

Registration number: 03925002

Equiniti Share Plan Trustees Limited

Annual Report and Unaudited Financial Statements

for the year ended 31 December 2019



Equiniti Share Plan Trustees Limited

Registration number: 03925002

Contents

	Page(s)
Company information	1
Strategic report	2
Directors' report	3 to 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the unaudited financial statements	8 to 14

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 2019

The directors present their strategic report for Equiniti Share Plan Trustees Limited for the year ended 31 December 2019.

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 4.5 of Equiniti Group plc's annual report for the year ended 31 December 2019. Copies of Equiniti Group plc's annual report are available from the locations listed in note 13 of the notes to the 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 benefit schemes.

Review of the business

The directors are pleased with the results of the Company for the year and its financial position at 31 December 2019. The Company continued to benefit from a trend of customers seeking a single supplier for registration services and the administration of share plans, which the Group provides. Additionally the Company's technology-led solutions, backed by a strong support function, and a continued interest in using equity-based rewards to engage and motivate employees helped generate an increase in revenues of 4% from 2018. Staff costs increased in line with the increase in revenue in the year. Profit before income tax increased 8% from 2018 and this was aided by the reversal of an impairment loss originally provided for in 2018.

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

	2019 £ 000	2018 £ 000
Revenue	646	623
Profit before income tax	454	419

Future developments

The future plans of the Company are to continue supporting the Group's trading activities as trustee to employee benefit schemes. As a result of the Covid-19 pandemic, the Group's priorities have been to support and protect the safety and welfare of the Group's employees, which includes those contracted to work for this Company, and to continue supporting the Company's clients. The Group's response has involved a rapid and coordinated demobilisation of sites and an almost complete transition to home-working and flexible working hours. The Company has continued to operate and services have largely been unaffected. Whilst the Company's business model is underpinned by a high degree of recurring revenue and strong relationships with large listed clients, trading will be impacted as, inevitably, some client projects are delayed until normal conditions return.

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 strategic report within Equiniti Group plc's annual report.

Approved by the Board on 26 August 2020 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 2019

The directors present their report and the unaudited financial statements for the Company for the year ended 31 December 2019.

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

P Matthews (appointed 9 July 2019)

J Stier

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 2019 (2018 - £nil).

Non adjusting events after the reporting date

The Covid-19 pandemic evolved rapidly during 2020. The business continued operating effectively and the directors do not expect there to be a significant impact on the Company's financial performance in 2020 due to the high degree of recurring revenues from large listed clients. There may however be an impact on revenues from a delay in some project work as clients choose to focus on their core businesses. Given the continuing uncertainty around the full implications of Covid-19, it is not possible to reliably estimate the financial impact on the Company's financial performance in 2020.

Going concern

The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Covid-19 pandemic may impact the Company's future financial performance, however the Company has a high level of recurring revenues from large listed clients and the directors do not expect the Company to experience difficulties in satisfying its liabilities as they fall due. 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 a 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.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Directors' report for the year ended 31 December 2019 (continued)

Statement of directors' responsibilities in respect of the financial statements

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 26 August 2020 and signed on its behalf by:



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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 2019

	Note	2019 £ 000	2018 £ 000
Revenue	3	646	623
Administrative costs	4	(191)	(204)
Finance costs		<u>(1)</u>	<u>-</u>
Profit before income tax		454	419
Income tax expense	7	<u>(124)</u>	<u>(80)</u>
Profit and total comprehensive income for the financial year		<u><u>330</u></u>	<u><u>339</u></u>

The notes on pages 8 to 14 form an integral part of these financial statements.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Statement of financial position as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Assets			
Current assets			
Trade and other receivables	8	1,204	968
Contract fulfilment assets		<u>86</u>	<u>79</u>
		<u>1,290</u>	<u>1,047</u>
Liabilities			
Current liabilities			
Trade and other payables	9	32	161
Contract fulfilment liabilities		12	14
Income tax liability		<u>86</u>	<u>42</u>
		<u>130</u>	<u>217</u>
Net assets		<u>1,160</u>	<u>830</u>
Equity			
Share capital	10	-	-
Retained earnings		<u>1,160</u>	<u>830</u>
Total equity		<u>1,160</u>	<u>830</u>

For the financial year ended 31 December 2019 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 5 to 14 were approved by the Board on 26 August 2020 and signed on its behalf by:



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I Stier
Director

Company registration number: 03925002

The notes on pages 8 to 14 form an integral part of these financial statements.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Statement of changes in equity for the year ended 31 December 2019

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2019	-	830	830
Profit and total comprehensive income for the financial year	-	330	330
At 31 December 2019	-	1,160	1,160

	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

The notes on pages 8 to 14 form an integral part of these financial statements.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Notes to the unaudited financial statements for the year ended 31 December 2019

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. The Covid-19 pandemic may impact the Company's future financial performance, however the Company has a high level of recurring revenues from large listed clients and the directors do not expect the Company to experience difficulties in satisfying its liabilities as they fall due. 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 2019 that had a material effect on the financial statements.

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

Registration number: 03925002

Notes to the unaudited financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Trade receivables

Trade receivables represent amounts invoiced to customers, but not yet paid. Trade receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses. Expected credit losses are recognised using the simplified approach as set out in IFRS 9 Financial Instruments 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 to the customer 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's financial assets which include trade and other receivables (excluding prepayments) and contract fulfilment assets, are initially recognised at fair value, plus any transactions costs that are directly attributable to the acquisition of the financial asset. They are subsequently measured at amortised cost, less expected credit losses.

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 are classified and measured at amortised cost using the effective interest method.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Notes to the unaudited financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

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.

Professional services

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

Some of the Company's contracts contain multiple deliverables to the customer. Management evaluates whether those promised goods and services are distinct, which requires them to be accounted for as separate performance obligations. If the goods and services are not distinct, they are combined with other goods or services until a distinct performance obligation can be identified in the contract. If a series of distinct goods and services are substantially the same and have the same pattern of transfer to the customer, the deliverables may be combined and accounted for as a single performance obligation.

Finance costs

Finance costs comprises of interest payable and is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

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.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Notes to the unaudited financial statements for the year ended 31 December 2019 (continued)

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:

	2019 £ 000	2018 £ 000
Rendering of goods and services	646	623

Revenue recognised in the year from:

	2019 £ 000	2018 £ 000
Amounts included in contract fulfilment liabilities at the beginning of the year	14	7

4 Administrative costs

Expenses by nature:	2019 £ 000	2018 £ 000
Net staff costs recharged from fellow Group companies	193	184
Other expenses	10	7
Impairment (reversal)/loss on trade receivables	(12)	13
	191	204

5 Staff numbers and costs

The Company did not employ any persons during the year, however staff costs were recharged from fellow Group companies where staff time was spent on projects within this Company. The aggregate staff costs recharged to this Company are shown in note 4.

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. No remuneration was paid for their services to this Company, so no apportionment of the emoluments in respect of this Company were made. Accordingly, the emoluments in respect of the directors are included in the aggregate emoluments in the financial statements of fellow Group companies.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Notes to the unaudited financial statements for the year ended 31 December 2019 (continued)

7 Income tax expense

Tax charged in the statement of comprehensive income:

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax	86	80
Adjustments in respect of prior periods	38	-
	<u>124</u>	<u>80</u>

The tax on profit before income tax for the year is higher than the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before income tax	<u>454</u>	<u>419</u>
Corporation tax at the standard UK rate of 19% (2018 - 19%)	86	80
Adjustments in respect of prior periods	38	-
Total tax expense	<u>124</u>	<u>80</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. On 17 March 2020, an increase to the UK corporation tax rate to 19%, effective from 1 April 2020, was substantively enacted. This will increase the Company's future tax charge accordingly.

8 Trade and other receivables

	2019 £ 000	2018 £ 000
Trade receivables	85	72
Expected credit loss allowance	-	(13)
Net trade receivables	85	59
Amounts due from Group undertakings	<u>1,119</u>	<u>909</u>
	<u>1,204</u>	<u>968</u>

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

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Notes to the unaudited financial statements for the year ended 31 December 2019 (continued)

8 Trade and other receivables (continued)

Ageing of trade receivables that are past due

	2019 £ 000	2018 £ 000
0 to 30 days	3	19
31 to 60 days	5	3
61 to 90 days	-	17
More than 90 days	-	15
	<u>8</u>	<u>54</u>

9 Trade and other payables

	2019 £ 000	2018 £ 000
Amounts due to Group undertakings	-	120
Other payables	<u>32</u>	<u>41</u>
	<u>32</u>	<u>161</u>

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

10 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	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 (2018 - £nil) and no dividends have been proposed post year end (2018 - £nil).

12 Contingent liabilities

The Company, along with other companies in the Group, has provided a guarantee in relation to a Senior Facilities Agreement comprising term loans and a revolving credit facility made available to Equiniti Holdings Limited. The facilities comprise term loans of £190,000,000 and US\$92,000,000, and a multicurrency revolving credit facility of £260,000,000 of which the drawn balance was £115,000,000 at 31 December 2019 (2018 - £76,678,000). Both facilities are repayable in 2024.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Notes to the unaudited financial statements for the year ended 31 December 2019 (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 the Company is consolidated, is Equiniti Group plc. The consolidated financial statements which are contained within Equiniti Group plc's annual report are available online at www.equiniti.com or upon request from:

Sutherland House
Russell Way
Crawley
West Sussex
RH10 1UH

14 Non adjusting events after the reporting date

The Covid-19 pandemic evolved rapidly during 2020. The business continued operating effectively and the directors do not expect there to be a significant impact on the Company's financial performance in 2020 due to the high degree of recurring revenues from large listed clients. There may however be an impact on revenues from a delay in some project work as clients choose to focus on their core businesses. Given the continuing uncertainty around the full implications of Covid-19, it is not possible to reliably estimate the financial impact on the Company's financial performance in 2020.