

Registration number: 06729467

# Equiniti Gateway Limited

Annual Report and Financial Statements

for the year ended 31 December 2021



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## **Equiniti Gateway Limited**

Registration number: 06729467

### **Company information**

<b>Directors</b>	R Carter
	A Green
	S Jackson
	Z Jackson
	J Pitcher
<b>Company secretary</b>	Prism Cosec Limited
<b>Registered office</b>	Highdown House Yeoman Way Worthing West Sussex BN99 3HH
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

## **Equiniti Gateway Limited**

Registration number: 06729467

### **Strategic report for the year ended 31 December 2021**

The directors present their strategic report for Equiniti Gateway Limited for the year ended 31 December 2021.

#### **General information**

Equiniti Gateway 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 Limited (formerly Equiniti Group plc) group of companies (the "EQ Group"). The EQ Group comprised Equiniti Group Limited, which was previously listed on the London Stock Exchange, and its subsidiaries.

On 9 December 2021, the EQ Group was acquired by Earth Private Holdings Ltd, a company owned by funds managed by Siris Capital Group, LLC. Earth Private Holdings Ltd forms part of the Orbit Private Holdings Ltd group of companies (the "Group"). The results of the Company have been included in the consolidated financial statements prepared for the Group for the period from the date of acquisition until 31 December 2021.

#### **Principal activities**

The Company is authorised by the Financial Conduct Authority ("the FCA") to act as a consumer finance intermediary, securing loans and mortgages for borrowers, and providing standby servicing contracts to lenders. The Company also provides specialist business process outsourcing services to customers operating in the financial services sector. The Company works with lenders, introducers, mortgage advisors and applicants to deliver innovative solutions, using its extensive knowledge of complex applications and related legislation, and promoting fair and responsible lending within the industry.

#### **Review of the business**

The business performed well in 2021 principally through two main service lines. The first was through a significant public tender awarded in the mortgage space. The Company was successful in winning the bid with the software being provided by a fellow Group undertaking, Pancredit Systems Ltd, which also operates within the Group's Credit Services division. The Company began to recognise revenue from this contract in 2021, as the software licence was successfully delivered and it commenced delivery of the implementation service. The first elements of the business outsource process are set to commence in H2 2022. The directors are confident of future growth within this contract in the years to come.

Secondly, organic growth of the standby proposition has provided a significant increase in the Company's revenues and EBITDA in the year. Standby servicing contracts provide funders with mitigated risk that if a lender fails, funds can be returned with minimal disruption. The unique way that this service is provided has put the business at the forefront of this market generating significant revenue and profit uplift. The business is now firmly established in this market as the "go-to" for this type of service. The demand for the product shows no signs of abating especially given current market conditions and the directors are confident of continued growth into 2022.

The housing market is buoyant and was further assisted through government intervention in the form of stamp duty holidays. The mortgage brokering business has been managing well through its traditional channels and has put staff through CEMAP qualifications allowing the business to take advantage of further mortgage advisory work. New products have also been launched to support developing, packaging and underwriting new revenue lines for the business, which, whilst modest presently, will become more prevalent into 2022.

The Company's performance in the year generated an increase in revenue and EBITDA which the directors expect to continue into 2022. The Company's financial performance in 2021 was in line with the directors' expectations and the directors view the Company as well positioned for further growth in 2022.

The Company complied with its regulatory capital requirement in 2021, which is set at the higher of £100,000 or 10% of revenue.

## Equiniti Gateway Limited

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### Strategic report for the year ended 31 December 2021 (continued)

The Company's key financial performance indicators are revenue and EBITDA, which reconcile to profit before income tax as follows:

	2021 £ 000	2020 £ 000
Revenue	3,709	778
Administrative costs	(2,411)	(312)
EBITDA*	1,298	466
Amortisation	(26)	(26)
Dividends received	-	24
Profit before income tax	1,272	464

\*EBITDA is defined as profit before interest, tax, depreciation and amortisation. EBITDA is the performance measure used by the Company which the directors feel best reflects the sustainable operating performance of the business.

#### Future developments

The outlook for the business remains positive. Standby servicing contracts continue to grow and the addition of new revenue lines and the further addition of qualified individuals into the business will continue the strong financial performance witnessed over the recent years. Cementing a larger footprint in the mortgage market through further servicing opportunities alongside other Credit Services businesses will also assist the growth of the complementary services provided by this business moving forward.

#### Principal risks and uncertainties

The principal business risks are maintaining the Company's client relationships, maintaining the underlying volume of business, ensuring regulatory compliance, effective internal processes and operational resilience. To minimise exposure to these risks, management continues to focus on the quality of its service to its clients and the changing regulatory requirements, whilst investing in its technology to meet customers' needs and to respond to changes issued by regulatory authorities.

As the Company is authorised and regulated by the FCA, the business continues to trade in an environment of regulatory change, which increases the risk of non-compliance. The Company manages and mitigates these risks by benefitting from the Group's dedicated second-line risk and compliance teams who have supported the first line business in enhancing risk ownership and accountability throughout the year. The directors also continually monitor the business and the environment for upcoming, new or amended regulations, to ensure that the Company complies on time. In addition to this, the Company delivers regular training for all employees working in regulated areas, so they understand the rules and requirements they must comply with.

Further details on 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 the Group's annual report.

Approved by the Board on 26 April 2022 and signed on its behalf by:



.....  
R Carter  
Director

Company registration number: 06729467

## **Equiniti Gateway Limited**

Registration number: 06729467

### **Directors' report for the year ended 31 December 2021**

The directors present their report and the audited financial statements for the Company for the year ended 31 December 2021.

#### **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:

R Carter

N Fell (resigned 16 December 2021)

A Green

S Jackson (appointed 12 November 2021)

Z Jackson

G Wakeley (resigned 4 January 2021)

The following director was appointed after the year end:

J Pitcher (appointed 9 March 2022)

#### **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 pages 2 to 3.

#### **Dividends**

The directors do not recommend a final dividend for the year ended 31 December 2021 (2020 - £nil).

#### **Financial instruments**

##### ***Objectives and policies***

The Company has exposure to credit risk and liquidity risk from its use of financial instruments. Risk management policies are established for the Company, by the Group, and the Group's Risk and Audit Committees oversee 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's Risk and Audit Committees are assisted in their oversight role by the Group's internal audit function which undertakes both regular, and ad hoc, reviews of risk management controls and procedures, the results of which are reported to the Group's Audit Committee.

##### ***Credit risk and liquidity risk***

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument or a customer fails to meet its contractual obligations, and arises principally from the Company's receivables with fellow Group companies and contract assets. If a fellow Group company was to incur a loss from its use of financial instruments, then there is the potential that the fellow Group company would be unable to settle its liabilities due to the Company. However due to the nature of the business of the Group, the majority of trade receivables and contract assets of Group undertakings are with large institutions, including many FTSE 350 companies. Losses have occurred infrequently in previous years and have never been material. The Company establishes an allowance for impairment that represents its exposure to expected credit losses.

The Company only deposits cash and cash equivalents with banks and financial institutions with credit ratings above a defined level assigned by international credit-rating agencies. Ratings are monitored regularly by the Group's treasury function.

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.

#### **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.

## Equiniti Gateway Limited

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### Directors' report for the year ended 31 December 2021 (continued)

#### 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, Orbit Private Holdings I Ltd. 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.

#### Disclosure of information to the auditors

Each director who held office at the date of approval of this Directors' report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Statement of directors' responsibilities in respect of the financial statements

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

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 Generally Accepted 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 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.

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.

#### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 26 April 2022 and signed on its behalf by:



.....  
R Carter  
Director

Company registration number: 06729467

## **Equiniti Gateway Limited**

Registration number: 06729467

# **Independent auditors' report to the members of Equiniti Gateway Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Equiniti Gateway Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: statement of financial position as at 31 December 2021; statement of comprehensive income; statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the strategic report and directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.



## **Equiniti Gateway Limited**

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### **Independent auditors' report to the members of Equiniti Gateway Limited (continued)**

#### ***Strategic report and directors' report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the strategic report and directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the strategic report and the directors' report.

#### **Responsibilities for the financial statements and the audit**

##### ***Responsibilities of the directors for the financial statements***

As explained more fully in the statement of directors responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

##### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Data protection and the Financial Conduct Authority's regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and taxation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate reported revenue or reported expenditure, and application of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Directors, management, staff in tax and compliance functions, internal audit and the legal counsel to identify any instances of non-compliance with laws and regulations, including consideration of known or suspected instances of fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business. In particular any journal entries posted with unusual account combinations, unusual words or those posted by senior management;
- Reading key correspondence with regulatory authorities, including the FCA;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Equiniti Gateway Limited**

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### **Independent auditors' report to the members of Equiniti Gateway Limited (continued)**

#### ***Use of this report***

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



.....  
Darren Meek (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 27/04/2022 .....

**Equiniti Gateway Limited**

Registration number: 06729467

**Statement of comprehensive income for the year ended 31 December 2021**

	Note	2021 £ 000	2020 £ 000
Revenue	4	3,709	778
Administrative costs	5	(2,411)	(312)
Amortisation of intangible assets	10	(26)	(26)
Dividends received from subsidiaries		-	24
Profit before income tax		1,272	464
Income tax expense	9	(242)	(72)
Profit and total comprehensive income for the financial year		<u>1,030</u>	<u>392</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

**Equiniti Gateway Limited**

Registration number: 06729467

**Statement of financial position as at 31 December 2021**

	Note	2021 £ 000	2020 £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	10	67	93
Investments in subsidiaries	11	-	-
		<u>67</u>	<u>93</u>
<b>Current assets</b>			
Trade and other receivables	12	3,240	819
Contract assets		19	-
		<u>3,259</u>	<u>819</u>
Total assets		<u>3,326</u>	<u>912</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	1,315	65
Contract liabilities		30	66
Income tax liability		242	72
		<u>1,587</u>	<u>203</u>
<b>Net assets</b>		<u>1,739</u>	<u>709</u>
<b>Equity</b>			
Share capital	14	775	775
Share premium		35	35
Retained earnings/(accumulated losses)		929	(101)
<b>Total equity</b>		<u>1,739</u>	<u>709</u>

The financial statements on pages 9 to 20 were approved by the Board on 26 April 2022 and signed on its behalf by:



R Carter  
Director

Company registration number: 06729467

The notes on pages 12 to 20 form an integral part of these financial statements.

**Equiniti Gateway Limited**

Registration number: 06729467

**Statement of changes in equity for the year ended 31 December 2021**

	Share capital £ 000	Share premium £ 000	(Accumulated losses)/retained earnings £ 000	Total equity £ 000
At 1 January 2021	775	35	(101)	709
Profit and total comprehensive income for the financial year	-	-	1,030	1,030
At 31 December 2021	<u>775</u>	<u>35</u>	<u>929</u>	<u>1,739</u>

	Share capital £ 000	Share premium £ 000	Accumulated losses £ 000	Total equity £ 000
At 1 January 2020	775	35	(493)	317
Profit and total comprehensive income for the financial year	-	-	392	392
At 31 December 2020	<u>775</u>	<u>35</u>	<u>(101)</u>	<u>709</u>

The notes on pages 12 to 20 form an integral part of these financial statements.

## Equiniti Gateway Limited

Registration number: 06729467

### Notes to the financial statements for the year ended 31 December 2021

#### 1 General information

The Company is a private company limited by shares, incorporated and domiciled in England and Wales.

The registered office address of the Company is:

Highdown House  
Yeoman Way  
Worthing  
West Sussex  
BN99 3HH

#### 2 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.

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 3.

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

##### Exemption from preparing group financial statements

These financial statements contain information about Equiniti Gateway Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of the Company's ultimate parent, Orbit Private Holdings I Ltd, a company incorporated in England and Wales.

## **Equiniti Gateway Limited**

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### **Notes to the financial statements for the year ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **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 2021 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.

##### **Intangible assets**

###### **Software**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design, development and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs, an appropriate portion of relevant overheads and external consultancy costs. Other development related costs that are not directly attributable or do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised software also includes purchased licences when the expenditure satisfies the recognition criteria in IAS 38 Intangible Assets. These items are capitalised at cost and amortised on a straight line basis over their useful economic life or the term of the contract.

###### **Amortisation**

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the assets, from the date they are available for use. The estimated useful lives are as follows:

Software

3 - 5 years

###### **Investments**

Investments in subsidiaries are carried at cost less any provisions for impairment.

###### **Impairment of non-financial assets**

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready for use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that have suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

## **Equiniti Gateway Limited**

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### **Notes to the financial statements for the year ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Contract assets**

When services are supplied to a customer before an invoice is issued, a contract 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. The Company's contracts with customers often include a payment schedule which determines when invoices are raised, and settlement is received, during the contractual term.

##### **Amounts due from Group undertakings**

Amounts due from Group undertakings 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 and consequently loss allowances are measured at an amount equal to the lifetime expected credit loss. Balances are unsecured and repayable on demand.

##### **Cash and cash equivalents**

The Company is part of a Group wide cash pooling arrangement whereby any surplus cash is swept to a fellow Group company on a regular basis with the balance reflected as amounts due from Group undertakings.

##### **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 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.

The Company's financial liabilities are classified and measured at amortised cost using the effective interest method.

##### ***Derecognition***

###### ***Financial assets***

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

###### ***Financial liabilities***

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



## **Notes to the financial statements for the year ended 31 December 2021 (continued)**

### **2 Accounting policies (continued)**

#### **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.

#### **Amounts due to Group undertakings**

Amounts due to Group undertakings represent liabilities for goods and services received by the Company prior to the end of the financial year which are unpaid. Balances are unsecured and repayable on demand. Amounts due to Group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Contract liabilities**

Contract 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.

#### **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. The excess of consideration received over the nominal value of the shares acquired is shown in a share premium reserve.

#### **Revenue recognition**

Revenue, which excludes sales tax, represents the value of services provided under contract to customers (lenders) in the United Kingdom. Contract revenue is measured as the fair value of the consideration receivable. Revenue is recognised when, or as, the Company satisfies contractual performance obligations by transferring promised services to its customers. Revenue is recognised either at a point in time when the performance obligation in the contract has been performed, or over time as the performance obligation is delivered to the customer.

Revenue recognised for services delivered, but not yet invoiced, is reflected in the statement of financial position within contract assets. In respect of commission income arising from the Company's mortgage brokering services, there is typically one month delay in when services are delivered and when they are invoiced. Revenue is only recognised when supported by a written client contract and recoverability is expected in line with the supporting contract. Amounts invoiced in advance of work being performed, in respect of professional services, are deferred in the statement of financial position as contract liabilities.

#### *Commission income*

Commission income is earned when a borrower obtains credit from a lender and the Company becomes contractually entitled to receive commission income based on the amounts loaned. Revenue is recognised at a point in time on the date of completion when funds are made available to the borrower.

#### *Professional services*

Revenue from fixed-price standby servicer 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.

#### *Software sales, hosting and support services*

Revenue for software licences is recognised at a point in time when the licences are delivered to the customer, as this results in the customer having the right to use the licence, and therefore the performance obligation is delivered in full. Revenue for hosting and support services are recognised rateably over the term of the agreement.

When products are bundled together for the purpose of sale, the associated revenue net of all applicable discounts, is allocated between the constituent performance obligations on a relative fair value basis. The Company has a systematic basis for allocating relative fair values in these situations, based upon published list prices.

## Equiniti Gateway Limited

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### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 2 Accounting policies (continued)

##### Government grants

Grants that compensate the Company for expenses incurred are recognised in the same periods in which the expenses are recognised. Grants relating to employment are recognised in the statement of comprehensive income as they are earned. Grants relating to intangible assets are recognised within other payables on the statement of financial position and amortised over the useful life of the asset.

##### Finance income and costs

Net finance costs comprise interest payable, interest receivable on own funds and foreign exchange gains and losses. Interest income and interest payable 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 subsidiary of a group of companies ultimately owned by Orbit Private Holdings I Ltd and, where permitted, eligible Group company's taxable profits and losses are group relieved. All eligible 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 Group undertaking or settled via the intercompany account.

Current tax is the expected tax payable on the Company's taxable profit or loss 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.

#### 3 Critical accounting judgements and key sources of estimation uncertainty

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

#### 4 Revenue

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

	2021 £ 000	2020 £ 000
Rendering of services	3,709	778

##### Revenue recognised in the year from:

	2021 £ 000	2020 £ 000
Amounts included in contract liabilities at the beginning of the year	66	-

## Equiniti Gateway Limited

Registration number: 06729467

### Notes to the financial statements for the year ended 31 December 2021 (continued)

#### 5 Administrative costs

Expenses by nature:	2021 £ 000	2020 £ 000
Direct costs	912	25
Printing and postage	11	16
IT licences and maintenance	-	8
Other expenses	22	31
Group overhead recharges	<u>1,466</u>	<u>232</u>
	<u>2,411</u>	<u>312</u>

Group overhead recharges comprise an allocation of Group overhead costs such as sales and marketing, finance and audit, human resources and legal and professional fees.

Direct costs includes a charge from a fellow Group company in 2021 for the provision of software used by the Company's customers.

#### 6 Auditors' remuneration

Fees payable to the Company's auditors in respect of the audit of these financial statements of £20,000 (2020 - £15,000) were borne by a Group undertaking.

#### 7 Staff numbers and costs

The Company did not employ any persons during the year (2020 - none), 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 the Company are recognised within Group overhead recharges in note 5.

#### 8 Directors' remuneration

One (2020 - one) director was remunerated by the Company for their services during the year. Their remuneration, which was recharged from a Group undertaking, was as follows:

	2021 £ 000	2020 £ 000
Remuneration	73	73
Company contributions to money purchase pension schemes	<u>7</u>	<u>7</u>
	<u>80</u>	<u>80</u>

Of the directors above whose costs were recharged to the Company during the year, the following number were receiving pension benefits:

	2021 Number	2020 Number
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

Five (2020 - five) directors were remunerated by other Group undertakings in the year for their services to the Group as a whole. None of their remuneration is directly attributable to services provided to this Company, so none of their emoluments have been apportioned to this Company. Accordingly, the tables above do not include any emoluments in respect of these directors as they are included in the aggregate directors' emoluments disclosed in the financial statements of the other Group undertakings.

**Equiniti Gateway Limited**

Registration number: 06729467

**Notes to the financial statements for the year ended 31 December 2021 (continued)****9 Income tax expense**

Tax charged in the statement of comprehensive income:

	<b>2021</b> <b>£ 000</b>	<b>2020</b> <b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	<u>242</u>	<u>72</u>

The tax on profit before income tax for the year is the same as the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	<b>2021</b> <b>£ 000</b>	<b>2020</b> <b>£ 000</b>
Profit before income tax	<u>1,272</u>	<u>464</u>
Corporation tax at the standard UK rate of 19% (2020 - 19%)	242	88
Non-taxable income	-	(4)
Deferred tax not recognised	<u>-</u>	<u>(12)</u>
Total tax expense	<u>242</u>	<u>72</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 the rate to 17%, effective from 1 April 2020, was substantively enacted on 6 September 2016. However this tax rate reduction from 19% to 17% was subsequently reversed on 17 March 2020 and therefore the current tax rate remains at 19%.

On 24 May 2021, the Government announced that, with effect from 1 April 2023, the main rate of UK corporation tax will increase to 25%. This is expected to increase the Company's future tax charge accordingly.

**Deferred tax**

The Company does not have any unrecognised deferred tax assets or liabilities.

**Equiniti Gateway Limited**

Registration number: 06729467

**Notes to the financial statements for the year ended 31 December 2021 (continued)****10 Intangible assets**

	<b>Software £ 000</b>
<b>Cost or valuation</b>	
At 1 January 2021	285
At 31 December 2021	285
<b>Accumulated amortisation</b>	
At 1 January 2021	192
Charge for the year	26
At 31 December 2021	218
<b>Carrying amount</b>	
At 31 December 2021	67
At 31 December 2020	93

**11 Investments in subsidiaries**

Details of the subsidiaries as at 31 December 2021 are as follows:

<b>Name of subsidiary</b>	<b>Principal activity</b>	<b>Registered office address</b>	<b>Proportion of ownership interest and voting rights held</b>	
			<b>2021</b>	<b>2020</b>
Refresh Personal Finance Ltd	Dormant	Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH, United Kingdom	100%	100%

**12 Trade and other receivables**

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
Trade receivables	228	196
Expected credit loss allowance	(10)	-
Net trade receivables	218	196
Amounts due from Group undertakings	3,022	623
	3,240	819

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 Gateway Limited**

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**Notes to the financial statements for the year ended 31 December 2021 (continued)****12 Trade and other receivables (continued)****Ageing of trade receivables that are past due**

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
0 to 30 days	36	63
31 to 60 days	7	34
61 to 90 days	2	-
More than 90 days	12	-
	<u>57</u>	<u>97</u>

**13 Trade and other payables**

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
Trade payables	-	3
Amounts due to Group undertakings	1,157	8
Accrued expenses	3	-
Other payables	155	54
	<u>1,315</u>	<u>65</u>

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

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

	<b>2021</b>		<b>2020</b>	
	<b>Number</b>	<b>£ 000</b>	<b>Number</b>	<b>£ 000</b>
Ordinary shares of £1 each	<u>775,284</u>	<u>775</u>	<u>775,284</u>	<u>775</u>

**15 Dividends**

The Company did not pay a dividend during the year (2020 - £nil) and no dividends have been proposed post year end (2020 - £nil).

**16 Parent and ultimate parent undertaking**

The Company is a wholly owned subsidiary of Equiniti Holdings Limited, a company incorporated in England and Wales. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Orbit Private Holdings I Ltd. Copies of the Orbit Private Holdings I Ltd consolidated financial statements can be obtained upon request from Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH.

The ultimate controlling party is Siris Capital Group, LLC, a private limited company incorporated and domiciled in the United States of America.