversity data page 44
Human rights	• Human rights policy (E) • Supplier charter (E) • Modern slavery statement (E) • Information and cyber security policy (E) • Privacy policy (E) • Employment screening policy (I) • Procurement policy (E)	• Responsible business: operating responsibly – supplier engagement page 48 • Responsible business: operating responsibly – upholding human rights page 49
Social matters	• Community and charity policy (E) • Community and charity standard (I) • Volunteering FAQ (I) • Matched funding FAQ (I) • Fundraising FAQ (I)	• Responsible business: digital inclusion page 46 • Responsible business: youth employability page 37
Anti-corruption and anti-bribery	• Code of Conduct: Anti-bribery and corruption policy (E) • Financial crime policy (E)	• Responsible business: targeting bribery and corruption page 49
Due diligence and outcome	• Risk management framework • Annual internal audit plan • Risk register • Audit and Risk Committee report	• Risk management framework pages 53 to 55 • Audit and Risk Committee report pages 86 to 95
Business model		• Business model pages 6 and 7
Non-financial KPIS		• Non-financial KPIs page 1 • Responsible business

Task Force on Climate-related Financial Disclosures

TCFD statement of compliance

TCFD Disclosure	Planned actions in 2022

Governance

Strategy

Planned actions in 2022

Strategy continued

Planned actions in 2022

Strategy continued

Technology

Energy source

TCFD Disclosure

Planned actions in 2022

Risk management

TCFD Disclosure

Planned actions in 2022

Metrics and targets

Climate-related metrics

[illegible]

[illegible]

[illegible]

[illegible] management of climate risks and opportunities

[illegible] assigned to climate considerations

[illegible]

[illegible]

Risk management and internal control

Managing risks and opportunities

We recognise that effective internal *control and risk management are* essential to our long-term success and are fundamental in helping us achieve our strategic objectives and protecting shareholder value. Risk management is a core component of our business processes, which have been enhanced through our newly established organisational structures.

Managing risks through transformation

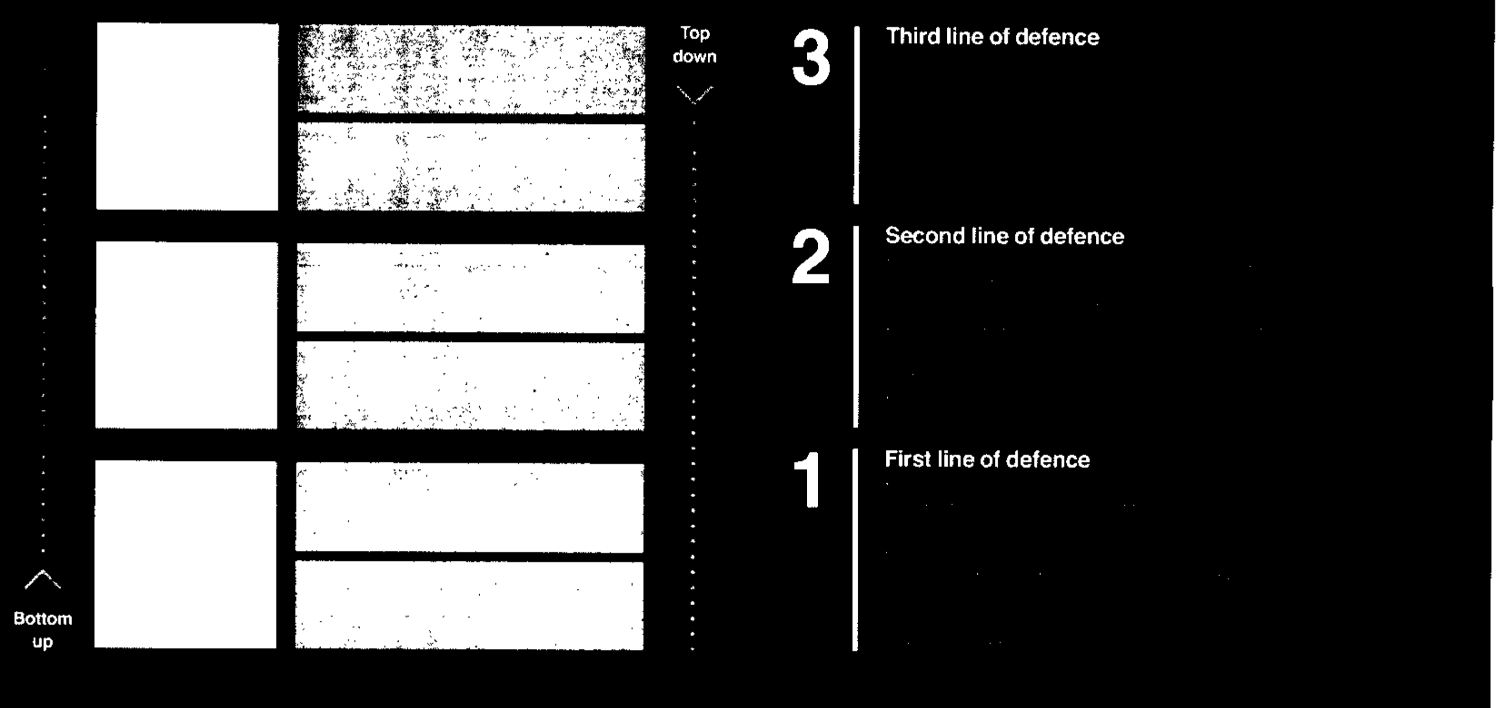
Internal control and risk management journey

Key control questionnaire

Minimum control standards

Risk oversight and governance

Risk governance structure and assurance lines



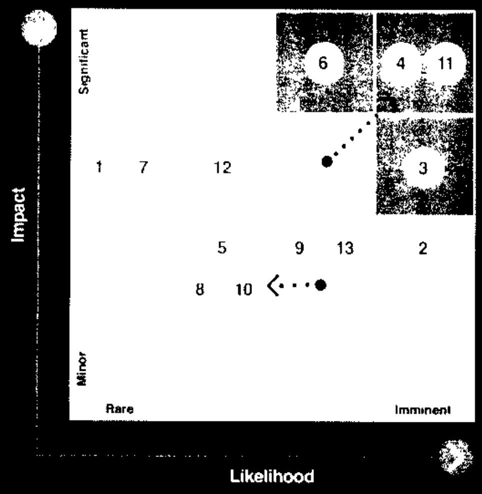
Risk management process

Risk appetite

Emerging risks

Principal risks

The Capita principal risk profile as at 31 December 2021, is illustrated below



	Critical	The maximum level of risk Capita can bear and remain effective at delivering its strategy. Of immediate critical concern.
	Uncomfortable	Risk level will cause problems that would put uncomfortable pressure on delivery.
	Vulnerable	Risk level likely to cause problems that would put uncomfortable pressure on delivery.
	Acceptable	A business-as-usual risk, manageable with the right people and processes in place to respond to the threat. A tolerable level of risk.
•··>		Risk movement since 2020 year end

1	**Living our purpose**	Failure to live our purpose and failure to change stakeholder perception so we are seen to live our purpose
2	**Strategy**	Failure to define and resource the right medium-term strategy
3	**Innovation**	Failure to innovate and develop new value propositions for clients and customers
4	**People attraction & retention**	Failure to attract, develop, engage and retain the right people for current and future client propositions
5	**Culture**	Failure to change the culture and practices of Capita in line with our responsible business agenda
6	**Data protection**	Failure to protect data, information and IT systems
7	**Contracts**	Failure to secure new contracts and/or extend existing contracts
8	**Delighting clients**	Failure to delight clients and customers and deliver contractual obligations
9	**Internal control**	Failure to develop and maintain a risk-based system of internal control
10	**Political climate**	Failure to plan for, influence and respond to potential changes in the political climate
11	**Financial stability**	Failure to maintain financial stability, viability and achieve financial targets/results
12	**Wellbeing, health & safety**	Failure of Capita to protect the wellbeing, health and safety of all Capita's employees, service users, and others
13	**Climate change**	Failure to adapt Capita and its services to the impacts of climate change

1 Failure to live our purpose and failure to change stakeholder perception so that we are seen to live our purpose

Mitigation actions in 2021

Future actions

2 Failure to define, resource and execute the right medium-term strategy

Mitigation actions in 2021

Future actions

3 Failure to innovate and develop new value propositions for clients and customers

Mitigation actions in 2021

Future actions

4 Failure to attract, develop, engage and retain the right people for current and future client propositions

Mitigation actions in 2021

Future actions

5 Failure to change the culture and practices of Capita in line with our responsible business agenda

Mitigation actions in 2021

Future actions

Potential impact	How we manage the risk

6 Failure to protect data, information and IT systems

Mitigation actions in 2021

Future actions

7 Failure to secure new contracts and/or extend existing contracts

Mitigation actions in 2021

Future actions

8 Failure to delight clients and customers and deliver contractual obligations

Mitigation actions in 2021

Future actions

9 Failure to develop and maintain a risk-based system of internal control

Mitigation actions in 2021

Future actions

10 Failure to plan for, influence and respond to potential changes in the political climate

Mitigation actions in 2021

Future actions

11 Failure to maintain financial stability and achieve financial targets

Mitigation actions in 2021

Future actions

12 **Failure of Capita to protect the wellbeing, safety, and health of all Capita's employees, the people we work with and our service-users**

Mitigation actions in 2021

Future actions

13 **Failure to adapt Capita and its services to the impacts of climate change**

Mitigation actions in 2021

Future actions

Viability statement

Claire Denton
Group Company Secretary

Corporate governance

Chairman's report

Board strength and resilience is essential to operate successfully during a period of sustained disruption. I am therefore pleased to introduce the corporate governance section of this Annual Report and present my introductory statement on Board governance during 2021.

Board leadership

Board diversity

	31 December 2021	1 February 2022

Reappointment of directors

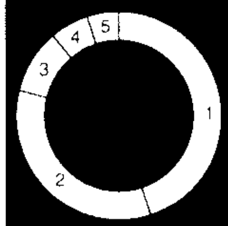
Meeting schedule

Senior management

Board effectiveness

Corporate governance principles

Board time allocation (%)

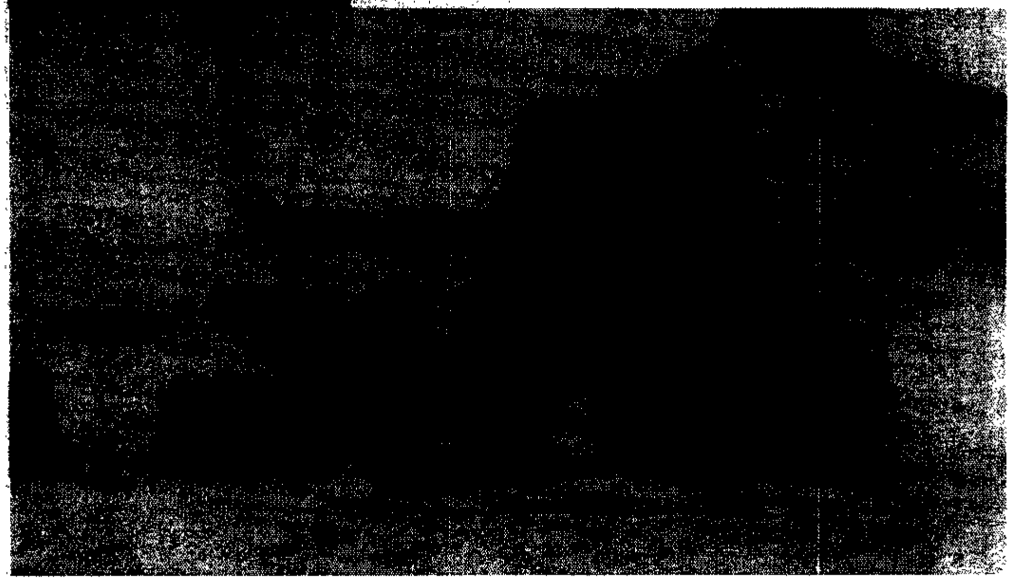


1 **45%** Executive reports
2 **34%** Strategy, transformation and growth
3 **10%** Governance (incl. Board evaluation)
4 **6%** IR / brand / reputation
5 **5%** Full and half-year results

Sir Ian Powell (Chairman)
Jon Lewis (CEO)
Tim Weller (CFO)[1]
David Lowden
Matthew Lester
Georgina Harvey
John Cresswell
Neelam Dhawan[2]
Nneka Abulokwe[3]
Lyndsay Browne
Joseph Murphy

2015 2018 2021

1. Joined the Board on 12 May 2021
2. Joined the Board on 1 March 2021
3. Joined the Board on 1 February 2022



Culture

Metric	2021	2020
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Board evaluation

Finding from 2020 evaluation	Action in 2021
[illegible]	[illegible]
[illegible]	[illegible]

Finding from 2021 evaluation	Proposed actions in 2022
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Remuneration

[illegible]

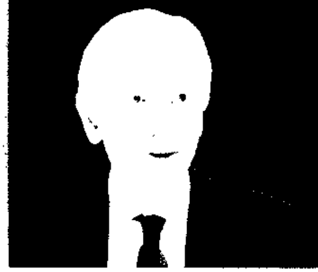
Corporate governance and committee reports

[illegible]

Sir Ian Powell
Chairman

Board members

Chairman



Sir Ian Powell

Executive Directors

Jon Lewis

Tim Weller

Independent Non-Executive Directors

David Lowden

Matthew Lester

Other current appointments

Georgina Harvey

Board of Directors

Independent Non-Executive Directors

Employee Non-Executive Directors

John Cresswell

Neelam Dhawan

Nneka Abulokwe OBE

Lyndsay Browne

Appointed

Key skills and experience

Other current appointments

Joseph Murphy

Appointed

Key skills and experience

Other current appointments

Committed to high standards of governance

Corporate Governance Code

Board changes during the year

Board changes after year end

Board composition

Executive directors	Independent non-executive directors	Non-executive employee directors

Executive directors	Independent non-executive directors	Non-executive employee directors

Role of the Board

Matters reserved for the Board

Chairman

The Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role. This includes setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairman should also promote a culture of openness and debate, by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors. The Chairman is responsible for ensuring that the directors receive accurate, timely and clear information, and should ensure there is effective communication with shareholders.

Senior independent director

The SID acts as a sounding board for the Chairman on Board-related matters, chairs meetings in the absence of the Chairman, acts as an intermediary for other directors when necessary, leads the evaluation of the Chairman's performance, leads the search for a new Chair, when necessary, and is available to shareholders who wish to discuss matters which cannot be resolved otherwise.

Non-executive directors

The non-executive directors constructively challenge and help develop proposals on strategy. They scrutinise the performance of management in meeting agreed goals and objectives, and monitor the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing executive directors, and in succession planning.

Executive directors

The executive directors are responsible for the day-to-day running of all aspects of the Group's business. This responsibility is different from the Chairman's role in running the Board. The role of CEO is separate from that of Chairman to ensure that no one individual has unfettered powers of decision making.

Non-executive employee directors

The non-executive employee directors are appointed from the workforce to contribute an employee perspective to Board discussions. This is a key element of the Board's approach to employee engagement.

Board meetings and attendance

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee

Board leadership

Governance and strategy

Board independence

Matters reserved for the Board

- **Board membership and other appointments** [illegible]

Board of directors' induction and training

[illegible]

Group Company Secretary

[illegible]

Shareholder engagement

Shareholder meetings

Principal decisions

Restructuring of operating model	Growth [illegible] Principal risks	Our people [illegible] Investors	[illegible]
Net zero	Strategy [illegible] Principal risks	Society	[illegible]

Shareholder communications

Business relationships

Remuneration Committee

Risk management and internal control

Corporate governance report

Management report

Post-balance sheet events

Other statutory and regulatory information

Strategic report

Election to apply FRS 101 – reduced disclosure framework

Appointment, reappointment and removal of directors

Group activities

Results and dividends

Conflicts of interest

Major shareholders

Shareholder	Number of shares	% of voting rights at 31 December 2021	Number of shares direct	Number of shares indirect
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Directors' interests

Share capital

	Number of shares	% of issued share capital
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Viability statement

Going concern

Auditor review

Disabled persons

Employee development and engagement

Political donations

Greenhouse gas emissions

GHG emissions (tCO_2e) and energy use (kWh) for period 1 January 2021 to 31 December 2021

Period	Current reporting year 2021			Comparison reporting year 2020		
Region	UK and offshore	Global (excluding UK and offshore)	Total	UK and offshore	Global (excluding UK and offshore)	Total
			65,218,269			75,540,811
			106,990,526			97,603,902
			14,774,971			50,264,055
			186,983,763			223,408,768
			100%			100%
			11,639			16,186
			1,916			1,782
			1,466			1,011
			198			181
			23,891			28,178
			10,528			23,552
			4,506			7,881
			39,109			47,338
			11,609			55,220
			29,849			50,383
			39,109/91m total revenue 2021			14.9
			0.23			0.35

Energy efficiency action 2021

	tCO_2e reduction per annum
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Financial instruments

Powers of directors

Change of control

Rights and restrictions attaching to shares

Restrictions on transfer of shares

Directors' indemnities

Annual general meeting

Cross-references

Listing Rule	Subject	Page no.
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Directors' responsibilities in respect of the Annual Report and the financial statements

Directors' responsibility statement

Claire Denton
Chief General Counsel and Group Company Secretary

Committees

Terms of reference

The terms of reference for the Nomination, Remuneration, Audit and Risk, and Disclosure committees are reviewed annually and updated, where required, to reflect updates in good governance practices. They are summarised below and the Nomination, Remuneration and Audit and Risk committee terms of reference are displayed in full in the investor centre at www.capita.com/investors/corporate-governance, together with a summary of matters reserved for the Board.

Nomination Committee	• Reviews composition of the Board. • Recommends appointment of new directors. • Considers succession plans for Board and senior management positions. • Oversees development of diverse pipeline for succession.
Audit and Risk Committee	• Reviews accounting policies and contents of financial reports. • Monitors internal control environment. • Considers adequacy, effectiveness and scope of external and internal audit programme. • Oversees relationship with external auditor. • Monitors risk profile and obtains assurance that principal risks have been properly identified and appropriately managed.
Remuneration Committee	• Sets policy for Board and senior management remuneration. • Approves individual remuneration awards. • Agrees changes to senior executive incentive plans.
Disclosure Committee	• Responsible for the appropriate identification and management of inside information, including any decision to delay public disclosure.

Membership

Membership of the Company's standing committees at 31 December 2021 is shown below:

	Nomination	Audit and Risk	Remuneration
Sir Ian Powell	C		
David Lowden	X	X	X
Matthew Lester	X	C	X
Georgina Harvey	X	X	C
John Cresswell	X	X	X
Neelam Dhawan	X	X	X
Lyndsay Browne			X
Joseph Murphy		X	

(C) Chair

Frequency of meetings and attendance

During 2021, the Nomination Committee met three times, the Remuneration Committee five times and the Audit and Risk Committee seven times. Some directors were unable to attend certain committee meetings due to prior commitments. Attendance of directors at committee meetings is shown in the table on page 71.

Nomination Committee report

The committee has focused on achieving an appropriate balance and continuity of skills on the Board.

The committee met three times in 2021 and the members' attendance record is shown on page 71. The Chief General Counsel and Group Company Secretary acts as Secretary to the committee and is available to assist committee members as required, also ensuring the distribution of timely and accurate information. The committee reports and makes recommendations to the Board in relation to its activities. It is authorised under its terms of reference to obtain the advice of independent search consultants. The committee's terms of reference were reviewed and updated during the year and can be found on Capita's website at www.capita.com/investors/corporate-governance.

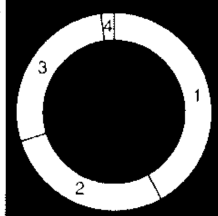
Key responsibilities

- Identify and nominate appropriate candidates for appointment to the Board, having due regard to the provisions of the 2018 Code and, in particular, the balance of skills, knowledge and experience on the Board and the diversity of its composition.
- Keep the structure and size of the Board and the leadership needs of the organisation under review and ensure that plans are in place for orderly succession and appointment to the Board.
- Review the time commitment and performance of non-executive directors.
- Oversee development of a diverse pipeline for succession and review the Group's [illegible]

Activity in 2021

- Succession planning for the Board generally and for other senior positions below Board level.
- Recruitment and appointment of a permanent CFO and a new non-executive director, and commenced process to recruit an additional non-executive director.
- Review of diversity and inclusion activities and measures.
- Approval of John Cresswell's term of appointment as non-executive director for a further three years.

Nomination Committee time allocation (%)



1 42% Board appointments
2 28% Succession planning
3 28% Diversity
4 2% Governance

Diversity and inclusion

Gender and ethnicity balance

Appointment process

Skills and experience

Succession planning and Board composition

Board evaluation

Continued oversight in a pivotal year

The committee continues to fulfil its role of supporting the Board in its review of the integrity of the Group's financial reporting, monitoring the effectiveness of the Group's systems of risk management and internal controls, and overseeing the activities of the Group's internal audit function and its external auditor.

The Audit and [illegible] of reference set [illegible] full t[illegible] responsibiliti[illegible] [illegible]hor[illegible] committee and can [illegible]ound [illegible] Company's website a[illegible]ww.[illegible] Investors/corporategov[illegible]

The terms of r[illegible] annually and [illegible]d [illegible]

The committee is responsible for carrying out the audit functions as required by DTR 7.1.3R and assists the Board in fulfilling its oversight responsibilities in respect of the Company and the Group. The committee's key responsibilities are:

Financial reporting
To [illegible] reporting of financial and [illegible] to the Company's [illegible] and to monitor the integrity of [illegible], [illegible] the [illegible] of key judgements in determining reported outcomes, to ensure they are fair, balanced and understandable.

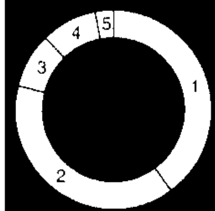
Risk management, internal control and compliance
To review and assess the adequacy of systems of internal control and risk management, and monitor the risk profile of the business.

Internal audit
To approve the annual internal audit plan, review the effectiveness of the internal audit function and review all significant recommendations, and ensure they are addressed in a timely manner.

External audit
To review the effectiveness and objectivity of the external audit process, assess the independence of the external auditor and ensure appropriate policies and procedures are in place to protect such independence.

Effectiveness
To report to the Board on how it has discharged its responsibilities.

Audit and Risk Committee time allocation (%)



1 40% Risk management
2 39% Financial reporting (incl. external audit)
3 9% Internal audit
4 9% Private meetings with auditors
5 3% Governance

Risk and control framework

Transformation journey

Committee membership and attendance

How the committee operates

How the committee discharged its roles and responsibilities in 2021

Financial reporting

Accounting judgements and significant accounting matters

Fair balanced and understandable

Communications with the Financial Reporting Council

Significant issues in relation to the financial statements considered by the Audit and Risk Committee

Going concern and viability assessment

Matter considered

Action

Outcome

Revenue and profit recognition

Matter considered

Action

Outcome

Contract fulfilment assets

Matter considered

Outcome

Action

Impairment of intangible assets, goodwill and Parent Company's investment in subsidiaries, and recoverability of receivables from subsidiary undertakings in the Parent Company

Matter considered

Outcome

Action

Items excluded from adjusted results

Matter considered

Action

Outcome

Provisions and contingent liabilities

Matter considered

Action

Outcome

Pensions

Matter considered

Action

Outcome

Other issues considered in relation to the financial statements

Materiality

Statutory auditor

Disclosure of information to the auditor

Auditor independence

Audit-related services and fees

External auditor performance

Audit partner rotation

External auditor reappointment

Review of risk management and internal control

Internal audit

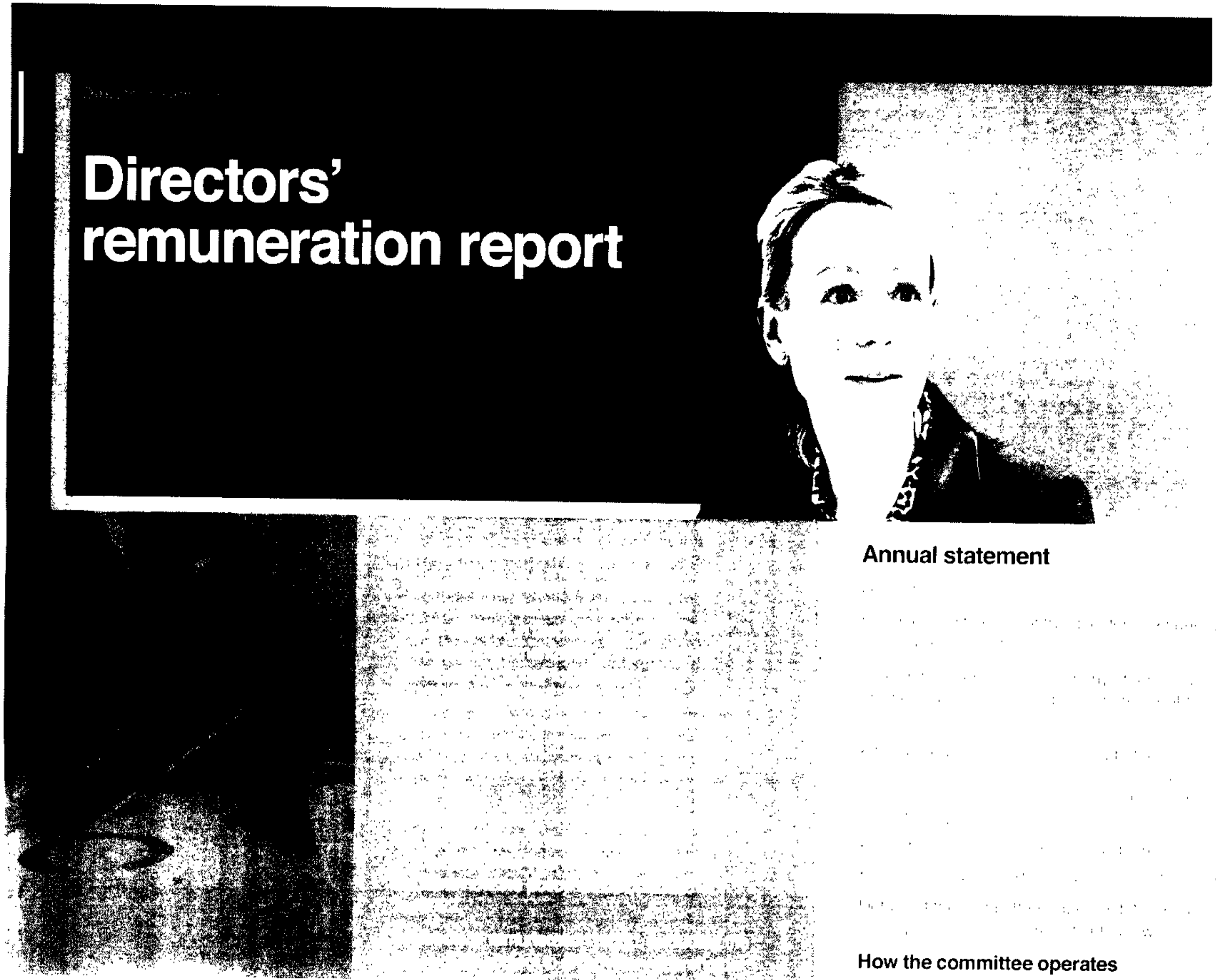
Anti-bribery and corruption

Speak Up

Privacy

Matthew Lester
Chair

Directors' remuneration report



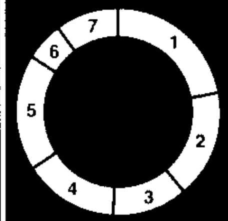
Annual statement

How the committee operates

All members of the committee are independent non-executive directors, with the exception of the non-executive employee director. The number of formal meetings held and the attendance by each member is shown in the table on page 71. The committee also held informal discussions as required. The Company Secretary acts as secretary to the committee and is available to assist the members of the committee as required, ensuring that timely and accurate information is distributed accordingly.

The committee's terms of reference set out the role, responsibilities and authority of the committee and can be found on the Company website at www.capita.com/investors. These were reviewed and updated where appropriate, on an annual basis.

Remuneration Committee time allocation (%)



1 **22%** Governance
2 **17%** Executive Directors' and Executive Committee members' remuneration
3 **12%** MBP
4 **15%** LTIP/RSA
5 **18%** Wider workforce
6 **6%** Shareholder consultation/feedback
7 **10%** Committee time only

Committee activities

Clarity

Simplicity

Risk

Remuneration for 2021

Annual bonus for 2021

Use of discretion

2021

Board changes in 2021

Remuneration policy for 2022

Implementing the policy for 2022

Fixed remuneration

2022 annual bonus

2022 RSAs

Shareholder views

Employee engagement

Concluding thoughts

Georgina Harvey
Chair
Remuneration Committee

Directors' remuneration policy

Responsibilities and activities of the Remuneration Committee

Consideration of shareholder views

Consideration of our people

Remuneration policy table

Base salary

Benefits

Pension

Annual bonus

Restricted share awards

Shareholding guidelines

In employment

Post cessation

Non-executive director (NED) fees

Malus and clawback

Application of our remuneration policy

Directors' recruitment and promotions

Directors' service agreements and payments for loss of office

Non-executive directors' terms of engagement

Non-executive employee directors' terms of engagement

Inspection of service agreements/letters of appointment

Annual report on remuneration

[illegible]

Shareholder voting at the AGM

[illegible]

	Votes cast for	Votes cast against	Abstentions
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Policy implementation for 2022

[illegible]

Fixed remuneration: [illegible]

2022 annual bonus: [illegible]

2022 RSAs. [illegible]

Fees for the Chairman, senior independent director, non-executive directors and employee non-executive directors

[illegible] 2022 [illegible] as follows:

	Annual fee from 1 January 2022
Sir Ian Powell, Chairman	[illegible]
David Lowden, Senior Independent Director	[illegible]
Matthew Lester, Audit and Risk Committee Chair	[illegible]
Georgina Harvey, Remuneration Committee Chair	[illegible]
Nneka Abulokwe	[illegible]
John Cresswell	[illegible]
Neelam Dhawan	[illegible]
Lyndsay Browne	[illegible]
Joseph Murphy	[illegible]

Directors' remuneration earned in 2021 – single-figure table (audited)

Director	Year	[illegible]	[illegible]	[illegible]	Annual bonus	[illegible]	Total remuneration £	[illegible]	Total variable remuneration
[illegible]	2021	[illegible]					325 000	[illegible]	
[illegible]		[illegible]					284 575	[illegible]	
[illegible]	2021	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1 237 918	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]		[illegible]	1 196 582	[illegible]	[illegible]
[illegible]	2021	[illegible]	[illegible]	[illegible]	[illegible]		459 188	[illegible]	[illegible]
[illegible]	2021	[illegible]					75 000		
[illegible]							–		
[illegible]	2021						75 000	[illegible]	
[illegible]		[illegible]					65 829	[illegible]	
[illegible]	2021						75 000	[illegible]	
[illegible]		[illegible]					65 625	[illegible]	
[illegible]	2021	[illegible]					64 500	[illegible]	
[illegible]		[illegible]					56 438	[illegible]	
[illegible]	2021	[illegible]	[illegible]				57 750	[illegible]	
[illegible]	[illegible]						–		
[illegible]	2021	[illegible]					64 500	[illegible]	
[illegible]		[illegible]					56 438	[illegible]	
[illegible]	2021	[illegible]					64 500	[illegible]	
[illegible]		[illegible]					56 458	[illegible]	
[illegible]									
[illegible]	2021	[illegible]	[illegible]				534 320	[illegible]	
[illegible]		[illegible]					152 381		
[illegible]	2021						965	[illegible]	
[illegible]		[illegible]	[illegible]	[illegible]			356 101	[illegible]	
[illegible]	2021	[illegible]	[illegible]				14 646	[illegible]	
[illegible]		[illegible]					65 625		
[illegible]	2021	[illegible]					24 193	[illegible]	
[illegible]		[illegible]					56 458	[illegible]	
[illegible]	2021	[illegible]					62 163	[illegible]	
[illegible]	[illegible]	[illegible]					56 438	[illegible]	

Annual bonus for 2021 (audited)

Financial targets (80% of the bonus)

Strategic objectives (20% of the bonus)

Jon Lewis

Tim Weller (from 12 May 2021)

Long-term incentive awards due to vest in 2022 based on performance to 31 December 2021 (audited)

RSAs granted in 2021 (audited)

Directors' interests and shareholding guidelines (audited)

	Beneficially held interests at 31 December 2021	Beneficially held interests at 31 December 2020	Interests in share incentive schemes, awarded without performance conditions at 31 December 2021	Interests in share incentive schemes awarded without performance conditions at 31 December 2020	Interests in share incentive schemes awarded subject to performance conditions/underpins at 31 December 2021	Interests in share incentive schemes awarded subject to performance conditions at 31 December 2020	Interests in share option schemes where performance/vesting conditions have been met but not exercised at 31 December 2021	Interests in share option schemes where performance/vesting conditions have been met but not exercised at 31 December 2020	Percentage of Shareholding target requirement at 31 December 2021

Share plans (audited)

DAB plan

Unvested DAB deferred/restricted awards at 31 December 2021

Name of director	2019 award	Total
[illegible]	[illegible]	[illegible]
[illegible]		[illegible]

Unvested LTIP awards

Name of director	2019 award	2020 award
[illegible]	[illegible]	[illegible]

2019 awards:

Performance underpin	Performance metric	Weighting	Threshold (25% vests)	Target (50% vests)	Stretch (100% vests)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2020 awards:

Performance underpin	Performance measure	Weighting	Threshold (25% vests)	Target (50% vests)	Stretch (100% vests)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Unvested restricted share awards

Name of director	2021 award
[illegible]	[illegible]
[illegible]	[illegible]

Satisfaction of options

[illegible]

Dilution

[illegible]

Executive directors' service agreements

	Date of joining the Company	Notice period
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Non-executive directors' terms of engagement

	Date of joining the Board	Expiry date of current appointment
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Board changes

[illegible]

Payments to former directors (audited)

[illegible]

External appointments for executive directors

[illegible]

Percentage change in remuneration levels

	2021			2020		
	Base salary/fees	Taxable benefits	Annual bonus	Base salary/fees	Taxable benefits	Annual bonus
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						
[illegible]						

CEO pay ratio

The table below compares the single total figure of remuneration for the CEO with that of the [illegible] 50th percentile (median) and [illegible]

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2021	Option B	51:1	40:1	25:1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

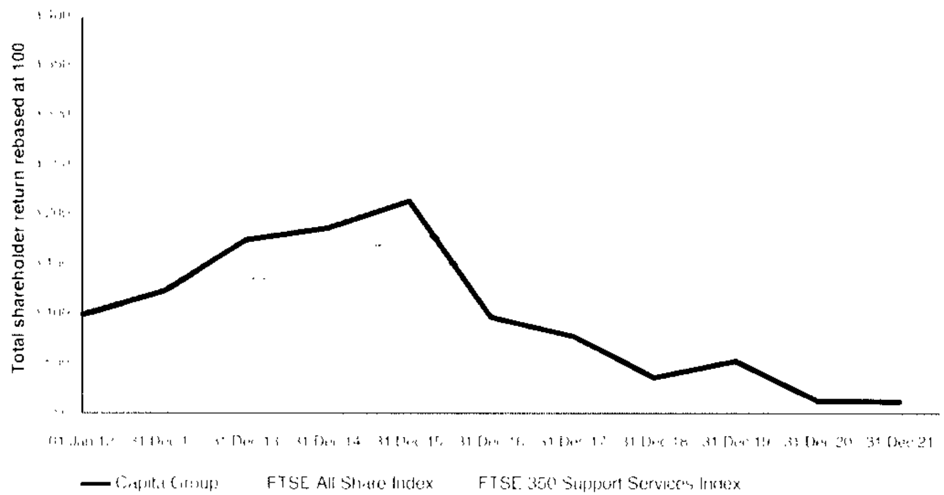
2021	25th percentile (P25)	Median (P50)	75th percentile (P75)
Salary	£18,251	£29,457	£39,833
Total pay and benefits	£24,386	£31,040	£48,997

Gender pay gap reporting

Relative importance of the spend on pay

	2021 £m	[illegible]	change
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			

Performance graph and CEO pay



	CEO – single figure of total remuneration	Annual bonus (vs max opportunity)	Long-term incentive (vs max opportunity)
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Approval of the directors' remuneration report

Georgina Harvey
Chair
Remuneration Committee

Independent auditor's report

to the members of Capita plc

1 Our opinion is unmodified

In our opinion

Basis for opinion

Overview

Materiality:	
Coverage	

Risks of material misstatement	vs 2020	
Recurring risks for the Group	[illegible]	◄►
	[illegible]	◄►
	[illegible]	▲
	[illegible]	◄►
	[illegible]	◄►
	[illegible]	►
	[illegible]	◄►
Recurring risks for the Parent Company	[illegible]	◄►

[illegible]

2 Material uncertainty related to going concern

The risk	
Going concern	**Disclosure quality**
[illegible]	[illegible]

KPMG

Our response

Test of detail

Our findings

3 Other key audit matters: our assessment of risks of material misstatement

The risk	
Revenue and profit recognition	Accounting treatment
	Subjective estimate
	Disclosure quality

Our response

KPMG

The risk

Impairment of Goodwill

Forecast-based valuation

Disclosure quality

Our response

Comparing valuations

Tests of detail

Historical comparison

Benchmarking assumptions

KPMG

Sensitivity analysis [illegible]

Assessing transparency [illegible]

Our findings [illegible]

The risk

Items excluded from adjusted profit

[illegible]

Presentation appropriateness

[illegible]

Disclosure quality

[illegible]

Our response

[illegible]

KPMG

The risk	
Capitalisation and recoverability of contract fulfilment assets ('CFA')	**Accounting application** **Subjective estimate** **Disclosure quality**

Our response

Tests of detail

Sensitivity analysis

Assessing transparency

Our findings

The risk	
Provisions and Contingent Liabilities	**Subjective estimates** **Dispute outcome** **Disclosure quality**

KPMG

Our response

The risk

Pensions obligations

Disclosure quality

Our response

KPMG

The risk

Recoverability of the Parent Company's investment in, and amounts due from, its subsidiaries	Low risk, high value

Our response

Our findings

KPMG

4 Our application of materiality and an overview of the scope of our audit

5 The impact of climate change on our audit

6 Going concern basis of preparation

KPMG

7 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

Context of the ability of the audit to detect fraud or breaches of law or regulation

KPMG

8 We have nothing to report on the other information in the Annual Report and Accounts

Strategic Report and Directors' Report

Directors' Remuneration Report

Disclosures of emerging and principal risks and longer-term viability

Corporate governance disclosures

9 We have nothing to report on the other matters on which we are required to report by exception

KPMG

10 Respective responsibilities

Directors' responsibilities

Auditor's responsibilities

11 The purpose of our audit work and to whom we owe our responsibilities

Robert Brent (Senior Statutory Auditor)

For the year ended 31 December 2021

Total profit for the year	227.2
Earnings/(loss) per share	
[illegible]	1?.33 p
[illegible]	13.15 p
[illegible]	13.52 p
[illegible]	13.33 p
[illegible]	139.1
[illegible]	?3.5
[illegible]	[illegible] p
[illegible]	[illegible] p

For the year ended 31 December 2021

Total profit for the year	227.2
Other comprehensive expense	
Items that will not be reclassified subsequently to the income statement	
[illegible]	109.1
[illegible]	(118.1)
[illegible]	0.1
Items that will or may be reclassified subsequently to the income statement	
[illegible]	?.0
[illegible]	(2.8)
[illegible]	1.3
[illegible]	0.6
[illegible]	3.2
Other comprehensive income/(expense) for the year net of tax	95.7
Total comprehensive income/(expense) for the year net of tax	322.9
Attributable to	
[illegible]	320.5
[illegible]	2.4
	322.9

Non-current assets	
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	15.7
	2,115.5
Current assets	
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
Total assets	[illegible]
Current liabilities	
	[illegible]
	669.8
	231.9
	61.6
	81.1
	286.3
	126.6
	1,999.5
Non-current liabilities	
	15.4
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]

Jon Lewis

Tim Weller

	24.[illegible]	[illegible]	[illegible]	1.8	1,289.[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
					224		[illegible]	[illegible]	227.[illegible]
					[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
					316.1	1.4	320.5	2.4	322.9
					1.6		1.6	—	1.6
			—		(6.4)		(6.4)	6.4	—
								(3.4)	(3.4)
			3.5		(3.5)				
	0.3		(0.3)						
							2.2		2.2
								(56.8)	(56.8)
					91.1		91.1		91.1
	24.8	[illegible]	[illegible]	1.8	(890.6)	[illegible]	271.5	22.0	296.5

Share capital [illegible]

Share premium [illegible]

Employee benefit trust and treasury shares [illegible]

Capital redemption reserve [illegible]

Retained deficit [illegible]

Other reserves [illegible]

Non-controlling interests (NCI) [illegible]

Cash generated from operations	[illegible]	(121.3)	[illegible]
[illegible]			[illegible]
[illegible]		(17.[illegible])	[illegible]
[illegible]		(30.1)	
Net cash (outflow)/inflow from operating activities		(179.3)	
Cash flows from investing activities			
[illegible]		(2[illegible].6)	[illegible]
[illegible]		(32.5)	[illegible]
[illegible]		(0.[illegible])	[illegible]
[illegible]			
[illegible]		(8.[illegible])	
[illegible]		(0.[illegible])	
[illegible]			[illegible]
[illegible]			
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	
[illegible]		133.[illegible]	
[illegible]		(25.[illegible])	
Net cash inflow/(outflow) from investing activities		39[illegible].2	[illegible]
Cash flows from financing activities			
[illegible]		(10.8)	[illegible]
[illegible]	[illegible]	(32.6)	[illegible]
[illegible]		2.2	
[illegible]	[illegible]	(232.3)	[illegible]
[illegible]	[illegible]	46.[illegible]	
[illegible]	[illegible]	15.[illegible]	
[illegible]	[illegible]	(1.9)	
Net cash outflow from financing activities		(253.[illegible])	
[illegible] in cash and cash equivalents		(13[illegible])	
[illegible]		[illegible]	
[illegible]		[illegible]	
[illegible] cash equivalents at 31 [illegible]		[illegible]	[illegible]
[illegible]			

Basis of consolidation

Going concern

Financial position at 31 December 2021

Board assessment

Denotes significant accounting judgements, estimates and assumptions

New standards and interpretations adopted

New amendments or interpretation

Specific policies applicable from 1 January 2021 for interest rate benchmark reform

New standards and interpretations not yet adopted

International Accounting Standards (IAS/IFRS)

Reported revenue

Reported free cash flow

Reported profit before tax

Reported earnings per share (EPS) – continuing operations

Adjusted revenue

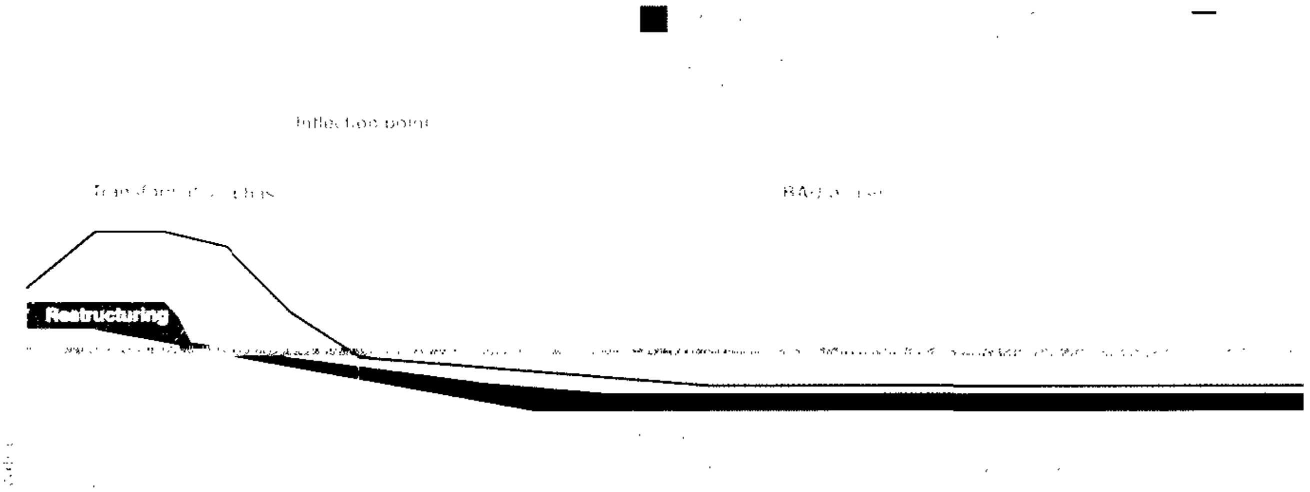
Adjusted free cash flow

Adjusted profit before tax

Adjusted earnings per share (EPS)

Adjusted operating profit to adjusted free cash flow[1]

Background



Recoverability of contract fulfilment assets and completeness of onerous contract provisions

AP Accounting policies

Revenue

Deferred and accrued income

Contract types

Long term contractual - greater than two years

Short-term contractual – less than two years

Transactional (point-in-time) contracts

[illegible] 2.1 Segmental revenue

[illegible]

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Continuing operations							
[illegible]	1,123.9	831.2	[illegible]		[illegible]	[illegible]	2,363.2
[illegible]	122.2	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	64.3	53.7	[illegible]		[illegible]	[illegible]	[illegible]
Total segment revenue	1,410.4	1,184.7	413.4		3,008.5	174.0	3,182.5
[illegible]	1,449.3	1,219.6	557.4		3,226.3		3,226.3
[illegible]	(38.9)	(34.9)	(144.0)	–	(217.8)		(217.8)
Total adjusted segment revenue	1,410.4	1,184.7	413.4	–	3,008.5	–	3,008.5
[illegible]		–	174.0	–	–	174.0	174.0
Total segment revenue	1,410.4	1,184.7	587.4	–	3,008.5	174.0	3,182.5

	711.6	799.2	145.1		1 656.2
	1 610.6	1 150.4	199.7		2 960.7
	790.5	299.7	133.6		1 223.8
Total	3 112.7	2 249.3	478.7		5 810.7

2.2.3 Deferred Income

[illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	54.7
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	0.7
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Contract fulfilment asset utilisation [illegible] recognition [illegible]

Contract termination gains [illegible]

The net of accelerated deferred income release and contract fulfilment asset utilisation [illegible]

[illegible]

[illegible]	[illegible]	[illegible]
		[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]
		[illegible]
[illegible]	[illegible]	(399.1)
[illegible]	[illegible]	43.[illegible]
[illegible]	1[illegible]	148.3
Adjusted	139.[illegible]	93.5

Amortisation [illegible] of acquired intangible assets [illegible]

Impairment of [illegible]

Litigation [illegible]

Net finance costs [illegible]

Business exits [illegible]

Business exits [illegible] disposal cost [illegible]

Contract-related provisions and impairments [illegible]

Significant restructuring [illegible]

- Cost to realise cost savings and efficiencies from the transformation plan £7.1m (2026 [illegible]
- Professional fees [illegible]
- Transformation [illegible] Group functions [illegible]

–	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]
Operating profit/(loss)	139.1	[illegible]	[illegible]

Geographical information

[illegible]	1 791.3	27.7	1 819.0

AP Accounting policies

2.6.1 Income tax charge

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	3.8
[illegible]	(6.6)	-
[illegible]	[illegible]	3.7
[illegible]	[illegible]	1.5
[illegible]	(1.1)	(1.1)
[illegible]	(51.7)	(51.7)
[illegible]	11.1	11.4
[illegible]	[illegible]	-
[illegible]	[illegible]	3.2
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	
[illegible]		(2.6)
[illegible]		[illegible]
[illegible]		7.8
[illegible]	61.5	31.0
Tax (credit) charge reported in the income statement	61.5	31.0

2.6.3 Deferred tax

Deferred tax assets				
[illegible]	0.6		[illegible]	77.3
[illegible]	(1.2)		(0.1)	(0.1)
[illegible]	3.0	[illegible]	(0.2)	11.7
[illegible]	(2.2)	(29.6)		19.8
[illegible]	2.2			3.8
[illegible]	(36.1)		[illegible]	63.3
[illegible]	[illegible]	[illegible]	[illegible]	178.8
[illegible]				(2.8)
[illegible]	[illegible]	[illegible]	[illegible]	176.0
Deferred tax liabilities				
[illegible]	1.2		0.3	(0.7)
[illegible]	2.8		2.2	(4.4)
[illegible]	2.1	-		(3.6)
[illegible]	6.1		2.5	(8.7)
[illegible]				2.8
[illegible]	6.1	-	[illegible]	(5.9)
Net deferred tax	(30.6)	(29.4)	[illegible]	170.1

2.6.3 Capita's responsible approach to taxation

[illegible]	1 61	1 61
[illegible]	13 33	13 52
[illegible]	1 59	1 59
[illegible]	13 15	13 33

[illegible]	[illegible]	93 5
[illegible]	(64 8)	(64 6)
[illegible]	28 7	28 7
[illegible]	(1 9)	(1 9)
[illegible]	26 8	26 8
[illegible]	285 6	288 7
[illegible]	(61 5)	(61 5)
[illegible]	[illegible]	227 2
[illegible]	(2 5)	(2.5)
[illegible]	[illegible]	224 7

2021 business exits

Revenue	174.0		174.0
	(92.7)		(92.7)
	81.3	-	81.3
	(30.5)	(70.9)	(101.4)
Operating profit (loss)	50.8	(70.9)	(20.1)
	(0.4)	(0.1)	(0.5)
		419.7	419.7
Profit/(loss) before tax	50.4	318.7	399.1
	(9.5)	(25.1)	(34.6)
Profit (loss) after tax	40.9	32[illegible]	364.2

2.3.1 Disposals

[illegible]	6.2
[illegible]	19.9
[illegible]	65.7
[illegible]	0.1
[illegible]	2.6
[illegible]	0.1
[illegible]	8.2
[illegible]	120.7
[illegible]	(4.3)
[illegible]	(28.8)
[illegible]	(5.1)
[illegible]	(2.0)
[illegible]	(22.8)
[illegible]	[illegible]
[illegible]	(57.5)
Net identifiable assets/(liabilities) disposed of	69.6
[illegible]	(3.4)
	66.2
[illegible]	508.6
[illegible]	(25.5)
Net proceeds	483.1
[illegible]	2.8
[illegible]	[illegible]
[illegible]	
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]	[illegible]
	[illegible]
	[illegible]
	[illegible]
	[illegible]
	2 3
	2 1
Disposal group liabilities held for sale	8[illegible]1

Business exit cash flows

[illegible]

2.1.1.1 Additional cash flow information

[illegible]

	[illegible]	[illegible]	[illegible]	[illegible]
Cash flows from operating activities				
[illegible]	[illegible]	[illegible]		
Adjustments for non cash items				
[illegible]	115.3	[illegible]		[illegible]
[illegible]	36.8	37.7		[illegible]
[illegible]	1.2	1.2		
[illegible]	8.9	8.9		
[illegible]	0.7	0.7		
[illegible]		44.1		[illegible]
[illegible]	2.9	90.0		
Other adjustments				
[illegible]	[illegible]	[illegible]		[illegible]
[illegible]		[illegible]		
[illegible]	[illegible]	[illegible]		[illegible]
[illegible]				
[illegible]	[illegible]	[illegible]		
[illegible]	[illegible]	[illegible]		
[illegible]	[illegible]	[illegible]		

Significant restructuring

Litigation and claims

Business exits

Business exits - on hold disposal costs

Non-recourse trade receivables financing

VAT deferral

Other

2.10.3 Reconciliation of net cash flow to movement in net debt

Year ended 31 December 2021	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	(43.6)	[illegible]	101.5
[illegible]	[illegible]	1.0		(1.3)
[illegible]		(46.0)		[illegible]
[illegible]	[illegible]	231.2	[illegible]	[illegible]
[illegible]	[illegible]	(19.7)	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	82.6	[illegible]	[illegible]
Total net liabilities from financing activities	[illegible]	252.1	(15.2)	(980.6)
[illegible]	(0.7)			(0.7)
Net debt	[illegible]	208.5	[illegible]	(879.8)

AP [illegible] policies

Denotes significant accounting judgements, [illegible] estimates and assumptions

	Note	[illegible]	
Working capital		(502.8)	
[illegible]		562.8	
[illegible]		(557.6)	
[illegible]		(794.7)	
[illegible]		286.7	
Property, plant and equipment		[illegible]	
Intangible assets		[illegible]	
Goodwill		[illegible]	
Right of use assets		[illegible]	
Provisions		[illegible]	

[illegible] Trade and other receivables

Accounting policies

Trade receivables

Impairment

Derecognition

Accrued income

[illegible]	232.0	
[illegible]	13.1	4.0
[illegible]	23.7	
[illegible]	163.5	2.7
[illegible]	78.8	9.0
	517.1	15.7

	153 7	
	[illegible] 7	[illegible] 3
	122 9	
	238 9	4 1
	542 2	15 4

Contract fulfilment assets

Accounting policies

Derecognition

Impairment.

Significant accounting judgements, estimates and assumptions

Cost			
	103.3	193.2	296.5
	8.1	17.5	25.6
		(0.8)	(0.8)
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	(0.7)
		[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	(2.1)	[illegible]
	99.6	169.1	268.7
Depreciation and impairment			
	41.6	97.7	139.3
	9.4	38.7	48.1
		0.5	0.5
		(0.6)	(0.6)
	(1.3)	(10.1)	[illegible]
	(0.8)	(0.1)	[illegible]
		0.8	0.5
	0.6	0.5	1.1
	(0.1)	(0.2)	[illegible]
		[illegible]	(0.4)
	(8.9)	(25.8)	(34.7)
		(1.8)	(1.8)
	40.5	99.2	139.7
Net book value			
	61.7	95.5	157.2
	59.1	69.9	129.0

AP Accounting policies

Amortisation

Impairment

Significant accounting judgements, estimates and assumptions

The assessment of costs capitalised as intangible assets to generate future economic benefits

[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	
[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	222.[illegible]	[illegible]
[illegible]			
[illegible]	[illegible]	88.1	[illegible]
[illegible]		56.8	[illegible]
[illegible]	12.0	–	12.0
[illegible]	[illegible]	1.0	[illegible]
[illegible]		2.1	2.1
[illegible]	[illegible]	54.1	54.1
[illegible]		2.5	2.5
[illegible]	(16.5)	(2.4)	(18.9)
[illegible]		(3.2)	(3.2)
[illegible]		(2.9)	[illegible]
[illegible]	[illegible]	(3.1)	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	(84.6)	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	81.2	[illegible]
Net book value			
[illegible]	38.9	226.1	[illegible]
[illegible]	5.8	141.5	147.3

Significant accounting judgements, estimates and assumptions

Measurement and impairment of goodwill

Cost	

[illegible]										[illegible]
[illegible]				[illegible]						[illegible]
[illegible]								(11.5)		(11.5)
[illegible]	-			(4.6)				-		[illegible]
[illegible]		[illegible]		–				-		1.3
At 31 December	284.6	[illegible]	106.5	38.7	82.6	32.6	102.8	68.7	[illegible]	951.7

Business costs

[illegible]

Forecast [illegible]

Discount rates

2021	[illegible]	[illegible]	[illegible]	[illegible]

Sensitivity analysis

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]

	18.2	[illegible]		22.4
	(55.1)	(6.5)	(6.6)	(68.2)
	(13.0)		(0.3)	(13.3)
	(2.2)		(1.0)	(3.2)
	(1.7)	[illegible]		(1.3)
	9.4	[illegible]	[illegible]	[illegible]
At 31 December 2021	265.6	[illegible]	[illegible]	287.[illegible]

Accounting policies

Significant accounting judgements, [illegible] and assumptions

Onerous contract provisions

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	0.2			0.8	0.1	(1.1)	
[illegible]	24.6	8.3	7.1	4.0	62.5	9.7	116.2
[illegible]	(1.6)	[illegible]	(6.2)	(3.4)	[illegible]	(1.8)	(27.5)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						(2.1)	(2.1)
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Other provisions: [illegible]

This section outlines the Group's capital structure and financing costs. The Group defines its capital structure as net cash and cash equivalents, non-current interest bearing loans and borrowings and equity. The Group aims to manage its capital structure to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Group manages its capital structure to maintain a sustainable mix of debt and equity that ensures that the Group can pursue its strategy. The Group makes adjustments to its capital structure in light of changes in economic conditions and strategic operational risks. To maintain or adjust the capital structure, the Group may return capital to shareholders through dividends and share buy backs, sell assets, raise additional equity, or arrange additional debt facilities. In this section you will find disclosures about:

[illegible]

Details of accounting policies

Details of significant accounting judgements, estimates and assumptions

Headline gearing, headline net debt to adjusted EBITDA, post IFRS 16 ... [illegible]

[illegible]

Capital structure

[illegible]

Net debt	[illegible]
	[illegible]
Capital	[illegible]

4.1.2 Capital Management

Financial risk management objectives and policies

1 2 1 Liquidity risk

Non derivative financial liabilities

Derivatives

Hedge ac[illegible]

Fixed rate						
[illegible]	[illegible]	[illegible]	30.0	[illegible]	21.5	[illegible]
Floating rate						
[illegible]	[illegible]					[illegible]
[illegible]	[illegible]					[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	22.5	[illegible]
[illegible]	[illegible]	[illegible]	(11.0)	[illegible]	(1.7)	[illegible]

Fixed rate	
Floating rate	

1.2.4 Hedges

Fair value hedges

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Interest income	
[illegible]	(0.4)
[illegible]	(4.3)
Total interest income	(4.7)
Interest expense	
[illegible]	17.9
[illegible]	0.6
[illegible]	5.9
[illegible]	23.8
[illegible]	1.5
Total interest expense	49.7
Net finance expense included in adjusted profit	45.0
Included within business costs	
[illegible]	0.4
[illegible]	0.4
[illegible]	(0.3)
Other items excluded from adjusted profit	
[illegible]	1.5
[illegible]	(0.1)
Net finance expenses excluded from adjusted profit	1.9
Total net finance expense	46.9

The Group [illegible] lease liabilities

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	9.6
[illegible]	8.2
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Net investment [illegible] receivables	[illegible]

Financial assets							
[illegible]				82.1	82.1	[illegible]	[illegible]
[illegible]			0.9	-	0.9	0.7	[illegible]
[illegible]							
[illegible]	1.8				1.8	0.8	1.0
[illegible]			30.2		30.2	9.4	20.8
[illegible]	8.9				8.9		8.9
[illegible]		0.8	-		0.8		0.8
	10.7	[illegible]	31.1	82.1	124.7	[illegible]	107.2
Other financial assets							
[illegible]				317.6	317.6	[illegible]	
[illegible]				15.8	15.8	[illegible]	
Total financial assets	10.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Financial liabilities							
[illegible]				512.9	[illegible]	[illegible]	[illegible]
[illegible]				1.3	1.3	[illegible]	[illegible]
[illegible]				46.0	46.0	46.0	
[illegible]			1.8		[illegible]	[illegible]	[illegible]
[illegible]							
[illegible]	4.7				4.7	[illegible]	0.4
[illegible]			2.2		2.2		2.2
[illegible]				0.7	0.7		0.7
[illegible]		[illegible]			8.6	8.6	
	[illegible]	[illegible]	4.0	560.9	578.2	286.3	[illegible]
Other financial liabilities							
[illegible]				231.9	[illegible]	[illegible]	
[illegible]				118.1	118.1	[illegible]	386.8
Total financial liabilities	[illegible]	[illegible]	4.0	1 241.2	1 258.5	[illegible]	678.7

a. Private placement loans

b. Bank Facilities

c. Public sector subsidiary preference share payment

d. Put options of non-controlling interests

Financial assets

Total financial assets

Total financial liabilities

	1.7		
		11	
			6.3
			4.3
			2.2
			0.1
	0.4		
	(22.8)		
At 31 December 2021		8.6	9.7

Total GBP denominated	[illegible]	[illegible]

Total USD denominated	[illegible]	[illegible]

Total euro denominated	[illegible]	[illegible]

15.1 Cash [illegible] cash equivalents [illegible]

	[illegible]	
	31 [illegible] 6	
	[illegible]	
	[illegible]	
Cash [illegible] cash equivalents [illegible]	[illegible]	[illegible]

Treasury shares

Employee benefit trust shares

[illegible]	[illegible]	[illegible]

[illegible] not explained [illegible] statements

In this [illegible] you will find disclosures about

[illegible] accounting policies

[illegible] significant accounting judgements [illegible] estimates and assumptions

Additional [illegible] info

[illegible] defined benefit schemes [illegible] Net defined benefit pension asset

Employee benefit expense

Net defined benefit pension asset/liability	[illegible]	
[illegible]	(1,789.2)	[illegible]
[illegible]	1,797.3	[illegible]
Net defined [illegible] asset (liability) before effect of asset ceiling [illegible]	8.1	[illegible]
[illegible]	(2.3)	[illegible]
Net defined [illegible] asset (liability) after effect of [illegible]	5.[illegible]	[illegible]

Deferred annual bonus plan

Long-term incentive plans (LTIPs)

[illegible]

Capital [illegible] Plan 202[illegible]

[illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	

All scheme[illegible]

[illegible]

AP [illegible]

[illegible]

[illegible] in the consolidated income statement

Defined contribution scheme	107.8
Defined benefit schemes	
[illegible]	6.3
[illegible]	3.5
[illegible]	(0.2)
[illegible]	(0.7)
[illegible]	1.5
Total defined benefit schemes	10.4
Total [illegible] profit before tax in the consolidated income statement	118.2

[illegible] Compensation Assurance Scheme [illegible]

[illegible]

Other defined benefit schemes

Admitted Body arrangements

	1 789.2
	1 821.6
	1 789.8
	1 807.9
	1 860.1

Assets [illegible] obligations [illegible]

[illegible]						
Securities assets at fair value						
[illegible]	1.0	3.1	4.1			
[illegible]	7.0	[illegible]	83.5			
[illegible]	0.5		0.5			
	8.5	79.6	88.1	[illegible]	[illegible]	[illegible]
Debt securities:						
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]		[illegible]			
[illegible]			[illegible]			
[illegible]	[illegible]					
	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			

	[illegible]	[illegible]	[illegible]
[illegible]	(1 832.3)	[illegible]	[illegible]
Included in the consolidated income statement			
[illegible]	[illegible]		[illegible]
[illegible]	(3.5)		[illegible]
[illegible]	0.2		[illegible]
[illegible]	5.5	[illegible]	[illegible]
[illegible]	(27.5)	26.0	[illegible]
Sub-total in consolidated income statement	(31.6)	[illegible]	[illegible]
Included in other comprehensive income			
[illegible]			
[illegible]	[illegible]		[illegible]
[illegible]	129.2		[illegible]
[illegible]	[illegible]		[illegible]
[illegible]	(2.3)		[illegible]
[illegible]		[illegible]	[illegible]
Sub-total in other comprehensive income	74.6	[illegible]	[illegible]
[illegible]		[illegible]	158.9
[illegible]	(1.6)	[illegible]	
[illegible]	43.8	(43.8)	
[illegible]	0.6	(0.6)	
At 31 December	(1 791.5)	1 797.3	5.8
[illegible]			
[illegible]	(1 725.3)	1 732.5	7.2
	(23.8)	[illegible]	[illegible]
	(1 749.1)	1 762.4	13.3
[illegible]			
	(42.4)	[illegible]	[illegible]
	(42.4)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

	22.5	24.4	22.4	25.3
	21.6 to 22.6	23.5 to 24.4	22.4 to 24.9	25.1 to 26.4

AP [illegible]

Government [illegible]

	1 [illegible]3.3
	155.8
	116.7
	1.2
	1 767.1

	766
	3 2[illegible]
	1[illegible]
	53 330

This section includes disclosures of those items that are not explained elsewhere in the financial statements.

In this section you will find disclosures about:

AP [illegible]

Compensation of key management personnel

	12.7
	0.3
	13.0

Disposal of AMT Sybex

Disposal of Secure Solutions and Services (SSS)

Disposal of Trustmarque

	[illegible]	
	[illegible]	
	[illegible]	
	[illegible]	
	[illegible]	
	0.1	
	[illegible]	
Current assets		
	10.9	
	2 619.8	
	13.1	
	59.3	
	2 703.1	
Total assets	[illegible]	
Current liabilities		
	[illegible]	
	[illegible]	
	[illegible]	
	[illegible]	
	[illegible]	
	5.2	
	[illegible]	
	2 377.0	
Non current liabilities		
	0.3	
	51.7	
	3.6	
	55.6	
Total liabilities	2 432.6	
Net assets	1 292.6	
Capital and reserves		
	34.8	
	(8.0)	
	[illegible]	
	1.8	
	11.6	
	(0.7)	
	74.6	
Total equity	1 292.6	1 482.9

Jon Lewis **Tim Weller**

[illegible]							(198.0)	(198.0)
[illegible]						3.9		3.9
[illegible]						3.9	(198.0)	[illegible]
[illegible]	0.3	(0.3)						
[illegible]								2.2
[illegible]		[illegible]					(3.5)	
[illegible]							1.6	1.6
[illegible]	31.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Share capital [illegible]

Employee benefit trust and treasury shares [illegible]

Share premium [illegible]

Capital redemption reserve [illegible]

[illegible]

AP

Significant accounting judgements, estimates and assumptions

(a) Investments in subsidiaries

(b) Pension schemes

(c) Share based payments

[illegible]

(d) Amounts owed [illegible]

[illegible]

Cost			
[illegible]			[illegible]
[illegible]	0.8		0.8
[illegible]	(56.2)	(13.5)	(69.7)
[illegible]	31.8	[illegible]	47.5
Amortisation			
[illegible]			
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
[illegible]			
[illegible]			
			[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net[illegible]				
[illegible]	[illegible]	08		[illegible]

Netbook [illegible]	
	[illegible]
	[illegible]
[illegible]	[illegible]

	6.4
	1.0
	6.3
	12.7

	2.0	
	1.1	
	9.7	[illegible]
	13.1	[illegible]

	7.2	
	0.7	[illegible]
	7.9	0.3

	[illegible]
	3.8
	(5.9)
	(12.0)
	8.2

	201.9
	46.0
	247.9

	186.2
	61.7
	247.9

In this section

Useful websites

Capita (www.capita com/investors)

Shareholder portal (www.capitashares.co.uk)

e-communications

Managing your shareholding

Company contact details

Registered office

Investor Relations

Company Secretariat

Company advisers

Independent auditor

Corporate brokers

Bankers

Corporate communications

Registrars

[illegible] statement		
Adj[illegible]	[illegible]	[illegible]
[illegible]	Operat[illegible]	[illegible]
Adjusted [illegible]	Operatin[illegible] profit [illegible]	[illegible]

Adjusted basic earnings per share	Basic earnings per share	[illegible]
Adjusted diluted earnings per share	[illegible]	[illegible]
Cash flows and net debt		
Adjusted cash flows generated from operations	Cash generated from operations	[illegible]
Adjusted free cash flow	Net cash from operating activities	[illegible]

[illegible]	[illegible]	[illegible]		
Cash flows and net debt measures				
Net debt	Borrowings [illegible]	[illegible]		
[illegible]	[illegible] equivalent	[illegible]		
		[illegible]		£879.8m
		[illegible]		(£448.4m)
		[illegible]		[illegible]
[illegible] gearing: net debt to adjusted EBITDA ratio	No direct equivalent	[illegible]		
			[illegible]	[illegible]
		[illegible]	£295.1m	£218.1m
		[illegible]	[illegible]	£32.2m
		[illegible]	[illegible]	£250.3m
			[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	$296.8m
[illegible]	$77.1m
[illegible]	$249.6m
[illegible]	($45.0m)
[illegible]	$1.5m
[illegible]	$0.6m
[illegible]	($42.9m)
[illegible]	$19.5m
[illegible]	($3.1m)
5.1 Interest [illegible] PP [illegible]	9.9x
5.2 Interest [illegible] other financing agreements	9.6x
[illegible]	$879.8m
[illegible]	$[illegible]m
[illegible]	$15.8m
[illegible]	$54.6m
[illegible]	($118.3m)
[illegible]	$702.0m
6.1 Adjusted net debt to post IFRS 16 adjusted EBITDA ratio (US PP [illegible])	1.5x
6.2 Adjusted net debt to adjusted EBITDA ratio (KF [illegible] other financing agreements)	2.0x

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