FINAL SIGNED ORIGINAL
FOR COMPANY RECORDS

Registered number
06208699

EQUINITI FINANCIAL SERVICES LIMITED

DIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

Equiniti Financial Services Limited

Contents

Equiniti Financial Services Limited
Directors' Report
For the year ended 31 December 2008

The directors present their directors' report and financial statements for the year ended 31 December 2008. The comparatives in these statements are for the three month period to 31 December 2007.

Principal activities and business review

The principal activity of the Company is the provision of FSA regulated services to clients of the Equiniti Enterprises Limited group of companies (the "Group"). The Group purchased the Lloyds TSB Registrars business from Lloyds TSB Group plc in 2007.

These services include;
- provision of sharedealing relating to Share Incentive Plans (SIPs) and Executive Options and custody in relation to SIPs
- administering Share ISAs and Monthly Purchase Plans and reinvestment of dividends in Dividend Reinvestment Plans
- sharedealing services for employees and shareholders of corporate clients
- administering sharedealing programmes for shareholders sponsored by corporate clients
- securities dealing administration and Investment Trust Saving Scheme administration

The regulated activities undertaken by the Company involve arranging the execution-only transactions of its corporate clients, the provision of custody, including the holding of client money in relation to such securities and the settlement of such transactions. These services are carried on for the corporate clients and their shareholders, investors and employees but does not involve the giving of advice or dealing as principal or agent.

Turnover for the year was £30,578,000 (2007: £9,925,000) and the company has made a profit before tax of £1,817,000 (2007: £815,000).

The principal business risks are around maintaining the Group's client relationships and the underlying volume of business and regulatory compliance. The management team continues to focus on quality of service to its clients whilst expanding on the range of services it has to offer through innovation and technical enhancements.

The regulatory capital required by the business was measured to be £2.43m, modelled against a number of business scenarios. The business was established with £3.5m of regulatory capital. Over the year there have been no circumstances which have led to the business needing to revise its capital requirement projections.

The company places a high priority on risk management through its functional structure, governance processes, monitoring and reporting activities and its emphasis on staff integrity and values.

From the Board down, the company expresses its risk appetite in its strategy, business plans and risk management philosophy and continually assesses current and planned strategic, operational and financial activities and their associated risks using an enterprise wide risk framework. Regular reporting provides the Board and senior management with detailed information about the company's risk exposure and experience.

The company is committed to managing applicable risks to the business and maintaining an effective internal control structure which includes robust monitoring and reporting of such risks. Through independent lines of reporting for risk oversight and operations, our risk governance policies are designed to provide objective assessments and monitoring of risks. Risk governance processes involve regular reviews and give consideration to the amount and type of risk that management regards as appropriate for it to accept in order to fulfil its business objectives and operate within its regulatory obligations.

The company has, due to its current product set, a low level risk appetite. The company's exposure to credit and market risk is limited; it does not provide financial advice and fund management and has minimal credit exposure. Credit risk will be mainly taken as receivables due from medium and large corporate clients to whom EFSL provides sponsored services and therefore relates to fee income and is not transaction based. The company's transactional role is that of receiver and transmitter of instructions, and it does not act as principal or broker. The company does not, therefore, take any credit risk in relation to settlements and does not accept any market risk.

The company's capital requirement as a limited licence firm is its Fixed Overhead Requirement since it is always likely to be greater than the base or credit and market risk requirements.

Operational risk is taken as a necessary consequence of undertaking its core business and the Company seeks to minimise these risks to the extent possible by putting in place robust internal risk and business controls, and using its independent internal audit, compliance monitoring and compliance policy teams to reinforce and oversee the operation of these controls. The Company aims to minimise operational risk at all times through a strong and well resourced control and operational infrastructure.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The Directors who held office during the period were as follows;

Jerome Bailey	Appointed 31 October 2008
Gavin Downs	
William Dye	Appointed 1 May 2008
Nigel Mason	Resigned 18 August 2008
Paul Matson	Resigned 18 July 2008
Joanne Palmer	Resigned 5 November 2008
Phillip Rowland	Appointed 14 November 2008
Susan Waller	Resigned 11 April 2008

Employees

The Company does not employ any staff. The principal employer in the group is Equiniti Limited from which the company resources and services are obtained.

Political and charitable donations

The Company did not make any political or charitable donations or incur any political expenditure during the period.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit PLC will therefore continue in office.

By order of the board

Peter Swabey
Secretary
26 March 2009

Aspect House
Spencer Road, Lancing
West Sussex, BN99 6DA

Equiniti Financial Services Limited
Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the company financial statements in accordance with IFRSs as adopted by the EU and applicable laws.

The company financial statements are required by law to present fairly the financial position of the Company and the performance of the Company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgments and estimates that are reasonable and prudent;

state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Equiniti Financial Services Limited

We have audited the company financial statements (the "financial statements") of Equiniti Financial Services Limited for the year ended 31st December 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 31st December 2008 and of its profit for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc 31 March 2009
Chartered Accountants
Registered Auditor
Crawley

Equiniti Financial Services Limited
Income Statement
For the year ended 31 December 2008

	Note	2008	*3 month period* 2007
		£'000	*£'000*
Revenue	1	**30,578**	*9,925*
Cost of sales		**(18,982)**	*(5,844)*
Gross profit		**11,596**	*4,081*
Administrative expenses		**(9,838)**	*(3,281)*
Operating profit		**1,758**	*800*
Financial income	6	**59**	*15*
Profit before tax		**1,817**	*815*
Taxation	7	**(518)**	*(244)*
Profit for the period attributable to equity holders		**1,299**	*571*

The Company has no recognised gains and losses other than those included in the profits and losses above.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalent.

The notes on pages 9 to 15 form part of these financial statements.

Equiniti Financial Services Limited
Balance Sheet
As at 31 December 2008

	Note	2008	2007
Assets		**£'000**	*£'000*
Non-current assets			
Investments	8	**-**	-
Other financial assets	9	**850**	*865*
		850	*865*
Current assets			
Trade and other receivables	11	**2,946**	*4,942*
Cash and cash equivalents	12	**5,280**	*1,732*
		8,226	*6,674*
Total assets		**9,076**	*7,539*
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	13	**3,500**	*3,500*
Retained earnings		**1,870**	*571*
Total equity		**5,370**	*4,071*
Current liabilities			
Trade payables		**473**	*393*
Tax payable	7	**518**	*244*
Other financial liabilities	10	**2,715**	*2,831*
		3,706	*3,468*
Total liabilities		**3,706**	*3,468*
Total equity and liabilities		**9,076**	*7,539*

The notes on pages 9 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 26 March 2009 and were signed on its behalf by:

P.D. Rowland.

Director

Equiniti Financial Services Limited
Statement of Changes in Equity
For the year ended 31 December 2008

	Share capital £'000	Retained earnings £'000	Total equity £'000
On incorporation	-	-	-
Total recognised income and expense	-	*571*	*571*
Share issue	*3,500*	-	*3,500*
Balance at 31 December 2007	*3,500*	*571*	*4,071*
Balance at 1 January 2008	3,500	571	4,071
Total recognised income and expense	-	1,299	1,299
Balance at 31 December 2008	**3,500**	**1,870**	**5,370**

Equiniti Financial Services Limited
Cash flow statement
For the year ended 31 December 2008

	Note	2008	*3 month period 2007*
		£'000	*£'000*
Cash flows from operating activities			
Profit for the period		**1,299**	*571*
Adjustments for:			
Financial income		**(59)**	*(15)*
Taxation		**518**	*244*
		1,758	*800*
Decrease/(Increase) in trade and other receivables		**1,996**	*(4,942)*
Increase in trade and other payables		**80**	*3,224*
		3,834	*(918)*
Group relief paid		**(244)**	-
Net cash from operating activities		**3,590**	*(918)*
Cash flows from investing activities			
Interest received		**74**	-
Net cash from investing activities		**74**	-
Cash flows from financing activities			
Proceeds from the issue of share capital		-	*3,500*
Payments to related parties		***(116)***	-
Loans to related parties		-	*(850)*
Net cash from financing activities		**(116)**	*2,650*
Net increase in cash and cash equivalents		**3,548**	*1,732*
Cash and cash equivalents at 1 January 2008		**1,732**	-
Cash and cash equivalents at 31 December	*12*	**5,280**	*1,732*

1 Accounting policies

Equiniti Financial Services Limited (the "Company") is a company incorporated in the UK.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

Measurement convention

The financial statements are prepared on the historical cost basis.

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 included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Revenue

Revenues comprise fixed periodic administration fees, transaction processing fees, fees for managing corporate actions and fees earned on the administration of client funds and are stated net of value added tax.

Periodic administration fees are recognised evenly over the contract period. Transaction based fees are recognised at the time of processing the related transactions. Revenues from corporate actions are recognised in line with the stage of completion.

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

Expenses

The direct costs of share dealing are charged to cost of sales as incurred.

The Company obtains all other services from Equiniti Limited. Operational costs of sales are charged by Equiniti Limited based on volumes of revenue activities of the Company in the period, whilst administrative costs are charged as the proportion of the total fixed overheads which is the attributable amount relating to the Company.

Financial Income

Interest income is recognised in profit or loss as it accrues on monies loaned and deposited.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 31 December 2008, and have not been applied in preparing these financial statements.

IFRS 8 Operating Segments introduces the "management approach" to segment reporting, which becomes mandatory for the Company's 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by Company's management in order to assess each segment's performance and to allocate resources to them. Currently the Company is not required to present segment information in respect of its business and geographical segments.

No other new standards and interpretations are considered to have an impact on the Company's financial statements if they had been applied early.

2 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management policies are established for the Equiniti Enterprises Limited group of companies (the "Group") and the Group Audit Committee overseas how management monitors compliance with these policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty, including brokers, to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Although the Company has only traded since 2007 the trading relationships have been established for a considerable time before the Group purchased the Lloyds TSB Registrars business from Lloyds TSB Group plc, and losses have occurred infrequently over previous years.

Because of the nature of the business the majority of the trade receivables are with FTSE 250 companies.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that the Company will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The costs of the Company are primarily variable and therefore sufficient revenue should always be generated to meet its costs. The capital structure of the Company has been established which comfortably meets minimum capital requirements as required by the FSA.

Market Risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices will effect the Company's income or the value of its financial instruments.

The Company's financial instruments are currently in sterling and its interest rate exposure is small with a 2% movement in base rates shown not to have a material effect on the Company's performance.

Exposure to interest rate fluctuations are partly managed through the use of interest rate swaps. Objectives are established by the board so as to seek to reduce the impact of variations in interest rates on the group's profit and cash flow.

The Company does not hold its own position in trading securities, being involved only in arranging transactions on behalf of its clients.

Capital management

The Company is required to maintain a level of capital resources as laid down by FSA rules in force at the time.

This requirement is measured with reference to credit and market risks that the Company is exposed to and the fixed elements of overheads within the business.

These are monitored and reported quarterly to the FSA, and future requirements have been modelled and stressed against different business scenarios, the impact of which did not effect the Company's ability to meet its FSA capital requirements in full.

3 Expenses and auditors' remuneration

Auditor's remuneration of £8,000 is borne by Equiniti Limited and included in the administrative expenses recharged.

4 Staff numbers and costs

The Company has no employees. Services to the Company are provided by staff employed by other companies within the Group, and their costs are recharged as part of the overall expenses recharges.

5 Directors' remuneration

No remuneration was paid or is payable to the directors. The directors are employed by other companies in the Group which bear their cost and their costs are recharged as part of the overall expenses recharges.

6 Finance income and expense

	2008	*3 month period 2007*
	£'000	*£'000*
Interest income on loans to related parties	**59**	*15*
Financial income	**59**	*15*

7 Taxation

Recognised in the income statement

	2008	*3 month period 2007*
	£'000	*£'000*
Current tax expense		
Current period	**-**	*-*
Group relief payable	**518**	*244*
Total tax in income statement	**518**	*244*

Reconciliation of effective tax rate

	2008	*3 month period 2007*
	£'000	*£'000*
Profit for the period	**1,299**	*571*
Total tax expense	**518**	*244*
Profit excluding taxation	**1,817**	*815*
Tax using the UK corporation tax rate of 28.5 (2007; 30%)	**518**	*244*
Total tax expense	**518**	*244*

8 Investments in subsidiaries

The Company has the following investments in subsidiaries:

	Country of Incorporation	**Class of shares held**
Equiniti Corporate Nominees Limited	UK	Ordinary
Equiniti ISA Nominees Limited	UK	Ordinary
Equiniti Nominees Limited	UK	Ordinary
Equiniti Savings Nominees Limited	UK	Ordinary
LR Nominees Limited	UK	Ordinary

	Ownership 2008	*Ownership 2007*
Equiniti Corporate Nominees Limited	**100%**	*100%*
Equiniti ISA Nominees Limited	**100%**	*100%*
Equiniti Nominees Limited	**100%**	*100%*
Equiniti Savings Nominees Limited	**100%**	*100%*
LR Nominees Limited	**100%**	*100%*

The above investments were made in the period in non trading nominee companies, with a holding of a single £1 share in each.

9 Other financial assets

	2008	*2007*
	£'000	*£'000*
Non-current		
Intra-group interest bearing assets classified as loans and receivables due from related parties	**850**	*865*
	850	*865*

10 Other financial liabilities

	2008	*2007*
	£'000	*£'000*
Current		
Intra-group balance classified as other financial liabilities due to related parties	**2,715**	*2,831*
	2,715	*2,831*

11 Trade and other receivables

	2008	*2007*
	£'000	*£'000*
Trade receivables	1,603	*4,835*
Other trade receivables and prepayments	1,343	*107*
	2,946	*4,942*

At 31 December 2008 trade receivables are shown net of an allowance for doubtful debts of £12,000 (2007: £nil). Impairment losses recognised in the period are £nil (2007: £nil).

12 Cash and cash equivalents

	2008	*2007*
	£'000	*£'000*
Cash and cash equivalents per balance sheet	5,280	*1,732*
Cash and cash equivalents per cash flow statements	5,280	*1,732*

13 Capital and reserves

Share capital

	Ordinary shares	*Ordinary shares*
In thousands of shares	2008	*2007*
On issue at 1 January	3,500	-
Issued for cash during the period at par	-	*3,500*
On issue at 31 December – fully paid	3,500	*3,500*

	2008	*2007*
	£'000	*£'000*
Authorised		
Ordinary shares of £ 1 each	3,500	*3,500*
	3,500	*3,500*
Allotted, called up and fully paid		
Ordinary shares of £ 1 each	3,500	*3,500*
	3,500	*3,500*

14 Financial instruments

Credit risk

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Carrying Amount 2008	Carrying Amount 2007
		£'000	*£'000*
Loans and receivables due from related parties	9	**850**	*865*
Trade and other receivables	11	**2,946**	*4,942*
Cash and equivalents	12	**5,280**	*1,732*
		9,076	*7,539*

Impairment losses

The ageing of trade receivables at the reporting date was:	2008	2007
	£'000	*£'000*
Not past due	**1,495**	*2,735*
Past due 0-30 days	**1**	*1,683*
Past due more than 30 days	**119**	*417*
	1,615	*4,835*

Based on historic performance of these contracts, the Company believes that £12,000 (2007: £nil) impairment allowance is necessary in respect of trade receivables.

Liquidity risk

The only financial liabilities relate to amounts payable to Group companies, which are settled monthly, and tax payable which will be relieved against tax losses made elsewhere in the Group.

Fair values

The fair values and the carrying values of financial assets and liabilities are the same.

15 Related parties

The Company does not employ any staff directly. The majority of the expenses of the Company are charged from its sister company Equiniti Limited.

The remuneration of key management personnel is borne by Equiniti Limited.

There are three mechanisms by which Equiniti Limited charges the Company for services and resources. There are two variable charges; one based on a percentage of revenue and the other based on volume of accounts or transactions for each revenue generating activity in the period. There is also a monthly fixed charge based for indirect overheads not related directly to revenue. The total charge for the period was £26,402,000 (2007: £8,136,000) of which £2,732,000 (2007: £2,831,000) remained outstanding at the period end.

During the period the Company has continued to loan Equiniti Limited £850,000 bearing interest at 7%. During the period £59,000 (2007: £15,000) of interest has accrued on the loan and £74,000 (2007: £nil) paid leaving a balance outstanding at the period end of £850,000 (2007: £865,000).

16 Ultimate parent company and parent company of larger group

The Company is a wholly owned subsidiary of Equiniti Holdings Limited, a company incorporated in the UK. Equiniti Enterprises Limited is the ultimate parent company incorporated in the UK. The ultimate controlling party lies with the funds managed by Advent International Corporation.

The smallest group in which the results of the Company are consolidated is that of Equiniti Enterprises Limited. The consolidated financial statements of Equiniti Enterprises Limited are available to the public and may be obtained from Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

17 Accounting estimates and judgements

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