

Equiniti Share Plan Trustees Limited

Annual Report and Unaudited Financial Statements

for the year ended 31 December 2018

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Equiniti Share Plan Trustees Limited
Registration number: 03925002

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Equiniti Share Plan Trustees Limited

Registration number: 03925002

Company information

Directors	K Cong
	S Johnson
	P Matthews
	J Stier
Company secretary	W Butcher
Registered office	Aspect House Spencer Road Lancing West Sussex BN99 6DA

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Strategic report for the year ended 31 December 2018

The directors present their strategic report for Equiniti Share Plan Trustees Limited for the year ended 31 December 2018.

General information

Equiniti Share Plan Trustees Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales.

The Company is a wholly owned subsidiary of Equiniti Holdings Limited which is part of the Equiniti Group plc group of companies (the "Group"). The Group comprises Equiniti Group plc, which is listed on the London Stock Exchange, and its subsidiary companies as listed in note 4.4 of the Equiniti Group plc consolidated financial statements for the year ended 31 December 2018. Copies of the consolidated financial statements are available from the locations listed in note 13 of the notes to these financial statements.

The registered office address of the Company is:

Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Principal activity

The principal activity of the Company is to act as a trustee to employee benefits schemes.

Review of the business

The directors are satisfied with the results of the Company for the year and of its financial position at 31 December 2018. Revenue increased 6% from 2017 due to new client wins driven by an increase in corporate activity in the year. The Company benefitted from a general market trend of customers seeking a single supplier for share plan services and for technology-led solutions. Profit before income tax declined 4% from 2017 as the Company increased staff resources to service the growing client base. The directors consider that the financial information on pages 4 to 13 is sufficient to allow a full understanding of the business.

The Company's key financial performance indicators during the year were as follows:

	2018 £ 000	2017 £ 000
Revenue	623	589
Profit before income tax	419	438

Future developments

The future plans of the Company are to continue to act as trustee to employee benefit schemes.

Principal risks and uncertainties

The principal risks and uncertainties, together with the development, performance and position, and an analysis using key performance indicators of the Group, which include those of the Company and the Group, are discussed in the business review of Equiniti Group plc's annual report.

Approved by the Board on 19 September 2019 and signed on its behalf by:



.....
J Stier
Director

Company registration number: 03925002

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Directors' report for the year ended 31 December 2018

The directors present their report and the unaudited financial statements for the Company for the year ended 31 December 2018.

Directors of the Company

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

P Ainsley (resigned 9 July 2019)

K Cong

S Johnson

J Stier

The following director was appointed after the year end:

P Matthews (appointed 9 July 2019)

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 page 2.

Dividends

The directors do not recommend a final dividend for the year ended 31 December 2018 (2017 - £nil).

Going concern

The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

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. The indemnity was in force throughout the last financial year and is currently in force. Directors' and officers' liability insurance has been purchased by the Company's ultimate parent company, Equiniti Group plc. The insurance does not provide cover in the event that the director is proved to have acted fraudulently. Indemnity insurance is maintained for the Company's directors and officers against liability in respect of proceedings brought by third parties, subject to the terms and conditions of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, 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 United Kingdom Accounting Standards, comprising FRS 101, 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 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. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 19 September 2019 and signed on its behalf by:

.....
J Stier
Director

Company registration number: 03925002

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Revenue	3	623	589
Administrative costs	4	<u>(204)</u>	<u>(151)</u>
Profit before income tax		419	438
Income tax expense	7	<u>(80)</u>	<u>(46)</u>
Profit and total comprehensive income for the financial year		<u>339</u>	<u>392</u>

The notes on pages 7 to 13 form an integral part of these financial statements.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Statement of financial position as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Assets			
Current assets			
Trade and other receivables	8	968	792
Contract fulfilment assets		79	119
Cash and cash equivalents		-	10
		<u>1,047</u>	<u>921</u>
Liabilities			
Current liabilities			
Trade and other payables	9	161	376
Contract fulfilment liabilities		14	7
Income tax liability		42	47
		<u>217</u>	<u>430</u>
Net assets		<u>830</u>	<u>491</u>
Equity			
Share capital	10	-	-
Retained earnings		<u>830</u>	<u>491</u>
Total equity		<u>830</u>	<u>491</u>

For the financial year ending 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 13 were approved by the Board on 19 September 2019 and signed on its behalf by:


.....
J Stier
Director

Company registration number: 03925002

The notes on pages 7 to 13 form an integral part of these financial statements.

Equiniti Share Plan Trustees Limited

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Statement of changes in equity for the year ended 31 December 2018

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2018	-	491	491
Profit and total comprehensive income for the financial year	-	339	339
At 31 December 2018	-	830	830

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2017	-	899	899
Profit and total comprehensive income for the financial year	-	392	392
Dividends	-	(800)	(800)
At 31 December 2017	-	491	491

The notes on pages 7 to 13 form an integral part of these financial statements.

Equiniti Share Plan Trustees Limited

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Notes to the unaudited financial statements for the year ended 31 December 2018

1 Accounting policies

Basis of preparation

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 the revaluation of financial assets and financial liabilities at fair value through profit or loss and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or estimation and which are significant to the financial statements, are disclosed in note 2.

These financial statements are presented in British Pounds ("£") which is the Company's functional currency.

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 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

Going concern

The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

New standards, interpretations and amendments

There are no standards, interpretations and amendments effective for the first time from 1 January 2018 that had a material effect on the financial statements. The Company adopted IFRS 9 Financial Instruments ("IFRS 9") and IFRS 15 Revenue from Contracts with Customers ("IFRS 15") on 1 January 2018, however neither of these standards had a material impact on the financial position or results of the Company.

Summary of significant accounting policies and key accounting estimates

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

Equiniti Share Plan Trustees Limited

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Notes to the unaudited financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Trade receivables

Trade receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest method, less provisions for impairment. Provisions for impairment are recognised using the simplified approach as set out in 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 Company 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 statement of comprehensive income.

Contract fulfilment assets

When services are supplied to a customer before an invoice is raised, a contract fulfilment asset is recognised in the statement of financial position, and represents the right to receive consideration from the customer for services delivered. The asset is measured as the fair value of the services supplied, less provisions for impairment. The Company's contracts with customers often include a payment schedule which determine when invoices are raised, and settlement is received, during the contractual term.

Trade and other payables

Trade and other payables represent liabilities for goods and services received by the Company prior to the end of the financial year which are unpaid. The amounts within trade and other payables are unsecured. Trade and other 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 Company has received consideration from customers, but still has an obligation to deliver goods or services and meet performance obligations for that consideration. The liability is measured as the fair value of the consideration received.

Financial instruments

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

Classification and measurement

The Company 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 Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions 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 statement of comprehensive income.

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 includes derivatives which are recognised at fair value through profit or loss, unless the derivatives qualify for hedge accounting, in which case the recognition of any gain or loss is recognised in other comprehensive income.

Equiniti Share Plan Trustees Limited

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Notes to the unaudited financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

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

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

The Company 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 Company, after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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

(a) they include no contractual obligations upon the Company 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 Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company'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

Financial assets

The Company derecognises a financial asset when the contractual rights to receive cash flows from the financial asset expire or have been transferred, and the Company has transferred substantially all the risks and rewards of ownership.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

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.

Revenue recognition

Revenue, which excludes sales tax, represents the value of services provided under contract to customers in the United Kingdom. Contract revenue is measured as the fair value of the consideration receivable for services provided.

Revenue is recognised either at a point in time, or over time, as the Company satisfies contractual performance obligations and transfers promised services to its customers. Services are considered to be transferred when the customer obtains control of the service.

Revenue recognised for goods and services delivered, but not yet invoiced, is reflected in the statement of financial position within contract fulfilment assets. Amounts invoiced in advance of work being performed are deferred in the statement of financial position as contract fulfilment liabilities.

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Notes to the unaudited financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Tax

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

The Company is a member of the Equiniti Group plc tax group in which all eligible Group company's taxable profits and losses are group relieved. All eligible Group companies share liability for the Groups overall tax liability and record their own share of tax payable or receivable at the reporting date. The balance is subsequently paid to or received from a fellow Group company or settled via the intercompany account.

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

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

2 Critical accounting judgements and key sources of estimation uncertainty

There are no significant accounting estimates or judgements within these financial statements.

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2018 £ 000	2017 £ 000
Rendering of goods and services	623	589

Revenue recognised in the year from:

	2018 £ 000	2017 £ 000
Amounts included in contract fulfilment liabilities at the beginning of the year	7	5

4 Administrative costs

Expenses by nature:	2018 £ 000	2017 £ 000
Net staff costs recharged from fellow Group companies	184	155
Other expenses	7	1
Impairment loss/(reversal) of trade receivables	13	(5)
	204	151

5 Staff numbers and costs

There were no persons employed by the Company in the current and prior year and therefore no staff costs were incurred.

Equiniti Share Plan Trustees Limited

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Notes to the unaudited financial statements for the year ended 31 December 2018 (continued)

6 Directors' remuneration

The Company's directors have been remunerated by other Group companies in the current and prior year for their services to the Group as a whole and it is not possible to make an accurate apportionment of their emoluments in respect of this Company alone. Accordingly, the emoluments in respect of the directors are included in the aggregate emoluments in the financial statements of fellow Group companies.

7 Income tax expense

Tax charged in the statement of comprehensive income:

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	80	85
Adjustments in respect of prior periods	-	(39)
	<u>80</u>	<u>46</u>

The tax on profit before income tax for the year is the same as the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit before income tax	<u>419</u>	<u>438</u>
Corporation tax at the standard UK rate of 19% (2017 - 19.25%)	80	85
Adjustments in respect of prior periods	-	(39)
Total tax expense	<u>80</u>	<u>46</u>

Future tax changes

The UK corporation tax rate of 19%, effective from 1 April 2017, was substantively enacted on 26 October 2015. A reduction to this rate to 17%, effective from 1 April 2020, was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

8 Trade and other receivables

	2018 £ 000	2017 £ 000
Trade receivables	72	50
Provision for impairment of trade receivables	<u>(13)</u>	<u>-</u>
Net trade receivables	59	50
Amounts due from Group undertakings	<u>909</u>	<u>742</u>
	<u>968</u>	<u>792</u>

Excluding trade receivables, none of these financial assets are either past due or impaired. Receivables from Group undertakings are non-interest bearing and are repayable on demand.

Equiniti Share Plan Trustees Limited

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**Notes to the unaudited financial statements for the year ended 31 December 2018
(continued)****8 Trade and other receivables (continued)****Age of trade receivables that are past due but not impaired**

	2018 £ 000	2017 £ 000
0 to 30 days	19	18
31 to 60 days	3	6
61 to 90 days	17	7
More than 90 days	15	1
	<u>54</u>	<u>32</u>

9 Trade and other payables

	2018 £ 000	2017 £ 000
Amounts due to Group undertakings	120	339
Other payables	41	37
	<u>161</u>	<u>376</u>

Amounts due to Group undertakings are non-interest bearing and repayable on demand.

10 Share capital**Allotted, called up and fully paid shares**

	2018		2017	
	Number	£ 000	Number	£ 000
Ordinary shares of £1 each	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

11 Dividends

The Company did not pay a dividend during the year (2017 - £800,000) and no dividends have been proposed post year end (2017 - £nil).

12 Contingent liabilities

The Company, along with other companies in the Group, has provided a guarantee in relation to a Senior Facility Agreement comprising of a term and revolving credit facility made available to Equiniti Holdings Limited. The facilities comprise term loan facilities of £250,000,000 and US\$92,000,000, and a multicurrency revolving credit facility of £199,000,000 of which the drawn balance was £76,678,000 at 31 December 2018 (2017 - £nil). Both facilities are repayable in 2024.

Equiniti Share Plan Trustees Limited

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Notes to the unaudited financial statements for the year ended 31 December 2018 (continued)

13 Parent and ultimate parent undertaking

The Company is a wholly owned subsidiary of Equiniti Holdings Limited, a company incorporated in England and Wales. The Company is controlled by its ultimate parent company Equiniti Group plc, a public listed company incorporated in England and Wales and listed on the London Stock Exchange.

The most senior parent entity and the parent of the smallest and largest group producing publicly available financial statements in which these are consolidated is Equiniti Group plc. These financial statements are available online at www.equiniti.com or upon request from:

Sutherland House
Russell Way
Crawley
West Sussex
RH10 1UH