Registration number: 06135586

Equiniti Global Payments Limited

(formerly TransGlobal Payment Solutions Limited)

Annual Report and Financial Statements

for the year ended 31 December 2018

Equiniti Global Payments Limited (formerly TransGlobal Payment Solutions Limited)
Registration number: 06135586

Contents

Equiniti Global Payments Limited (formerly TransGlobal Payment Solutions Limited)
Registration number: 06135586

Company information

Directors	H Cayley S Sangar G Wakeley
Company secretary	K Cong
Registered office	Elder House, St Georges Business Park Brooklands Road Weybridge Surrey KT13 OTS
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Portland Building 25 High Street Crawley West Sussex RH10 1BG

Strategic report for the year ended 31 December 2018

The directors present their strategic report for Equiniti Global Payments Limited for the year ended 31 December 2018.

General information

Equiniti Global Payments Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales.

The Company is a wholly owned subsidiary of Equiniti Holdings Limited which is part of the Equiniti Group plc group of companies (the "Group"). The Group comprises Equiniti Group plc, which is listed on the London Stock Exchange, and its subsidiary companies as listed in note 4.4 of the Equiniti Group plc consolidated financial statements for the year ended 31 December 2018. Copies of these financial statements are available from the locations listed in note 17 of the notes to these financial statements.

The Company changed its name from TransGlobal Payment Solutions Limited to Equiniti Global Payments Limited on 25 June 2018.

The registered office address of the Company is:

Elder House, St Georges Business Park
Brooklands Road
Weybridge
Surrey
KT13 OTS

Principal activity

The principal activity of the Company is the provision of domestic and international payment services through the Group's web based technology solution, Payfac. These services are regulated by the Financial Conduct Authority ("FCA").

Review of the business

The Company, and the Group, continued to invest in the Payfac technology and its people and processes in 2018 to ensure that the Company is well placed to deliver on its regulatory obligations. On boarding of new clients has been streamlined through robust processes and investment in technology, which enables effective and improved risk based decision making. Transaction monitoring capabilities have been implemented to ensure that the Company adheres to regulation as well as continually enhancing our level of service.

In July 2018, contracts were novated to a fellow Group company to align the performance of this business to the Group's internal management structure. This resulted in revenues decreasing by 55% in 2018. Following an internal Group reorganisation, this decision was reversed at the end of 2018 and trading will recommence in the Company during 2019.

EBITDA also decreased 59% from 2017, mainly as a result of the Company's activity being transferred to a fellow Group company during the second half of 2018. Staff costs for employees who worked on projects within the Company in the first half of 2018 were recharged from a fellow Group company.

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 a receivable from Group undertakings.

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

	2018 £ 000	**2017 £ 000**
Revenue	1,078	2,375
Administrative costs	(235)	(340)
EBITDA*	843	2,035
Depreciation, amortisation and net finance costs	(45)	(40)
Profit before income tax	798	1,995

*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.

Strategic report for the year ended 31 December 2018 (continued)

Future developments

The Company has a clear growth ambition to continue targeting sectors where we are relevant and drive value. The product investment approach has been driven by three key areas:

- Enhancements to the current platform based on needs of existing clients.
- New functionality to support new business.
- Building scalability through automation.

We will continue to invest in expanding payment networks and delivery channels through banking partnerships which gives clients greater choice and flexibility in payment delivery.

Principal risks and uncertainties

The principal risks and uncertainties, together with the development, performance and position, and an analysis using key performance indicators of the Group, which include those of the Company and the Group, are discussed in the business review of Equiniti Group plc's annual report.

Approved by the Board on 27 June 2019 and signed on its behalf by:

....

G Wakeley
Director

Company registration number: 06135586

Directors' report for the year ended 31 December 2018

The directors present their report and the audited financial statements for the Company for the year ended 31 December 2018.

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:

J Millam (appointed 22 June 2018 and resigned 29 January 2019)

M Taylor (resigned 22 June 2018)

G Wakeley (appointed 22 June 2018)

N Kinnon (resigned 26 April 2019)

T Prins (appointed 22 June 2018 and resigned 29 January 2019)

The following directors were appointed after the year end:

H Cayley (appointed 29 January 2019)

L McGrath (appointed 29 January 2019 and resigned 31 March 2019)

S Sangar (appointed 29 January 2019)

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 2018 (2017 - £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 Audit Committee oversees 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 Audit Committee is assisted in its 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 customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company requires customers to prefund transactions which mitigates the risk of default from a customer. Other receivables due from fellow Group companies have a low credit risk as the Group has adequate resources to support its subsidiaries and intercompany balances are net settled on a regular basis.

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 funds to meet its liabilities when due. Many of the costs of the Company are primarily variable and therefore sufficient cash generated from revenues should always be available to meet its costs.

Going concern

The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

Directors' report for the year ended 31 December 2018 (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, Equiniti Group plc. The insurance does not provide cover in the event that the director is proved to have acted fraudulently. Indemnity insurance is maintained for the Company's directors and officers against liability in respect of proceedings brought by third parties, subject to the terms and conditions of the Companies Act 2006.

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.

Reappointment of auditors

Pursuant to section 487 of the Companies Act 2006, and subject to the reappointment of the auditors being approved at the annual general meeting of the ultimate parent, Equiniti Group plc, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 27 June 2019 and signed on its behalf by:

....
G Wakeley
Director

Company registration number: 06135586

Independent auditors' report to the members of Equiniti Global Payments Limited (formerly TransGlobal Payment Solutions Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Equiniti Global Payments Limited's (formerly TransGlobal Payment Solutions Limited's) financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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: the statement of financial position as at 31 December 2018; the statement of comprehensive income; the statement of changes in equity for the year then ended; and the notes to the financial statements.

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

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises the information included 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 our 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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Equiniti Global Payments Limited (formerly TransGlobal Payment Solutions 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 2018 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 as set out on page 5, 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 the directors 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.

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. This description forms part of our auditors' report.

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

Date: 4 July 2019

Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Revenue		1,078	2,375
Administrative costs	3	(235)	(340)
Depreciation of property, plant and equipment	8	(1)	(5)
Amortisation of intangible assets	9	(44)	(35)
Profit before income tax		798	1,995
Income tax expense	7	(150)	(391)
Profit and total comprehensive income for the financial year		648	1,604

The notes on pages 11 to 21 form an integral part of these financial statements.

Statement of financial position as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Assets			
Non-current assets			
Property, plant and equipment	8	-	1
Intangible assets	9	124	168
Deferred tax assets	7	-	1
		124	170
Current assets			
Trade and other receivables	10	4,957	5,336
Cash and cash equivalents	11	-	100
		4,957	5,436
Total assets		5,081	5,606
Liabilities			
Non-current liabilities			
Deferred tax liabilities	7	1	-
Current liabilities			
Bank overdraft		1	-
Trade and other payables	12	70	1,304
Income tax liability		444	385
		515	1,689
Total liabilities		516	1,689
Net assets		**4,565**	**3,917**
Equity			
Share capital	13	1,625	1,625
Share premium	14	261	261
Capital contribution reserve	14	3	3
Retained earnings		2,676	2,028
Total equity		**4,565**	**3,917**

The financial statements on pages 8 to 21 were approved by the Board on 27 June 2019 and signed on its behalf by:

....

G Wakeley
Director

Company registration number: 06135586

The notes on pages 11 to 21 form an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2018

	Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2018	1,625	261	3	2,028	3,917
Profit and total comprehensive income for the financial year	-	-	-	648	648
At 31 December 2018	1,625	261	3	2,676	4,565

	Share capital £ 000	Share premium £ 000	Capital contribution reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2017	1,625	261	3	424	2,313
Profit and total comprehensive income for the financial year	-	-	-	1,604	1,604
At 31 December 2017	1,625	261	3	2,028	3,917

The notes on pages 11 to 21 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2018

1 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or estimation and which are significant to the financial statements, are disclosed in note 2.

These financial statements are presented in British Pounds ("£") which is the Company's functional currency.

Summary of disclosure exemptions

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 1 Presentation of Financial Statements, paragraphs:
  - 10(d) - Statement of cash flows
  - 16 - Statement of compliance with all IFRS
  - 38B-D - Additional comparative information in respect of IAS 16 Property, Plant and Equipment paragraph 73(e) and IAS 38 Intangible Assets paragraph 118(e)
  - 134 to 136 - Capital management disclosures
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, paragraphs 30 and 31 - New standards issued but not yet effective
- IAS 24 Related Party Disclosures, paragraphs 17 and 18A - Certain key management personnel information and related party disclosures with transactions entered into between wholly owned group companies
- IAS 36 Impairment of Assets, paragraphs 134(d) to 134(f) and 135(c) to 135(e) - Key assumptions and estimates used to measure value in use of cash-generating units
- IFRS 2 Share-based Payments, paragraphs 45(b) and 46 to 52 - Exemption from disclosing the number of share options and how the fair values were determined
- IFRS 7 Financial Instruments: Disclosures
- IFRS 13 Fair Value Measurement, paragraphs 91 to 99 - Valuation techniques and inputs used for fair value measurement of assets and liabilities
- IFRS 15 Revenue from Contracts with Customers, paragraphs 110, 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 - Detailed revenue disclosures

Going concern

The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

The Company benefits from the Group's cash pooling arrangement which requires surplus cash to be consolidated in a central holding company to improve the Group's fund management. This cash is held on demand by the central holding company and the Company's portion of this balance is available for the Company to meet its liabilities as they fall due. The balance is recognised within receivables from Group undertakings and can be repaid at any time on request of the Company.

New standards, interpretations and amendments

There are no standards, interpretations and amendments effective for the first time from 1 January 2018 that had a material effect on the financial statements.

The Company adopted IFRS 9 Financial Instruments ("IFRS 9") and IFRS 15 Revenue from Contracts with Customers ("IFRS 15") on 1 January 2018, however neither of these standards had a material impact on the financial position or results of the Company.

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

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.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Office equipment	2 - 10 years

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.

Amortisation

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

Software	3 - 5 years

Impairment of non-financial assets

Assets that have an indefinite useful life, for example 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 suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Cash and cash equivalents

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

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Customer cash

The Company holds certain balances with banks in a number of segregated accounts in the course of providing services to its clients. These balances are appropriately not included in the Company's statement of financial position as they are held to complete these tasks and are not available for use by the Company for its own purposes.

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 classifies its financial assets in the following measurement categories:

- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows and management will determine the classification on initial recognition.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets held at fair value through profit or loss are recognised within the statement of comprehensive income.

Trade and other receivables (excluding prepayments) and contract fulfilment assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost, less provisions for impairment.

The Company classifies its financial liabilities in the following measurement categories:

- At fair value through profit or loss
- At amortised cost

The Company classifies debt and equity instruments as either financial liabilities or as equity, in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of the Company, after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Under IAS 32 Financial Instruments: Presentation, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Financial liabilities not classified as fair value through profit or loss, such as derivatives, 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.

1 Accounting policies (continued)

Trade payables

Trade payables represent liabilities for goods and services received by the Company prior to the end of the financial year which are unpaid. The amounts within trade payables are unsecured. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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.

Share-based payments

The Company's ultimate parent company, Equiniti Group plc, operates an equity-settled share-based compensation plan under which the Company receives services from employees as consideration for equity instruments (options) of Equiniti Group plc. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the Company, with the corresponding entry being recognised in the capital contribution reserve. The total amount to be expensed is determined by reference to the fair value of the options granted:

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee over a specified period of time; and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

At the end of each reporting date, the Company revises its estimates of the number of options that are expected to vest, based on the non-market vesting conditions and service conditions. It recognises the impact of the revisions to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to the capital contribution reserve.

Forward contracts

The company executes forward contracts with customers and these contracts are traded back to back with forward contracts with its banking suppliers. The forward contracts are measured at fair value through profit and loss and the fair value is calculated using the expected exchange rate applicable at the date of trading. Unsettled transactions at the reporting date are recognised within foreign currency receivables and foreign currency payables in the statement of financial position until the settlement date.

Revenue recognition

Revenue, which excludes sales tax, represents the value of services provided under contract to customers in the United Kingdom. Contract revenue is measured as the fair value of the consideration receivable for services performed. Revenue is recognised at a point in time when the Company satisfies contractual performance obligations by transferring services to its customers. Services are considered to be transferred when the customer obtains control of the service.

Transactional revenue

Transactional revenue represents transaction fees and commission earned on processing foreign exchange transactions. Revenue is recognised at a point in time when the processing of the related transactions takes place.

Contract revenue is measured as the fair value of the consideration receivable. The fair value of consideration might vary due to variations in a contract. A variation is only included in revenue when it is probable that the customer will approve the variation and that the amount of revenue can be reliably measured. An increase in scope of a contract will increase both the total anticipated revenue and costs to complete the contract.

Costs to date and costs to complete for each project are continually monitored for each project through a monthly review process. If it becomes apparent that contract costs will exceed contract revenue, then the loss is recognised immediately as an expense in the income statement.

Costs arising prior to the Company being awarded a contract, or achieving preferred bidder status, and mobilisation costs are expensed to the income statement as incurred. Once the Company is awarded a contract, the incremental costs of obtaining or fulfilling the contract are recognised as an asset only if the Company expects to recover them. These assets are subsequently charged to the income statement over the expected contract period using a systematic basis that mirrors the pattern in which the Company recognises the contracted revenue.

Notes to the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within finance income or costs.

Tax

Tax on the result for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The Company is a member of the Equiniti Group plc tax group in which all eligible Group company's taxable profits and losses are group relieved. All eligible Group companies share liability for the Groups overall tax liability and record their own share of tax payable or receivable at the reporting date. The balance is subsequently paid to or received from a fellow Group company or settled via the intercompany account.

Current tax is the expected tax payable on the taxable profits for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

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 statement of financial position date.

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

2 Critical accounting judgements and key sources of estimation uncertainty

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

3 Administrative costs

Expenses by nature:	**2018 £ 000**	**2017 £ 000**
Staff costs (note 5)	-	133
Net staff costs recharged from fellow Group companies	191	161
Staff costs capitalised in respect of software development	-	(3)
Direct costs	37	45
Other expenses	7	4
	235	340

4 Auditors' remuneration

Fees payable to the Company's auditors in respect of the audit of these financial statements of £5,000 (2017 - £9,000) were borne by a fellow Group company.

Notes to the financial statements for the year ended 31 December 2018 (continued)

5 Staff numbers and costs

The average monthly number of persons employed by the Company during the year, analysed by category was as follows:

	2018 Number	2017 Number
Support functions	-	1

The aggregate payroll costs of these persons were as follows:

	2018 £ 000	2017 £ 000
Wages and salaries	-	124
Social security costs	-	9
	-	133

The Company did not employ any persons during the year, however staff costs were recharged from fellow Group companies where staff time was spent on projects within this Company. The aggregate staff costs recharged to this Company are shown in note 3.

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £ 000	2017 £ 000
Remuneration	-	129
Company contributions to money purchase pension schemes	-	7
	-	136

This director received the following benefits during the year:

	2018 Number	2017 Number
Accruing benefits under money purchase pension scheme	-	1

All of the (2017 - one) directors have been fully remunerated by other Group companies in the year for their services to the Group as a whole and it is not possible to make an accurate apportionment of their emoluments in respect of this Company alone. Accordingly, the above details include no emoluments in respect of these directors as they are included in the aggregate of directors' emoluments disclosed in the financial statements of fellow Group companies.

7 Income tax expense

Tax charged in the statement of comprehensive income:

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	150	387
Adjustments in respect of prior periods	(2)	7
	148	394
Deferred taxation		
Arising from origination and reversal of temporary differences	2	(1)
Adjustments in respect of prior periods	-	(2)
	2	(3)
Tax expense in the statement of comprehensive income	150	391

The tax on profit before income tax for the year is lower than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit before tax	798	1,995
Corporation tax at the standard UK rate of 19% (2017 - 19.25%)	152	384
Non-deductible expenses	-	2
Adjustments in respect of prior periods	(2)	5
Total tax expense	150	391

Future tax changes
The UK corporation tax rate of 19%, effective from 1 April 2017, was substantively enacted on 26 October 2015. A reduction to this rate to 17%, effective from 1 April 2020, was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Income tax expense (continued)

Deferred tax

Deferred tax assets and liabilities are as follows:

2018	**Liability £ 000**
Accelerated tax depreciation	(1)
Amortisation	-
	(1)

2017	**Asset £ 000**
Accelerated tax depreciation	1
Amortisation	-
	1

The deferred tax assets and liabilities, which are calculated using the UK corporation tax rates substantively enacted on 6 September 2016, are expected to be recovered at least 12 months after the balance sheet date.

Deferred tax assets are recognised on temporary differences between the tax base and the accounting base of tangible fixed assets and intangible fixed assets to the extent that it is reasonably certain they will be realised in future periods against taxable profits.

There are no other deferred tax balances which have not been recognised in these financial statements.

Deferred tax movement during the current year:

	At 1 January 2018 £ 000	Recognised in income £ 000	At 31 December 2018 £ 000
Accelerated tax depreciation	1	(2)	(1)
Amortisation	-	-	-
Net tax (liabilities)/assets	1	(2)	(1)

Deferred tax movement during the prior year:

	At 1 January 2017 £ 000	Recognised in income £ 000	At 31 December 2017 £ 000
Accelerated tax depreciation	-	1	1
Amortisation	(2)	2	-
Net tax assets/(liabilities)	(2)	3	1

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Property, plant and equipment

	Office equipment £ 000
Cost or valuation	
At 1 January 2018	74
At 31 December 2018	74
Accumulated depreciation	
At 1 January 2018	73
Charge for the year	1
At 31 December 2018	74
Carrying amount	
At 31 December 2018	-
At 31 December 2017	1

9 Intangible assets

	Software £ 000
Cost or valuation	
At 1 January 2018	357
At 31 December 2018	357
Accumulated amortisation	
At 1 January 2018	189
Charge for the year	44
At 31 December 2018	233
Carrying amount	
At 31 December 2018	124
At 31 December 2017	168

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Trade and other receivables

	2018 £ 000	2017 £ 000
Receivables from Group undertakings	4,957	5,235
Other receivables	-	101
	4,957	5,336

None of these financial assets are either past due or impaired. Receivables from Group undertakings are non-interest bearing and are repayable on demand.

11 Cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash and cash equivalents	-	100

The Company holds certain balances with banks in a number of segregated accounts in the course of providing services to its clients. These balances are appropriately not included in the Company's statement of financial position as they are held to complete these tasks and are not available for use by the Company for its own purposes. The number of accounts and balances held vary significantly throughout the year.

12 Trade and other payables

	2018 £ 000	2017 £ 000
Trade payables	-	57
Amounts due to Group undertakings	42	1,247
Other payables	28	-
	70	1,304

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

13 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	Number	£ 000	Number	£ 000
Ordinary shares of £0.01 each	571,477	6	571,477	6
"C" shares of £0.01 each	161,939,196	1,619	161,939,196	1,619
	162,510,673	1,625	162,510,673	1,625

Notes to the financial statements for the year ended 31 December 2018 (continued)

14 Reserves

Share premium

The share premium balance represents consideration received in excess of the nominal value of shares issued.

Capital contribution reserve

The capital contribution reserve represents the amounts recognised in equity in respect of the equity-settled share-based compensation plans. See note 16 for further details.

15 Dividends

The Company did not pay a dividend during the year (2017 - £nil) and no dividends have been proposed post year end (2017 - £nil).

16 Share-based payments

Sharesave Plan 2015

Scheme description

Share options issued by the ultimate parent company, Equiniti Group plc, have been granted to all directors and employees of the Company who have entered into an Her Majesty's Revenue & Customs approved share savings scheme. Participants can save a maximum of £500 per month over three to five years. The number of shares over which an option is granted is such that the total option price payable for those shares corresponds to the proceeds on maturity of the related savings contract. The exercise price at grant is calculated as 80% of the average share price over the three preceding days or, in relation to new issue shares, the nominal value of a share. Granted options vest over the maturity of the savings contract and can be exercised over a period of 6 months after vesting.

Outstanding share options

Details of share options outstanding at the end of the year were as follows:

	2018	2017
Weighted average exercise price (£)	1.19	1.19
Expected weighted average remaining life (years)	0.50	1.50

17 Parent and ultimate parent undertaking

The Company is a wholly owned subsidiary of Equiniti Holdings Limited, a company incorporated in England and Wales. The Company is controlled by its ultimate parent company Equiniti Group plc, a public listed company incorporated in England and Wales and listed on the London Stock Exchange.

The most senior parent entity and the parent of the smallest and largest group producing publicly available financial statements in which these are consolidated is Equiniti Group plc. These financial statements are available online at www.equiniti.com or upon request from:

Sutherland House
Russell Way
Crawley
West Sussex
RH10 1UH