

Equiniti Share Plan Trustees Limited

Annual Report and Unaudited Financial Statements

for the year ended 31 December 2017



Equiniti Share Plan Trustees Limited
Registration number: 03925002

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Equiniti Share Plan Trustees Limited

Registration number: 03925002

Company information

Directors	P Ainsley
	K Cong
	S Johnson
	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 2017

The directors present their strategic report for Equiniti Share Plan Trustees Limited for the year ended 31 December 2017.

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 2017. 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 trustees 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 2017. Revenue increased by 22.5% from the prior year due to a number of new client wins as the Company saw an increase in corporate activity. Revenue also benefited from the increase in demand from existing clients requiring additional services during the year.

Largely driven by the revenue, EBITDA also increased by 38.6% from the prior year. The Company was able to leverage revenue growth off its largely fixed cost base, but also benefited from a reduction in Group recharges as central costs were spread amongst more companies in 2017 compared to the prior year.

A dividend of £800,000 was paid during the year (2016 - £nil). The directors have not recommended a final dividend (2016 - £800,000). The directors consider that the financial information on pages 4 to 12 is sufficient to allow a full understanding of the business.

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

	2017 £ 000	2016 £ 000
Revenue	589	481
Profit before income tax	438	316

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 25 September 2018 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 2017

The directors present their report and the unaudited financial statements for the Company for the year ended 31 December 2017.

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

K Cong (appointed 4 May 2017)

S Johnson

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 2017 (2016 - £800,000).

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 Group'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 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 25 September 2018 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 2017

	Note	2017 £ 000	2016 £ 000
Revenue		589	481
Administrative costs	3	<u>(151)</u>	<u>(165)</u>
Profit before income tax		438	316
Income tax expense	6	<u>(46)</u>	<u>(64)</u>
Profit and total comprehensive income for the financial year		<u>392</u>	<u>252</u>

The notes on pages 7 to 12 form an integral part of these financial statements.

Equiniti Share Plan Trustees Limited

Registration number: 03925002

Statement of financial position as at 31 December 2017


	Note	2017 £ 000	2016 £ 000
Assets			
Current assets			
Trade and other receivables	7	911	1,457
Cash and cash equivalents	8	<u>10</u>	<u>2</u>
		<u>921</u>	<u>1,459</u>
Liabilities			
Current liabilities			
Trade and other payables	9	383	496
Income tax liability		<u>47</u>	<u>64</u>
		<u>430</u>	<u>560</u>
Net assets		<u>491</u>	<u>899</u>
Equity			
Share capital	10	-	-
Retained earnings		<u>491</u>	<u>899</u>
Total equity		<u>491</u>	<u>899</u>

For the financial year ending 31 December 2017 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 12 were approved by the Board on 25 September 2018 and signed on its behalf by:



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J Stier

Director

Company registration number: 03925002

The notes on pages 7 to 12 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 2017

	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	<u>-</u>	<u>491</u>	<u>491</u>

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2016	-	647	647
Profit and total comprehensive income for the financial year	-	252	252
At 31 December 2016	<u>-</u>	<u>899</u>	<u>899</u>

The notes on pages 7 to 12 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 2017

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 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 complexity, or areas where assumptions and estimates 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:

- The following paragraphs of IAS 1 Presentation of financial statements:
 - 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)
 - 134-136 - 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 - Related party disclosures with transactions entered into between wholly owned group companies and paragraph 17, key management compensation
- IAS 36 Impairment of assets, paragraphs 134(d) to 134(f) and 135(c) to 135(e) - Key assumptions and estimates used to measure value in use of cash-generating units
- IFRS 2 Share-based payments, paragraphs 45(b) and 46-52 - Exemption from disclosing the number of share options and how the fair values were determined
- IFRS 7 Financial instruments: Disclosures
- IFRS 13 Fair value measurement, paragraphs 91-99 - Valuation techniques and inputs used for fair value measurement of assets and liabilities

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 2017 that have 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 2017 (continued)

1 Accounting policies (continued)

Financial assets

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired and management determine the classification of its financial assets on initial recognition.

Recognition and measurement

Purchases and sales of financial assets are recognised on the transaction date when the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. They are subsequently carried at fair value and any gains or losses arising from changes in the fair value are recognised in the statement of comprehensive income within interest income or expense.

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. They are included in non-current assets if their maturity is greater than 12 months after the end of the reporting period.

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 when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The impairment recorded is the difference between the carrying value of the receivable and the estimated future cash flows, discounted where appropriate. Any impairment is recognised in the statement of comprehensive income within administrative costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are recognised within current liabilities in the statement of financial position.

Financial liabilities

Classification

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.

Under IAS 32, 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.

Recognition and measurement

Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are treated as distributions and are recorded directly in equity.

Trade payables

Trade 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 payables are unsecured. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Equiniti Share Plan Trustees Limited

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Notes to the unaudited financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

Share capital

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

Revenue recognition

Revenue is measured as the fair value of consideration received for services supplied, net of discounts and value added tax, and is almost entirely attributable to the United Kingdom. Administrative fees represent amounts charged in relation to the ongoing maintenance, initial set up and reviewing of documentation for employee trusts and plans.

Amounts recognised as revenue but not yet billed are reflected in the statement of financial position as accrued income. Amounts billed in advance of work performed are deferred in the statement of financial position as deferred income.

Revenue from fixed-price contracts, which may span a number of years, is recognised over the period the services are delivered to the client. Where the Company provides staff to customers at hourly or daily rates, revenue is recognised on the basis of time worked.

Transactional fees are earned through commission received on the purchase and sale of shares and on foreign exchange transactions. Transactional based fee revenue is recognised at the time of processing the related transactions.

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

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 companies 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 loan account.

Current tax is the expected tax payable on the taxable income for the period, using tax rates applicable at the balance sheet 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 period 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 Administrative costs

Expenses by nature:	2017 £ 000	2016 £ 000
Net staff costs recharged from fellow Group companies	155	136
Premises costs	-	13
Other expenses	-	11
Impairment loss/(reversal) of trade receivables	(4)	5
	<u>151</u>	<u>165</u>

4 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 3.

Equiniti Share Plan Trustees Limited

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Notes to the unaudited financial statements for the year ended 31 December 2017 (continued)

5 Directors' remuneration

The Company directors have been remunerated by other Group companies in the current and prior year and no reasonable breakdown for their services provided to this Company is possible.

6 Income tax expense

Tax charged in the statement of comprehensive income:

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	85	64
Adjustments in respect of prior periods	(39)	-
	<u>46</u>	<u>64</u>

The tax on profit before income tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Profit before income tax	<u>438</u>	<u>316</u>
Corporation tax at the standard UK rate of 19.25% (2016 - 20%)	85	63
Non-deductible expenses	-	1
Adjustments in respect of prior periods	(39)	-
Total tax expense	<u>46</u>	<u>64</u>

Future tax changes

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction 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.

7 Trade and other receivables

	2017 £ 000	2016 £ 000
Trade receivables	50	39
Provision for impairment of trade receivables	-	(5)
Net trade receivables	50	34
Receivables from Group undertakings	742	1,341
Accrued income	<u>119</u>	<u>82</u>
	<u>911</u>	<u>1,457</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.

Trade receivables include amounts that are past due at the end of the reporting period and which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there hasn't been a significant change in credit quality.

Equiniti Share Plan Trustees Limited

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**Notes to the unaudited financial statements for the year ended 31 December 2017
(continued)****7 Trade and other receivables (continued)****Age of trade receivables that are past due but not impaired**

	2017 £ 000	2016 £ 000
0 to 30 days	18	7
31 to 60 days	6	1
61 to 90 days	7	3
More than 90 days	1	5
	<u>32</u>	<u>16</u>

8 Cash and cash equivalents

	2017 £ 000	2016 £ 000
Cash and cash equivalents	<u>10</u>	<u>2</u>

9 Trade and other payables

	2017 £ 000	2016 £ 000
Amounts due to Group undertakings	339	471
Deferred income	7	5
Other payables	<u>37</u>	<u>20</u>
	<u>383</u>	<u>496</u>

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

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

	2017		2016	
	Number	£ 000	Number	£ 000
Ordinary shares of £1 each	2	-	2	-

11 Dividends

The directors are proposing a final dividend of £nil (2016 - £400,000) per share totalling £nil (2016 - £800,000). This dividend has not been accrued in the statement of financial position.

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 £nil at 31 December 2017 (2016 - £56,000,000). Both facilities are repayable in 2020.

Equiniti Share Plan Trustees Limited

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Notes to the unaudited financial statements for the year ended 31 December 2017 (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