Registered number
06223360

EQUINITI HOLDINGS LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Equiniti Holdings Limited

Contents

Equiniti Holdings Limited
Directors' Report
For The Year Ended 31 December 2009

The directors present their directors' report and financial statements for the year ended 31 December 2009.

Principal activities and business review

Equiniti Holdings Limited (the "Company") is a non-trading Holding company It is part of the Equiniti Enterprises Limited group (the "Group") which is ultimately owned through Funds managed by Advent International Corporation

The Company has an inter-company loan from its holding company, Equiniti Debtco Limited, and has lent money via an inter company loan in 2007 to its subsidiary Equiniti Limited in order to buy the business assets of Lloyds TSB Registrars

The Company has made a profit before tax of £nil (2008 a profit before tax of £584,000)

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows,

James Brocklebank
Jeffrey Paduch

Employees

The Company is a non trading investment company and does not employ any staff.

Political and charitable donations

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

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 ought to have taken as a director to make himself 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

Secretary
21 April 2010

Company registered number,
06223360
Registered Office,
Aspect House
Spencer Road, Lancing
West Sussex, BN99 6DA

Equiniti Holdings 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 financial statements in accordance with IFRSs as adopted by the EU 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 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 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 They have 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 Holdings Limited

We have audited the financial statements of Equiniti Holdings Limited for the year ended 31st December 2009 set out on pages 4 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc org uk/apb/scope/UKNP

Opinion on financial statements

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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion·

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

S C Barker (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
1 Forest Gate, Brighton Road
Crawley, RH11 9PT

23 April 2010

Equiniti Holdings Limited
Statement Of Comprehensive Income
For The Year Ended 31 December 2009

	Note	2009 £'000	*2008 £'000*
Revenue		-	-
Gross profit		-	-
Operating profit		-	-
Financial income	4	**37,119**	*62,102*
Financial expenses	4	**(37,119)**	*(61,518)*
Net financing income		-	*584*
Profit before tax		-	*584*
Taxation	5	**1**	*35*
Profit for the period attributable to equity holders		**1**	*619*

There is no difference between the profit before taxation and the retained profit for the year stated above and their historical cost equivalent.

The notes on pages 8 to 12 form part of these financial statements

Equiniti Holdings Limited
Statement Of Financial Position
As At 31 December 2009

	Note	2009 £'000	*2008 £'000*
Assets			
Non-current assets			
Intangible assets	6	**9,056**	*9,056*
Investments	7	**27,767**	*5,025*
Other financial assets	8	**584,858**	*568,827*
		621,681	*582,908*
Current assets			
Group relief receivable	5	**101**	*137*
Trade and other receivables	11	**-**	*351*
Cash and cash equivalents	12	**2**	*2*
		103	*490*
Total assets		**621,784**	*583,398*
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	13	**5,000**	*5,000*
Retained profit		**12**	*11*
Total equity		**5,012**	*5,011*
Non-current liabilities			
Deferred tax liabilities	10	**228**	*127*
		228	*127*
Current liabilities			
Other financial liabilities	9	**616,544**	*578,260*
		616,544	*578,260*
Total liabilities		**616,772**	*578,387*
Total equity and liabilities		**621,784**	*583,398*

The notes on pages 8 to 12 form part of these financial statements

These financial statements were approved by the board of directors on 21 April 2010 and were signed on its behalf by

J Paduch

J Paduch
Director

Equiniti Holdings Limited
Statement Of Changes In Equity
For The Year Ended 31 December 2009

	Share capital £'000	Retained profit / (loss) £'000	Total equity £'000
Balance at 1 January 2008	*5,000*	*(608)*	*4,392*
Total recognised income and expense	-	*619*	*619*
Balance at 31 December 2008	*5,000*	*11*	*5,011*
Balance at 1 January 2009	5,000	11	5,011
Total recognised income and expense	-	1	1
Balance at 31 December 2009	**5,000**	**12**	**5,012**

Equiniti Holdings Limited
Statement Of Cash Flows
For The Year Ended 31 December 2009

	Note	2009	*2008*
		£'000	*£'000*
Cash flows from operating activities			
Profit for the year		**1**	*619*
Adjustments for.			
Financial income		**(37,119)**	*(62,102)*
Financial expense		**37,119**	*61,518*
Taxation		**(1)**	*(35)*
		-	*-*
Decrease / (increase) in trade and other receivables		**351**	*(351)*
Decrease in trade and other payables		**-**	*(1,563)*
		351	*(1,914)*
Group relief received		**138**	*1*
Net cash inflow / (outflow) from operating activities		**489**	*(1,913)*
Cash flows from investing activities			
Interest received		**21,088**	*47,407*
Fees on acquisition of a business		**-**	*(27)*
Acquisition of a subsidiary		**(22,742)**	-
Net cash (outflow) / inflow from investing activities		**(1,654)**	*47,380*
Cash flows from financing activities			
Proceeds from new loans from related parties		**22,900**	-
Repayment of loan		**-**	*(2,051)*
Interest paid		**(21,735)**	*(43,533)*
Net cash inflow / (outflow) from financing activities		**1,165**	*(45,584)*
Net decrease in cash and cash equivalents		**-**	*(117)*
Cash and cash equivalents at 1 January		**2**	*119*
Cash and cash equivalents at 31 December	12	**2**	*2*

1 Accounting policies

Equiniti Holdings Limited (the "Company") is a company incorporated in the UK

The Company is exempt by virtue of s400 of the Companies Act 2006 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.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee

Intangible assets and goodwill

Business combinations are accounted for by applying the purchase method

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment Goodwill in these financial statements is further explained in note 6

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and 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

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Net financing costs

Net financing costs comprise interest payable and interest receivable on intercompany loans No interest accrues on intercompany trading balances which are settled monthly

Interest income and interest payable is recognised in profit or loss as it accrues

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 year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years

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 Adopted IFRSs have been issued which will be effective in future periods None of the new standards are expected to have a material effect on the financial statements

2 Financial instruments

Interest rate risk and credit risk

The company is an intermediate holding company, which borrows money to loan on to its subsidiaries. Interest is charged to subsidiaries based on the cost of debt for the company, so that the company faces no net risk on interest rates Hence the following explains the management of risk on a group-wide basis

Interest rate risk is managed across the Equiniti Enterprises Group of companies by monitoring its interest linked revenues versus non fixed interest rate borrowings There is a natural hedge in place across the Group whereby changes in interest rates impact both income and costs, leading to partial mitigation In addition, the Group has in place two derivatives to hedge some interest receivable on assets versus base rate, and some interest paid on debt versus Libor There is no effect in this company's financial statements for the accounting for these financial instruments

As outlined above, the Company relies upon cash generated across the group to meet its capital and interest payments Details of the management of cash flow and related risks are given in the consolidated financial statements of Equiniti Enterprises Limited, available from the address given in note .

3 Expenses and auditor's remuneration

Auditor's remuneration of £2,500 (2008 £2,500) is borne by Equiniti Limited

4 Finance income and expense

	2009	2008
	£'000	£'000
Interest income on loans to related parties	37,119	62,102
Financial income	37,119	62,102
Cost of borrowings	1,766	1,765
Interest expense on loans from related parties	35,353	59,753
Financial expenses	37,119	61,518

5 Taxation

Recognised in the statement of comprehensive income	2009	2008
	£'000	£'000
Current tax expense		
Group relief (receivable) / payable	(101)	64
Adjustment in respect of prior period	(1)	(201)
Deferred tax expense		
Origination of temporary differences	101	101
Benefit of tax losses recognised	-	1
Total tax in the statement of comprehensive income	(1)	(35)

Reconciliation of effective tax rate	2009	2008
	£'000	£'000
Profit for the year	1	619
Total tax expense	(1)	(35)
Profit excluding taxation	-	584
Tax using the UK corporation tax rate of 28 0% (2008. 28.5%)	-	166
Unrecognised deferred tax assets	(1)	(201)
Total tax expense	(1)	(35)

6 Intangible assets

Goodwill

	2009	2008
	£'000	£'000
Cost and Net book value		
Balance at 1 January	9,056	9,029
Acquisitions through business combinations	-	27
Balance at 31 December	9,056	9,056

Amortisation and impairment charge

Goodwill represents fees paid by the Company relating to establishing the group and other costs associated with purchasing business assets through its subsidiary Equiniti Limited, and meeting regulatory requirements for its subsidiary Equiniti Financial Services Limited The asset is not being amortised and no impairment to the asset has occurred in the year.

The value of goodwill reflects the expectation of the ability to generate new streams of revenue in addition to the core activities of the business and the achievement of operational cost savings

Impairment testing

Goodwill arose on the acquisition of the Lloyds TSB Registrars business from Lloyds TSB Group plc Goodwill is tested annually for impairment across the Group This is determined by assessing the present value of net cash flows generated by the business over the period during which the management expects to benefit from the acquired business

The recoverable amounts of the cash generating units ("CGUs") are determined from value in use calculations The key assumptions for the value in use calculations are those regarding discount rates and growth rates The Group derives cash flows from its most recent business plans over a three year period The projected cash flows are discounted using a weighted average cost of capital, reflecting current market assessments on debt/equity ratios of similar businesses and risks specific in the CGUs.

The outcome of the impairment assessment has been that it is considered unlikely that goodwill would be impaired for the Group, given that the value in use is greater than the carrying value of goodwill.

	2009	2008
Period on which management approved forecasts are based	3 years	3 years
Growth rate applied beyond approved forecast period	3%	3%
Discount rate	11 5%	10 5%

7 Investments in subsidiaries

The Company has the following investments in subsidiaries

	Country of Incorporation	Principal activity	Class of shares held
Equiniti Limited	UK	Registrars	Ordinary
Equiniti ICS Limited	UK	Business Process Outsourcer	Ordinary
Equiniti Financial Services Limited	UK	Financial services	Ordinary
Equiniti Jersey Limited	Channel Islands	Registrars	Ordinary

	Ownership 2009	Ownership 2008
Equiniti Limited	100%	100%
Equiniti ICS Limited	100%	0%
Equiniti Financial Services Limited	100%	100%
Equiniti Jersey Limited	100%	100%

Equiniti ICS Limited was acquired on 30 April 2009

8 Other financial assets

	2009	2008
	£'000	£'000
Non-current		
Intra-group interest bearing assets classified as loans due from related parties	584,858	568,827
	584,858	568,827

9 Other financial liabilities

	2009	2008
	£'000	£'000
Current		
Intra-group interest bearing liabilities classified as loans due to related parties	626,695	590,177
Unamortised cost of raising finance	(10,151)	(11,917)
	616,544	578,260

The costs associated with group borrowing is being amortised over the expected life of the borrowings of 8 years. The charge for the year of £1,766,000 (2008 £1,765,000) has been charged to finance expense

Balances due to related parties are shown as current. All balances under intra-group lending agreements are repayable on demand

10 Deferred tax assets and liabilities

Deferred tax liabilities are attributable to the following.

	2009	2008
	£'000	£'000
Intangible assets	228	127
Net tax liabilities	228	127

11 Trade and other receivables

	2009	2008
	£'000	£'000
Other receivables and prepayments	-	351
	-	351

12 Cash and cash equivalents

	2009	2008
	£'000	£'000
Cash and cash equivalents per statement of financial position	2	2
Cash and cash equivalents per statement of cash flows	2	2

13 Capital and reserves

Share capital

	Ordinary shares	*Ordinary shares*
In thousands of shares	**2009**	*2008*
On issue at 1 January	**5,000**	*5,000*
On issue at 31 December – fully paid	**5,000**	*5,000*

	2009	*2008*
	£'000	*£'000*
Allotted, called up and fully paid		
Ordinary shares of £ 1 each	**5,000**	*5,000*
	5,000	*5,000*

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

15 Related parties

In 2007, the Company was established as part of a group to raise funding for the purchase of a business in share registration and related services

The Company borrowed funds from its holding company Equiniti Debtco Limited and lent funds on to its subsidiary Equiniti Limited. Interest is charged at a rate reflecting the cost to the company of funding the advance.

During the year the Company borrowed £500,000 from its subsidiary Equiniti ICS Limited, leaving a balance outstanding at the year end of £500,000 (2008. £nil)

During the year interest of £37,119,000 (2008 £62,102,000) has accrued on the loan to its subsidiary Equiniti Limited, of which £21,088,000 (2008 £47,407,000) has been settled, leaving a balance outstanding at the year end of £584,858,000 (2008 £568,827,000)

During the year interest of £35,353,000 (2008 £59,753,000) has accrued on the loan from its parent Equiniti Debtco Limited, of which £21,735,000 (2008· £43,534,000) has been settled. A further £22,400,000 was borrowed leaving a balance outstanding at the year end of £626,195,000 (2008 £590,177,000)

16 Ultimate parent company and parent company of larger group

The Company is a wholly owned subsidiary of Equiniti Debtco Limited, a company incorporated in the UK Equiniti Enterprises Limited is the ultimate parent company incorporated in the UK The ultimate controlling party relationship 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