STRONGER TOGETHER

2018 ANNUAL REPORT

CELEBRATING OVER 30 YEARS OF GROWTH

In March 2018, JTC secured a premium listing on the main market of the London Stock Exchange. This milestone marked the beginning of an exciting new chapter for the Group, and another phase in a growth story that started over 30 years ago.

1987

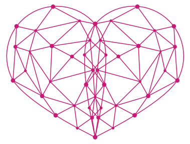
- The business is established in Jersey.

1991

- Current CEO, Nigel Le Quesne, joins the firm as its fifth employee.

1998

- The first JTC Employee Benefit Trust (EBT) is formed, establishing JTC's approach that 'every employee is an owner'.



2001 – 2011

- JTC establishes operations in the UK, BVI, Switzerland, Luxembourg and Guernsey.

2008

- A management buy-out results in the Group being wholly owned by management and staff.

2010

- JTC makes its first acquisition in Jersey.

2012

- CBPE Capital invests in JTC, holding a minority interest in the business. This enables the Group to embark on its 'local to global' expansion strategy.

2013

- The Group establishes an alliance with Kensington Trust Group, providing coverage in Hong Kong, Labuan, Malaysia, New Zealand and Singapore.

2014

- New 'Equity for All' (E4A) scheme launches, enhancing shared ownership opportunities for all employees.

2015

- We acquire a corporate services business in Luxembourg, and a fund administration business from GAM in the Cayman Islands.
- The Group acquires Kleinwort Benson's fund administration business, taking employee numbers to over 450, and strengthening the Group's position as a global provider in fund administration.

2017

- We acquire Merrill Lynch Wealth Management's International Trust and Wealth Structuring (BAML) business, strengthening the depth of our global offering and commitment to the Americas.
- JTC moves to new global headquarters, JTC House in Jersey.

2018

- JTC PLC lists on the main market of the London Stock Exchange. The Group acquires Van Doorn in the Netherlands and also Minerva, which adds additional depth to several existing JTC locations and a new Middle East base in Dubai.

2019

JTC TODAY

- JTC acquires Exequtive Partners in Luxembourg (post period end, 25 March 2019)

WE ARE JTC

JTC is an award-winning provider of fund, corporate and private client services to institutional and private clients.

Founded in 1987, we have over 700 people working across our global office network and are trusted to administer more than $110 billion of client assets.

The principle of true shared ownership for all employees is fundamental to our culture and aligns us completely with the best interests of our clients and other stakeholders.

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HIGHLIGHTS

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REVENUE (£)	UNDERLYING EBITDA (£)*	ADJUSTED DILUTED EPS (P)**
£77.3M	£23.8M	18.4P
2017 £59.8M	2017 £14.4M	2017 13.8P

STATUTORY EBITDA (£)	DILUTED EPS(P)	FINAL DIVIDEND PER SHARE(P)	NET DEBT (£)
£5.3M	(3.9P)	2.0P	(£48.7M)
2017 £9.6M	2017 (7.0P)		2017 (£42.5M)

* Items classified as non-underlying are as detailed in Note 10 of the financial statements. Non-underlying items are defined as specific items that the Directors do not believe will recur in future periods. The 2018 results reflect the pre listing capital structure up to 14 March 2018 and the subsequent structure post IPO.

** Adjusted diluted EPS is the loss for the year adjusted to remove the impact of non-underlying items within EBITDA, amortisation of customer contracts, other gains, share of profits from equity accounted investees, finance income, loan note interest, amortisation of loan arrangement fees and unwinding of NPV discounts.

FINANCIAL HIGHLIGHTS

Revenue up 29.3% reflecting a good combination of organic growth and growth from acquisitions. Underlying EBITDA margin increased materially to 30.9% (2017: 24.1%) ahead of expectations due to the focus on improving profitability levels across the Group. Strong performance by both Institutional Client Services (ICS) and Private Client Services (PCS) Divisions.

STRATEGIC HIGHLIGHTS

Net organic growth of 8.7% with £9.7m of new business won from existing and new clients and strong organic new business enquiry pipeline of £32m at 31 December 2018 (2017: £25.6m). Successfully acquired Van Doorn and Minerva in 2018 and post period end acquired Exequtive Partners, a Luxembourg based provider of corporate and related fiduciary services. Well positioned to take advantage of further consolidation opportunities.

ALTERNATIVE PERFORMANCE MEASURES

In order to assist the reader's understanding of the financial performance of the Group in this period of significant change, alternative performance measures ('APMs') have been included to ensure consistency with the IPO prospectus and to better reflect the underlying activities of the Group excluding specific non-recurring items as set out in note 10 (page 117). As explained in the Company Prospectus, underlying EBITDA margin is the main profitability comparator used within the Fund and Trust Administration market. The Group appreciates that APMs are not considered to be a substitute for or superior to IFRS measures but believes that the selected use of these may provide stakeholders with additional information which will assist in the understanding of the business.

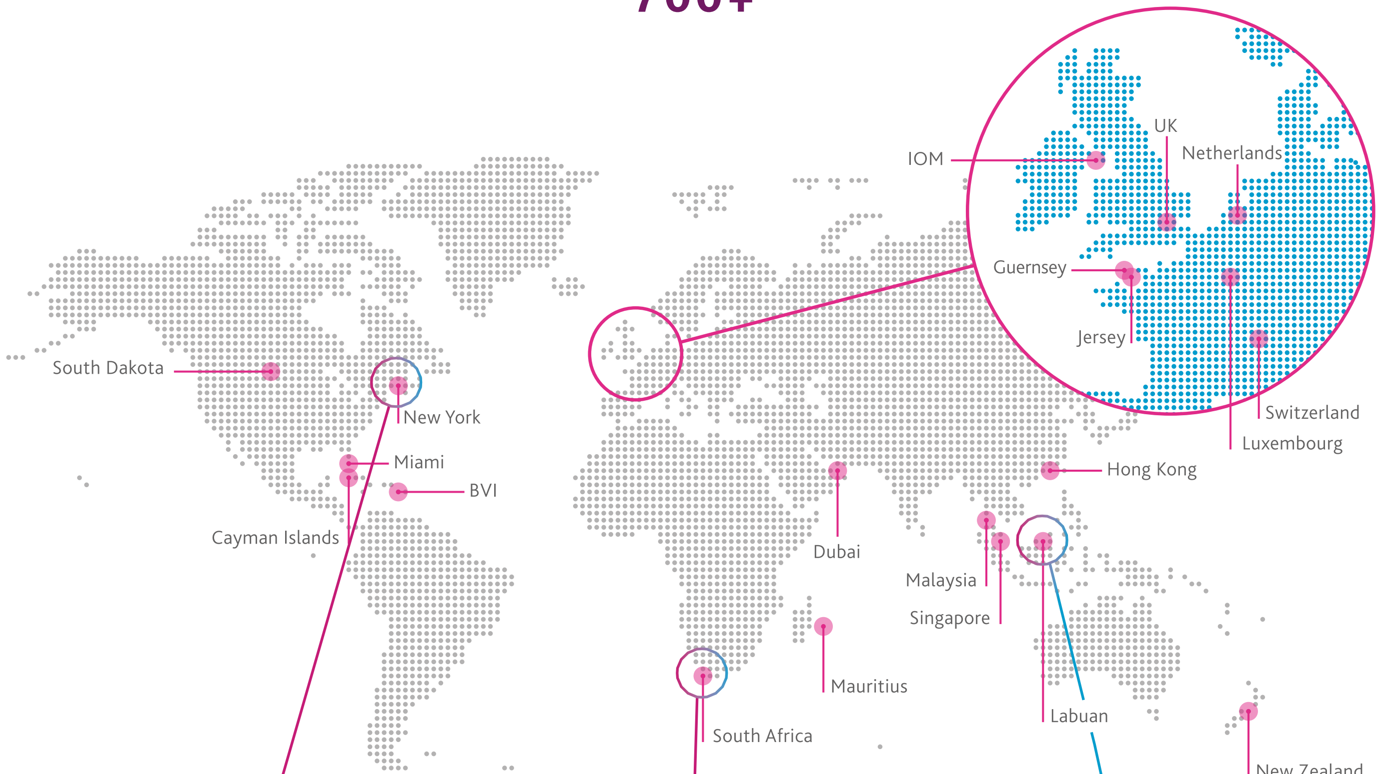
JTC is a leading independent and international provider of fund, corporate and private client services.

OUR GLOBAL REACH

JTC has a highly qualified and multi-lingual team of more than 700 professionals providing a global service to our clients from a network of 20 offices.

OUR PEOPLE

700+



OUR STRUCTURE

Our business is organised into two reporting Divisions each of which has a global footprint. Cross-selling opportunities exist between the services we offer and the jurisdictions from which we deliver those services.

INSTITUTIONAL CLIENT SERVICES (ICS) DIVISION

Provides fund and corporate administration services to institutional clients, primarily fund managers, listed companies and multinationals.

VISION: Be acknowledged as a top-tier global provider of fund and corporate services.

REVENUE: £43.4m

GROUP TOTAL: 56.1%

PRIVATE CLIENT SERVICES (PCS) DIVISION

Provides trust and corporate administration services to meet the personal and business needs of private clients, including HNW and UHNW individuals and families, as well as family and private offices, and international wealth management firms.

VISION: Be recognised as the best private client practice in the world.

REVENUE: £33.9m

GROUP TOTAL: 43.9%

OUR TWO REPORTING DIVISIONS PROVIDE CLIENT SERVICES ACROSS THREE SERVICE LINES WITH, IN EFFECT, EACH OF ICS AND PCS PROVIDING CORPORATE SERVICES TO THEIR RESPECTIVE CLIENT GROUPS.

FUND SERVICES

28%

Fund Services administers a wide variety of listed and unlisted funds across a diverse range of asset classes, including real estate, private equity, renewables, hedge, debt and other alternatives. Clients include a broad spectrum of fund managers from market entrants to large institutions. We provide support throughout the entire lifespan of a fund, from establishment to valuation, including ongoing reporting and regulatory compliance.

CORPORATE SERVICES

40%

Corporate Services provides company secretarial and administration services to a broad range of clients, including SMEs, public companies, multinationals and sovereign wealth funds. We also service private and family offices and individual private clients who require a corporate service for business and investments. Different structures provided include real estate holding vehicles, investment holding vehicles, joint ventures and acquisition structures. We also provide services for pension and employee share plans.

PRIVATE WEALTH SERVICES

32%

Private Wealth Services include the formation and administration of vehicles such as trusts, companies and partnerships on behalf of predominantly HNWIs and UHNWIs and their families and also dedicated private and family offices. We also provide Private Wealth Services to large institutions, such as banks, as an independent third party provider. We specialise in a holistic approach to protecting and nurturing private capital in real estate, financial and non-financial assets across countries and generations.

LEADING TOGETHER

Leadership takes courage, confidence and commitment. We understand that our clients want more than just a service provider, they want to work with a partner that is as committed to their long-term success as they are.

Courageous. Confident. Committed. Leading.

ANOTHER YEAR OF FOCUSED GROWTH AND IMPROVEMENT

CHIEF EXECUTIVE OFFICER
NIGEL LE QUESNE

We are very pleased with our first full year results since listing and in particular the improvement we delivered in our profit margin. Both Divisions have performed well and we are pleased with the contribution from acquisitions and progress with their integration onto the JTC platform. The fundamental drivers for our sector remain strong and we have a positive outlook for 2019.

We are delighted to present our first full year results as a listed company.

While we are new to the public markets, JTC has a proud history spanning more than 30 years and a track record of success built on the foundation of our shared ownership culture, which aligns the interests of all our stakeholders for the long term. Our progress is driven by a combination of highly motivated staff, continuous organic growth, the ability to complete intelligent and value enhancing acquisitions and above all, a commitment to client service excellence delivered via a platform that is global and scalable.

We believe it is this combination of our successful history, our clear growth strategy and our positive momentum that has led to a strong set of results in 2018 and we are pleased with what the Group has achieved since its IPO.

At JTC we are a progressive business. We seek to advance through a process of evolution rather than revolution and this approach has served us well for more than three decades and through periods of substantial change in the wider business environment. However, we pride ourselves on never being complacent and understand that to stand still would be to go backwards.

WHY INVEST IN JTC?

CONSISTENT PERFORMANCE AND CONTINUAL GROWTH

We have grown our revenue through organic expansion for 31 consecutive years, complemented by a successful acquisition strategy since 2010.

HIGH-QUALITY RECURRING REVENUES

We have visibility of cash flow, with predictable, non-cyclical revenues from long-term client relationships.

DIVERSIFIED CLIENTS, SERVICES AND JURISDICTIONS

This diversification protects us against a downturn in trading conditions in any single market. Our largest client contributes 2.9 per cent of revenue, our largest ten clients just 14 per cent.

DEMAND CREATED BY LONG-TERM MARKET TRENDS

These include the increasingly complex regulatory environment, which encourages outsourcing to a specialist to reduce costs and ensure compliance. Also, the demand for international structures is increasing, and we can serve these through our presence in multiple jurisdictions.

A HISTORY OF SUCCESSFUL ACQUISITION, WITH FURTHER CONSOLIDATION POTENTIAL

We have a successful record of identifying and buying suitable companies, having completed 16 acquisitions since 2010. Our operating platform supports their quick and efficient integration with minimal disruption. The fragmented market offers further acquisition opportunities, and this strategy will continue to be an important part of our growth.

WELL-INVESTED BUSINESS WITH CAPACITY TO SUPPORT CONTINUED GROWTH

We invest in our expertise and infrastructure steadily and prudently as we grow, avoiding step changes to our cost base. Our structure and scale can support further growth at limited additional cost. Our fixed cost base provides the potential to improve margins as revenue grows.

STRONG ON COMPLIANCE AND RISK MANAGEMENT

This is fundamental to our success in an industry where the ability to manage risk is key. JTC has a sophisticated and well-established compliance and risk-management system, and relationships with all relevant regulators.

EXPERIENCED MANAGEMENT TEAM

The senior management team has strength and depth, and is involved directly in winning new business, maintaining client relationships and successful acquisitions. We have a number of high potential employees and there is a clear framework in place for identifying and developing future generations of leadership.

SHARED OWNERSHIP CULTURE

Our culture is built around the principle of shared ownership to ensure all our people are able to share in the success of the Group. The first JTC Employee Benefit Trust (EBT) was created in 1998 and gave the whole team a direct stake in the business. We have maintained this culture ever since through the development and evolution of our 'Ownership for All' programmes.

We believe that we are represented in the key jurisdictions required for our business. We rigorously assess the competence of our business in each jurisdiction against a number of key criteria. Depending upon that assessment we invest in infrastructure, people and review acquisition opportunities. In jurisdictions where we see further potential we have specific plans for how we are going to enhance our position in those markets.

At JTC our goal is to continue to build an outstanding business for the long term where high standards are coupled to entrepreneurial spirit and the commitment to become a better business for all stakeholders every single day.

FINANCIAL HIGHLIGHTS

Our full year results are in line with our expectations at the time of listing in March 2018 and slightly ahead of consensus expectations. In comparing to the previous year, Group revenue increased by 29.3% to £77.3m and underlying EBITDA by 65.3% to £23.8m (statutory EBITDA decreased by 45% to £5.3m). Although statutory EBIT for the year was £0.6m, a decrease of 90.7% from 2017 (£6.8m), this is after incurring the following one-off costs:

> A capital distribution (£13.2m) from "JTC EBT 12" to all staff as a result of our IPO relating to our previous share structure
> Acquisition and integration costs (£4.3m)
> Costs associated with the IPO (£1.0m)
> Other non-underlying costs / charges (£0.6m)

These results were achieved through a combination of net organic growth of 8.7% and the positive contribution of the two acquisitions made in 2017; New Amsterdam Cititrust (NACT) and the Bank of America Merrill Lynch International Trust and Wealth Structuring (BAML) business as well as the part-year contribution from the two acquisitions made in 2018, Van Doorn and Minerva.

Importantly, we have delivered as predicted on the key objective we set ourselves at the time of IPO, which was to improve significantly the underlying EBITDA margin. We achieved a 2018 result of 30.9% (+6.8pp) which was achieved through improvements to the scalable operating models of both Divisions, the full integration of acquisitions made in 2017 and the positive progress made with integrating acquisitions made in 2018 (statutory EBITDA margin fell to 6.8% (2017: 16.1%) as a result of the one-off costs incurred).

GROWTH BY ACQUISITION

An important component of our strategy is to continue to supplement organic growth with acquisitions. JTC has a successful track record of executing deals which enhance our core business and we are well placed to leverage our ability and proven methodology, together with our ability to source, negotiate and integrate acquisitions swiftly and efficiently.

The opportunity is supported by both the trend towards consolidation in the industry and leveraging the attraction of our 'shared ownership for all' model as a fundamental premise of our proposal. Ours is an industry with a

steady stream of acquisition opportunities. It is core to our approach that any acquisition has to fit culturally and that the rationale for the acquisition is about more than just the numbers. We invest in quality businesses with great people that provide excellent service to clients.

Our continuing investment in scalable infrastructure and our proven disciplined approach to the integration process, coupled with the skill of the team, gives us both the capability and bandwidth to continue to consider both smaller 'bolt-ons' and larger acquisitions on a regular basis. The two acquisitions executed in 2018, Van Doorn and Minerva, demonstrate this.

It is important to acknowledge that some acquisition opportunities fell away in 2018, even after progressing to advanced stages of negotiation, and we regard this as a positive sign of the rigour with which we apply our disciplined approach to inorganic growth. We are not afraid to walk away from deals that do not meet our exacting criteria at all stages of the transaction.

Post period end, we acquired Exequtive Partners, a Luxembourg based provider of administration services to corporate and fund clients. The acquisition will add significant scale in a key jurisdiction and will be complementary to the Van Doorn acquisition within the Benelux region.

Our acquisition pipeline remains healthy with a number of opportunities of varying scale and stages of progress that are well aligned with the business plans of both Divisions.

INSTITUTIONAL CLIENT SERVICES (ICS) DIVISION

In 2018 the ICS Division accounted for 56.1% of Group turnover (60.3% in 2017). Gross revenue showed a 20.2% increase in the year to £43.4m (2017: £36.1m) and a 54.1% increase in underlying EBITDA in the year (2018: £12.5m vs 2017: £8.1m).

Revenue growth was due to good performance across established asset classes, especially real estate and private equity, while at the same time adding new service areas, including in the emerging FinTech space. In jurisdictional terms, the performance of our Jersey, Netherlands, Luxembourg and UK offices were particular highlights.

Margin improvement was largely achieved by further refining and improving the operating model between the ICS jurisdictions and the Global Service Centre (GSC) in Cape Town, South Africa, a trend that we expect to see continue in 2019 as we capitalise on ongoing investments in technology and operating processes, as well as capturing economies of scale.

The addition of the Van Doorn business to the NACT business (acquired in 2017) substantially enhanced our presence in the Netherlands and provides a high growth, business development focused hub in the Benelux region.

The post period end acquisition of Exequtive Partners adds significant scale in the key ICS jurisdiction of Luxembourg and we also see opportunities for further acquisitions due to specific market dynamics in the region.

During the year, the Division was boosted by a number of senior hires including a Head of Business Development for Institutional Client Services & the US, a new Managing Director in London for the UK business and the leadership team from the Van Doorn acquisition.

Moving into 2019 we are pleased that Tony Whitney, Head of our ICS Division, will take up the new role of Chief Commercial Officer for the Group from April. Tony brings over 20 years of JTC experience to his new post and will work across both Divisions to support and drive our organic and inorganic growth strategies. Replacing Tony as the new Head of the ICS Division will be Jonathan Jennings, who joined the Group as Managing Director of the UK business in 2018 and who will combine both roles moving forward, continuing to be based in London.

PRIVATE CLIENT SERVICES (PCS) DIVISION

In 2018 the PCS Division accounted for 43.9% of Group turnover (39.7% in 2017). Gross revenue showed a 43% increase in the year to £33.9m (2017: £23.7m) and 79.6% increase in underlying EBITDA in the year (2018: £11.3m vs 2017: £6.3m).

Revenue growth was driven by the full year effect of the acquisition of the BAML business made in late 2017, the acquisition of Minerva in the second half of 2018 and contributions from across the existing PCS network, with our US offering proving particularly popular.

Margin improvement was particularly strong in the year, as a result of the rapid integration of the BAML business and improvements to the PCS operating platform.

During the year, the Division was boosted by a number of senior hires focused on regional business development and the new JTC Private Office, as well as the leadership team from the Minerva acquisition, who bring with them a wealth of experience and extensive network of contacts in India, Africa, the Middle East and Asia in particular.

OUR PEOPLE AND CULTURE

It is impossible to overstate the importance of our people and culture in the success of JTC.

We have long believed that culture is the best foundation from which we can collectively build a business for the long-term and at the heart of JTC sits a philosophy and commitment of Shared Ownership for all employees. This was formalised in 1998 with the creation of our first Employee Benefit Trust (EBT) and the definition of our Guiding Principles. Our culture guides us in all interactions with all our stakeholders, including clients, colleagues, intermediary partners, regulators, government bodies and the communities in which we operate and live.

As the Group has grown, our culture has become even more important to us and it is rewarding to note that it continues to be referenced as a positive factor in making us an 'acquirer of choice' across all sub-sectors and geographies.

Maintaining and investing in our culture and people is a constant priority and 2018 saw a number of important milestones and new developments. At IPO the JTC EBT realised more than £13m of value for our people, an outstanding result for the six years of hard work in growing the business from our previous capital event in 2012. There was never any doubt that the philosophy of Shared Ownership would continue once JTC became a public company and we were pleased to roll out updated 'Ownership for All' and 'Advance to Buy' programmes for all staff across the Group following the IPO.

In addition, we continued to invest directly in our people through our in-house learning and development programme, JTC Academy, including the design of a new programme for our most senior managers, JTC LION (Leaders In Our Name), which is also directly linked to our long-term succession planning strategy.

Above all, and on behalf of all members of the Board, I would like to take this opportunity to thank every member of the team from around the world for their continuing dedication and contribution in 2018. I am privileged to lead a business with so much talent.

RISK

The principal risks facing the Group remain as set out in our Prospectus at the time of listing. Material risks include acquisition risk, competition risk, data protection and cyber security risk, staff resourcing risk, political and regulatory change risk, and regulatory and procedural compliance risk. We remain satisfied as to the effectiveness of the Group's risk analysis, management and culture, developed over more than 30 years of JTC operations. We were pleased to appoint Steven Bowen as Chief Risk Officer for the Group in January 2019. Steven joined us as part of the Minerva acquisition and brings with him over 25 years of industry experience. Further detail on our approach to monitoring and managing risk can be found on pages 28 – 34.

GOING CONCERN

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Group has the resources to continue in business for at least 12 months from the approval of the financial statements. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability and cash flows.

DIVIDEND

In addition to the interim dividend of 1.0p per share, the Board has recommended a final dividend of 2.0p per share in line with expectations. Subject to shareholder approval, the final dividend will be paid on 21 June 2019 to shareholders on the register as at the close of business on the record date of 31 May 2019.

OUTLOOK

The results delivered in 2018 have generated further momentum which we carry into 2019 and we are confident in the ability of the Group to deliver continued positive progress.

We see multiple organic growth opportunities in both Divisions through the consolidation of recent acquisitions, a healthy and growing enquiries pipeline, new business wins, more work from existing clients and increased cross-selling opportunities. We continue to target organic growth, net of attrition, in the range 8-10% at a Group level. This growth will be supplemented by further new strategic and opportunistic acquisitions in the foreseeable future bringing additional diversification and greater capability to the Group.

In terms of profitability we are delighted to have delivered on the objective set at the time of the IPO to return the business to an underlying EBITDA margin of 30%+. We are confident in our ability to realise further benefits from the optimisation of our operating platforms across both Divisions, as well as certain economy of scale benefits. We will maintain our approach to be appropriately invested in people, systems and processes at all times and will continue to target an underlying EBITDA margin in the range 30 – 35% subject to exceptional and clearly explained acquisition activity.

Despite ongoing and well-known uncertainties in the macro environment, the outlook remains positive for further growth in the industry with compelling fundamentals prevailing in the addressable market. This is particularly the case for JTC with its well organised global footprint, clear understanding of market trends and the ability to position itself appropriately from a skill set, operating model and technology perspective. All of this means that the Group is well positioned to respond to an ever-evolving macro environment.

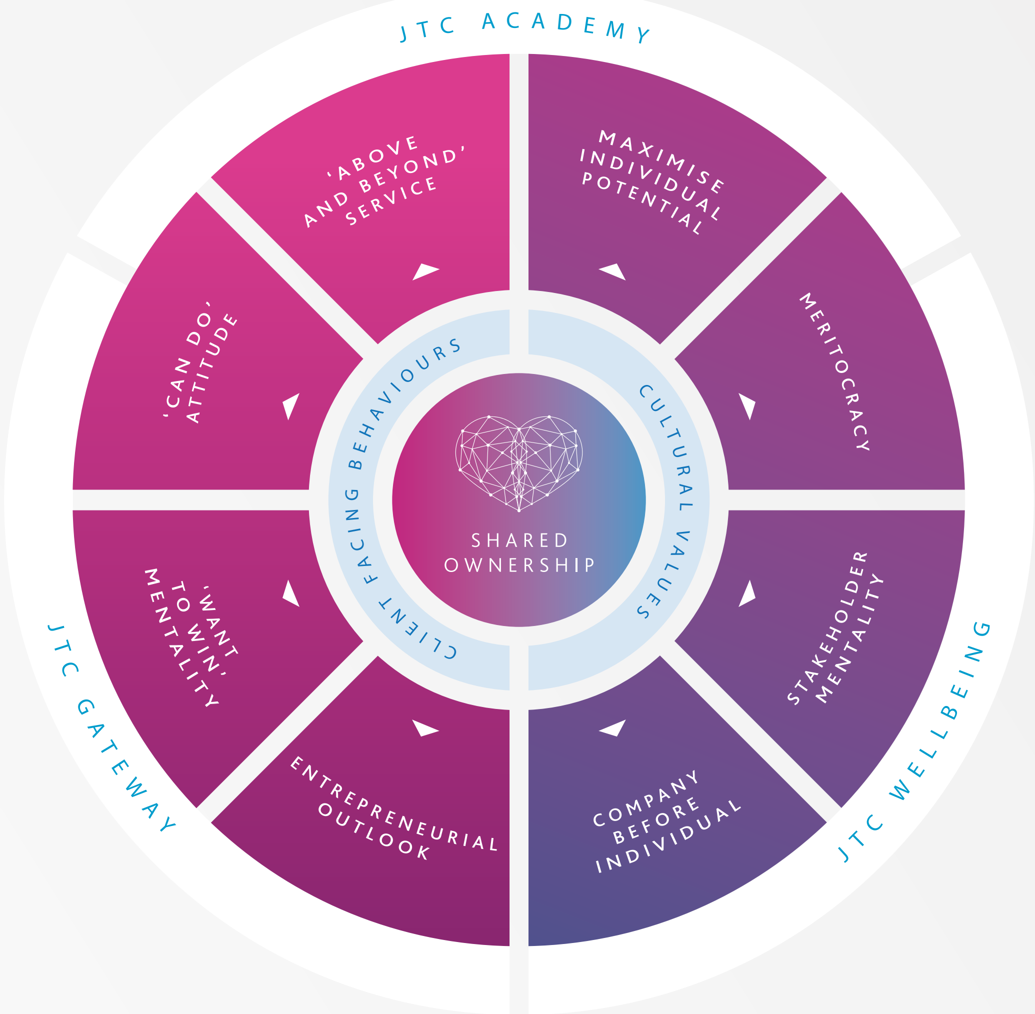
JTC's history of being able to adapt to these trends and develop accordingly, together with our own strategy for success, leaves us confident for 2019 and beyond.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

WHAT MAKES US DIFFERENT?

A UNIQUE CULTURE BASED ON SHARED OWNERSHIP

Our culture is based on the principle of shared ownership and is brought to life through our **internal cultural values,** which in turn drive our external **client facing behaviours.** These are supported by three constantly evolving programmes that are available to all employees globally. **JTC Academy** delivers lifelong learning and development opportunities. **JTC Gateway** enables and encourages talent mobility between our global network of offices. **JTC Wellbeing** supports all our people in attaining optimum physical, emotional and mental good health.



ADAPTING TOGETHER

When the only certainty in life is constant change, we're proud of our ability to be versatile, creative and adaptable.

Being responsive to changing circumstances in a smart and effective way is just one of the qualities that sets us apart for our clients.

Versatile. Creative. Smart. Adaptable.

LONG-TERM STRUCTURAL TRENDS

The breadth of our services and relationships, as well our ability to adapt, provides us with a competitive edge, as fund, corporate and private clients all require our specialist skills.

The degree of fragmentation in our global industry means the addressable market size is difficult to quantify. However, all our end markets share the following long-term structural trends – which show little sign of slowing, and serve to drive our growth.

1

DEMAND IS DRIVEN BY GREATER REGULATION

The financial crisis of 2007-8 prompted a shift toward greater regulation, particularly for the professional services industry. This regulation is increasingly complex, and the requirements for accurate and timely disclosure of information have increased. Asset managers, corporates, financial institutions, and wealthy individuals and families, must all comply with current obligations, and plan for further impending regulations. This places far greater demands and pressure on their operations, particularly in staffing costs, on top of the potential reputational risks and penalties of non-compliance.

JTC POSITION

Clients increasingly turn to us, as a large, specialist administrator, for the services we provide to help them cope with the regulatory burden and the requirements for independent oversight. The continually developing global regulatory framework brings us multiple revenue opportunities, as well as increasing the barriers to entry for competitors.

2

OUTSOURCING REDUCES RISK AND INCREASES EFFICIENCY

The increase in regulation and complexity is creating a clear shift towards outsourcing administration services to specialist providers. Such providers offer knowledge and experience of multiple jurisdictions, and a full suite of the services needed for compliant and efficient operation. For example, outsourcing reduces fund managers' costs across back-office and support functions, bolstering margins that are under pressure due to competition from low-cost passive and index funds. Using a specialist service provider throughout a product life-cycle also reduces the risk of non-compliance.

JTC POSITION

The complexity and variation across our industry means fund, corporate and private clients who do not outsource may need more staff, with more specialist skills. It also means automation of the operations and accounting work is more difficult. To offer clients a solution for this, we employ staff who are highly qualified and experienced in providing administration and accounting services to our client base, and who customise their outputs and formats to individual client requirements.

3

CLIENTS ARE INCREASINGLY GLOBAL IN NATURE

Institutions are becoming increasingly international, driven in part by greater communication, co-operation and data sharing between different jurisdictions globally. In addition, wealthy individuals and family offices typically have a more international footprint than before. This increases the demand for providers of administrative services, who can work across many jurisdictions, with knowledge of the regulatory regimes in each region.

JTC POSITION

In the past decade, we have built scale – often through merger and acquisition activity, acquiring selectively and strategically to expand our global footprint. By integrating acquisitions successfully, we can offer clients seamless services across multiple jurisdictions.

4

GLOBAL WEALTH IS GROWING

The continuing rise in GDP, and the expanding middle classes in developing countries, means global wealth continues to grow. Asia-Pacific, North America and Europe contributed equally to the global increase in wealth, particularly for HNWIs, who saw wealth grow 10.6% to surpass US$70 trillion for the first time in 2018 – the sixth consecutive year of gains. Global HNWI wealth is now predicted to exceed US$100 trillion by 2025.*

* 2018 Cap Gemini World Wealth Report

JTC POSITION

We intend to continue to take advantage of global wealth creation trends in developed markets and, increasingly, in maturing markets such as Asia, Latin America and Africa. We will do this through both our organic growth strategy and via selective acquisitions.

5

A FRAGMENTED MARKET IS CONSOLIDATING

Historically, our market was serviced by many smaller, local businesses – often part of, or spun out from, professional services firms or banks. Now, many such players are exiting what they regard as non-core activity and the market is consolidating, driven by increasingly complex and demanding regulatory requirements. Administrators are growing in scale and becoming more specialised. However, the market remains relatively fragmented and there is scope for further consolidation.

JTC POSITION

We have successfully acquired 16 businesses since 2010. Our global footprint is now a key strength, while our retained regional expertise offers a thorough understanding of relevant jurisdictions and key intermediaries. We are well placed to identify, complete and integrate further opportunities quickly and efficiently when they arise. By broadening our geographical reach and our breadth of services, we will benefit from the world's strongest growth markets, and gain a degree of protection from adverse regional or economic factors.

Our purpose is to help maximise the potential of every client, colleague and partner we work with. JTC's culture of shared ownership drives internal values and client facing behaviours that deliver service excellence across our entire business. Our long-term organic and inorganic growth strategies are aligned with well-understood market drivers and by maintaining a well invested and scalable global platform we are able to capture opportunities and grow sustainably.

OUR RESOURCES AND STRENGTHS

WE INVEST IN OUR PEOPLE

JTC's highly qualified and multilingual team of more than 700 professionals are our most important asset, bringing our culture to life and delivering client service excellence. Over 70% of our people are professionally qualified or working towards a relevant professional qualification and everyone is supported to maximise their individual potential through the JTC Academy, JTC Gateway and JTC Wellbeing programmes and rewarded through our Shared Ownership culture.

WE EMBRACE TECHNOLOGY

We believe technology is an enabler for client service excellence and invest accordingly. JTC uses a variety of best-in-class systems to deliver and maintain an impeccable standard of administration and uses technology to innovate in both service delivery and efficiency.

WE PUT RELATIONSHIPS FIRST

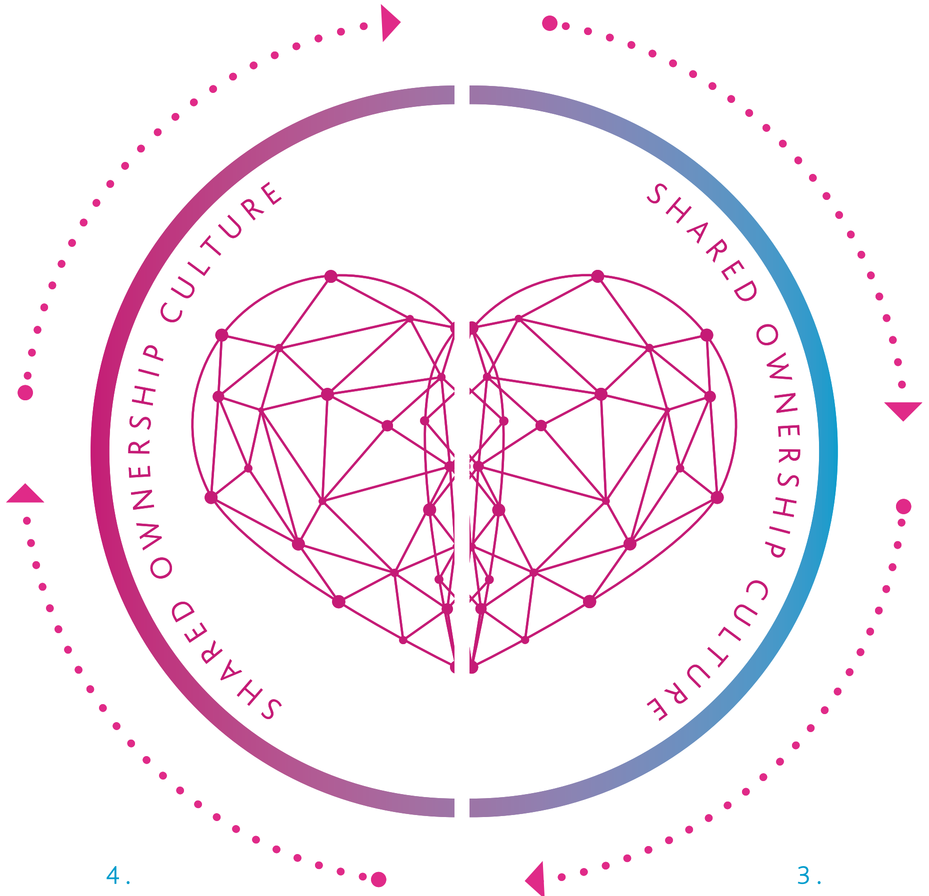
We handpick the best team to look after each client's needs and aim to work with clients who share our belief in the importance of building strong relationships over time. We provide services to more than 4,800 clients from over 100 different countries and are trusted to administer assets in excess of US$100 billion. As an independent administrator, we are able to form strong commercial relationships with intermediary partners, providing complementary services to clients.

WE HAVE GLOBAL REACH

Our network of 20 offices in 18 different jurisdictions provides a global platform that allows us to offer a complete and joined-up range of services, including multi-jurisdictional solutions for an increasingly international client base.

1\. OUR INTERNAL VALUES DRIVE OUR CLIENT FACING BEHAVIOURS

2\. OUR ORGANIC AND INORGANIC GROWTH STRATEGIES ARE ALIGNED WITH MARKET DRIVERS



3\. WE TAKE A STAKEHOLDER MENTALITY TO EVERYTHING WE DO

4\. THE GROUP DEVELOPS BY BEING A WELL INVESTED AND SCALABLE GLOBAL PLATFORM

OUR CLIENTS AND WHAT WE DO

INSTITUTIONAL CLIENT SERVICES

PRIVATE CLIENT SERVICES

FUND SERVICES

CLIENTS

- Institutional fund managers
- Market entrant fund managers
- Real Estate, Private Equity, Infrastructure, Hedge, Debt and FinTech
- Other alternative assets

CORPORATE SERVICES

CLIENTS

- Multinationals
- Listed companies
- Sovereign wealth funds
- Fund managers
- UHNWI and families
- Pension plans
- Employee share incentive and other ownership plans

PRIVATE WEALTH SERVICES

CLIENTS

- UHNWI and families
- Private and family offices
- Private client institutions

HOW WE CREATE LONG TERM VALUE...

SHAREHOLDERS

We seek to grow the value of our shareholders' investment over time through the successful delivery of our organic and acquisition growth strategies. We share profits through dividends while simultaneously investing the balance in the business on an ongoing basis to support steady and sustainable growth.

EMPLOYEES

Through our shared ownership culture we ensure that every employee has a direct stake in the business and is able to share in its long-term success. We work to maximise the potential of every employee providing support through the JTC Academy, JTC Gateway and JTC Wellbeing programmes.

...FOR OUR KEY STAKEHOLDERS

CLIENTS

We take an entrepreneurial approach to finding solutions for our clients and build long-term relationships by adopting a can do attitude and providing above and beyond service. We nurture and value client relationships for the long-term with average client relationships of c.10 years.

INTERMEDIARY PARTNERS

As an independent administrator, we are able to provide best-in-class solutions to the clients of our intermediary partners and complement their own offering. We develop symbiotic and reciprocal commercial relationships to support mutual growth.

COMMUNITIES

We value and respect the communities in which we operate around the world and understand the support they provide to our employees, clients and intermediary partners. We seek to create a positive impact wherever we operate, creating opportunities for employment and giving back through charitable donations of time, expertise and money.

INSTITUTIONAL CLIENT SERVICES

GROUP HEAD OF INSTITUTIONAL CLIENT SERVICES
TONY WHITNEY

Our ICS Division provides fund and corporate administration services to institutional clients, primarily fund managers, listed companies and multinationals.

Fund Services administers a wide variety of listed and unlisted funds across a diverse range of asset classes including real estate, private equity, renewables, infrastructure, FinTech, hedge, debt and other alternatives. We provide support throughout the entire lifespan of a fund, including ongoing reporting and regulatory compliance.

Corporate Services provides company secretarial and administration services and the broad range of structures supported include real estate holding vehicles, investment holding vehicles, joint ventures and acquisition structures. We also provide services for pension and employee share plans and enable cross-selling opportunities with the PCS Division through the provision of relevant corporate services to private and family offices and HNW/UHNW clients.

The ICS Division services an international client base spanning the US, Europe, Africa and Asia and operates a global platform that includes: New York, Miami, Cayman, Jersey, Guernsey, London, Luxembourg, Amsterdam, Cape Town, Mauritius and Dubai. The scalable infrastructure of the Division is underpinned by asset class expertise, best-in-breed IT systems and our Global Service Centre (GSC) in South Africa, which provides fund administration and accounting services to the ICS platform.

We operate in markets with strong fundamentals and clear growth prospects. Key drivers include the ongoing trend for greater outsourcing particularly in the alternative assets arena led by a number of factors including greater regulatory complexity, a desire from investors for third party scrutiny and transparency and a preference from managers to concentrate on performance rather than building and managing internal infrastructure.

Against this positive backdrop, the ICS Division will drive further growth by focusing on three priority areas. Winning new business by demonstrating high levels of asset class expertise and service quality. Continuing to make operational efficiency improvements, in particular through the development of our GSC. Selective M&A activity to further enhance our global footprint.

It has been a privilege to lead the ICS Division and I look forward to continuing to work closely with the team in my new role as Chief Commercial Officer. I hand over the reins to the very capable hands of Jonathan Jennings from 1 April 2019.

> "Our 3-year business plan vision to 2020 is to be acknowledged as a top-tier global provider of fund and corporate services."

2018 FINANCIAL PERFORMANCE

REVENUE OF
£43.4M
UP 20.2% FROM £36.1M IN 2017

UNDERLYING EBITDA OF
£12.5M
UP 54.1% FROM £8.1M IN 2017

NEW BUSINESS ENQUIRY PIPELINE OF
£22.2M
AS AT 31 DECEMBER 2018 UP 27.6% FROM £17.4M AT 31 DECEMBER 2017

ICS DIVISION GENERATED
56.1%
OF GROUP TURNOVER (2017: 60.3%)

UNDERLYING EBITDA MARGIN OF
28.8%
UP 6.3PP FROM 22.5% IN 2017

... IN ACTION

2018 HIGHLIGHTS

- Improved margin through top line growth and continued operational improvement
- Enhanced business development capability, processes and systems
- Significant personnel upgrades – a strong and talented global team
- Excellent new business enquiry pipeline
- Integration of Van Doorn and continued high growth
- Exemplary client testimonials and Ambassador Programme feedback

2019 OUTLOOK

- Acquisition and integration of Exequtive Partners in Luxembourg
- Appointment of Chief Commercial Officer and internal promotion for new Head of ICS Division
- Continued operational improvement via Global Service Centre (GSC) including ongoing investment in technology and processes
- Continued focus on establishment of US platform
- Increased resource and focus on business development activities, particularly cross-sell opportunities
- M&A opportunities

INSTITUTIONAL CLIENT SERVICES TESTIMONIALS

FORESIGHT
"Since April 2008, JTC has been Foresight Group's administrator of choice for its offshore fund products in Guernsey, Jersey and Luxembourg. JTC's experienced and professional team are responsive and supportive, and provide a reliable, comprehensive service."

BRICKBLOCK
"JTC's expertise is integral for realising the potential of blockchain technology to positively impact the real estate investment process. I am certain that working together with a company of JTC's calibre will reinforce the confidence of our clients and potential investors when it comes to BrickBlock's offering."

ZUBR CAPITAL
"We value our long-term partnership with JTC. Their top-level private equity services and attention to detail relieve the pressures of the day-to-day, giving us peace of mind. The JTC team truly understand our business and always look for opportunities and offer solutions."

NIMROD CAPITAL LLP
"JTC has an excellent reputation, vast experience and expertise in administering innovative investment companies. That, along with the strength of their existing relationship with Nimrod Capital, made them an ideal and perfect fit when selecting our administrator."

BANK JULIUS BAER
"We have worked with JTC since January 2017. Throughout this time JTC has been a highly supportive partner providing us with first-class services including accounting, company secretarial and administration. The JTC team is very professional and our experience of working with them has been very positive."

CATALYST INVEST
"JTC clearly places a premium on nurturing quality client relationships. They are reliable, flexible to meet our demands and invest extra resource when required to ensure our deadlines are met. JTC's support is a key element in ensuring we maintain high quality communications and goodwill to meet the ongoing needs of our international investors."

PRIVATE CLIENT SERVICES

GROUP HEAD OF PRIVATE WEALTH SERVICES
IAIN JOHNS

Our PCS Division might typically be described as a trust company business. It provides trust and corporate administration services to fulfil the personal and business needs of private clients including HNW and UHNW individuals and families as well as family and private offices. The Division also services institutions such as international wealth management firms.

The PCS Division services clients from more than 100 countries and has a global platform that includes: New York, Miami, South Dakota, Cayman, BVI, Jersey, Guernsey, Isle of Man, London, Geneva, Dubai, Labuan, Mauritius, Singapore, Hong Kong, Malaysia and New Zealand. The scalable infrastructure of the Division is underpinned by regional expertise, best-in-class IT systems and growing outsourcing centres in Labuan (Malaysia), Singapore and Mauritius, which provide bookkeeping and accounting services to the PCS network.

With the sustained growth in wealth of, and the rise of a generation of true 'world citizens' in the UHNW community, underpinned by a growing desire for generational wealth transfer and preservation, legitimate privacy and to be fully compliant across all territories, the outlook for private client services remains positive. There is also growing demand for more sophisticated service provision, as opposed to product sales, in emerging markets, with a flight to quality evident. In the wider market there is a desire to provide access to client friendly consolidated information supplementing a preference for delivery from one service provider rather than several. These dynamics together with JTC's historic pedigree and reputation for delivering client service excellence, as well as our ability to provide corporate services to meet the business needs of UHNW individuals and family and private offices, provide a positive backdrop for the Division.

More specifically within this environment, JTC will continue to drive growth in private client services through its newly created regional business development model, designed and structured to deliver new clients into our global service office platform which has been augmented by the successful integration of the BAML and Minerva businesses. This business development model also includes a focus on cross-selling with the ICS Division for which we are seeing positive momentum.

Operationally, the PCS Division remains focused on driving through efficiencies via its four-pillar construct of Business Process Improvements, Business Integration, Outsourcing and New Business.

"Our 3-year business plan vision to 2020 is to be recognised as the best Private Client practice in our sector."

2018 FINANCIAL PERFORMANCE

REVENUE OF
£33.9M
UP 43% FROM £23.7M IN 2017

UNDERLYING EBITDA OF
£11.3M
UP 79.6% FROM £6.3M IN 2017

NEW BUSINESS ENQUIRY PIPELINE OF
£9.9M
AS AT 31 DECEMBER 2018 UP 20.7% FROM £8.2M AT 31 DECEMBER 2017

PCS DIVISION GENERATED
43.9%
OF GROUP TURNOVER (2017: 39.7%)

UNDERLYING EBITDA MARGIN OF
33.5%
UP 6.9PP FROM 26.6% IN 2017

... IN ACTION

2018 HIGHLIGHTS

> Revenue growth, margin improvement and new business pipeline growth
> Excellent integration of the BAML acquisition and popularity of US proposition
> Integration of the Minerva acquisition progressing well
> Establishment of regional business development model with dedicated Regional Heads to further drive organic growth
> Global launch of JTC Private Office powered by our proprietary 'Edge' client portal
> Overwhelmingly positive client and intermediary feedback from latest cycle of the JTC Ambassador Programme

2019 OUTLOOK

> Complete Minerva integration
> Focus on continued organic new business enquiry pipeline growth and conversion
> Implementation of updated global operating model (improved client experience and operational efficiencies)
> Grow JTC Private Office proposition and client base
> Capitalise on cross-selling opportunities within the global network, with support from new Chief Commercial Officer role
> M&A opportunities

JTC PRIVATE OFFICE

> JTC has provided 'private' and 'family' office services for decades. With growth in this space driven by a combination of global wealth creation and our own expanding international footprint, we created an engaging proposition brought to life with its own sub-brand: JTC Private Office.
> JTC Private Office recognises that time is the ultimate luxury and delivers a world-class combination of personal service, deep understanding and global reach. It is powered by Edge, our proprietary client portal, which provides secure, unified and always-on access for JTC Private Office clients.
> JTC Private Office will be actively marketed across all target regions and complements perfectly our full suite of underlying private client services.

jtcprivateoffice.com

ACQUISITION GROWTH STRATEGY

JTC has an excellent record of identifying and delivering sustainable growth from acquisitions since our first in 2010. Over time we have become a popular acquirer in a consolidating industry with a reputation for an honest, straightforward approach and the ability to understand the underlying fundamentals and deliver flexible solutions to suit the situation. Our acquisition growth strategy is designed to build scale, add new capabilities, or deliver both simultaneously and applies to our geographic reach and service offering. In this way, we are able to grow progressively while protecting our core business at all times.

A SUCCESSFUL APPROACH

JTC's acquisition growth strategy is designed to build scale and add new capabilities to the Group from a geographic reach and service offering perspective.

Our highly experienced Group Development Committee and external advisers are aware of acquisition opportunities in the market and review them regularly. Our disciplined approach follows an established process developed over time for assessing these opportunities, with potential targets prioritised by region, type and scale. Our process runs from initial assessment, through clearly defined due diligence requirements and documentation, to deploying a specific integration team to facilitate a swift transition onto the JTC platform. In this way, we can grow steadily and comfortably while protecting our existing core business at all times.

ASSESSING POTENTIAL TARGETS

We identify and assess potential targets with the following attributes:

> Smaller acquisitions that add incremental earnings or geographic capability.
> Larger-scale and transformational international opportunities.

Many of our completed acquisitions demonstrate our success in buying under-performing businesses. We grow our revenue at a Group level and by bringing them into our operating model, transform their levels of profitability. This brings a positive differential between the price we pay and the increase in value of the expanded Group.

Notwithstanding this, we will pay for the right high quality business when it becomes available, and tend to offer a mix of cash and equity. In this way, we have the ongoing commitment from the business' owners and senior management, helping to ensure cultural alignment from the outset.

In larger acquisitions, we have seen a healthy dynamic to integrating staff, who were not 'owners' in their previous employment and as a consequence feel more empowered than in a small division of a large parent company. And in the same way, the former parent company can feel assured their staff will be well looked after in the new model. This also helps provide continuity for the clients, and so more assurance of value in the deal.

MULTI-FACETED CRITERIA

We will assess a potential acquisition based on a number of indicators. Transactions often offer multi-faceted benefits, including a combination of:

> Adding operational scale in existing or complementary jurisdictions
> Adding a 'book' of clients
> Strengthening our existing service platform
> Acquiring a skilled workforce or experienced leaders
> The cost synergy potential of rationalising systems and central functions
> The cross-selling opportunities for the combined business
> The ability to strengthen common client relationships.

"We have a long record of successfully completing and integrating acquisitions using our disciplined, established and proven structure and processes."

CHIEF OPERATING OFFICER
WENDY HOLLEY

VAN DOORN | Corporate & fiduciary services

MANAGING DIRECTOR JTC NETHERLANDS AND FORMER MANAGING DIRECTOR OF VAN DOORN
EKE VERBEKE

"When we first met the management team of JTC, we instantly knew that the fit would be perfect, as we sensed the same entrepreneurial spirit. We are now connecting all the dots of our businesses that will result in further growth and success of the Group."

ANNOUNCED
17 August 2018

OFFERING
Corporate and fund administration services

FOOTPRINT
Amsterdam, Netherlands

JTC DIVISION
Institutional Client Services

EMPLOYEES
15+

RATIONALE

> High-margin, high-growth specialist provider of corporate and related fiduciary services
> Expands and strengthens existing jurisdictional presence
> Adds high quality team and leadership
> Part of wider Benelux region strategy to take advantage of high quality consolidation opportunities
> Creates increased ability to cross-sell with JTC's PCS Division

CONSIDERATION

Mix of cash (69%) and shares (31%). Earn out based on FY 2018 results. Total consideration subject to absolute cap of €21.5 million

MINERVA

JTC AMBASSADOR AND FORMER CHAIRMAN OF MINERVA
VIPIN SHAH

"We worked closely with JTC leading up to and throughout our transaction during which time JTC demonstrated a respectful, professional and trustworthy approach that was fully aligned with Minerva's long standing values. Support from JTC, including the integration team, has been faultless."

ANNOUNCED
6 September 2018

OFFERING
Private client, corporate, fund and treasury services

FOOTPRINT
Jersey, London, Geneva, Singapore, Mauritius and Dubai

JTC DIVISION
Primarily Private Client Services

EMPLOYEES
100+

RATIONALE

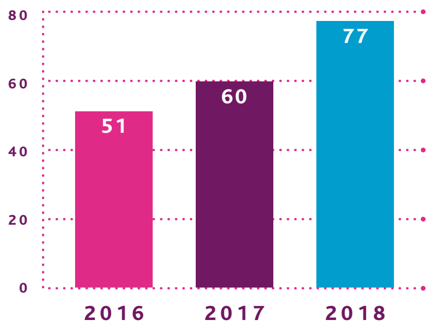
> Established trust company business with 40 year history and good cultural fit
> High quality client book
> Increased scale in five existing jurisdictions and addition of Dubai office.
> Extended reach in the markets of sub-Saharan Africa, India and Asia
> Enhances the JTC treasury services offering.

CONSIDERATION

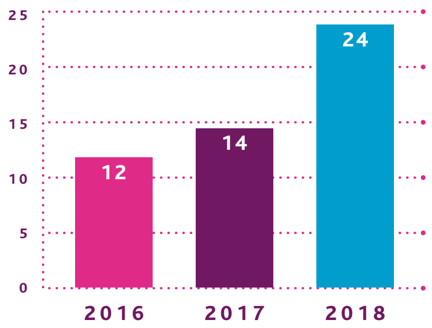
Mix of cash (60%) and shares (40%). Earn out based on performance in six months following completion. Total consideration subject to absolute cap of £30 million plus cash acquired

THE JTC BOARD USES THE FOLLOWING KPIs TO MEASURE THE PERFORMANCE OF THE GROUP

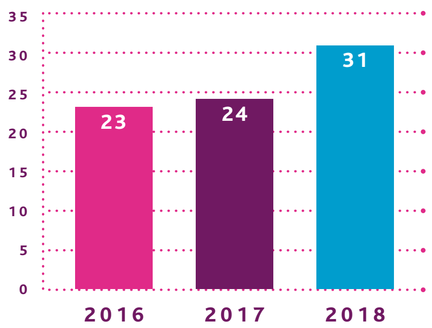
REVENUE (£M)
Revenue growth measures the overall growth in the business.



UNDERLYING EBITDA (£M)
Underlying EBITDA measures how much profit we make from running the business.

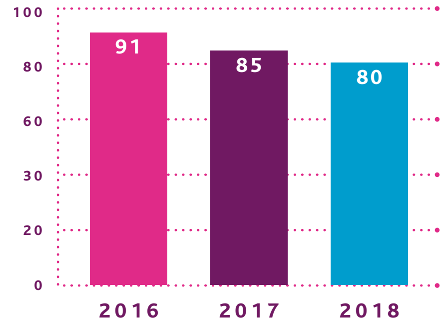


UNDERLYING EBITDA MARGIN (%)
Underlying EBITDA margin measures how well we are running the business against our peers and industry norms.

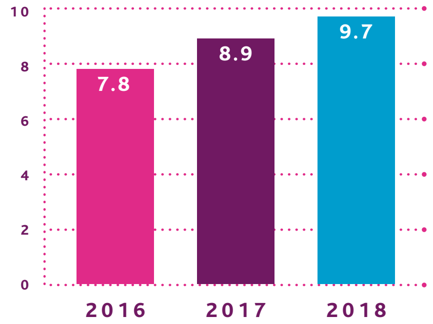


CASH COLLECTION / CONVERSION (%)*
We measure the level of cash conversion to tell us how successful we are in converting profits into cash.

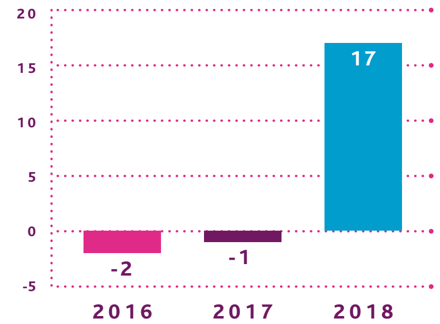
Note: Adjusted to include full 12 month cycle of BAML cash receipts, 2018 proforma cash conversion = 89%



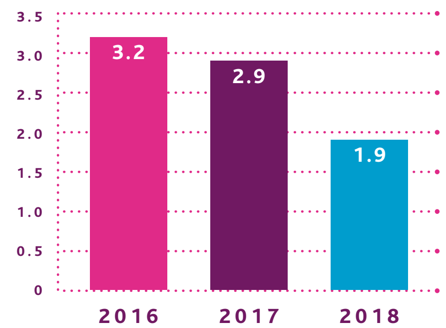
NEW BUSINESS WINS (£M)
We measure new business wins to understand how well we are growing the business and how well we are performing.



UNDERLYING PROFIT BEFORE TAX (£M)
Underlying profit before tax measures the profitability of the Group.



LEVERAGE (RATIO)
Leverage measures the level of our external debt obligations.



* Cash conversion is the ratio of Net cash from operating activities compared with underlying EBITDA.

STRONGER TOGETHER

Our strength is the sum of our many intelligent parts. Hundreds of dedicated individuals, working around the clock and around the globe, to create robust solutions that deliver lasting value for our clients. Together we transform vision into reality and purpose into action.

Intelligent. Dedicated. Loyal. Strong.

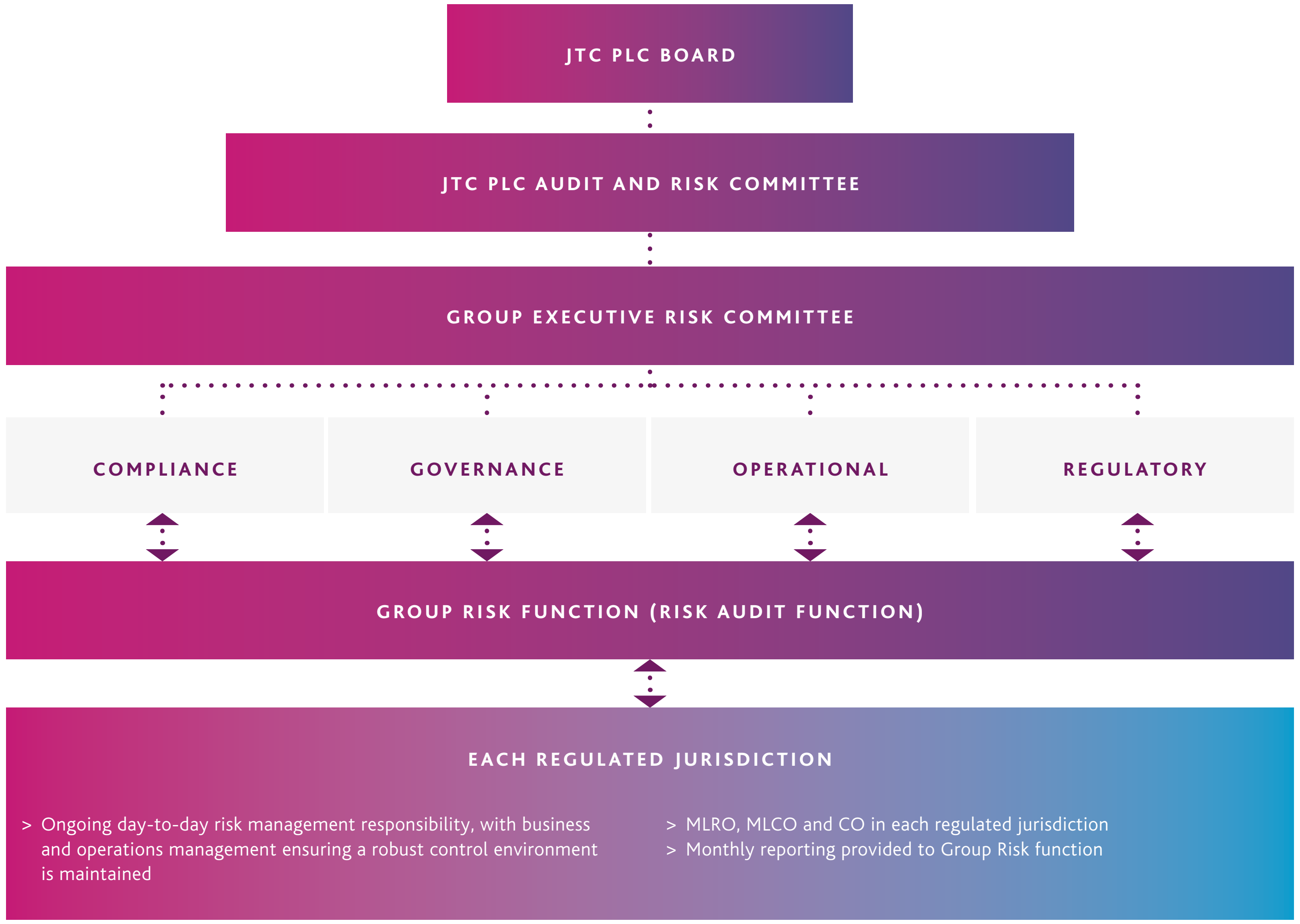
STRONG FOCUS ON RISK MANAGEMENT AND COMPLIANCE

As a regulated provider of fund, corporate and trust administration services, JTC has a strong focus on risk management and compliance. Risk is considered at all levels, from strategic planning by the senior executive team to every action taken in each jurisdiction. Operating in a regulated environment, JTC has taken, and continues to take, compliance with laws and regulations very seriously and enjoys positive relationships with the relevant regulatory authorities.

The Board has overall responsibility for oversight of the risk management policies of the Company and the operation of the Group-wide risk management framework, ensuring that such framework is commensurate with the Company's structure, risk profile, complexity, activities and size, as well as providing oversight of the Group's capital planning, liquidity risk management and resolution planning activities.

The Audit and Risk Committee has been constituted by the Board to approve and periodically review the audit and risk management policies of the Group and to oversee the operation of an enterprise-wide risk management framework and the Company's capital planning, liquidity risk management and resolution planning activities.

The Group Executive Risk Committee comprises of the Chief Risk Officer, Chief Executive Officer, Group General Counsel, Group Risk Director who are responsible for considering all aspects of operational risk which may affect the Group including but not limited to strategic risk, regulatory risk, people risk, systems and cyber risk, competition risk, client risk, fiduciary risk and performance risk.



RISK APPETITE AND ASSESSMENT

The Group's risk appetite and risk tolerances are determined and monitored by the Board in accordance with the Group's strategic objectives, and policies and procedures.

The Group reviews and monitors its risk exposure closely, considering the potential impact and any actions required to mitigate the impact of emerging issues and potential future events.

Risk is considered at all levels, from strategic planning by the senior executive team to every action taken in each jurisdiction.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's risk management model adopts an industry standard three tier risk approach. The first tier is formed by the business and operations managers in each regulated jurisdiction, who are responsible for maintaining a strict control environment on a day-to-day basis. Where the Group has regulated companies requiring it to have a Compliance Officer, Money Laundering Reporting Officer and Money Laundering Compliance Officer, it does so, and each regulated entity submits monthly risk reports to the Group's risk function (Group Risk Function).

The Group Risk Function forms the second tier of the risk model. This team compiles the regulatory reports from each jurisdiction and reports to the Group Executive Risk Committee on a monthly basis. This ensures regular risk and compliance oversight at senior management team level. The Group places reliance on the audit process and ISAE accreditation partners for the third tier of the risk model.

COMPLIANCE MONITORING AND INTERNAL AUDIT

The Group Executive Risk Committee meets quarterly and is responsible for overseeing the Group's internal risk and accreditation arrangements. It also manages the remit of the Group Risk Function's audit of each regulated jurisdiction's risk management and compliance processes, as part of the JTC Compliance Monitoring Plan.

The Group Risk Function routinely carries out spot checks on the different jurisdictions to ensure the compliance and adherence to these procedures. The Group Risk Function also carries out a programme of independent transaction monitoring.

The Group Executive Risk Committee is mandated under clear Terms of Reference which include oversight of client acceptance, dealing with exceptional cases and quality assurance protocols. The Group Executive Risk Committee supervises the Group Risk Function. The Group Risk Function in turn monitors the risk sub-groups in each regulated jurisdiction, ensuring standards are maintained and procedures adhered to.

The Directors believe a culture of compliance is embedded within its staff and service teams.

KEY CONTROLS

JTC has in place a number of key controls to ensure that client assets and the risks taken by it as a fiduciary are monitored and managed.

These include:

> High level of jurisdictional director control over processes
> Dedicated Group monitoring function
> Defined authority mandates and Terms of Reference
> Controls ensuring separation of transaction approval and payment
> Regularly updated cyber security policies and protections
> A strong IT platform and business continuity arrangements
> A rigorous human resource screening and on-boarding process
> Experienced and well trained employees
> Regular risk and compliance updates

Many of these controls are captured by the rigorous, bespoke JTC "Recommendation for Signing" (RFS) approval process. This internal control tool ensures that decisions made by business divisions are thoroughly documented, reviewed and approved at an appropriate level on a 'six-eyes' basis, dictating that at least three employees must review and approve key decisions and transactions. The RFS also helps identify, manage and monitor client, transactional, operational and internal risks within JTC. It was developed, and is continually refined, to provide control over the Group's diverse client base, business operations and geographies and to maintain the highest standard of control in a rapidly growing organisation. All new employees are required to take pre-recorded RFS training and a test, with updates also included in refresher training. RFSs from each Division are independently tested on a monthly basis as part of the JTC compliance monitoring by the Group Risk Function. There is a strict exceptions management process, with exceptions (if any) ultimately being dealt with at Board level of the relevant regulated entity and reported to the Executive Risk Committee.

"Our expertise in the effective management of risk, for clients and the Group, is fundamental to our long-term success and a key strength of JTC."

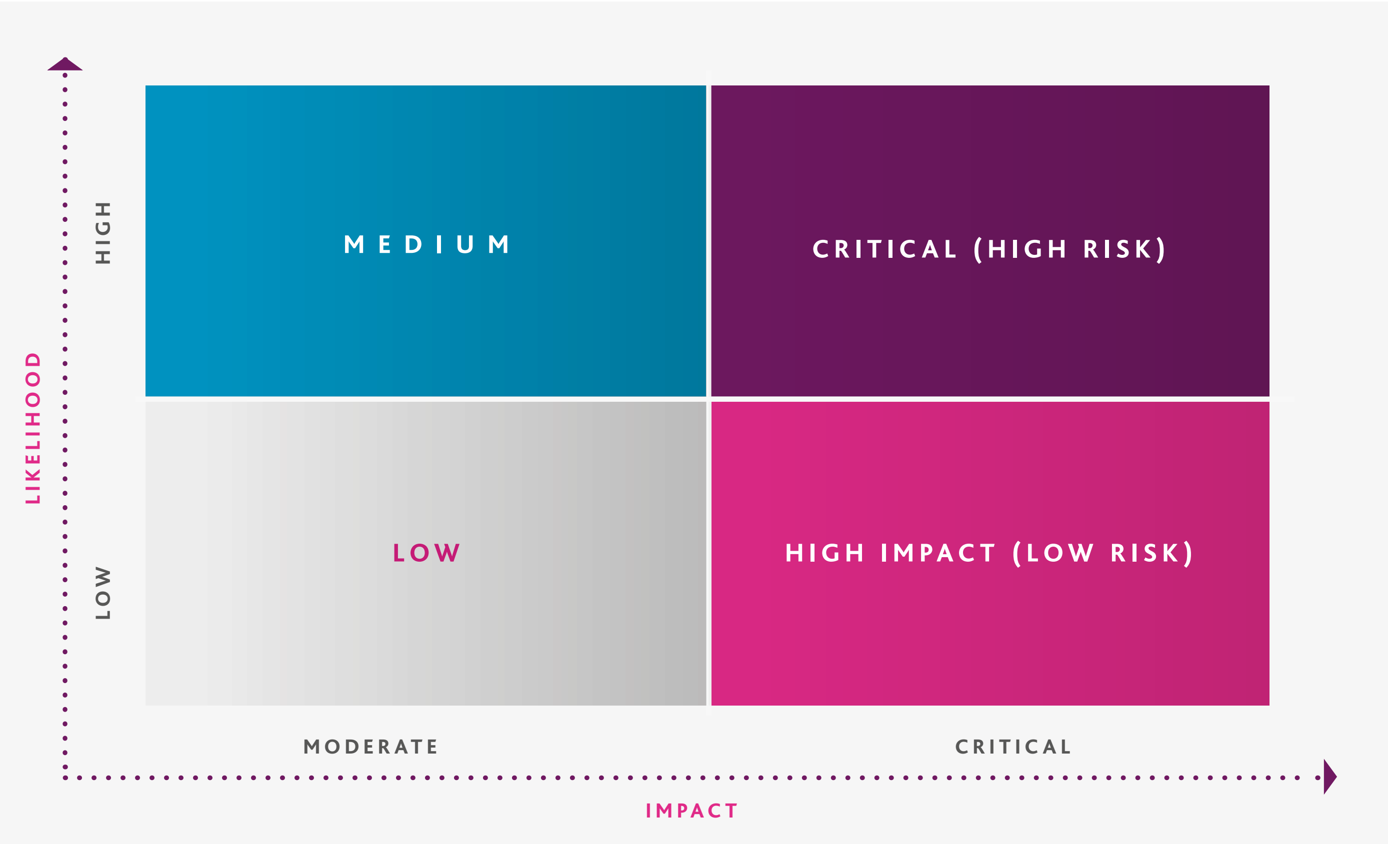
CHIEF RISK OFFICER
STEVEN BOWEN

RISK MATRIX ASSESSMENT

The Board acknowledges that it must be prepared to take a certain level of risk if the Group is to be successful in meeting its objectives, such risks are carefully considered, assessed and monitored to ensure they are proportionate and clearly aligned to the Group's strategic goals.

The Board has carried out a robust assessment of the principal and emerging risks and uncertainties which might prevent the Group from achieving its goal of long-term growth in revenue and shareholder returns.

The likelihood of risks actually materialising, the potential significance of the risks or of the scope of any potential harm to the Group's business, prospects, results of operation and financial position are first discussed, debated and challenged by senior management and the Group Risk Committee, then by the Audit & Risk Committee, and then presented to the Board identified as follows:



The Board has agreed that the top risks to JTC will be presented in the Annual Report and Accounts as the "Principal Risks".

The risk taxonomy is represented by a two level architecture:

> **LEVEL 1** is the primary overarching risk elements, containing six components
> **LEVEL 2** represents the cohorts of specific risks that JTC is exposed to.

LEVEL ONE	LEVEL TWO	MITIGATION
LEGAL	> Litigation / Contractual > Fiduciary	> Robust policies, procedures and processes in operation within the Group (particularly risk escalation policy) > Qualified and experienced staff operating within a "6-eyes" control parameter > Utilisation of external counsel in all disputes where appropriate > Substantial PII cover > The hiring of an experienced in-house legal team > Free legal helpline with two international law firms > Robust policies, procedures and processes in operation within the Group > JTC does not provide legal or tax advice to its clients > Continuous training programme
FINANCIAL	> Performance of business > Earnings (fx) > Impairment > Financing	> Ongoing monthly reporting and KPIs that help monitor performance against performance assumptions and targets > Robust annual business planning and budget process > Ongoing review of processes > Active cash management process including matching of cash flows where possible > Monitoring of f/x rates > Robust due diligence process in place prior to acquisitions being completed > Regular impairment testing as per accounting rules > Ongoing management and monitoring against performance assumptions > Cash management procedures in place > Robust monitoring of loan covenants
POLITICAL / REGULATORY	> Listing Rules > Regulation > AML/CFT	> Retention of specialist advisers > Deployment of staff dedicated to ensure compliance > Utilisation of NED expertise > Product/jurisdictional diversification reduces impact > Review by appropriate boards/committees and business of horizon for potential changes > Comprehensive policies, procedures and processes in operation within the Group that align to the appropriate regulatory regimes > Promoting a robust risk and compliance culture across the Group > Ensuring appropriate compliance resource in each jurisdiction > Compliance monitoring programme in place > Comprehensive policies, procedures and processes in operation within the Group that are specifically drafted for AML/CFT purposes > The hiring of capable employees that undertake the key person roles (e.g. Compliance Officer and Money Laundering Reporting Officer) > Frequent staff training / awareness initiatives
HUMAN RESOURCE	> Adequate resources > Retention > Key person	> Comprehensive policies, procedures and processes in operation within the Group that are specifically drafted for AML/CFT purposes > The hiring of capable employees that undertake the key person roles (e.g. Compliance Officer and Money Laundering Reporting Officer) > Frequent staff training / awareness initiatives > JTC ensures that the remuneration package is competitive in the market place and benchmarks against peer group > Shared ownership scheme embedded across the business > JTC encourages a strong management culture where talent management and people development is a core focus > Coverage of roles – certain roles have been identified as 'key' and a robust succession plan within current staff pool is being developed

LEVEL ONE	LEVEL TWO	MITIGATION
OPERATIONAL	> Client > Process > Business continuity > Data Security Risk	> Robust policy and procedures including at 'take-on' subject to regular review with appropriate escalation for higher risk clients > Frequent staff training / awareness initiatives > Established reporting and escalation process with review by boards/committees as appropriate > Independent client and compliance monitoring review program > Promoting a robust risk and compliance culture across the Group > Ensuring quality administration and compliance resource in each jurisdiction plus internal legal counsel support as appropriate > Well established RFS process > Evolution to a 'three lines of defence' assurance and controls model > Comprehensive policies, procedures and processes in operation within the Group that are specifically drafted for business continuity and IT security purposes > JTC run an active/active dual datacentre model, across the Channel Islands, with one datacentre in Jersey and another in Guernsey, this provides inter island redundancy should either datacentre suffer power or communication failure. The datacentres are connected via four diverse and redundant network links to allow for synchronous replication > The ability to continue business in alternative location if an issue arises in one jurisdiction, as was implemented for the JTC BVI office in 2017 > Defined and audited IT procedures > External security assessment conducted annually > System access controls including least privilege access model > Dedicated Senior IT Security Manager > Training including compulsory online Security Awareness courses > Review of data security procedures and controls as part of the annual ISAE 3402 Report
STRATEGIC	> Acquisition > Competitor > Strategy	> Robust acquisition due diligence process including 3rd party assessments by well regarded accounting and legal firms > Governance and challenge from Non-Executive Directors > Integration strategy in place prior to acquisition > Integration committees established to manage integration process > Group Holdings Board responsibility for identifying forthcoming requirements in respect of digital / business systems investment > GHB responsibility for identifying and prioritising product innovation > Strategy regularly reviewed and challenged by Board respectively > Strategy drives annual business planning process and performance based targets
REPUTATIONAL	> Regulatory sanction > Public litigation > Breaching sanctions, > Involvement in money laundering or the financing of terrorism	> Comprehensive risk management capability including controls embedded within the procedural environment > Prompt and effective communication with all stakeholders – regulators, shareholders, employees, clients and suppliers > Strong and consistent enforcement and testing of controls on governance, business and legal compliance

PRINCIPAL RISKS AND UNCERTAINTIES

The Principal Risks JTC is exposed to are separately assessed and recorded on the Group Risk Register and Group Risk Assessment Matrix. The Chief Risk Officer reports to the Audit & Risk Committee, presenting the Group Risk Register and Group Risk Assessment Matrix, providing an assessment of the risk status based on the controls and mitigation.

The Principal risks and uncertainties, their mitigation and the evolution of risk during the year are set out below. They are consistent with those reported in the IPO Prospectus, although now include the potential impact of a disorderly Brexit.

	PRINCIPAL RISK	POTENTIAL CAUSES	MITIGATION	IMPACT
1	Risk of a security breach including cyber-attacks from destructive forces leading to loss of confidentiality and integrity of data.	> Data exfiltration > Malware > Financial theft > Denial of service attacks > Cyber-physical attacks > Network service failures > Employee error > Malicious employee intent	> Defined and audited IT procedures > External security assessment conducted annually > System access controls including least privilege access model > Dedicated Senior IT Security Manager > Training including compulsory online Security Awareness courses > Review of data security procedures and controls as part of the annual ISAE 3402 Report > Robust business continuity planning	Critical / medium risk
2	Risk of the Group taking on the wrong type of clients, or the Group or the clients actions during the clients life cycle leading to losses, failed strategic objectives, poor customer service and employee frustration and potentially enforcement, supervision or regulatory sanction	> Failure to apply policy and follow procedures > Failure to follow codes of conduct > Failure to invest in appropriate and timely talent development > Failure of managerial oversight > Failure to adequately train and develop employees	> Robust policy and procedures including at take on subject to regular review with appropriate escalation for higher risk clients > Frequent staff training / awareness initiatives > Established reporting and escalation process with review by boards/committees as appropriate > Independent client and Compliance monitoring review program > Promoting a robust risk and compliance culture across the Group > Ensuring quality administration and compliance resource in each jurisdiction plus internal legal counsel support as appropriate > Well established RFS process > Evolution to a three lines of defence assurance and controls model	Medium / low risk
3	Risk that acquisitions do not achieve intended objectives or give rise to ongoing or previously unidentified liabilities.	> Paying too much > Lack of strategic clarity > Slow decision making > Lack of buy-in > Failure to integrate swiftly	> Robust due diligence process including 3rd party assessments by well regarded accounting and legal firms > Governance and challenge from Non-Executive Directors > Integration strategy in place prior to acquisition > Integration committees established to manage integration process	High / medium risk

	PRINCIPAL RISK	POTENTIAL CAUSES	MITIGATION	IMPACT
4	Failure to retain high calibre, talented senior managers and other key roles in the business.	> Lack of adequate succession planning > Failure to invest in appropriate & timely talent development	> JTC ensures that the remuneration package is competitive in the marketplace and benchmarks against peer group > Shared ownership scheme embedded across the business > JTC encourages a strong management culture where talent management and people development are a core focus	High / low risk
5	Failure to recruit or develop good quality people to achieve our strategic aims	> Failure to identify roles most essential to delivering on strategic aims > Failure to identify what skills the position really requires > Focus too heavily on technical skills and not enough on attitude and motivation > Lack of adequate succession planning > Failure to invest in appropriate and timely talent development	> Coverage of roles – certain roles have been identified as 'key' and a robust succession plan within the current staff pool is being developed > Frequent staff training / awareness initiatives > JTC Academy programme for all employees globally > JTC 'LION' senior management development programme	High / low risk
6	Risk that a change in laws and regulations will materially impact the sector and / or our business.	> Disorderly Brexit > Geopolitical uncertainty > OECD tax reviews > '4AMLD' / Public Beneficial Ownership Registers > GDPR and data protection initiatives > Challenge and cost of measuring, monitoring and demonstrating good conduct as well as meeting new requirements > Keeping up with the rapid pace of regulatory change	> Dedicated risk and compliance resource with the requisite skills, resources to monitor and report to the Board on strategic outlook / impact of change > Robust and sustainable regulatory change management model > Well-hedged and positioned with a global platform and established EU operations (Luxembourg & Netherlands) > Data-focused approach that enables continuous monitoring and real-time insight into impact on operations > Proven track record of navigating and maximising revenue growth opportunities from regulatory change > Minimal FX risk exposure	High / medium risk

These topics are considered regularly so that we can adapt to changing market conditions or competition. This report should be read in conjunction with the Viability Statement on page 63.

STRONGER TOGETHER

CORPORATE SOCIAL RESPONSIBILITY

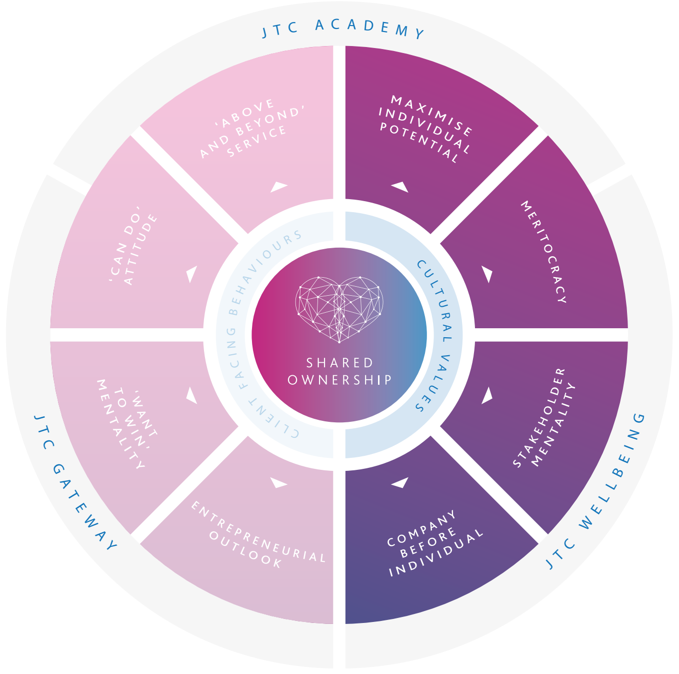
Our approach to Corporate Social Responsibility (CSR) is driven by our shared ownership culture and we believe that by working with our colleagues, clients and the communities in which we operate, we can all be Stronger Together.

OUR PEOPLE

Our people bring the JTC culture and brand to life. They possess the experience, expertise and energy that adds value for our clients and partners and they represent JTC every day in the communities and markets where we operate.

SHARED OWNERSHIP

Through our shared ownership programmes, every permanent employee is a direct stakeholder in the business and following our IPO we set ourselves the aim of having at least 20% of the total issued share capital owned directly by employees at any time. As of 31 December 2018 this figure was 25%. Since its inception, the JTC shared ownership model has created more than £200m of value for stakeholders, much of which is still held by employees as JTC PLC equity. Over £25m in cash has been generated directly for employees from our Employee Benefit Trusts (EBTs).



CULTURAL VALUES

Our internal cultural values guide employees in their actions and form part of the 'JTC Way' of doing business.

- > **MAXIMISE INDIVIDUAL POTENTIAL** – as a growth and learning focused business, we passionately believe in helping all our people to understand and achieve their full potential throughout the full duration of their career with JTC.
- > **MERITOCRACY** – at JTC, we value outstanding behaviours that lead to outstanding results. Progress within the organisation is meritocratic and based on an individual's ability and desire to contribute to the Group achieving its goals.
- > **STAKEHOLDER MENTALITY** – our shared ownership culture means that we are all owners of the business and all have a role to play in its long-term success. From new ideas to drive growth and delight clients, to innovation in processes and cost control, we ask every member of the team to take a stakeholder mentality and treat the business and its resources as their own.
- > **COMPANY BEFORE INDIVIDUAL** – at JTC, no individual, however talented, is ever more important than the collective whole. We celebrate and reward outstanding contributions, but always ask our people to put the long-term interests of the company first.

In order to help our people live our cultural values and deliver our client facing behaviours we provide three constantly evolving programmes to all employees globally.

JTC ACADEMY

JTC ACADEMY – LIFELONG LEARNING AND DEVELOPMENT

We want everyone, wherever they work in the JTC network, to be able to develop the skills and knowledge that they need to be excellent in our world and we deliver this to our team through the JTC Academy.

In its purest form, JTC Academy is there to help maximise our people's potential within the business – it's as simple as that.

From the outset, it provides a structured development programme for all employees, giving access to materials and training tailored to job roles, performance, ambitions and potential.

JTC Academy builds on our traditions of mentoring and academic training and brings those practices up to date. The three main aspects of JTC Academy are:

PROFESSIONAL DEVELOPMENT

We operate in a technical sector and relevant professional qualifications ensure that our people have the essential skills and knowledge required. Over 70% of staff hold, or are currently studying for, a relevant professional qualification.

LEADERSHIP AND MANAGEMENT DEVELOPMENT

Leadership, team work and performance management are essential parts of life at JTC and we have developed bespoke in-house courses, accredited by the ILM, to support our people as they take on management and leadership roles within the Group.

> **STEP UP TO MANAGEMENT (SUTM)** – a course of 7 modules delivered over 8 months to support first time line managers
> **MANAGING THE JTC WAY (MTJTCW)** – a course of 13 modules delivered over 18 months to support managers up to Associate Director level
> **LEADERS IN OUR NAME (LION)** – a course of 8 modules delivered over 12 months to develop our most senior leaders in the business, from Directors through to members of the Group Holdings Board.

SOFT SKILLS DEVELOPMENT

We understand that client service excellence and outstanding individual and team performance require more than just strong technical skills. JTC Academy also provides a range of soft skills training to enable our people to develop their wider skillset and become as effective as possible.

SPOTLIGHT

ACCREDITATION AND RECOGNITION

In 2018 JTC was awarded STEP Gold Employer Partner accreditation across ten of its jurisdictions. This was in recognition of our supportive and empowering learning and development culture. The Society of Trust and Estate Practitioners (STEP) is the global professional association for practitioners advising families across generations.

Following the development of our in-house management development programmes, JTC has been 'awarded' 'Recognised Provider' status by the Institute of Leadership and Management (ILM).

JTC is an 'Approved Employer' of the Association of Chartered Certified Accountants (ACCA).

STEP GOLD EMPLOYER PARTNER

ilm Recognised Provider

APPROVED EMPLOYER ACCA Professional Development

SPOTLIGHT
JTC GATEWAY TESTIMONIAL

Q HOW DID GATEWAY WORK FOR YOU?

Starting off, I was actually at one of the medium sized accountancy and audit firms in South Africa and had made the decision to move to Jersey to increase my financial services experience in a well-known offshore jurisdiction. At the time, some of my audit clients were administered by JTC and so I regularly had to work with JTC's Corporate Division. I was always impressed with not only their level of professional client care but also their friendly approach and real sense of team.

The experience made me think about working within a similar dynamic culture and when the position for a Manager in the JTC Jersey office came about, I jumped at the opportunity. I was also aware of the Gateway programme and that as JTC has a Cape Town office, there was the possibility of staying with the Group but being able to transfer back.

Prior to joining the corporate team in Jersey, I was also in a fortunate position to have been seconded to the Finance department for five months which provided invaluable experience in understanding the bigger Group picture.

A role back in the Cape Town team soon became available and the Gateway initiative meant that I was able to take up the opportunity. I was extremely happy to be able to remain with JTC.

Q HOW DID JTC SUPPORT YOU IN ALL OF THIS?

I had a huge amount of encouragement and backing from my line managers in both jurisdictions who each took the time to help with any questions I had about the transfer. Additionally, the operational teams who helped facilitate the move provided a lot of support every step of the way.

Q HOW DID YOUR FAMILY AND FRIENDS FEEL ABOUT YOUR MOVE?

As I lived in Jersey for four years, my friends and family (especially my Mum) were really delighted to have me back home!

Q WHAT WERE YOUR LESSONS LEARNT ALONG THE WAY?

Always be open to new experiences and challenges.

Q WHY DO YOU THINK THE INTERNATIONAL EXPERIENCE THAT GATEWAY OFFERS IS IMPORTANT?

Career and personal growth. You get to meet people in different jurisdictions, understand their roles and remits and of course build on your network within JTC and beyond.

"An invaluable experience which fostered really beneficial relationships between the jurisdictional teams."

JTC GATEWAY

JTC GATEWAY – GLOBAL TALENT MOBILITY

JTC Gateway offers our people the opportunity to develop their careers by working in Group locations across the world. It is a key element of our employee proposition which aims to support personal and professional growth as well as attract and retain talent.

From individual secondments to key talent rotational programmes and permanent transfers, JTC Gateway enables employees to broaden their professional, managerial, technical and interpersonal skills and share their own knowledge and expertise with their international colleagues facilitating cross-functional learning and fostering cross-departmental teamwork.

Equally important is the invaluable experience of living abroad, being immersed in new cultures, gaining new perspectives, meeting new people, making new friends, exploring new terrains and discovering hidden strengths as new challenges are met each day.

Since the launch of the programme over a dozen JTC Gateway placements have been facilitated, ranging from temporary secondments to permanent relocations.

"An invaluable chance to immerse myself in new work and develop my skills"

CHRISTOPHER GIBBONS

JTC WELLBEING

JTC WELLBEING – A HOLISTIC APPROACH TO WELLBEING

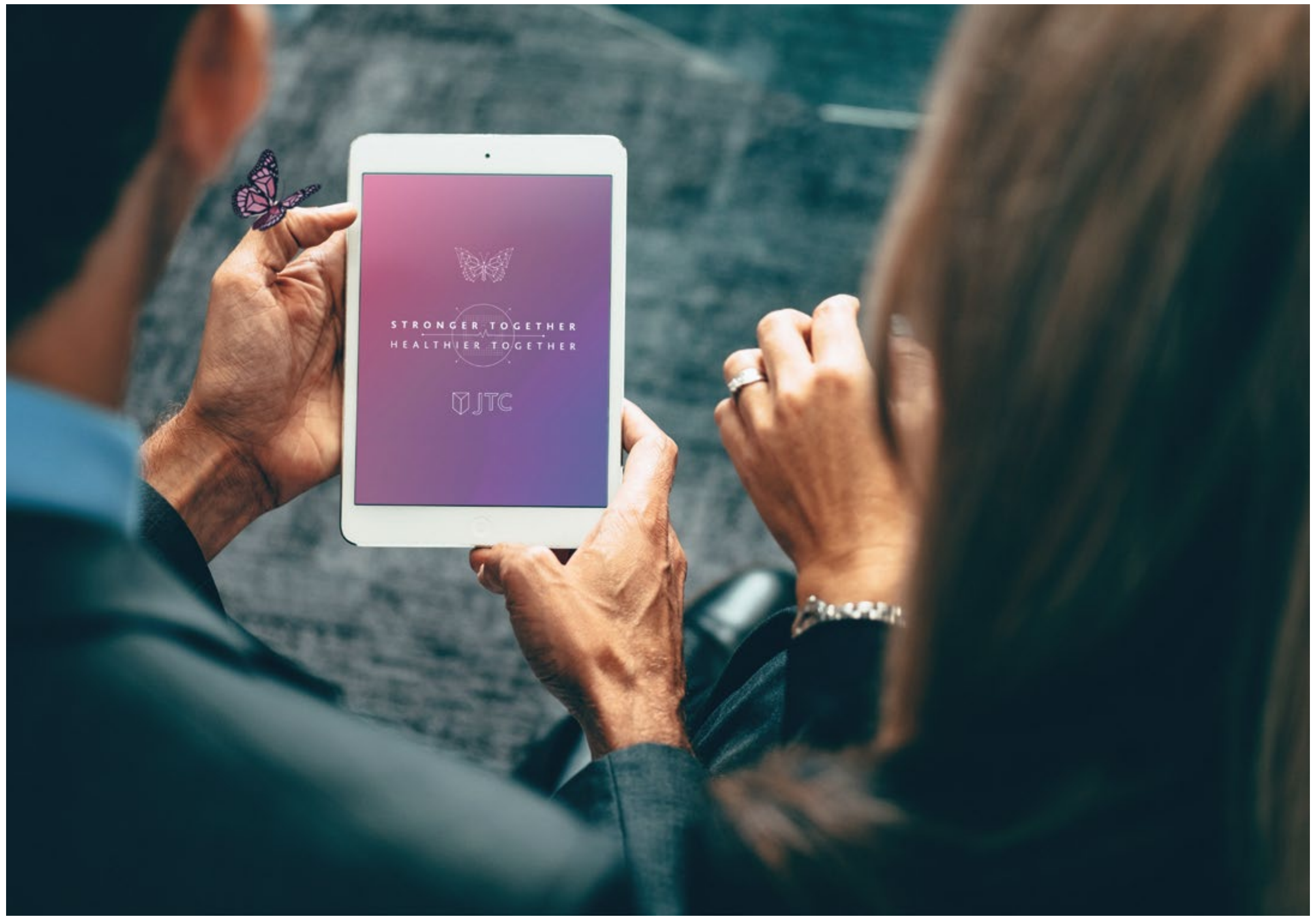
Launched at the end of 2018, JTC Wellbeing supports all our people in attaining optimum physical, emotional and mental good health. Following a pilot programme in our Jersey office, the JTC Wellbeing programme has been rolled out to all employees globally and includes a custom app that provides employees with access to tailored advice and support on a range of wellbeing topics, including nutrition, fitness, stress management and mental health awareness.

EMPLOYEE ENGAGEMENT

Our shared ownership culture and stakeholder mentality mean that employee engagement and effective internal communications are a constant focus across the Group. We work hard to share information at all levels and foster a common team spirit whilst also respecting local norms in all office locations.

Engagement begins with the recruitment and selection process, where we ensure personable and timely communication through the recruitment process. All new starters are given a structured induction programme and assigned a 'buddy', an established colleague who is assigned to help with practical orientation on a day-to-day basis. Where colleagues join us via an acquisition, the standard induction programme is tailored appropriately as part of the structured integration process that we follow.

Informal and formal staff social events are encouraged across the Group and in our larger offices, including Jersey, South Africa and Guernsey, we have established JTC Sports and Social Committees, which are run by employees on a voluntary basis and organise a wide range of social events from sports participation to dinners and family days.



EMPLOYEE COMMUNICATIONS

We use a variety of communication methods to share information about the business and the markets in which we operate. This includes communication of the Group's goals and strategies, performance updates and market news.

IN PERSON UPDATES

We are a people business and encourage open communication and the cascade of information in person on a regular basis. Team meetings are used across the business and are adapted to suit the size of each office, with larger offices running 'town hall' style meetings.

BRANDED E-COMMS

We have developed a suite of clearly signposted internal emails covering updates from different parts of the business, these include:

> CEO Updates
> CFO Updates
> COO Updates
> Risk & Compliance Updates, which includes AML and GDPR
> HR Updates, which includes JTC Academy, JTC Gateway and JTC Wellness
> IT Updates
> Marketing Updates
> Acquisition Updates

INTRANET

Our well-developed intranet 'JTC Joogle' is available to all staff and hosts a raft of news and information, as well as being a secure 'single sign on' point of access for a number of core systems. Highlights include:

> Daily internal JTC newsfeed
> Notification of new starters and leavers
> Global staff directory
> JTC Academy online
> Salesforce CRM access
> Bespoke 'Ownership for All' staff portal
> GDPR portal
> Marketing materials portal
> Online business travel portal
> Video and audio conferencing portal
> People HR portal (an online tool to manage all personnel records, including vacations, absence, remuneration and annual appraisal)

EQUAL OPPORTUNITY

JTC is committed to the policy of equal treatment of all its employees and requires all employees of whatever grade or authority, to abide by and aspire to this general principle.

Our policy is to always ensure that all persons are treated fairly, irrespective of their age, colour, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique. We will endeavour to provide those who have physical disabilities with specific assistance and arrangements to enable them to work for us wherever and whenever this is reasonably practical.

At JTC we recognise that our human capital is the most valuable asset we have. The collective sum of our individual employees' differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent represents a significant part of not only our culture but our reputation and inevitably JTC's achievements.

We have created an environment in which all existing and prospective employees of JTC can access all appropriate employment opportunities. In the context of meeting our business objectives the following principles will guide our approach:

> We will discuss and be flexible in meeting individual employee's needs and aspirations
> All existing and potential employees will be fairly selected for job opportunities based on their ability to perform their role
> There will be respectful communication and co-operation between all employees
> Teamwork and employee participation, permitting the representation of all groups and employee perspectives will be encouraged
> A work/life balance through agreed flexible working principles to accommodate employees' varying needs will be considered in line with the needs of the business
> JTC is committed to the principles of equal opportunity for all and specifically prohibits discrimination of every type

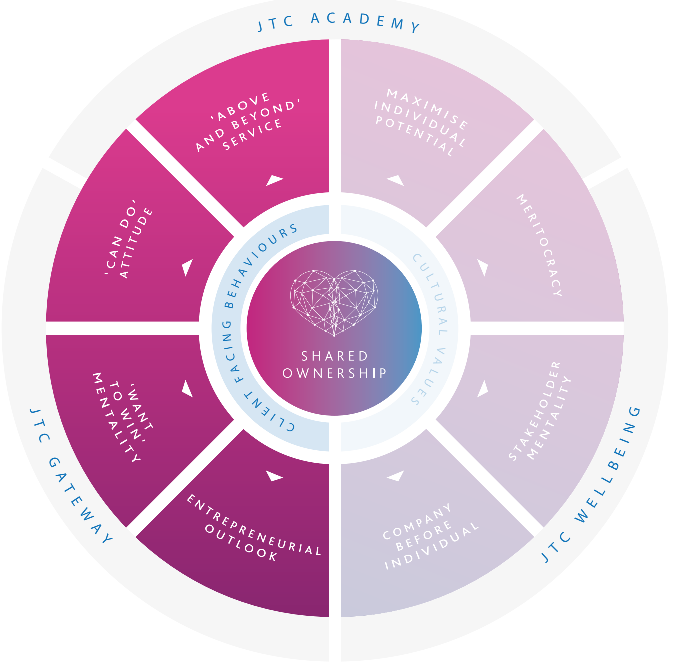
MODERN ANTI-SLAVERY AND HUMAN TRAFFICKING

JTC has taken steps to ensure slavery and human trafficking is not taking place in our supply chains or in any part of our business. A statement in response to Section 54, Part 6 of the Modern Slavery Act 2015 is available on the JTC website at jtcgroup.com and sets out the steps that the Group has taken and its on-going commitment to this vitally important topic.

OUR CLIENTS

Within our cultural framework, our internal values drive our external client facing behaviours. Through these behaviours, we seek to work in partnership with our clients, gaining a deep understanding of their needs and goals so that we can deliver the best service possible.

> **ENTREPRENEURIAL OUTLOOK** – our high levels of client engagement and stakeholder mentality allow us to take an entrepreneurial approach to finding the best service solution for each and every client.
> **WANT TO WIN MENTALITY** – JTC is proud of its independence and we recognise that we operate in a competitive market where clients have a choice of firms to work with. We work hard to win the trust and confidence of our clients and to help them succeed in their chosen activities.
> **CAN DO ATTITUDE** – we understand that our clients rely on us to deliver services, often with high levels of technical complexity, on a consistent basis. Our can do attitude is about finding answers and delivering results.
> **ABOVE AND BEYOND SERVICE** – with client relationships that last on average c.10 years (and which can extend for decades over multiple generations) we know that maintaining client service excellence is key to long-term success.



JTC SUPPORTS

OUR COMMUNITIES

We value and respect the communities in which we operate around the world and understand the support they provide to our employees, clients and intermediary partners. We seek to create a positive impact wherever we operate, creating opportunities for employment and giving back through charitable donations of time, expertise and money.

We believe in promoting an employee-led approach to the Group's charitable fundraising and donations so that our people, wherever they are based, can work together in making a difference in their local communities. In addition and in appreciation of their endeavours outside of the working environment the Group aims to financially support individuals who choose to undertake personal challenges on behalf of charities or initiatives close to their own hearts.

We also recognise the important partnerships we have with our clients and intermediaries and, where possible and appropriate, will look to support their chosen causes.

2018 COMMUNITY HIGHLIGHTS

In 2018, JTC employees in Jersey and Guernsey raised over £18,000 for Channel Islands' charities through a number of exciting and memorable fundraising activities, including 'director dress-up' days, bake-offs, and a variety of other challenges. Additionally, Jersey support was given to the Rotary International Shoebox appeal whilst in Guernsey, similar collections were made to create gifts for elderly people spending Christmas alone.

In South Africa, 2018 was a busy year for colleagues who run the Ubuntu Committee – Ubuntu being a Bantu term meaning humanity. They worked tirelessly to organise numerous activities which aimed to give back to those less fortunate and in need. There were several events in support of their long-standing association with Leliebloem Child & Youth Care Centre, including bringing children from the centre to work for a day, volunteering to help at the centre and organising a day of carnival fun for the kids.

Colleagues on the Isle of Man raised Christmas money for the children's wing of their local hospice, which provides end-of-life care for children with life-threatening conditions. At other times of year, they organised events in support of a programme that supports the elderly and aims to improve their quality of life through providing a helping hand alongside various social events.

In the Cayman Islands, a local charity known as ARK – Acts of Random Kindness – gathers funding and offers of personal support from local businesses in order to support children who lag behind in school because of their family circumstances. Having initially tackled poverty, the charity is now attempting to tackle the root causes of generational poverty in this way. JTC worked alongside other local businesses in support of this worthwhile cause.

Additionally, we were able to make financial donations to a significant number of employees who were participating in fundraising events and challenges in support of local charities close to their hearts.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

JTC understands the importance of Environmental, Social and Governance (ESG) risks and opportunities for its clients and in particular, international asset managers. As an administrator with deep expertise across a range of asset classes, we are able to support our clients in delivering their ESG commitments.

As a business, JTC is committed to its own ESG related policies and in particular to equal opportunities and wellbeing for our global workforce and comprehensive governance and compliance practices, as underpinned by our status as a UK PLC with a premium listing on the London Stock Exchange (LSE).

As a financial services firm, whilst our environmental impact is small compared to many other industries, we also recognise the importance of having a role to play and are at the early stages of our review, planning and measurement for managing the effect we have on the environment. As a minimum, however, we encourage all jurisdictions to procure paper from managed forests, 'upcycle' furniture, telephones and IT equipment between jurisdictions and from acquisitions, recycle old equipment and stationery by redistributing to schools and charities, and to use filtered rather than disposable plastic bottled water in glass bottles provided to our teams.

FASTER TOGETHER

To succeed in a fast-paced world requires dynamic thinking, bold ideas and sophisticated solutions.

We understand the importance and value of time, working quickly to present our clients with the options they require and the answers they need.

Bold. Dynamic. Sophisticated. Fast.

ACHIEVING THE TARGETS WE SET OURSELVES

CHIEF FINANCIAL OFFICER
MARTIN FOTHERINGHAM

FINANCIAL REVIEW

The 2018 results reflect the pre listing capital structure up to 14 March 2018 and the current capital structure post IPO.

In order to assist the reader's understanding of the financial performance of the Group in this period of significant change, alternative performance measures ('APMs') have been included to ensure consistency with the IPO prospectus and to better reflect the underlying activities of the Group excluding specific non-recurring items as set out in note 10 (page 117). As explained in the Company Prospectus, underlying EBITDA margin is the main profitability measure used within the Fund and Trust Company Administration market. The Group appreciates that APMs are not considered to be a substitute for, or superior to, IFRS measures but believes that the selected use of these may provide stakeholders with additional information which will assist in the understanding of the business.

JTC GROUP FINANCIAL KPIs

	2018	2017	Growth
Revenue (£)	£77.3m	£59.8m	+29.3%
Underlying*			
EBITDA (£)	£23.8m	£14.4m	+65.3%
EBITDA margin (%)	30.9%	24.1%	+6.8pp
EBIT (£)	£19.2m	£11.5m	+66.6%
Adjusted diluted EPS (p)**	18.4p	13.8p	+33.1%
Statutory			
Gross profit margin (%)	61.5%	56.5%	+5.0pp
Gross profit margin ICS (%)	61.1%	56.4%	+4.7pp
Gross profit margin PCS (%)	62.2%	56.7%	+5.5pp
EBITDA (£)	£5.3m	£9.6m	-45.4%
EBIT (£)	£0.6m	£6.8m	-90.7%
Loss before tax (£)	(£2.1m)	(£3.6m)	+40.2%
Basic and diluted EPS (p)	(3.9p)	(7.0p)	N/A
Final dividend per share (p)	2.0p	–	+2.0p
Cash conversion (%)	80%	85%	-5.0pp
Net debt (£)	(£48.7m)	(£42.5m)	+£6.2m

* Items classified as non-underlying are as detailed in Note 10 (page 117) of the financial statements. Non-underlying items are defined as specific items that the directors do not believe will recur in future periods. Non-underlying items charged to EBIT in 2018 include: EBT Capital Distribution (£13.2m), acquisition and integration costs (£4.3m) IPO costs (£1.0m) and other costs (£0.1m).

** Adjusted diluted EPS is the loss for the year adjusted to remove the impact of non-underlying items within EBITDA, amortisation of customer contracts, other gains, share of profits from equity accounted investees, finance income, loan note interest, amortisation of loan arrangement fees and unwinding of NPV discounts..

REVENUE

In 2018, revenue was £77.3m, an increase of £17.5m (29.3%) compared to 2017.

Period on period growth was driven by net LTM organic growth of 8.7% and inorganic growth of 20.6% from the acquisitions made in 2017 of the Bank of America Merrill Lynch International Trust and Wealth Structuring business (BAML) and New Amsterdam Cititrust (NACT) as well as the 2018 acquisitions of Minerva and Van Doorn.

Revenue growth, on a constant currency basis, in the year is summarised in the chart below.

Client attrition in the period was 8.9% compared to 8.3% in 2017 and is consistent with previous periods. Attrition is broken down into three principal categories as also shown in the chart below. This demonstrates that 98.2% of revenues that are not end of life were retained in the period.

Acquisitions contributed £13.0m of new revenue in the year broken down as follows:

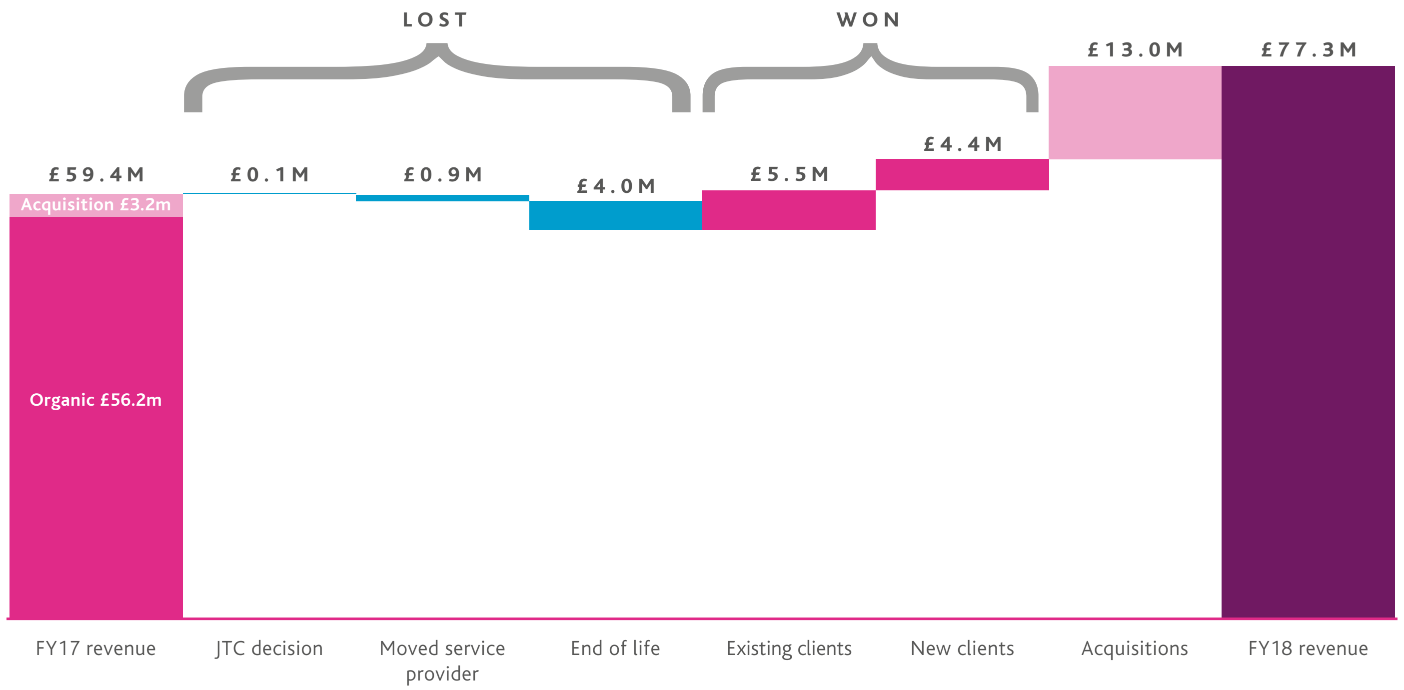
Minerva	£4.4m
Van Doorn	£1.4m
NACT	£1.6m
BAML	£5.6m
Total	£13.0m

Revenue from acquisitions is treated as inorganic for the first 12 months of JTC ownership. NACT and BAML revenues appear in both 2017 and 2018 covering the first 12 months of JTC ownership

NEW BUSINESS / PIPELINE

The enquiry pipeline increased by 25% from £25.6m at 31 December 2017 to £32m at 31 December 2018. During 2018 JTC secured new work with an annual value of £9.7m (2017: £8.9m). Typically this revenue will have an average lifecycle of approximately 10 years.

REVENUE BRIDGE



Note: Constant currency using FY18 Consolidated Income Statement Exchange Rates

GROSS PROFIT MARGIN

Gross profit margin for 2018 was 61.5%, an improvement of 5.0pp from 2017.

This improvement was seen in both operating Divisions with ICS improving gross margin from 56.4% in 2017 to 61.1% (+4.7pp) in 2018. The margin improvement is due to the continuing focus on improving operational efficiency and leveraging the Global Service Centre (GSC) in Cape Town.

Within PCS the gross profit margin was 62.2%, a 5.5pp improvement from 2017. The gross profit margin improvement was particularly strong in H1 due to the swift integration and re-organisation of the global PCS business following the acquisition of BAML. The focus in the first half of 2018 was to right-size the business taking into account the BAML acquisition. Having successfully achieved that, management moved their attention to delivering stronger organic growth and invested in senior BD capability to deliver this. This led to slightly lower margins in the division in H2 in the expectation that this would deliver stronger future revenue growth.

UNDERLYING PROFIT AND MARGIN PERFORMANCE

Underlying EBITDA in 2018 was £23.8m, an increase of £9.4m and 65.3% from 2017. The reconciliation of the improvement in the underlying EBITDA is shown in the chart below.

The underlying EBITDA margin % is the primary KPI used by the business and is a key measure of management's ability to run the business effectively and in line with competitors and historic performance levels. The performance in 2018 highlights the progress that has been made with underlying EBITDA margin increased to 30.9% from 24.1% in 2017 – a significant improvement of 6.8pp. This has been driven by improved operational efficiency in both operating divisions as well as continuing cost control. ICS's underlying EBITDA margin improved from 22.5% in 2017 to 28.8% reflecting the continuing refinement of the divisional operating model and utilisation of the Cape Town GSC. PCS's underlying EBITDA margin improved from 26.6% to 33.5% in the year. This was driven by the swift and effective integration of the BAML business as well as the benefits accruing from the operational changes made in the latter part of 2017. The business has continued to invest in processes, systems and operational capabilities and this investment will support future growth.

The Group recognises that EBIT is a more commonly accepted reporting metric and will over the next 12 months transition to using this as its primary profitability indicator for external stakeholders. Statutory EBITDA and EBIT are both impacted by significant non underlying costs in this first year of reporting post the IPO. Details of these non underlying costs are set out below.

NON UNDERLYING ITEMS

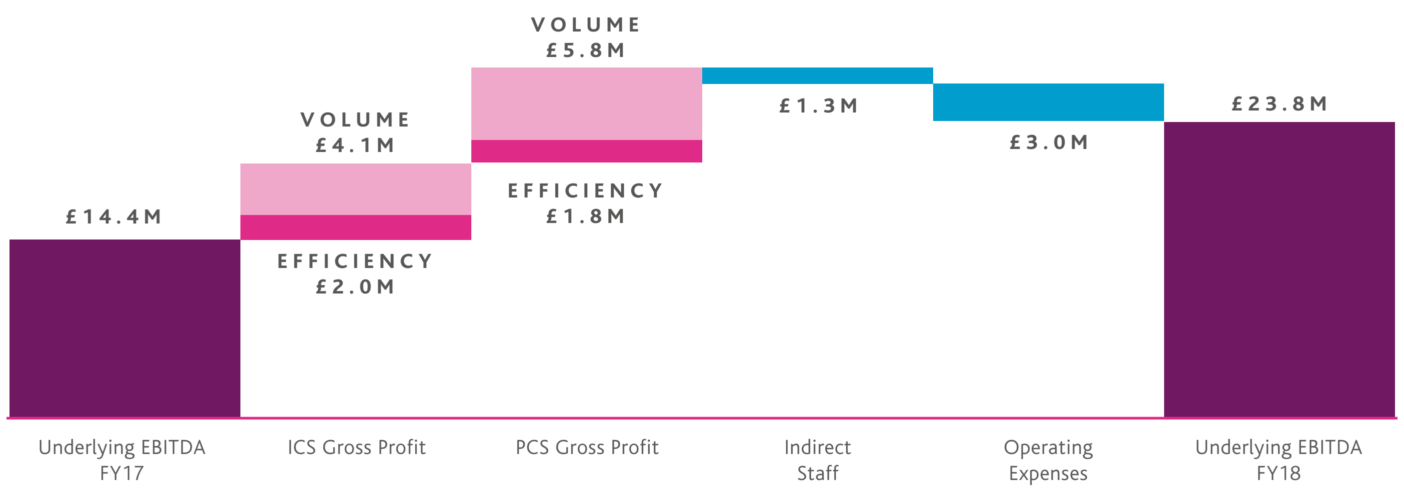
Non underlying items incurred in the period totalled £19.1m. These comprised the following:

> £13.2m capital distribution from JTC EBT12 to all staff as a result of our IPO
> £4.3m of acquisition and integration costs
> £1.0m costs associated with the IPO
> £0.6m other costs/ charges

Of the £19.1m of non underlying costs, £18.6m are incurred at EBIT level, and £0.4m are included within Finance costs and £0.1m are other costs.

JTC consolidates its EBTs within its results and hence the reason that the capital distribution is included within staff costs. The full charge to the Income Statement is recognised in the period to 31 December 2018. Acquisition and integration costs reflect costs incurred on the completed acquisitions as well as transactions which are ongoing or did not complete.

UNDERLYING EBITDA BRIDGE



Note: Reported Rates from FY18 Financial Statements

LOSS BEFORE TAX

The reported loss before tax for the period ended 31 December 2018 was £2.1m (2017: £3.6m loss).

Adjusting for non-underlying items the underlying profit before tax for 2018 was £17.0m (2017: £0.9m loss). The improvement reflects both the strong business performance in the current year as well as the higher financing costs associated with the Group's capital structure pre–IPO, albeit offset by increased non underlying costs.

It should be noted that Finance costs in the reporting period include the costs of the Group's pre IPO capital structure and changes to the capital structure made at the time of listing. Finance costs in 2018 comprise £1.5m of amortisation/non cash flow items and £2.0m of costs which impact cash flow. Within the cash flow impacting items, the loan note interest relates to the pre IPO period and is not recurring. The bank loan interest rate pre IPO was higher than the rate under the post IPO debt package. The interest rate charged in the first six months of the new bank loan facility was higher than the ongoing rate.

EARNINGS PER SHARE

Underlying diluted EPS was 15.3p (2017: (2.9p)). Adjusted diluted EPS was 18.4p (2017: 13.8p). Adjusted diluted EPS is the loss for the year adjusted to remove the impact of non-underlying items within EBITDA, amortisation of customer contracts, other gains, share of profits from equity accounted investees, finance income, loan note interest, amortisation of loan arrangement fees and unwinding of NPV discounts.

CASH FLOW AND DEBT

Cash generated from underlying operating activities was £19.2m representing an 80% conversion of underlying EBITDA (2017: 85%). During 2018 the conversion rate was adversely impacted due to the BAML acquisition. Former BAML clients are billed bi-annually in arrears and therefore JTC had not yet benefited from a full cycle of cash flows. At 31 December 2018 there was still a mismatch whereby three months of the revenues were not due for collection. Adjusting for this we would have seen an 89% cash conversion in the year. This is a strong performance when considered in the context of revenue growth of 29%. Working capital (trade receivables minus deferred revenue) as a percentage of revenue fell from 33.0% at 31 December 2017 to 31.1% (improvement of 1.9pp) by 31 December 2018.

Net debt at the period end was £48.7m compared to £42.5m at 31 December 2017. This represents 2.0 times the underlying 2018 EBITDA (2017: 2.9 times). Underlying 2018 EBITDA does not include the full year impact of the profit of the Van Doorn or Minerva acquisitions in this calculation. On a proforma basis, net debt as a proportion of underlying EBITDA would fall to 1.7 times.

RECONCILIATION OF UNDERLYING EBITDA TO LOSS BEFORE TAX

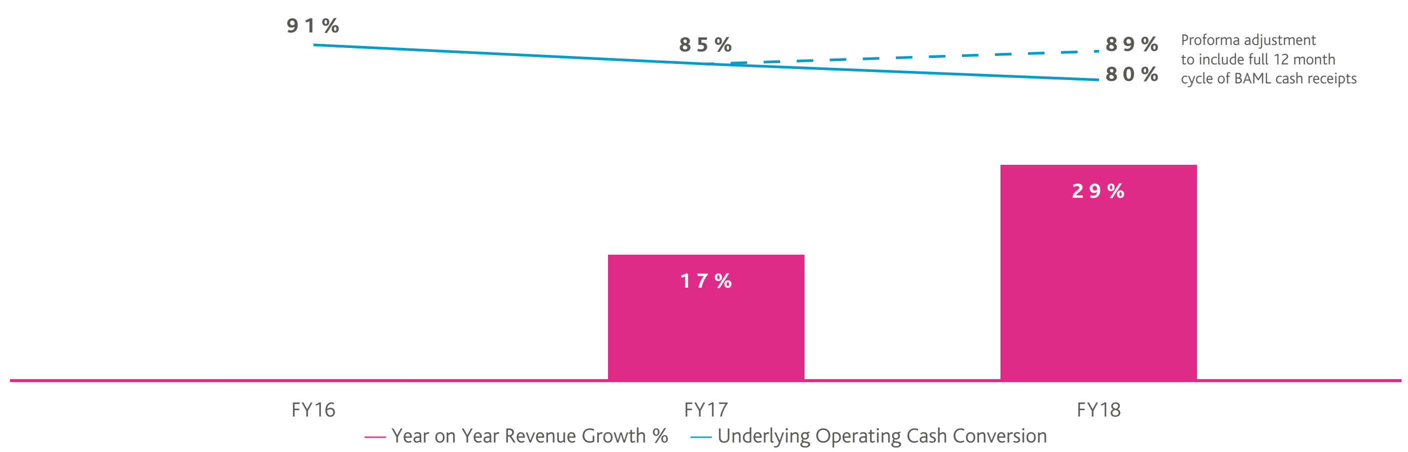
The reconciliation of underlying EBITDA to loss before tax for 2018 is as follows:

All figures in £'m for 2018	Statutory results	Non underlying items	Underlying results
EBITDA	5.2	18.6	23.8
Depreciation and amortisation	(4.6)	–	(4.6)
Profit from operating activities (EBIT)	0.6	(18.6)	19.2
Finance costs, other gains and losses etc.	(2.7)	0.5	(2.2)
Loss / profit before tax	(2.1)	(19.1)	17.0

Non underlying items are set out in detail in note 10 (page 117) to the consolidated financial statements and are, in the opinion of the Directors, specific items that will not recur.

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

CASH CONVERSION



Note: Cash Conversion = Underlying Cash Flow From Operating Activities/Underlying EBITDA

GREATER TOGETHER

Our success has been built over decades, founded on our independence and an enduring belief in our values and how they translate to service excellence. While our outlook and reach has grown on a global scale, we remain as true to our founding principles as ever

Powerful. Independent. Enduring. Global

GOVERNANCE:

DRIVING PERFORMANCE THROUGH CULTURE

NON-EXECUTIVE CHAIRMAN
MIKE LISTON OBE

As a specialist provider of outsourced administration services, including corporate governance and company secretarial services, JTC is committed to achieving the highest levels of corporate governance.

DEAR SHAREHOLDER

The PLC Board took office in March last year with the great benefit of absolute clarity on what was expected of it, defined not only in the Prospectus from the IPO but also in the newly revised UK Governance Code.

Our challenge as Directors is generating value for shareholders whilst complying with these enhanced governance expectations and respecting the interests of a wide range of stakeholders. Our task is assisted by the quality of the business and the people within it. Moreover, with the provision of governance and compliance services as a core business offering to a diverse institutional and private client base, JTC is accustomed to applying those disciplines internally too.

The company's genetic characteristics have evolved over three decades and as in life itself, they are key to its growth and longevity. Its entrepreneurial parentage remains a strong influence in JTC's corporate values and ethical behaviour, with this DNA strengthened by the addition of minority private equity ownership (CBPE Capital) to its blood line in 2012. Add to this its hard-wired culture of rigorous compliance and governance honed during its formative years by being headquartered in Jersey, one of the world's most rigorously regulated international finance centres, and you have a pedigree which replicates well in any environment.

BOARD

As Chairman, my aim is to maintain an environment in which the skills and experience of every director can be fully exploited to enhance the success of the Company. The challenge in any team endeavour is the management of relationships and in public ownership this is magnified by the duty of Non-Executive Directors to challenge and scrutinize, whilst simultaneously sharing the Executive Directors' responsibility for the success of the Company.

The Executive Directors' vast experience and patience has been of great value to their new colleagues as the full range of mature controls, business processes and procedures have been reviewed by the Board. The knowledge and comfort gained from this familiarisation effort has enabled us to move forward collectively to agree the fundamentals for the business in the next stage of its life, under public ownership.

We have agreed or reaffirmed Company purpose, values, strategy, risk appetite, culture and accountabilities. I am confident that we can preserve an environment where the corporate governance requirements of a London Stock Exchange listing can be fulfilled without sacrificing the agility and flair of private enterprise which has defined the Company so far.

PURPOSE AND VALUES

The Directors believe that the Company serves a positive purpose in assisting the legitimate facilitation of the capital flows on which the economic and social benefits of globalization depend. We enable companies and individuals to operate internationally whilst demonstrating full compliance with a myriad of rules and regulations without themselves having to maintain the infrastructure demanded by this increasingly complex environment. We respect client needs for the legitimate privacy to which they are entitled and on which their personal security or business competitiveness may depend. These fundamentals are the drivers of demand for our professional expertise and we look to build strong sustainable relationships with clients for the long term and partner with them in their endeavours.

Our values are justifiably a common thread throughout this Annual Report. Amongst them, integrity, the unique ownership mentality and mutual respect form the basis for the behaviour of our business, its people and its wider stakeholders.

SOURCES OF VALUE GENERATION

JTC has a more than 30 year history of delivering growth year on year, both organically and more recently by acquisition following the Group's first purchase in 2010. The opportunities to generate value in this balanced manner are accelerating in what is a rapidly consolidating market.

We operate in a global environment which offers highly favourable fundamentals for growth for JTC in all three of our service lines (Funds, Corporate and Private Wealth) which are enveloped by our two fee earning Divisions – Institutional Client Services and Private Client Services.

From an institutional perspective sustained investment growth in alternative asset classes , which are forecast by PwC to double in the decade to 2025, when coupled with the complexity of demonstrating cross-border compliance, is driving greater outsourcing of services to expert third party providers like JTC.

AS A NEW LISTED BUSINESS, WHAT IS YOUR VIEW ON THE ROLE OF GOVERNANCE?

"Excellence in governance is fundamental to the Group's day-to-day activities. The Board recognises the importance of corporate governance in order to generate and protect value for our investors.

Our governance structure is designed to maintain effective control and oversight of our business whilst at the same time promoting the entrepreneurial spirit that has underpinned JTC's success to date."

Client benefits include risk mitigation, operational efficiency, business model agility and demonstrable third party scrutiny.

Our private client business continues to benefit from rapid growth in the number of high net worth and ultra-high net worth individuals in both mature and nascent markets. Increasingly they are internationally mobile and financially sophisticated, and the need to manage their affairs amidst myriad complex and ubiquitous regulation generates opportunities from both a private assets and corporate services perspective.

Our proven ability to build scale at marginal cost and achieve synergies which creates value for our shareholders, derives from our ongoing calibrated investment in infrastructure alongside our historic early stage investment in key jurisdictions for global delivery.

WORK IN PROGRESS

Although the Board's review of corporate governance during its first three quarters has validated its high expectations, there are areas where its continuing scrutiny will be augmented by specific further work to comply more comprehensively with the FRC's new governance codes when we report against them next year.

We are conscious that shareholder engagement in these early days has in practice been largely with the Executive Directors, generally at the time of the results announcements and on an ad hoc basis. The entire Board receives formal feedback from the advisers and brokers on the views of the major shareholders, and of course the Non-Executive Directors are available to meet at any time. We intend to enhance the mechanisms for shareholder engagement and, for example, we plan to arrange a capital markets day later in the year to allow shareholders to meet the full Board as well as the wider executive team.

We also aim to review the composition of the Board in light of the planned Effectiveness Reviews and the evolving needs of the business. In making any new appointments we will maintain JTC's guiding principle to recruit on merit whilst conscious that gender diversity at Board level presently does not reflect that which prevails throughout the rest of the organisation, where 51% of the management grades are occupied by women.

Our attention to continuous executive development of the management team has confirmed the great potential of the LION (Leaders in our Name) programme to develop our future leaders and facilitate succession in the longer term by evolution from within. A more immediate benefit of this initiative has been the opportunity it has afforded the Executive Directors to turn a larger proportion of their time and attention to the new challenges of being a listed business, whilst delivering business growth and sustainable organisational change.

We have been very greatly reassured by the very evident commitment of the executive team throughout a very demanding year. We are also pleased to see very promising talent emerging from within the growing ranks of professionals as the Company acquires new businesses and develops its own team, as well as making strategic hires as necessary. The formal leadership development programs and the increased delegation of authority are already improving 'bench-strength' in the Company's Executive team.

REMUNERATION AND REWARD

The Board is well supported by the work of the Remuneration Committee in its aim to ensure that workforce performance and remuneration supports the long term success of the Company and promotes its values. Core to the Group's unique culture is that all employees will have an ownership stake in the business. The importance of this shared ownership is wider than merely the financial incentives and this model brings a set of competitive advantages which are encompassed in the Group's guiding principles and client facing behaviours. Michael Gray, Chair of the Remuneration Committee reports in his introduction on page 79 on the approach taken to executive remuneration and the work done in reviewing the Company's Remuneration Policy, as well as other work carried out during the year on this important matter.

ANNUAL GENERAL MEETING

I look forward to welcoming shareholders to the Company's AGM. I will be joined by the CEO and the CFO, together with the Chairs of the Audit and Risk, Nomination and Remuneration Committees to answer questions relating to the responsibilities of those committees. The Notice convening the 2019 AGM, to be held on 21 May 2019, will be issued along with this Annual Report to the shareholders at least 21 clear days in advance of the meeting. Separate resolutions will be proposed on each substantially separate matter and the results of the proxy votes on each resolution will be clearly collated independently by the Company's registrar and will be published on the Company's website after the meeting.

I am grateful to my fellow Directors, JTC's employees and to all of our Shareholders for their support in our first year as a listed company, and 31 years of successful operations.

MIKE LISTON OBE
NON-EXECUTIVE CHAIRMAN

STATEMENT OF CORPORATE GOVERNANCE

The Directors present this first Annual Report for the year ended 31 December 2018, on the affairs of JTC, together with the Consolidated Financial Statements and the Auditor's report. JTC is committed to achieving the highest levels of corporate governance and, in 2018, has continued to build on the corporate governance framework which was established on incorporation of the Company.

This Corporate Governance Report, including the sections which follow, sets out how the Company has applied the main principles of good governance as set out by the UK Corporate Governance Code, April 2016, as issued by the FRC (the "Code").

The Directors consider that the Company has been compliant with the Code provisions as applied during the period since listing, other than the following exception:

Provision B.6.1 of the Code states that the Board should report in the Annual Report how performance evaluation of the Board, its Committees and its individual directors has been conducted. As the Board was only appointed in March 2018 a formal performance evaluation was not undertaken during the year. The effectiveness of the Board and of the Board and Committee Meetings is a standing agenda item at the Board's six scheduled meetings a year. A formal performance evaluation of the Board, its Committees and its individual directors will be conducted in 2019in accordance with the three year evaluation cycle detailed at page 70 of the Nomination Committee's report.

We have laid out this Corporate Governance Report using the Code as a framework for articulating the Board's activities this period and also to frame our focus for the coming year. The structure of this Corporate Governance Report is as follows:

> Leadership and effectiveness
> Accountability
> Stakeholder engagement and relationships
> Remuneration

Details of where to find additional information which should be read with reference to this Corporate Governance Report are shown at page 62, Board Statements and page 88, the Directors' Report.

GOVERNANCE HIGHLIGHTS

INDEPENDENCE

At the point of listing, and at the date of this Annual Report, we have two independent Non-Executive Directors, on our Board, excluding the Chairman, which is in line with the guidance under the Code.

EXPERIENCE

When the Board was established, our focus was to ensure that we had relevant industry, financial and public company expertise and we believe that we have achieved that with our Board today.

ACCOUNTABILITY

We have clear and documented separation of duties between the Chairman and the CEO. JTC's CEO, Nigel Le Quesne, is responsible for determining JTC strategy and day-to-day operations, leading the JTC Group Holdings Limited Board, which assists in the day to day delivery of this strategy and general operations. Mike Liston, as Chairman, provides oversight and guidance to Nigel Le Quesne on the strategic direction, key commercial or contracting decisions and overall succession planning for the Board.

EVALUATION

We have not undertaken an internal evaluation of the Board or the Board's committees as they were established in March 2018. Instead, an internal evaluation will be undertaken in the second half of 2019 ahead of the 2019 annual reporting process.

ATTENDANCE

Each of our Directors attended all relevant Board and committee meetings with an acceptable level attended in person.

COMPLIANCE OF COMPOSITION OF COMMITTEES

The composition of our committees complies with the Code requirements.

REMUNERATION AND REWARD

We present our Remuneration Policy on pages 79 to 80, which is designed to incentivise and motivate the Executive Team to achieve the strategy as laid out in this Annual Report.

1. LEADERSHIP AND EFFECTIVENESS

THE ROLE OF THE BOARD

JTC is led and controlled by the Board which is collectively responsible for the long-term and sustainable performance of the Group. The roles of the Chairman and the CEO are separate and clearly defined, with the division of responsibilities set out below.

DIRECTORS AND OFFICERS	PRINCIPAL RESPONSIBILITIES
NON-EXECUTIVE CHAIRMAN	> Manages and provides leadership to the Board > Acts as a direct liaison between the Board and management, working with the CEO to assist the flow of information > Ensures that the Directors have sufficient information to enable the Directors to form appropriate judgements > The Chairman develops and sets the agendas for Board meetings, working with the CEO and Company Secretary > Recommends an annual schedule of Board and committee meetings > Ensures effective communications with shareholders and other stakeholders
CHIEF EXECUTIVE OFFICER	> Responsible for the day-to-day management of JTC > Together with the Senior Management, is responsible for executing the strategy, once it has been agreed by the Board > Creates a framework that optimises resource allocation to deliver strategic objectives over varying timeframes > Ensures the successful delivery against plan and other key business objectives, allocating decision-making and responsibilities accordingly > Together with the Executive Committee, identifies and executes new business opportunities and assesses potential acquisitions or disposals > Manages the Group with reference to its risk profile in the context of the Board's risk appetite
SENIOR INDEPENDENT DIRECTOR	> Is a Non-Executive Director > Provides a sounding board for the Chairman and CEO > Serves as an intermediary for the other Directors when necessary > Is available to shareholders if they have concerns
NON-EXECUTIVE DIRECTOR	> Provide constructive challenge to the Executive Directors > Help develop proposals on strategy > Scrutinise management's performance in meeting agreed goals and objectives > Monitor performance reports > Satisfy themselves on the integrity of financial information and that controls and risk management systems are robust and defensible > Determine appropriate levels of remuneration for Executive Directors > Appoint and remove Executive Directors as required and review succession planning
CHIEF FINANCIAL OFFICER	> Overall management of the financial risks of the Group > Responsible for financial planning and record-keeping, as well as financial reporting to the Board and shareholders > Ensures effective financial compliance and control, while responding to regulatory developments, including financial reporting, capital requirements, and corporate responsibility
COMPANY SECRETARY	> JTC (Jersey) Limited has been appointed as the corporate company secretary > Ensures compliance with statutory and regulatory requirements > Ensures that decisions of the Board of Directors are accurately recorded and implemented

BOARD BALANCE AND INDEPENDENCE

The Code recommends that at least half the Board of Directors, excluding the Chairman, should comprise independent Non-Executive Directors. The Non-Executive Chairman was independent on appointment and we have appointed two further Independent Non-Executive Directors whose skills and experience are detailed on page 59 of this Report. The Board considers that all of its Non-Executive Directors are independent, in character and judgement, and therefore the Board complies with the requirements of the Code. Additionally, the Directors, both individually and collectively, have the range of skills, knowledge, diversity of experience and dedication necessary to lead the Group and have the requisite strategic and commercial experience to contribute to the leadership of JTC.

BOARD INDUCTION AND TRAINING

To ensure that the Non-Executive Directors are able to influence, participate fully in discussions and challenge appropriately and knowledgeably, all Non-Executive Directors received a tailored induction on joining the Board, including meeting with members of the JTC senior team and meetings with JTC's external advisers. The induction involved visits to JTC's head office in Jersey and management presentations as part of the Board strategy day. Further training will be provided as needs are identified and we continue to utilise a portion of our Board meetings to provide market updates or to discuss a variety of industry, regulatory and governance issues or changes, in light of the impact these could or do have on our business.

WHAT WE FOCUSED ON IN 2018

During the period since listing we assessed, considered and debated a wide range of matters including but not limited to:

> Strategy
> Budgets and long-term plans
> Performance of the business – both financial and operational
> Financial statements, announcements and other financial reporting matters
> Risk management and controls
> Shareholder feedback and reports from brokers and analysts
> Succession and talent management
> Remuneration
> Regulatory updates
> Updates on the industry

2. ACCOUNTABILITY

RESPONSIBILITY FOR THE ANNUAL REPORT

The Board has charged the Audit and Risk Committee with reviewing the contents of this 2018 Annual Report to assess whether, when taken as a whole, it is fair, balanced and understandable and provides the necessary information for shareholders to assess the JTC consolidated position, performance, business model and strategy. This process and the focus of this review is further disclosed on page 74 to the Audit and Risk Committee Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the overall system of internal control and for reviewing its effectiveness. The Board has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity as detailed on pages 28 to 34 of the Strategic Report. The Board has delegated the day-to-day responsibility for designing, operating and monitoring the internal control and risk management framework and systems to the senior management team. The internal control and risk management framework and systems have evolved through the identification, evaluations and assessment of how to manage key risks, taking into account risk appetite. The senior management team reports changes, developments or results of testing to the Board, through the Chief Risk Officer on a quarterly basis. We have laid out a summary of our risk management processes on pages 28 to 30 to the Strategic Report and provided further detail on page 73 of the Audit and Risk Committee Report. There have been no changes to the internal control or risk management frameworks during the period since listing and up to the date of approval of the Annual Report. It should be noted that the systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and therefore they can only provide reasonable, and not absolute, assurance against material errors, losses, fraud or breaches of law and regulations. We have a number of internal controls which operate across the JTC business. The key controls which are relied upon during the year are set out on page 29 to the Strategic Report. This should be read in conjunction with the principal risks and uncertainties facing JTC, which are detailed on page 33 to 34 to the Strategic Report.

Based on the review performed, the board has concluded that they have not identified any significant failings or weaknesses during the year

3. STAKEHOLDER ENGAGEMENT AND RELATIONSHIPS

SHAREHOLDER RELATIONS

The Board is committed to ensuring that we maintain good communications with existing and potential shareholders based on mutual understanding of the Company's objectives. A comprehensive investor relations programme underpins this commitment, led by the Chief Communications Officer. The Chief Executive Officer and the Chief Financial Officer regularly engage with institutional shareholders in order to develop an understanding of their views, which is communicated back to, and discussed with, the Board. Presentations given to analysts and investors covering the annual and interim results, along with all results and other regulatory announcements as well as further information for investors, are included on the investor relations section of the Company's website at www.jtcgroup.com/investor-relations. Additional shareholder information is also set out inside the back cover. Shareholders are able to contact the Company through the Chief Communications Officer or the Company Secretary at the Company's registered office, listed at the end of this Report. Our Senior Independent Director, Dermot Mathias, serves as an additional point of contact for shareholders should they feel that any concerns are not being addressed properly through the normal channels. He may be contacted through the Company Secretary.

OTHER STAKEHOLDERS

Other stakeholders, other than shareholders, have been identified as clients, employees and the communities in which we operate, see pages 16 and 17 to the Strategic Report.

THE RIGHT SKILLS AND EXPERIENCE TO DELIVER OUR STRATEGY

PLC BOARD

NON-EXECUTIVE CHAIRMAN
MIKE LISTON OBE

TENURE ON BOARD:
Appointed 8 March 2018

INDEPENDENT COMMITTEE MEMBERSHIPS:
Nomination, Audit and Risk, Remuneration

EXPERIENCE:
Extensive experience across public and private sector businesses. Chief Executive of Jersey Electricity plc between 1993 and 2008, subsequently holding a number of non-executive roles.

RELEVANT SKILLS:
Broad range of experience at board level, including 7 years relevant industry experience.

EXTERNAL APPOINTMENTS:
Not applicable.

CHIEF EXECUTIVE OFFICER
NIGEL LE QUESNE

TENURE ON BOARD:
Appointed 12 January 2018. Overall responsibility for implementing strategy and day-to-day operations Joined the Group in 1991.

EXPERIENCE:
Key figure in the development of JTC over the last 28 years with extensive trust, fund and corporate administration experience.

RELEVANT SKILLS:
> Extensive experience in leadership and management
> Commercial, strategic, communication and investor relations skills
> Experience of financial markets and fund management

EXTERNAL APPOINTMENTS:
Not applicable.

CHIEF FINANCIAL OFFICER
MARTIN FOTHERINGHAM

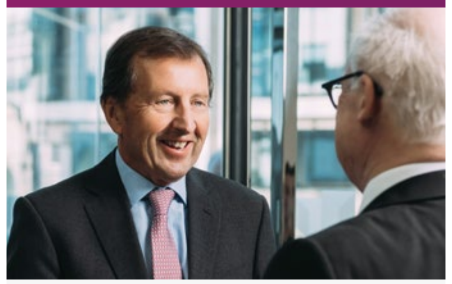
TENURE ON BOARD:
Appointed 12 January 2018. Responsible for implementation of the Group's financial strategy and all aspects of accounting and taxation. Joined the Group in 2015

EXPERIENCE:
Chartered Accountant with extensive management, and corporate finance experience.

RELEVANT SKILLS:
> Strong financial analysis skills
> Extensive experience in financial management and reporting
> Broad range of management experience

EXTERNAL APPOINTMENTS:
Not applicable.

INDEPENDENT SENIOR NON-EXECUTIVE DIRECTOR
DERMOT MATHIAS



TENURE ON BOARD:
Appointed 8 March 2018

INDEPENDENT COMMITTEE MEMBERSHIPS:
Nomination, Audit and Risk (Chairman), Remuneration

EXPERIENCE:
Chartered Accountant with extensive management, corporate finance and NED experience.

RELEVANT SKILLS:
> Strong financial skills
> Extensive experience in leadership and management

EXTERNAL APPOINTMENTS:
Non-Executive Director and Chairman of the Audit Committee of Shaftesbury PLC . Governor of Activate Learning

INDEPENDENT NON-EXECUTIVE DIRECTOR
MICHAEL GRAY

TENURE ON BOARD:
Appointed 8 March 2018

INDEPENDENT COMMITTEE MEMBERSHIPS:
Nomination (Chairman), Audit and Risk, Remuneration (Chairman)

EXPERIENCE:
FCIBS, Associate AMCT, Dip IoD. 20 years senior management, financial and capital raising expertise and relevant experience.

RELEVANT SKILLS:
> Extensive experience in the banking sector
> Communication and management skills

EXTERNAL APPOINTMENTS:
Non-Executive Director Jersey Finance Limited. Non-Executive Director, member of the Audit Committee of GCP Infrastructure Investments Limited. Director of MMG Consulting Limited. Director J-Star Jersey Company Limited.

GROUP HOLDINGS BOARD

GROUP HEAD OF INSTITUTIONAL CLIENT SERVICES
JONATHAN JENNINGS

JOINED JTC:
2018

QUALIFICATIONS:
LLB(Hons), TEP

PROFILE:
Jonathan joined JTC in 2018 as Managing Director – UK, based in London. He is an experienced financial services professional with a career spanning more than two decades. As well as significant expertise in cross-border corporate activity emanating from the Channel Islands, Luxembourg and UK, he also has a deep understanding of the private client market and has earned industry recognition, being named one of the '50 Most Influential' by ePrivateClient in 2016. Prior to joining JTC, Jonathan was Group CEO of Dominion Fiduciary in Jersey.

From 1 April 2019 Jonathan will take over from Tony Whitney as Group Head of Institutional Client Services, responsible for the further growth and success of our Fund Services and Corporate Services business lines, within the ICS Division.

GROUP HEAD OF PRIVATE CLIENT SERVICES
IAIN JOHNS

JOINED JTC:
2012

QUALIFICATIONS:
MBA, BBUS (Acc), CPA, TEP

PROFILE:
Iain joined JTC in 2012 and has extensive experience in dealing with the financial affairs of some of the world's wealthiest individuals and families. As Group Head of Private Wealth Services, Iain is responsible for the leadership, strategic development and performance of JTC's PCS Division, which services clients from more than 100 countries. Iain leads a multilingual team of private client professionals and has been included in the Citywealth 'Leaders List' every year since 2011 as well as being named as one of the '50 Most Influential' by Private Client Practitioner (now ePrivateClient) in 2012 and every year since 2015. Prior to joining JTC, Iain was Global Head of Private Clients for TMF Group (formerly Equity Trust) and a member of its Global Executive Committee.

CHIEF COMMERCIAL OFFICER
TONY WHITNEY

JOINED JTC:
1997

QUALIFICATIONS:
FCIS

PROFILE:
Tony joined JTC in 1997, was appointed a Director in 2007 and became Managing Director of the Jersey office in 2015. In early 2018 he was promoted to the role of Group Head of Institutional Client Services and joined the Group Holdings Board. During 2018 Tony was responsible for the leadership, strategic development and performance of our ICS Division, which delivers fund and corporate services to an international client base.

From 1 April 2019 Tony will take on the newly created role of Chief Commercial Officer, also a Group Holdings Board position, where he will be responsible for leading the Group-wide execution of JTC's organic and inorganic growth strategies and will have oversight of the marketing and business development functions.

CHIEF OPERATING OFFICER
WENDY HOLLEY

JOINED JTC:
2008

QUALIFICATIONS:
Chartered FCIPD, MIAB

PROFILE:
Wendy joined JTC in 2008 as Head of Human Resources before being promoted to the role of Chief Operating Officer in 2012, at which time she was appointed to the Group Holdings Board. She has over 25 years' experience in financial services operations, having previously worked at leading offshore law firm Mourant (formerly Mourant Ozannes) and Coopers & Lybrand (now PricewaterhouseCoopers). As Chief Operating Officer, Wendy is responsible for evaluating and developing the operational strategy of the Group to ensure it has the operational capabilities needed to support its growth strategies and deliver its financial targets. A significant part of Wendy's role is to lead the efficient and effective integration of acquisitions onto the JTC operating platform taking into account all aspects of operations including people and culture, technology, operational finance, marketing and facilities.

CHIEF RISK OFFICER
STEVEN BOWEN

JOINED JTC:
2018

QUALIFICATIONS:
ACIB, TEP

PROFILE:
As JTC's Chief Risk Officer, Steven has day-to-day management responsibility and oversight for the Risk and Compliance functions across the Group. In addition, Steven also has oversight of our Treasury Services business line. He joined JTC in November 2018 as part of the Minerva acquisition, where he formerly held the position of Group Managing Director. Steven has worked in the banking and fiduciary industry for over 30 years. He joined Minerva from Standard Bank, where he worked in a number of executive roles, including Global Head of the Private Clients Trust & Fiduciary business. Prior to joining Standard Bank, Steven was employed by JP Morgan Chase & Co. for over twenty years where he held a number of senior roles.

THE BOARD'S ROLE

The Board is responsible for the long term success of the Company. The main responsibilities and key actions carried out are set out at pages 64 to 65. The Board is scheduled to meet six times in any full calendar year. Attendance at the Board and Committee meetings during the period from incorporation to December 2018 is set out in the table below.

There are no relationships or circumstances that are considered likely to affect the independence of the Non-Executive Directors .

MATTERS RESERVED FOR THE BOARD

There is a formal schedule of matters reserved for the Board. The schedule of matters covers a number of areas including strategy, approval of acquisitions and business development proposals, the dividend policy, budget, internal controls and risk management and Group policies. Other matters have been delegated to the Board Committees, the Senior Management and other committees such as the Group Development Committee. The schedule of matters are reviewed periodically and were last reviewed in March 2018 along with the Group Policies and Procedures.

BOARD AND COMMITTEE STRUCTURE

BOARD OF DIRECTORS

The Board has formally delegated specific responsibilities to Committees, namely the Audit and Risk, Remuneration and Nomination Committees. In addition, during the year it approved the establishment of a Disclosure Committee, whose members are the Chief Executive Officer, the Chief Financial Officer and the Company Secretary. The full terms of reference for each of these Committees are available on the Company's website (www.jtcgroup.com) or on request from the Company Secretary.

AUDIT AND RISK COMMITTEE
» FOR MORE INFORMATION SEE PAGE 72

NOMINATION COMMITTEE
» FOR MORE INFORMATION SEE PAGE 69

REMUNERATION COMMITTEE
» FOR MORE INFORMATION SEE PAGE 79

BOARD AND COMMITTEE STRUCTURE

	Michael Liston	Nigel Le Quesne	Dermot Mathias	Michael Gray	Martin Fotheringham
Board Met	5	5	5	5	5
Audit & Risk	4	N/A	4	4	N/A
Nomination	2	N/A	2	2	N/A
Remuneration	3	N/A	3	3	N/A

REQUIREMENT	BOARD STATEMENT	WHERE TO FIND FURTHER INFORMATION
COMPLIANCE WITH THE CODE	This Corporate Governance Report, including the sections which follow, sets out how the Company has applied the main principles of good governance as set out by the UK Corporate Governance Code, April 2016, as issued by the FRC (the "Code"). The Directors consider that the Company has been compliant with the Code provisions as applied during the period since listing, with the following exception: Provision B.6.1 of the Code states that the Board should report in the Annual Report how performance evaluation of the Board, its Committees and its individual directors has been conducted. As the Board was only appointed in March 2018 a formal performance evaluation was not undertaken during the year. The effectiveness of the Board and of the Board and Committee Meetings is a standing agenda item at the Board's six scheduled meetings a year. A formal performance evaluation of the Board, its Committees and its individual directors will be conducted in 2019in accordance with the three year evaluation cycle detailed in the Nomination Committee's report.	> Page 54 > Page 70
ROBUST ASSESSMENT OF THE PRINCIPAL RISKS FACING THE GROUP	The risks from the Group Risk Register are discussed, debated and challenged, firstly by senior management and Executive Directors, and then by the Group Risk Committee, with a view to presenting the key risks to the Board. The Board has agreed that the chief risks will be presented in the Annual Report and Accounts as the 'Principal Risks'. There is an ongoing process for identifying, evaluating and managing the Principal Risks faced by the Company. Based on the review performed, the Board has not identified any significant failings or weaknesses during the year.	> Pages 28 to 34 > Pages 72 to 74
ANNUAL REVIEW OF SYSTEMS OF RISK MANAGEMENT AND INTERNAL CONTROL	While the Board is ultimately responsible for the operation of an effective system of internal control and risk management appropriate to the business, the Audit & Risk Committee is responsible for reviewing the risk management systems and internal controls to ensure that they remain effective and that any identified weaknesses are appropriately dealt with. The systems of internal control and risk management that have been in place for the year are regularly reviewed by the Board. The Board is satisfied that these systems accord with the provisions of the Code. The process by which the Board reviews the effectiveness of the internal control and risk management systems is summarised in the Risk Management section of the Strategy Report.	> Pages 28 to 34
FAIR, BALANCED AND UNDERSTANDABLE	The Annual Report and Consolidated Financial Statements, taken as a whole, are fair and balanced and understandable and provide the information necessary for Shareholders to assess the performance, strategy and business model of the Company.	> Page 91

ASSESSMENT OF PROSPECTS

THE CONTEXT FOR THE ASSESSMENT (OF PROSPECTS)

The Group's business model and strategy are central to an understanding of its prospects, and details can be found on pages 16 to 17. The nature of the Group's activities is long-term and the business model is open-ended. The Group's current overall strategy has been in place for several years, subject to the ongoing monitoring and development described below.

The Board continues to take a conservative approach to the Group's strategy in the core business and the focus is largely on cost control and operational efficiency.

Decisions relating to major new projects and investments are made with a low appetite for risk and are subject to an escalating system of approvals, including short payback periods. Similar controls operate in relation to major new customer contracts.

The Group is well diversified with its two divisions and three business lines with revenues deriving from multiple jurisdictions and clients. . The Board continuously considers the changes in the risk profile of the Group and ensures that a thorough risk assessment is made when making any investment decisions.

THE ASSESSMENT PROCESS AND KEY ASSUMPTIONS

The Group's prospects are assessed primarily through its strategic planning process. This process includes an annual review of the ongoing plan, led by the CEO and the Group Holdings Board which ensures that all relevant functions are involved. The Board participates fully in the annual process. Part of the Board's role is to consider whether the plan continues to take appropriate account of the external environment including macroeconomic, political, social and technological changes.

The output of the annual review process is a set of objectives, an analysis of the risks that could prevent the plan being delivered, and a number of financial forecasts. The latest updates to the strategic plan were finalised in February 2019 following this year's review. This considered the Group's current position and the development of the business as a whole over the next 3 years

As a result of this focus, detailed financial forecasts were also prepared for the 3 year period to 31 December 2021, so that 2 years and 9 months remains at the time of approval of this year's annual report. The first year of the financial forecasts form the Group's operating budget and is subject to regular review throughout the year. The second and third year are in a reasonable level of detail, and are flexed based on the actual results in year one.

The key assumptions in the financial forecasts, reflecting the overall strategy, include:

> 8% to10% annual organic growth year on year
> Target of 30% to 35% margin for the Group as a whole

It has also been assumed that refinancing will be available on similar terms to those negotiated in 2018 to support any proposed expansion of the business.

These key assumptions are reflected in numbers 1 to 6 of the Group's Principal Risks, which are set out on pages 33 to 34. The purpose of the Principal Risks table is primarily to summarise those matters that could prevent the Group from delivering on its strategy. A number of other aspects of the Principal Risks – because of their nature or potential impact – could also threaten the Group's ability to continue in business in its current form if they were to occur. This was considered as part of the assessment of the Group's viability, as explained below.

GOING CONCERN BASIS

The Directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the Basis of Preparation paragraph in note 2 to the Financial Statements on page 106.

VIABILITY STATEMENT IN ACCORDANCE WITH PROVISION C.2.2

ASSESSMENT OF VIABILITY

The Directors have assessed the viability of the Group over a three year period, taking account of the Group's current position and the potential impact of the Principal Risks documented in the strategic report. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period ending 31 December 2021. In making this statement the Directors have considered the current financial position of the Group and the resilience of the Group in the event of severe but reasonable scenarios. The modelling of these scenarios has taken into account the Principal Risks and their impact on the business model, future performance, solvency and liquidity over the period. On the basis that the Group has limited exposure to long-term financial commitments the Directors have determined that the three year period is an appropriate period over which to provide its viability statement.

VIABILITY STATEMENT

Based on their assessment of prospects and viability above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period ending 31 December 2021.

BOARD ROLES AND RESPONSIBILITIES	KEY ACTIONS
STRATEGY AND MANAGEMENT	> Responsibility for the overall management of the Group > Approval and regular review of the Group's general commercial strategy > Development initiatives and long-term strategic options. Approval of the annual operating and capital expenditure budgets and any material changes to them > Oversight of the Group's operations ensuring – competent and prudent management – sound planning – an adequate system of internal control – compliance with statutory and regulatory obligations. – adequate accounting and other records > Review of performance in light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken > Extension of the Group's activities into new business or geographic areas > Any decision to cease to operate all or any material part of the Group's business
FINANCIAL REPORTING AND CONTROLS	> Approval of the preliminary announcements of interim and final results and the interim management statements following recommendations from the Audit and Risk Committee > Approval of the Annual Report and Accounts including the Remuneration Report, Directors' Report and Corporate Governance Report; Summary Financial Statement and any interim financial statement following recommendations from the Audit and Risk Committee > Approval of the dividend policy > Declaration of the interim dividend and recommendation of the final dividend > Approval of any significant changes in accounting policies or practices following recommendations from the Audit and Risk Committee
COMMUNICATIONS	> Approval of all resolutions and related documentation to be put forward to shareholders at a General Meeting. > Approval of all circulars (including listing particulars) to shareholders
RISK MANAGEMENT	> Review and set risk appetite > Review procedures for detection of fraud and prevention of bribery > Approve annual assessment of effectiveness of risk and control processes > Approve levels of insurance coverage for JTC and the Directors and officers
INTERNAL CONTROLS	> Ensuring maintenance of a sound system of internal control and risk management, following recommendation from the Audit Committee, including approving an appropriate statement for inclusion in the Annual Report
STRUCTURE AND CAPITAL	> Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans) and share buy-backs (including the use of treasury shares) > Major changes to the Group's corporate structure including the making or receiving of any take-over bid or similar corporate transaction and the entering into of material joint venture agreements > Changes to the Group's management and control structure > Any changes to the Company's listing or its status as a public company

BOARD ROLES AND RESPONSIBILITIES	KEY ACTIONS
BOARD MEMBERSHIP AND OTHER APPOINTMENTS	> Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee > Approval of the Terms of Reference, membership of Board Committees, including the four existing committees – the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Disclosure Committee > Appointment and removal of the Directors of the Company and changes to their executive positions all on the recommendation of the Nomination Committee > Approval of the terms of reference of the Chairman, Senior Independent Director, Chief Executive and Executive Directors > Selection and appointment of the Chairman and Senior Independent Director following recommendations from the Nomination Committee > Ensuring adequate succession planning for the Board and senior management > The scope and extent of delegations to Directors or Board Committees > Appointment and removal of the Company Secretary > Appointment, re-appointment or removal of the external auditor to be put to shareholders for the approval, following recommendations from the Audit Committee > Approval of the remuneration of the auditors and terms of engagement, following recommendations from the Audit Committee
REMUNERATION	> Determining the remuneration policy, level of remuneration and terms of appointment for the Executive Directors and the Company Chairman to be delegated to the Remuneration Committee > Approval of the policy level of remuneration and terms of appointment of non-Executive Directors on the recommendation of the Executive Directors and the Company Chairman
CORPORATE GOVERNANCE MATTERS	> Performance evaluation of the Board and that of its Committees and individual Directors at least once each year and reporting to shareholders on whether such performance evaluation had taken place and how it had been conducted > Determination of the independence of any Non-Executive Director or proposed Non-Executive Director. > Review of the Group's overall corporate governance arrangements
POLICIES	Approval of the Group's policies and standards, including: > Key Financial and Non-Financial Risk and Control Policies > Guide to Ethical Business Practice (and related policies) > Whistleblowing Policy and Procedure
MAJOR TRANSACTIONS	> The acquisition or disposal of interests in the shareholding of a Group company or the acquisition of businesses NOT approved in accordance with the Group Development Committee policy and procedure > Approval of the Group's annual Budget > Capital expenditure of a Group company materially in excess of Budget > Revenue expenditure of a Group company materially in excess of Budget > Prosecution, defence or settlement of litigation being material to the interests of the Group
EMPLOYEE SHARES AND PENSION SCHEMES	> Material changes to the rules of the Company pension schemes > Establishing employee and other incentive schemes and any material changes to them
SUCCESSION PLANNING	> Succession plans for Board and Committees, including selecting a Chairman, CEO and appointing a Senior Independent Non-Executive Director > Appointment of a Company Secretary

BOARD ACTIVITY DURING THE YEAR

2018

BOARD CONSIDERATIONS AND FOCUS AREAS

BUSINESS PLANNING

The 3 year business plan to 31 December 2020 codifies JTC's strategy for organic growth & strategic acquisitions, as articulated to investors at IPO. The strategy was reviewed in detail and management challenged on the strength of their planning, and expectations for the future.

BUDGET APPROVAL

The annual operating and capital expenditure budgets were reviewed and approved in accordance with the Group's 3 year business plan, with appropriate challenge made to management on their key judgements and estimates in relation to financial reporting to ensure competent and prudent management, sound planning.

RISK MONITORING, OVERSIGHT AND MITIGATION

JTC has a sophisticated and well-established compliance and risk-management framework. The Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

MARKET DRIVERS

Growth is primarily driven by demand for specialist outsourcing due to increased regulation, operational complexity, globalisation, emerging market wealth creation & industry consolidation. JTC's strategy is reviewed and tested against these key drivers.

M&A PIPELINE AND DECISION-MAKING

In 2018 the Board reviewed a number of acquisition opportunities in light of the Group's strategy to supplement organic growth with value enhancing acquisition opportunities. Having determined their benefit to JTC, the Board was pleased to approve the acquisition of Van Doorn and the Minerva business, both of which were immediately accretive and met JTC's criteria of ensuring that acquisitions enhance the Group's offering beyond the 'numbers'.

PRIORITIES FOR THE YEAR AHEAD

2019

BOARD CONSIDERATIONS AND FOCUS AREAS

BUSINESS PURPOSE AND STRATEGY

We seek consistently and clearly to communicate our strategy to ensure all stakeholders understand how we deliver value. In 2019 we will be giving further consideration as to how we articulate JTC's wider purpose as a business.

BOARD DIVERSITY

JTC endeavours to achieve appropriate diversity, including gender diversity, throughout the Company. The Board is committed to take into account a variety of factors before making new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity.

INTEGRATING CULTURE

It is impossible to overstate the importance of our people and culture in the success of JTC. We have long believed that culture is the best foundation from which we can collectively build a business for the long-term. Maintaining and investing in our culture and people is a constant priority and 2018 saw a number of important milestones. There are a number of new developments planned for 2019.

SUCCESSION PLANNING

We have started to refine our talent development and succession planning programme as a listed company and will continue to focus on this in coming years. The Non-Executive Directors have spent time with members of the senior management team to gain a deeper insight into how we currently manage talent and remuneration, and this is expected to increase in the coming year.

THREE YEAR BUSINESS PLAN

The business plan is the framework within which opportunities and challenges facing the Group are evaluated, and all decisions on strategy and services, staff roles, financial management, budgeting process and core policies and procedures taken. Performance against the plan is kept under constant review.

PURPOSE AND CULTURE ALIGNED

Our purpose is to help maximise the potential of every client, colleague and partner with whom we work.

At JTC we understand that the purpose of the business extends beyond economic value creation and is intimately linked to the culture, values and strategies of the Group.

We operate in a complex international space and our services support capital flows, wealth creation and wealth preservation across the globe. We have a responsibility to conduct our business in a sustainable way working within legal and regulatory frameworks that are constantly developing and evolving.

> For our clients, JTC's services help them to navigate the challenges and complexity they face in the most effective and efficient ways. We help clients to maximise their potential by partnering with them for the long-term and delivering innovative solutions that add value and allow them to focus on their strengths and goals.
> For our people, JTC's culture of shared ownership makes every member of the team a direct stakeholder in the business and able to share in the success we achieve. Our meritocratic environment and support provided by the JTC Academy, JTC Gateway and JTC Wellbeing programmes have been created specifically to maximise the potential of every colleague.
> For our partners, both commercial and social, JTC's shared ownership culture is extended to the people that we work and live alongside every day. We help our commercial partners to maximise their potential by providing complementary services to our shared clients. For our social partners we give time, expertise and money to help individuals and groups achieve their aspirations and enjoy a better life.

CHAIR OF THE REMUNERATION COMMITTEE
MICHAEL GRAY

NOMINATION COMMITTEE

DEAR SHAREHOLDERS,

On behalf of the Board I am pleased to introduce the Nomination Committee (the "Committee") Report for 2018. The members of the Committee are myself, the Senior Independent Non-Executive Director, Dermot Mathias, and the Non-Executive Chairman, Michael Liston. We can confirm that we have complied with the Code recommendations that the Committee comprises a majority of Independent Non-Executive Directors. Myself and Dermot Mathias are confirmed as independent for the purposes of the Code. JTC (Jersey) Limited, the corporate Company Secretary, acts as Secretary to the Committee. By invitation, the meetings of the Committee may be attended by the Chief Executive and Chief Financial Officer. There have been no changes in Committee membership since formation in March 2018.

MICHAEL GRAY
NON-EXECUTIVE DIRECTOR, COMMITTEE CHAIRMAN

MEMBERSHIP OF THE COMMITTEE

In compliance with the Code, the Committee's membership is limited to the Non-Executive Directors of the Company. There have been no changes in Committee membership since Admission. JTC (Jersey) Limited, the corporate Company Secretary, acts as secretary to the Committee.

COMMITTEE MEMBERS

Michael Gray – Committee Chairman, Independent Non-Executive Director
Mike Liston – Non-Executive Chairman
Dermot Mathias – Senior Independent Non-Executive Director

COMMITTEE MEETINGS IN 2018

The Committee met twice during the year. Attendance by the Committee members at these meetings is shown below:

	8 Mar	15 Nov
Michael Gray (Chair)	●	●
Mike Liston	●	●
Dermot Mathias	●	●

ROLE OF THE COMMITTEE

The Committee's primary purpose is to develop and maintain a formal, rigorous and transparent procedure for identifying appropriate candidates for Board appointments and re-appointments and to make recommendations to the Board. In addition, the Committee is responsible for reviewing the succession plans for the Executive Directors and the Non Executive Directors. This involves:

> Keeping under review the leadership needs of the Group, both Executive and Non-Executive, with a view to ensuring the continued ability of the Group to compete effectively in the market-place
> Regularly reviewing the structure, size and composition of the Board to ensure it has an appropriate balance of skills, diversity, experience, knowledge and independence, and reporting and making recommendations to the Board with regard to any changes
> Regularly assessing the knowledge, skills and experience of individual members of the Board and reporting the results to the Board

Further details on the Committee's roles and responsibilities can be found in our Terms of Reference on our website, at jtcgroup.com.

HIGHLIGHTS FROM THE YEAR

As part of the preparation for Admission, the Board appointed three Non-Executive Directors, selected on the basis of their industry and public company skills, knowledge and experience required for Board members as guided by the UK Corporate Governance Code. An external recruitment consultant was not engaged as part of the recruitment process, nor was there public advertising. Instead recommendations from the Company's advisers were sought. An assessment of the candidates' skills was undertaken and interviews were held with members of the Board and Senior Management on a one-on-one basis prior to appointment.

A tailored induction programme was arranged for the Non-Executive Directors, both in the run-up to their appointment but also following the IPO as part of the strategy day held on 1 May 2018.

COMMITTEE COMPOSITION AND MEETING ATTENDANCE

The first meeting of the Committee took place on 8 March 2018 for the purpose of reviewing the composition of the Board prior to Admission. The meeting on 15 November focussed on succession planning, constitution of the Board and Committees and the Board Diversity Policy. The Nomination Committee and the Board are of the view that its size and composition as well as the mix of talents, quality and skills are well suited to JTC's current circumstances and needs and allow for its efficient functioning as a decision-making body and promoting sound governance.

PRIORITIES FOR THE COMING YEAR

We have started to refine our talent development and succession planning programme as a listed company and will continue to focus on this in the coming years. The Non-Executive Directors have spent time with members of the senior management team to gain a deeper insight into how we currently manage talent and remuneration, and this is expected to increase in the coming year.

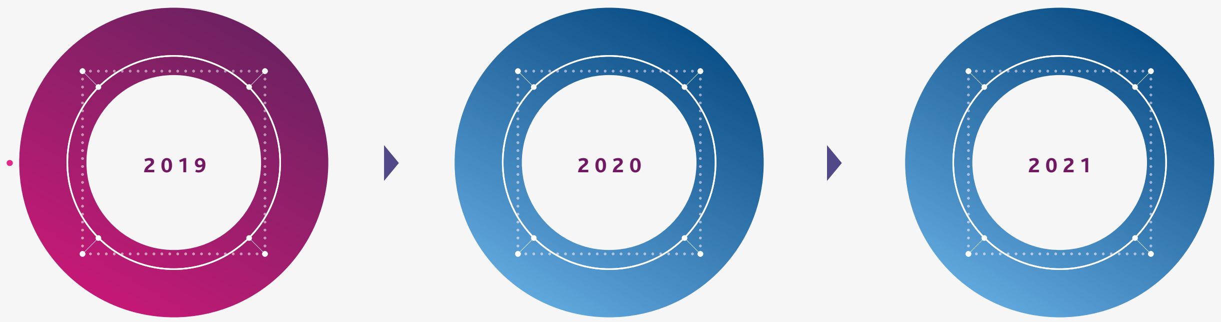
DIVERSITY

The Committee will take into account a variety of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity. The Board is generally opposed to the idea of stated gender quotas. However JTC endeavours to achieve appropriate diversity, including gender diversity, throughout the Company.

The Board acknowledges that there is currently relatively low representation of female employees at the most senior levels of the organisation. At Director level and above, this currently stands at 35% vs 65% in favour of male employees. At other levels of the business, gender representation is more representative with, for example, middle management (Assistant Manager to Associate Director) figures standing at 59% female and 41% male. In line with our Guiding Principles and our commitment to operating a meritocratic approach to career progression, this will continue to have the attention of the Board to ensure that we have the appropriate level of diversity and balance throughout the organisation over time.

The most important priority of the Committee has been and will continue to be ensuring that members of the Board should collectively possess the broad range of skills, expertise and industry knowledge, and business and other experience necessary for the effective oversight of the Group.

BOARD COMMITTEE AND DIRECTORS' PERFORMANCE EVALUATION CYCLE



2019
- Questionnaire
- One-to-one discussions between the Chairman and each director, and senior management, to solicit feedback
- Closed session discussion of the Board and Committee evaluations led by the Chairman and Committee Chairs
- Summary of evaluation results provided to the full Board
- Feedback actioned, policies and practices updated as necessary

2020
- Questionnaire
- One-to-one discussions between the Chairman and each director, and senior management, to solicit feedback
- Closed session discussion of the Board and Committee evaluations led by the Chairman and Committee Chairs
- Summary of evaluation results provided to the full Board
- Feedback actioned, policies and practices updated as necessary

2021
- In accordance with the provisions of the Code it is intended that the evaluation of the Board's performance will be externally facilitated every 3 years (Code reference B.6.2).
- An external evaluator has not yet been appointed. The Committee will select a suitably qualified, experienced and independent evaluator with consideration to providing comfort for shareholders that the Board has the necessary skills to run the Company as effectively as possible.

THE PROCESS WAS DIVIDED INTO FOUR STAGES:

1. Evaluation methodology set by the Nomination Committee
2. 360° questionnaire feedback and one-on-one interviews conducted
3. Closed session discussions of evaluations
4. Feedback actioned and outcomes reported

PERFORMANCE EVALUATION

As the Nomination Committee has only been established for a short time, a formal performance evaluation has not been conducted. It is intended that a performance evaluation will be conducted in 2019 and reported on in the Company's 2019 Annual Report.

DIRECTORS AND THEIR OTHER INTERESTS

In accordance with the Companies (Jersey) Law 1991, as amended, all Directors who were interested in, or subsequently became aware of their interest in, a transaction or proposed transaction with the Company or any of its subsidiaries, are required immediately to declare the nature and extent of such interest to the Board of Directors.

The Directors' Register of Interests and Conflicts is maintained by the Company Secretary and is reviewed by the Directors at every Board meeting.

Executive Directors may hold external directorships if the Board determines that such appointments do not cause any conflict of interest. Where such appointments are approved and held, it is a matter for the Board to agree whether fees paid in respect of the appointment are retained by the individual or paid to the Company.

The Nomination Committee periodically reviews the format of the Board Committee and Directors' performance evaluation programme to ensure that feedback is actioned.

LEADERSHIP

Two of our key risks are people focussed and they are:

- The failure to retain high calibre, talented senior managers and other key roles in the business
- The failure to recruit or develop good quality people to achieve our strategic aims

To assist with this, the Chief Operating Officer regularly meets with the Committee Chairman and has presented to the Committee on the Group's succession planning and talent development programme. A regular review of succession planning takes place across the Group, with a particular focus given to senior executive succession. The process of documenting the Group's Talent Map supports the decisions about the organisation's design and structure. The results of this review are incorporated into the succession planning process and the Committee discusses the succession plan at least annually.

In addition to this, a forward looking review of the future anticipated shape of the organisation will be considered next year to identify any potential gaps that may emerge and work to ensure the organisation's design remains fit for purpose. One of the elements of our People Plan has focussed on the continual development of the senior executive team to provide world class leadership to the Group. We encourage regular contact between members of the senior executive team and the Board, the intention is that all members of the senior executive team will present to the Board at least once a year. Through acquisitions, recruitment and internal promotion we are satisfied that we have an experienced senior executive team, with clearly defined roles.

RE-ELECTION

On the recommendation of the Committee and in accordance with the Company's Articles of Association and with the Code, all currently appointed Directors will retire at the forthcoming AGM and offer themselves for re-election by shareholders.

The Board recommends the re-election of each member of the Board based upon their skills, experience and contribution towards delivering the Group's strategy and delivering long-term value for stakeholders.

SHAREHOLDER ENGAGEMENT

I am available to shareholders throughout the year and at the 2019 AGM to answer questions on the work of the Committee.

MICHAEL GRAY
NOMINATION COMMITTEE CHAIRMAN
2 April 2019

CHAIR OF THE AUDIT AND RISK COMMITTEE
DERMOT MATHIAS

AUDIT AND RISK COMMITTEE

DEAR SHAREHOLDERS

On behalf of the Board I am pleased to present this Audit and Risk Committee Report for the year ended 31 December 2018 which summarises our activities since the Committee was formed in March 2018, as well as setting out intended key areas of focus in 2019. Since formation, the Committee's primary focus has been to ensure the integrity and transparency of external financial reporting as a public company, as we published the interim condensed consolidated financial statements in September 2018, and to put in place a work plan for the year ahead.

DERMOT MATHIAS
CHAIR OF THE AUDIT AND RISK COMMITTEE

MEMBERSHIP OF THE COMMITTEE

The Committee's members are all Non-Executive Directors, and therefore the Committee make-up complies with the Code. There have been no changes in Committee membership since the IPO in March 2018. Members' skills and experience are documented on page 58 and 59. The Board is satisfied that the Committee meets the requirement to have recent and relevant financial experience and that as a whole we have sufficient experience of the sector.

COMMITTEE MEMBERS

Dermot Mathias – Committee Chairman, Senior Independent Non-Executive Director
Mike Liston – Non-Executive Chairman
Michael Gray – Independent Non-Executive Director

COMMITTEE MEETINGS IN 2018

The Committee met four times during the year. Attendance by the Committee members at these meetings is shown below:

	2 May	20 Jul	17 Sep	15 Nov
Dermot Mathias (Chair)	●	●	●	●
Mike Liston	●	●	●	●
Michael Gray	●	●	●	●

At my request, meetings are attended by the External Auditor and members of the Senior Management team. The Committee met separately with the Auditors without Executive Management being present. I have met privately with the External Auditor and to discuss any matters they may wish to raise. The Committee is satisfied that the External Auditor remains independent and objective in their work. During the year the Executive Directors attended Committee meetings by invitation, together with other Senior Managers to discuss matters such as internal control and IT controls security.

Meeting agendas are linked to the financial calendar and to an annual plan which was prepared prior to the Listing. The annual plan was devised to ensure that we cover the requirements as documented in our Terms of Reference. This annual plan is dynamic and therefore will evolve when the Committee feels that there is a need for greater focus on a specific area. JTC (Jersey) Limited, our corporate Company Secretary, acts as Secretary to the Committee and I am satisfied that the Committee received information on a timely basis and that meetings were scheduled adequately to allow members to have an informed debate. In 2019, we would expect the Chief Risk Officer to attend all Audit and Risk Committee meetings.

THE ROLE OF THE COMMITTEE

The Board has delegated to the Committee responsibility for overseeing financial reporting, review and assessment of the effectiveness of the internal control and risk management systems and maintaining an appropriate relationship with the External Auditor.

In order to fulfil these responsibilities, the Committee's duties include the following:

> Monitoring the integrity of the consolidated financial statements
> Reviewing and challenging the application of accounting policies, including estimates and judgements made by management, and the clarity and completeness of disclosures
> Reviewing and assessing the internal audit function including approval of any appointments and the scope of their remit
> Overseeing the relationship with the External Auditor
> Monitoring the effectiveness of the Company's internal financial controls and risk management systems
> Giving due consideration to applicable laws and regulations

Further details on the Committee's roles and responsibilities can be found in our Terms of Reference on our website at jtcgroup.com.

RISK ASSESSMENT

The principal risks and uncertainties facing the Company are set out in the Risk Management report section of the Strategic Report on pages 33 to 34.

The Board has delegated the day-to-day responsibility for designing, operating and monitoring the internal control and risk management framework and systems to the senior management team. The Committee evaluates the risk and control arrangements, reporting to the Board. The Committee is satisfied that there is robust review of the risks and that controls of significant risks operate effectively. Based on the review performed, the Board has concluded that they have not identified any significant failings or weaknesses during the year

INTERNAL CONTROLS

The Group does not have a formal internal audit function and the Group Risk Committee is responsible for overseeing the Group's internal risk audit and accreditation arrangements. It manages the remit of the Group Risk Function's audit of each regulated jurisdiction's risk management and compliance processes, as part of the JTC Compliance Monitoring Plan. The Group Risk Function also routinely carries out spot checks on the different jurisdictions to ensure compliance and adherence to these procedures. JTC has been ISAE 3402 Type I certified since 2013 and in 2016 the Jersey head office and Global Service Centre in South Africa were both awarded ISAE 3402 Type II certification.

The Committee is satisfied that the Group has robust internal controls. However, given the growth in scale and geographic range of its operations the Group will be reviewing the need for a dedicated internal control function during the course of the year.

EXTERNAL AUDIT

The Group's auditors are PricewaterhouseCoopers CI LLP, and they were re-appointed as statutory auditor to the Group for the year ended 31 December 2018. The Committee has recommended to the Board that a resolution to reappoint PwC for the 2019 financial period be prepared and presented to shareholders. The audit partner is Mike Byrne, who has been the partner on the engagement since 2016. The Committee has reviewed the quality of the audit plan and related reports for the 2018 audit and is satisfied with the quality of these documents.

The Committee will review the effectiveness and quality of PwC's 2018 year-end audit, which will be the first year-end audit following the Listing. This review is intended to cover the quality of the service being provided, the competence of the staff and their understanding of the business and related financial risks. The Committee has reviewed the independence of the External Auditor and concluded that it complies with UK regulatory and professional requirements and that its objectivity is not compromised. As a Jersey incorporated company JTC is not required to comply with the Competition and Markets Authority requirement in relation to audit tenders every 10 years. The Committee will, however, continue to keep this under review as part of their review of effectiveness of the External Auditor .

The Committee ensures that the auditors are not awarded non-audit work if there is a risk that it might impair the objectivity and independence of the audit. The award of non-audit work to the External Auditor s of £10,000 or more is subject to the prior approval of the Committee. Other than in exceptional circumstances non-audit fees should not exceed 50% of audit and assurance fees over a 3 year rolling period.

AUDIT FEES

Fees payable to the Auditor for audit and non-audit services are set out in note 8 to the Financial Statements on page 116. Total fees related to non-audit services represented 9.8% of the total fees for audit services

HIGHLIGHTS FROM THE YEAR

The Committee's key activities during year included the following:

- The Committee reviewed the content and tone of the half year and annual results. The Chief Financial Officer provided a commentary on the draft results, financial position and key estimates and judgements. The Executive Directors confirmed to the Committee that they were not aware of any material misstatements in the half year and annual results, and the Auditors confirmed that they had found no material misstatements in the course of their work. After reviewing the reports from management and, following discussions with the External Auditor and valuers, the Committee was satisfied that: the financial statements appropriately addressed the critical judgements and key estimates, both in respect of the amounts reported and the disclosures; and the Group has adopted appropriate accounting policies.
- Reviewing and then reporting to the Board on the audit plan and strategy, the effectiveness of the External Auditor , the appropriateness of non-audit fees, risk management and controls, the viability statement and going concern.
- Reviewing the extent to which the Annual Report is fair balanced and understandable. This involved reviewing whether the Report was honest about successes and failures, balances Alternative Performance Measures with IFRS disclosures and has been written in a straightforward manner
- The Group has implemented a whistleblowing policy and procedure which is designed to encourage staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate. The policy ensures that their confidentiality will be respected and reassures staff that they should be able to raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken. It also provides staff with guidance on how to raise those concerns. The Committee is scheduled to review the whistleblowing policy and procedure in May 2019.

2018 DEVELOPMENTS

Steven Bowen was appointed to the role of Chief Risk Officer in November. Steven joined the Group as part of the Minerva acquisition having been Minerva's Group Managing Director. As Chief Risk Officer Steven has responsibility for oversight and the day to day management of the Risk, Compliance and Treasury functions across the Group, reporting directly to the Committee.

PRIORITIES FOR THE COMING YEAR

The Committee's priorities for 2019 include the following:

- Assessing the effectiveness of key controls
- Review of the Whistleblowing Policy
- Consider need for internal audit function
- Cyber-security update

The Committee recognises that it is imperative JTC remains aligned with relevant IT security regulations and rules to ensure that the risk to JTC's information systems posed by a variety of cyber threats is minimized. In 2019 our IT security strategy will be further enhanced by the employment of an IT security specialist, with specific qualifications and experience providing an additional layer of in-house expertise. We have successfully recruited an individual to perform that role and they started with us in March 2019.

Moving into 2019, we will continue to discuss and give appropriate challenge to management on their key judgements and estimates in relation to financial reporting, and to review and assess the risk management systems and processes and cyber security arrangements to ensure that they are appropriately robust and aligned with the growth of the business. The Committee will also review the requirement for an enhanced internal audit function.

EFFECTIVENESS

The performance of the Committee will be formally considered as part of the wider Board effectiveness review in 2019. In the meantime we believe that the Committee continues to operate effectively.

SHAREHOLDER ENGAGEMENT

I welcome questions from shareholders on the Committee's activities. If you wish to discuss any aspect of this report, please contact me via the Company Secretary. I will be attending the 2019 AGM and look forward to meeting you there.

I would like to thank the other members of the Committee, management and our External Auditor s for their support during the year.

DERMOT MATHIAS
CHAIRMAN – AUDIT AND RISK COMMITTEE
2 April 2019

SIGNIFICANT ISSUES AND ACCOUNTING JUDGEMENTS	ACTION TAKEN BY THE COMMITTEE / BOARD
REVENUE RECOGNITION, ACCRUED INCOME AND TRADE RECEIVABLES	Management maintains key controls over the largely quarterly billing cycles. The timings of the billing cycle are arranged to minimise accrued income balances at key reporting dates and thus give greater certainty over income which is still to be converted into cash. Management assesses the recoverability of all receivables at the year end and attest to the quality of assets considering past experience of the client, client type and liquidity issues of the client. We agreed with management's assessment that no additional provision for losses or impairment either to accrued income or trade receivables was needed.
EVALUATION OF IMPAIRMENT OF INTANGIBLE ASSETS INCLUDING GOODWILL AND USEFUL LIFE OF INTANGIBLE ASSET	We considered the results of Management's impairment assessment which reviews triggers for impairment around asset lives, valuation and verification of assets. We considered the judgements taken in relation to asset lives and the methodology applied to consider asset verification and we were satisfied that no changes in treatment were needed. With regards to Goodwill, we consider the judgements taken in relation to short and long term growth rates and discount rates used and we were again satisfied that no changes in treatment were needed.
SHARE BASED PAYMENTS	We have reviewed the methodology used for the accounting of share based payments and are comfortable with the assessment by management as to the number of shares expected to vest under the terms of the Performance Share Plan and Restricted Stock Awards. In doing so we have reviewed and are satisfied with management judgements and expectations around the achievement of performance targets.
ACCOUNTING FOR ACQUISITIONS	We have reviewed the judgements made and used by management in the allocation of the purchase price of the acquisition completed during the year. We are satisfied that the overall allocations between goodwill and identifiable intangible assets are reasonable and also the estimated useful lives of customer and contract intangibles.

1. CLIENTS

WHY IT IS IMPORTANT TO ENGAGE

Clients are the lifeblood of the business. The nature of our service offering means that we nurture and value long-term relationships, partnering with our clients to help them grow and achieve their aims. Client relationships typically last at least five years, with many lasting well over a decade and can even be multi-generational.

OUTCOME OF ENGAGEMENT

By taking an entrepreneurial approach and delivering a first class service with a can-do attitude, we are able to retain and grow our clients in a way that adds value and is mutually beneficial.

HOW WE ENGAGE

We take a Director-led approach to client requirements and assemble bespoke teams to meet the individual needs of each client. We pro-actively monitor service levels and seek direct feedback through mechanisms such as client testimonials, client referrals and our JTC Ambassador Programme.

2. EMPLOYEES

WHY IT IS IMPORTANT TO ENGAGE

Our people are our most valuable asset and sit at the heart of the business. They hold the talent, expertise and energy to meet and exceed our clients' expectations and help the Group achieve its long-term goals.

OUTCOME OF ENGAGEMENT

Through our Shared Ownership culture and Guiding Principles we aim to help every member of the team maximise their individual potential, enjoy a balanced life and have the opportunity to share directly in the long-term growth and success of JTC.

HOW WE ENGAGE

Our engagement is supported by three constantly evolving programmes. JTC Academy for learning and development, JTC Gateway for global mobility opportunities and JTC Wellbeing for physical, emotional and mental good health. All of these are supported and underpinned by our Ownership for All programmes.

3. INTERMEDIARIES

WHY IT IS IMPORTANT TO ENGAGE

As an independent administrator, we are able to offer best-in-class services to the clients of intermediary partners that are complementary to their own services. We seek to form long-term relationships with intermediaries, working to achieve mutually beneficial commercial growth.

OUTCOME OF ENGAGEMENT

By working with a range of high quality intermediaries we are able to grow the business organically, especially in terms of winning new clients and also offer our clients access to a wide range of ancillary services from top-class providers.

HOW WE ENGAGE

We proactively develop, manage and monitor relationships with our intermediary partners, focussing on relationships and complementary services and using technology, such as Salesforce CRM, to make our engagement as efficient as possible.

4. CHARITIES

WHY IT IS IMPORTANT TO ENGAGE

The jurisdictions and countries where we operate are more than just the homes of our clients, they are the homes of our employees, their families and their communities. Engaging with charities around the world, and in particular in the markets where our operations are most substantial, is an important way of giving back to those communities.

OUTCOME OF ENGAGEMENT

Engaging directly with charities, both as JTC and where relevant on behalf of our clients, allows us to support the communities where we operate and make a difference to people's lives. We believe in maximising the potential of the individual and this provides a focus for our charitable engagement and giving.

HOW WE ENGAGE

We take an employee-led approach to charitable giving and seek to get involved with both international and local organisations that benefit the people and communities where we work. We also recognise the value of our client and intermediary relationships and where appropriate seek to support their charitable endeavours also.

5. REGULATORS

WHY IT IS IMPORTANT TO ENGAGE

We operate in a highly regulated market on a global scale and are currently registered, regulated or licensed by fourteen different regulatory bodies. We believe it is important to work collaboratively with regulators to help secure a positive and sustainable future for the industry.

OUTCOME OF ENGAGEMENT

By forming appropriate and engaged relationships with our regulators we are able to offer an even better and more informed service to our clients, mitigating risk by ensuring compliance with all relevant standards, regulations and laws.

HOW WE ENGAGE

We take a disciplined, timely and proactive approach in monitoring regulatory updates and responding to any regulatory requests and requirements. We work closely and transparently with regulators as circumstances dictate, including on convened working parties and through local professional associations.

6. GOVERNMENT BODIES

WHY IT IS IMPORTANT TO ENGAGE

JTC has a global footprint and currently operates 20 offices in 17 different jurisdictions and we market our services in many more countries. The long-term success of our business is enhanced through engagement with relevant government bodies, including promotional bodies for the financial services sector, as well as bodies that relate to employment, environmental, social and governance matters.

OUTCOME OF ENGAGEMENT

By engaging directly with government bodies we are able to contribute to the countries and markets where we operate and positively represent the interests of JTC and its clients. We take a long-term partnership approach and respect the value and opportunity that comes from participating in each market where we do business.

HOW WE ENGAGE

We engage directly through membership of government trade bodies as well as contributing both time, expertise and experience to groups such as policy working parties. We also directly contribute to the public finances of the countries where we operate by ensuring timely payment of our relevant tax liabilities

OVERVIEW OF THE ACTIONS TAKEN TO ENGAGE WITH SHAREHOLDERS

> Over 90 meetings with investors and potential investors in the year, including portfolio tours
> Chairman and Senior Independent Director available to Shareholders
> Regular updates on shareholder meetings provided to Board
> Accessible AGM with voting on a poll, separate resolutions and proxy voting (for, against or withheld)
> Committee Chairs available at AGM to answer questions
> Notice sent out at least 21 clear days before meeting

The aim of JTC's investor relations programme is to maintain open, transparent and timely communication with our current and prospective Shareholders . The foundations for this ongoing dialogue were laid through the listing process and we look to enhance this in 2019 and beyond.

We aim to provide all relevant information to assist investors in making well-informed investment decisions and every effort is made to ensure that the information disclosed is accurate, complete and timely.

Briefing meetings have been held with analysts and institutional Shareholders, primarily following the announcement of the interim results but also at other times during the year.

JTC is committed to maintaining a strong relationship with our Shareholders and the wider investment community.

Our communication and engagement with Shareholders over the last 12 months included investor roadshows. All Shareholders had the opportunity to engage with senior management either at these events, directly or at our Annual General Meeting.

The CEO and CFO provide the Board with feedback from investor and analyst meetings, in addition to the formal feedback obtained from analysts and institutional Shareholders via our brokers and PR advisors.

RESEARCH COVERAGE

Currently, five analysts are actively tracking us and they regularly publish equity research reports on JTC: Numis, Zeus, Citi, HSBC and N+1 Singer. Their details can be found at: jtcgroup.com

ANNUAL AND HALF-YEAR REPORTING

JTC's financial year runs from 1 January to 31 December. We provide trading updates for the first half of each year, interim financials for the half year and full audited financial statements for year end.

When publishing financial results and trading updates, JTC holds conference calls/webcasts for Shareholders , analysts and financial journalists that can be accessed through our website: jtcgroup.com

FINANCIAL CALENDAR 2019

The Group's financial calendar showing all key events may be viewed at: jtcgroup.com

MAJOR SHAREHOLDERS

Rank	Shareholder	No. of Shares*	%
1	Mr Nigel Le Quesne	10,444,128	9.42
2	Fidelity Management & Research	8,501,232	7.67
3	Aberdeen Standard Investments (Standard Life)	7,723,972	6.97
4	Merian Global Investors	6,752,250	6.09
5	12 West Capital Management	6,305,270	5.69
6	Invesco Perpetual Asset Management	6,067,915	5.47
7	Franklin Templeton Investments	5,319,564	4.80
8	Slater Investments	4,406,280	3.97
9	FIL Investment International	4,362,463	3.93
10	Liontrust Asset Management	3,903,737	3.52

* As at 31 December 2018

CHAIR OF THE REMUNERATION COMMITTEE
MICHAEL GRAY

REMUNERATION COMMITTEE

DEAR SHAREHOLDERS,

As Chair of the Remuneration Committee, I am pleased to present our report covering JTC's Remuneration Policy and practice since becoming a listed company. Prior to Admission, the Group undertook a review of JTC's senior executive remuneration policy (including the Executive Directors). This review paid particular regard to practice in the listed company environment, and in undertaking the review the Remuneration Committee sought independent, specialist advice. The Committee has reviewed and built on the remuneration work undertaken by the Board in the lead up to the IPO, as published in the prospectus. The Remuneration Policy set out in this Annual Report is intended to incentivise and motivate the Executives to achieve the Company's strategic goals. We also believe the approach is structured to encourage the leadership team to act in your best interests as shareholders.

MICHAEL GRAY
CHAIR OF THE REMUNERATION COMMITTEE

MEMBERSHIP OF THE COMMITTEE

In compliance with the Code, the Committee's membership is limited to the Non-Executive Directors of the Company. There have been no changes in Committee membership since Admission. JTC (Jersey) Limited, the corporate Company Secretary, acts as secretary to the Committee.

COMMITTEE MEMBERS

Michael Gray – Committee Chairman, Independent Non-Executive Director
Michael Liston – Non-Executive Chairman
Dermot Mathias – Senior Independent Non-Executive Director

COMMITTEE MEETINGS IN 2018

The Committee met three times during the year. Attendance by the Committee members at these meetings is shown below:

	2 May	17 Sep	15 Nov
Michael Gray (Chair)	●	●	●
Michael Liston	●	●	●
Dermot Mathias	●	●	●

The key aims of the Group's remuneration policy are to:

> Promote the long-term success of the Company
> Attract, retain and motivate high calibre senior management and to focus them on the delivery of the Group's long-term strategic and business objectives
> Be simple and understandable, both externally and to colleagues
> Achieve consistency of approach across the senior management population to the extent appropriate and informed by relevant market benchmarks
> Encourage widespread equity ownership across the executive team to ensure a long-term focus and alignment of interest with Shareholders

The Remuneration Policy came into force with effect from Admission and is structured broadly in line with those of other UK listed companies of a similar size and complexity, whilst seeking to avoid making unnecessary changes to the Group's established remuneration arrangements where this was not warranted. The Remuneration Committee has decided, as a matter of good corporate governance, to adhere to the requirements of the UK remuneration reporting regulations whenever practicable although, as a Jersey registered company, the Company is not technically required to do so. At the Company's first Annual General Meeting there will be a single advisory vote on the Remuneration Policy and the Annual Report on Remuneration as the Remuneration Policy will continue to apply in 2019.

This Report lays out the principles of our proposed Remuneration Policy, how we have operated it since the IPO and how we plan to operate it in future. The Annual Statement sets out an overview of 2018. This is followed by the Remuneration Policy and, finally, the Annual Report on Remuneration, set out on pages 81 to 85 to this Annual Report, which provides greater detail of the amounts paid in 2018 and how the Remuneration Policy is intended to be implemented in 2019. I hope you find the information contained in the Report to be clear and informative.

ROLE OF THE COMMITTEE

The Committee's primary role is to review and set the Remuneration Policy for the Executive Directors and certain other members of senior management. It also approves discretionary performance-related awards to Executive Directors and senior management. The Committee's full Terms of Reference may be viewed on JTC's website. The CEO, CFO and other senior members of JTC's management team may attend by invitation.

APPOINTMENT OF EXTERNAL ADVISERS

KPMG was appointed as external adviser to the Committee to provide independent support and information as required. KPMG's fees for 2018 amounted to £120,000. In addition, KPMG have provided tax advisory services to the Group.

PRINCIPAL ACTIVITIES IN 2018

In the lead-up to Admission, in anticipation of becoming a PLC, the Board reviewed certain aspects of senior remuneration to ensure an appropriate remuneration structure and strategy was in place.

Following the listing, the principal activities were as follows:

- Reviewed and approved the Terms of Reference of the Committee
- Reviewed the JTC Remuneration Policy
- Reviewed the annual salaries for the Executive Directors for 2018 and approved increases for 2019
- Reviewed the annual bonus targets for the Executive Directors for 2018 and measured performance against them
- Agreed the annual bonus targets for the Executive Directors for 2019
- Approved awards to employees under the Long-Term Incentive Plans (LTIP), with appropriate performance measures, bonus deferral shares and malus and claw-back provision

REMUNERATION POLICY OVERVIEW

The principal objectives of the Company's Remuneration Policy are to attract, retain and motivate the Group's Executive Directors and senior management, provide incentives that align with, and support, the Group's business strategy as it evolves, and align incentives with the creation of long-term Shareholder value. The Remuneration Committee oversees the implementation of this policy and seeks to ensure that the Executive Directors are fairly rewarded for the Group's performance over the short, medium and long term. Taking typical practice into account, the Committee has decided that a significant proportion of potential total remuneration should therefore be performance-related. In readiness for Admission, the Committee approved the rules for a Performance Share Plan ("PSP"), a Deferred Bonus Share Plan ("DBSP") and an Employee Incentive Plan ("EIP"). Basic salary, bonus and PSP levels were agreed for the Executive Directors taking into account their service with JTC and experience in the role.

Prior to Admission a benchmarking exercise was conducted to establish expected remuneration for both executive positions. It was concluded that the proposed salaries were low in comparison to the market and the nature and complexity of the business and their roles. It was agreed, therefore, that the salaries would be reviewed following the first year of trading as a listed company, with any disparity being addressed by way of incremental increases over the next two years in accordance with the standard JTC salary review cycle.

Shareholders should note that the Committee will closely monitor the salary and total remuneration for the CEO and CFO and reserves the right to make increases in excess of typical market practice if it considers it necessary and appropriate.

Salary for the CEO in 2018 was set at £360,000 per annum and at £275,000 per annum for the CFO. Increases of 9% are proposed for 2018 to £392,400 for the CEO and £300,000 for the CFO.

EMPLOYEE SHARE OWNERSHIP

Widespread employee share ownership has always been and remains an integral part of JTC's culture. All JTC employees contribute to our success and we believe that extending share ownership throughout the Company enhances engagement and performance. In keeping with this ethos, the Committee approved the budget for a grant of discretionary nil cost share awards under the DBSP to a wide range of JTC team members with an aggregate value of £150,000. These awards are expected to be made in April 2019.

FOCUS FOR 2019

In the coming year the Remuneration Committee will consider a number of matters including:

- Assessment of Group performance against 2019 budget and determination of bonus awards
- Approval of bonus performance measures and targets for 2019
- Approval of performance conditions and awards under the 2019 PSP
- Review of any issues raised by shareholders in relation to remuneration and the Remuneration Policy
- Assessment of the ongoing appropriateness of the remuneration arrangements in light of remuneration trends and market practice

The Committee believes that the total remuneration package for each Executive Director represents an appropriate balance between fixed and variable remuneration. It will seek to reward personal and corporate outperformance whilst ensuring overall awards are broadly in line with FTSE 350 levels.

RESOLUTIONS AT THE AGM

Shareholders will be asked to vote on our Remuneration Policy on page 81 to 85 of this Annual Report, which will remain in place for three years from the date of approval, and on the Annual Report on Remuneration at the 2019 AGM. The vote on the Remuneration Policy will be binding and the vote on the Remuneration Report will be advisory. I look forward to your support on both resolutions.

I would like to thank the other members of the Committee, management and the Group's employees for their support during the year.

MICHAEL GRAY
CHAIR OF THE REMUNERATION COMMITTEE
2 April 2019

INTRODUCTION

This section sets out JTC's Remuneration Policy for Executive and Non-Executive Directors. The policy will be subject to a binding shareholder vote at the 2019 AGM and, subject to Shareholder approval, will become effective from the date of the AGM. Subject to Shareholder approval, the Remuneration Policy is intended to remain in effect for three years from the 2019 AGM.

The Remuneration Committee has decided, as a matter of good corporate governance, to adhere to the requirements of the UK remuneration reporting regulations whenever practicable although, as a Jersey registered company, the Company is not technically required to do so. The UK remuneration reporting regulations contain provisions which make Shareholder approval of the policy of UK-incorporated companies binding. As the Company is not UK incorporated those provisions have no legal effect. However, the Company has taken steps to limit the power of the Remuneration Committee so that, with effect from the date on which the policy on remuneration is approved by Shareholders, the Committee may only authorise payments to Directors that are consistent with the policy as approved by Shareholders. In that way the Company considers the vote of Shareholders on the policy to be binding in its application.

The Policy explains the purpose and principles underlying the structure of remuneration packages and how the Policy links remuneration to the achievement of sustained high performance and long-term value creation.

Overall remuneration is structured and set at levels to enable JTC to recruit and retain high calibre colleagues necessary for business success whilst ensuring that:

- Our reward structure, performance measures and mix between fixed and variable elements is comparable with similar organisations
- Rewards are aligned to the strategy and aims of the business
- The approach is simple to communicate to participants and Shareholders
- Particular account has been taken of structures used within FTSE 350 companies, and other comparable organisations

FIXED ELEMENTS OF REMUNERATION FOR EXECUTIVE DIRECTORS

ELEMENT OF REMUNERATION	PURPOSE AND LINK TO COMPANY STRATEGY	OPERATION	MAXIMUM OPPORTUNITY
SALARY	Provides a set level of remuneration sufficient to attract and retain Executives with the appropriate experience and expertise.	The Committee takes into account a number of factors when setting and reviewing salaries, including: > Scope and responsibility of the role > Any changes to the scope or size of the role > The skills and experience of the individual > Salary levels for similar roles within appropriate comparators > Value of the remuneration package as a whole	There is no set maximum to salary levels or salary increases. Account will be taken of increases applied to colleagues as a whole when determining salary increases for the Executive Directors. However, the Committee retains the discretion to award higher increases where it considers it appropriate, especially where salary at the outset has been set at a relatively low level.
BENEFITS	Provides benefits sufficient to attract and retain Executives with the appropriate experience and expertise.	Executive Directors are entitled to the following benefits: > Life assurance > Pension contributions > Private medical insurance > Certain de minimis benefits in kind Executive Directors are also eligible to participate in the annual bonus plan and long term incentive plan.	The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting and retaining personnel in order to deliver the Company strategy. The maximum will be set at the cost of providing the benefits described. One-off payments such as legal fees or outplacement costs may also be paid if it is considered appropriate.
PENSIONS	Provides pension contributions sufficient to attract and retain Executives with the appropriate experience and expertise.	Executive Directors are eligible to receive employer contributions to the Group Occupational Retirement plan.	Up to 10% of salary per annum.

ELEMENT OF REMUNERATION	PURPOSE AND LINK TO COMPANY STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS
ANNUAL BONUS	Variable remuneration that rewards the achievement of annual financial, operational and individual objectives integral to Company strategy.	Objectives are set annually based on the achievement of strategic goals. At the end of the year, the Committee meets to review performance against the agreed objectives and determines payout levels.	Up to 50% of salary in 2018 for the CEO and CFO. In the event the Executive Directors are in receipt of a bonus equating to more than 50% of their base salary then this additional amount will be deferred into the DBSP for a further three years.	Awards are based on financial, operational and individual goals set at the start of the year. The Committee reserves the right to make an award of a different amount produced by achievement against the measures if it believes the outcome is not a fair reflection of Company performance. The split between these performance measures will be determined annually by the Committee.
PERFORMANCE SHARE PLAN ("PSP")	Variable remuneration designed to incentivise and reward the achievement of long-term targets aligned with shareholder interests. The LTIP also provides flexibility in the retention and recruitment of Executive Directors.	Awards granted under the PSP vest subject to achievement of performance conditions measured over a three-year period. PSP awards may be made as conditional share awards or in other forms (e.g. nil cost options) if it is considered appropriate. Accrued dividends may be paid in cash or shares, to the extent that awards vest. The Committee may adjust and amend awards in accordance with the PSP rules, malus and clawback provisions. may be applied in exceptional circumstances.	Up to 75% of salary in 2018 for the CEO and CFO. Up to 25% of salary in 2018 for Senior Management. In any financial year, the total market value of shares over which awards can be made under the PSP to any participant cannot normally exceed 150% of their annual base salary, but the plan rules will allow the Remuneration Committee the discretion to award up to 250% of annual base salary in exceptional circumstances.	Performance measures are currently EPS and relative TSR, with equal weighting given to each measure. The Committee reserves the right to adjust the measures before awards are granted to reflect relevant strategic targets. The Committee reserves the right to adjust the outcome produced by achievement against the measures if it believes the outcome is not a fair reflection of Company performance.

ELEMENT OF REMUNERATION	PURPOSE AND LINK TO COMPANY STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS
DEFERRED BONUS SHARE PLAN ("DBSP")	The Company attaches considerable importance to the role of performance-based bonuses to drive profitability and business growth and to the importance of the senior managers' interests being aligned with the interests of shareholders. Executive Directors and Senior Management are eligible for an annual bonus designed to incentivise high performance based on financial and non-financial performance measures. In line with market practice, a portion of the bonus due, as determined by the Remuneration Committee, may be required to be deferred into shares before it is paid. In addition, certain managers below Executive Director and Senior Management level may be selected to participate in the DBSP.	All employees of the Company and its subsidiaries including Executive Directors will be eligible to participate in the DBSP. It is currently intended that Executive Directors, Senior Managers and certain managers below Senior Manager level will participate. The Executive Directors will participate to the extent that their annual bonus exceeds 50% of their base year annual salary.	The DBSP is designed to incentivise high performance and may include further financial and non-financial performance measures, the precise measures and targets will be reviewed by the Remuneration Committee each year.	The vesting of an award and receipt of shares may be subject to the achievement of other conditions to be set by the Remuneration Committee at the date of grant.
EMPLOYEE INCENTIVE PLAN	The Company attaches considerable importance to the role of performance-based bonuses to drive profitability and business growth and to the importance of wider all employee share and/or performance based incentives to align employees' interests with the interests of shareholders. The EIP has been adopted to further those aims.	All employees of the Company and its subsidiaries (excluding all Executive Directors and Senior Managers) will be eligible to be granted an award under the EIP at the discretion of the Committee. Executive Directors and Senior Managers are not be eligible to participate in the EIP.	The EIP will not include any individual limits but it is intended that, except potentially in exceptional cases, awards would typically be a fraction of the participant's salary.	The EIP is designed to incentivise high performance and may include financial and non-financial performance measures, the precise measures and targets will be reviewed by the Committee each year.

NOTES TO THE POLICY TABLE

All PSP awards made in respect of the 2018 financial year onwards to Executive Directors are subject to malus and claw-back provisions. The Committee may, in its absolute discretion, determine to reduce the number of shares to which an award or option relates or cancel it altogether. Alternatively, the Committee could impose further conditions on the vesting or exercise of an award or option.

REMUNERATION POLICY FOR OTHER EMPLOYEES

As with the Executive Directors, salary for other employees is set at a level sufficient to attract and retain them, taking into account their experience and expertise. Remuneration packages comprise salaries plus cash bonuses and/or employee share awards.

The Group regards membership of its share plans (as described at pages 83 and 84) as a key part of its reward strategy which also aligns with the interests of employees and other stakeholders. Most employees receive benefits such as individual medical cover, permanent health insurance and life assurance.

PERCENTAGE CHANGE IN CEO REMUNERATION COMPARED WITH EMPLOYEES

The Committee acknowledges the introduction of new regulations requiring UK incorporated quoted companies with more than 250 UK employees to publish their CEO pay ratios and its relevance to reviewing remuneration levels in the wider workforce when setting executive pay. Notwithstanding that, as a non-UK incorporated company with fewer than 250 UK employees, JTC is not required to adhere to the CEO pay regulations, the Committee is keen to ensure that disclosure in relation to executive pay is consistent with the UK Corporate Governance Code. Over the course of the remainder of 2019, the Committee will be exploring the regulations in detail in readiness for making an appropriate voluntary disclosure in the 2019 report and accounts.

RECRUITMENT POLICY

Consistent with best practice, new senior management hires (including those promoted internally) will be offered packages in line with the Remuneration Policy in force at the time. It is the Remuneration Committee's policy that no special arrangements will be made, and in the event that any deviation from standard policy is required to recruit a new hire, approval would be sought at the AGM.

The Remuneration Committee recognises that it may be necessary in some circumstances to provide compensation for amounts foregone from a previous employer ('buyout awards'). Any buyout awards would be limited to what is felt to be a fair estimate of the value of remuneration foregone when leaving the former employer and would be structured so as to be, to the extent possible, no more generous in terms of the fair value and other key terms (e.g. time to vesting and performance targets) than the incentives it is replacing.

TERMINATION POLICY

In the event of termination, service contracts provide for payments of base salary, pension and benefits only over the notice period. There is no contractual right to any bonus payment in the event of termination although in certain "good leaver" circumstances the Remuneration Committee may exercise its discretion to pay a bonus for the period of employment and based on performance assessed after the end of the financial year.

The default treatment for any share-based entitlements under the Share Plans is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, or at the discretion of the Remuneration Committee, "good leaver" status can be applied. In these circumstances a participant's awards will, ordinarily, vest subject to the satisfaction of the relevant performance criteria and on a time pro-rata basis, with the balance of the awards lapsing.

SHARE OWNERSHIP GUIDELINES

In accordance with good practice and further aligning Executive Directors with the long-term interests of the Company, Executive Directors are required to build or maintain a shareholding equivalent to 150% of their annual base salary. Both Executive Directors will hold a significant shareholding, as detailed at page 87.

APPOINTMENT OF DIRECTORS

At every AGM, each of the Directors on the Board will retire. A Director who retires at an Annual General Meeting may be re-appointed if they are willing to act as a Director.

This Annual Report sets out how the Directors' Remuneration Policy of the Company has been applied since Admission and how the Committee intends to apply the policy going forward. An advisory shareholder resolution to approve this Report will be proposed at the AGM.

FIXED ELEMENTS OF REMUNERATION FOR EXECUTIVE DIRECTORS

ELEMENT OF REMUNERATION	PURPOSE AND LINK TO COMPANY STRATEGY	OPERATION	MAXIMUM OPPORTUNITY
NON-EXECUTIVE DIRECTOR FEES	Fees are set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its Committees, and to attract and retain Non-Executive Directors of the highest calibre with relevant commercial and other experience.	The fees paid to the Non-Executive Directors are determined by the Board as a whole. Additional fees are payable for acting as Senior Independent Director and as Chair of the Board's Audit and Risk Committee and Remuneration Committee.	Fee levels are set by reference to Non-Executive Director fees at companies of similar size and complexity and general increases for salaried employees within the Company.

ALIGNING REMUNERATION TO THE LONG-TERM SUCCESS OF THE COMPANY

A) AUDITED SECTION OF THE REMUNERATION REPORT

SINGLE TOTAL FIGURE OF REMUNERATION – EXECUTIVE DIRECTORS

The following tables set out the aggregate emoluments earned by the Directors in the year ended 31 December 2018.

REMUNERATION PAYABLE TO EACH DIRECTOR FOR SERVICE IN 2018.

The table below sets out the remuneration payable to each Executive Director for the period from Admission (14 March 2018) to 31 December 2018. The disclosures are in respect of qualifying services and are based on full financial years (1 January to 31 December). It should be noted that salary increases received during the year took effect from 1 April 2018. The remuneration for each Executive Director in 2018 excludes share awards and EBT distributions payable for the period prior to Admission (14th March 2018).

Executive Directors	Salary*	Benefits	Pension**	Bonuses	PSP	Total
CEO	288,986	15,228	28,899	144,000	61,126	538,239
CFO	220,753	5,376	0	110,000	46,693	382,822

* Effective as of 1 April 2018 the CEO and CFO's salaries were £360,000 per annum and £275,000 per annum respectively.

** An employer's pension contribution of 10% is included in the CFO's salary. The CFO has elected permanently to opt-out of the Company's pension scheme.

2018 ANNUAL BONUS

JTC operates an annual discretionary performance incentive award, this is separate to the Deferred Bonus Share plan detailed in this report. Employees are assessed against financial and non-financial performance measures through JTC's annual appraisal process. Our three year Business Plan provides due clarity for Group, divisional and departmental goals, which is supplemented by individual performance and development priorities. While continuous performance monitoring is conducted, success against objectives (or goals as we prefer to call them) and behaviours (JTC values) are assessed annually. Each are graded out of a possible score of 5 (10 in total).

The 2018 annual bonus performance measures were selected to reflect JTC's annual and long-term objectives and reflect financial and strategic priorities, as appropriate. Performance targets are set to be stretching and achievable, taking into account a range of reference points including the strategic plan and broker forecasts, as well as the Group's strategic priorities and the external context.

A critical element of our appraisal process is moderation. The science behind the bonus awards is to ensure that the individual performance ratings are as fair and consistent as possible. To eliminate bias a rigorous moderation process is carried out at all levels of the Company. Executives are subject to an internal moderation process before a second moderation is conducted by the Remuneration Committee. A performance = reward grid is used as a fair measure for cash awards to be allocated as a % of salary.

PERFORMANCE SHARE PLAN AWARDS WITH PERFORMANCE PERIOD ENDING DURING THE YEAR

2018 PERFORMANCE SHARE PLAN GRANTS

Executive Directors	No. of shares awarded	Fair value of Award	Expensed 31.12.18 Annual Financial Statements
CEO	68,182	£229,432	£61,126
CFO	52,083	£175,259	£46,693

	Annual Salary	Max. Award (%)	Max. Award (£)	Share Price	Share Award (100%)	Performance Measures		Vesting Date
CEO	£360,000	75	£270,000	£3.96	68,182	TSR (50%)	EPS (50%)	Dec-20
CFO	£275,000	75	£206,250	£3.96	52,083	TSR (50%)	EPS (50%)	Dec-20

For 2018 the award parameters are:

Floor (25% award) 80% * 20.59 pence = 17.03 pence

100% award would be earned for EPS of 20.59 pence

The performance measures associated with each award are clear and no conclusions will be made until vesting. Such awards are subject to final approval by the Remuneration Committee.

PERFORMANCE SHARE PLAN AWARDS 2019

PSP awards with a face value of 75% of salary will be granted to Executive Directors in 2019. The Remuneration Committee reviewed the choice of measures and in light of the Company's strategic outlook has set a stretching range of adjusted underlying EPS growth targets required to be achieved in the year ending 31 December 2021 as set out below:

50% TSR target is set by the Remuneration Committee on the basis of performance against an agreed comparator group / 50% EPS target based upon consensus broker forecasts.

Upon achieving consensus target of 27.04 pence 100% of the awards vests. On achievement of 21.63 pence (80% of 27.04 pence) 25% of the award will vest. Between 21.63 pence and 27.04 pence awards will increase linearly from 25% to 100%.

A two year post-vest holding period will apply, creating a five year period between the grant of an award and the first opportunity to sell (net of tax) the vested shares.

B) UNAUDITED SECTION OF THE REMUNERATION REPORT

EXTERNAL APPOINTMENTS

Executive Directors are permitted to accept appointments outside the Company, with the prior approval of the Board. Any fees may be retained by the Director, although this is at the discretion of the Board. During 2018 and at the date of this Report, none of the Executive Directors hold external appointments for which they retain a fee.

FEES FOR THE NON-EXECUTIVE CHAIRMAN AND DIRECTORS

The Company's Chairman and the other Non-Executive Directors do not participate in any of the Company's incentive arrangements or receive any pension provision.

The fees were agreed on appointment of the Non-Executive Directors on 19 February 2018. A summary of current fees is shown below for the period from appointment to 31 December 2018:

Non-Executive Directors	Annual Fee	Fees Paid 2018	Benefits	Pension	Bonuses	PSP	Total Paid 2018
Michael Liston	100,000	79,589	N/A	N/A	N/A	N/A	79,589
Dermot Mathias	75,000	70,583	N/A	N/A	N/A	N/A	70,583
Michael Gray	70,000	60,506	N/A	N/A	N/A	N/A	60,506

DIRECTORS' INTERESTS IN SHARES

Following Admission in March 2018 the Executive Directors have significant shareholdings in the Company, as follows:

	Legally owed as at 31 December 2018	Subject to Restriction Period (to 14 March 2020)	Unvested PSP awards	% interest in voting rights
Executive Directors				
Nigel Le Quesne*	10,444,128	10,444,128	61,126	9.42%
Martin Fotheringham	718,586	671,786	46,693	0.65%
Non-Executive Directors				
Michael Liston	32,797	32,797	N/A	0.03%
Dermot Mathias	25,863	25,863	N/A	0.02%
Michael Gray	17,242	17,242	N/A	0.02%

* Includes Ordinary Shares held by Ocean Drive Holdings Limited, a company in which Nigel Le Quesne is beneficially interested.

The Directors of JTC present their Report and the audited financial statements for the period ended 31 December 2018.

Additional information which is incorporated by reference into this Directors' Report, including information required in accordance with the Listing Rules 9.8.4R of the UK Financial Conduct Authority's listing rules, can be located as follows:

COMPANY STATUS

JTC PLC is public company incorporated in Jersey. It is listed on the London Stock Exchange main market with a premium listing.

SUBSIDIARY COMPANIES

JTC operates through a number of subsidiaries in various different countries. The list of subsidiaries is available at note 35 to the Financial Statements on pages 151 to 152 .

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

It is a requirement of Listing Rule 9.8.7R that as an overseas company with a premium listing JTC must comply with the Code or explain in its Annual Report and accounts any areas of non-compliance and the Company's reasons for this. As at the date of this Report, the Company complies with the UK Corporate Governance Code published by the Financial Reporting Council (the "Code") to the extent applicable to "smaller companies" (being those outside the FTSE 350) other than the following exception:

Provision B.6.1 of the Code states that the Board should report in the Annual Report how performance evaluation of the Board, its Committees and its individual directors has been conducted. As the Board was only appointed in March 2018 a formal performance evaluation was not undertaken during the year. The effectiveness of the Board and of the Board and Committee Meetings is a standing agenda items at the Board's six scheduled meetings a year. A formal performance evaluation of the Board, its Committees and its individual directors will be conducted in 2019 in accordance with the three year evaluation cycle detailed at page 70 of the Nomination Committee's report.

FORWARD-LOOKING STATEMENTS

This annual report contains certain forward-looking statements. By their nature, any statements about the future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements. Each forward looking statement speaks only as of the date of that particular statement. No representation or warranty is given in relation to any forward-looking statements made by JTC, including as to their completeness or accuracy. Nothing in this Report and accounts should be construed as a profit forecast. Both the Strategic Report and the Directors' Report have been drawn up and presented in accordance with and in reliance upon applicable Jersey Company law, and the liabilities of the Directors in connection with these Reports shall be subject to the limitations and restrictions provided by such law.

RESULTS AND DIVIDENDS

The financial statements set out the results of the Group for the financial year ended 31 December 2018 and are shown on page 92. The Directors recommend a final dividend of 2 pence per ordinary share for the year ended 31 December 2018. Taken together with the interim dividend of 1 pence per ordinary share paid in October 2018, makes a total dividend for the year of 3 pence per ordinary share. Subject to approval by Shareholders of the recommended final dividend, the dividend to Shareholders for 2018 will total £2.25m. If approved, the Company will pay the final dividend on 21 June 2019 to Shareholders on the register of members at 31 May 2019.

DIRECTORS

The Directors of the Company who were in office during the year, and up to the date of the signing of the financial statements, are set out on pages 58 to 59. The Board shall consist of no fewer than two Directors. Copies of the Executive Directors' service contracts are available to Shareholders for inspection at the Company's registered office and at the Annual General Meeting (AGM). Details of the Directors' remuneration and service contracts and their interests in the shares of the Company are set out on page 87.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

Directors may be appointed by ordinary resolution of the Shareholders , or by the Board. Appointment of a Director from outside the Group is on the recommendation of the Nomination Committee, whilst internal promotion is a matter decided by the Board unless it is considered appropriate for a recommendation to be requested from the Nomination Committee. At every AGM of the Company, any of the Directors who have been appointed by the Board since the last AGM shall seek election by the members. Notwithstanding provisions in the Company's Articles of Association, the Board has agreed, in accordance with the UK Corporate Governance Code (Provision B.7.1) all of the Directors wishing to continue will retire and, being eligible, offer themselves for re-election by the Shareholders at the 2018 AGM.

DIRECTORS' INDEMNITY

Directors' and officers' liability insurance is maintained by the Company.

POWERS OF THE DIRECTORS

Subject to the Company's Articles of Association, the Companies (Jersey) Law 1991, as amended, and any directions given by special resolution, the business of the Company will be managed by the Board who may exercise all the powers of the Company, whether relating to the management of the business of the Company or not. In particular, the Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge any of its undertakings, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Our statement on Director's Responsibilities has been provided on page 91 of this Report.

MATERIAL INTEREST IN SHARES

Up to year-end being 31 December 2018 and as at 8 March 2019, being the latest practicable date before the publication of the report, the following disclosures of major holdings in voting rights have been made to the Group pursuant to Rule 5 DTR.

	As at 8 March 2019 % interest in voting rights
Standard Life Aberdeen plc	7.75
Franklin Templeton Fund Management Limited	4.91
Quilter PLC	0
Old Mutual Global Investors (UK) Limited	0

SHARE CAPITAL

The issued share capital of the Group and the details of movements in share capital during the year are shown in the Consolidated Statement of Changes in Equity shown on page 103 of the Financial Statements. The holders of the shares are entitled to receive dividends when declared, to receive a copy of the Annual Report and accounts, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights.

The rights attached to the shares are provided by the Company's Articles of Association, which may be amended or replaced by means of a special resolution of the Company in a general meeting. The Directors' powers are conferred on them by Jersey company law and by the Articles of Association. Shares are admitted to trading on the London Stock Exchange and may be traded through the CREST system.

ALLOTMENT OF SHARES

The Shareholders have generally and unconditionally authorised the Directors to allot relevant securities up to two-thirds of the nominal authorised share capital. It is the Directors' intention to seek the renewal of this authority in line with the guidance issued by the Investment Association. The resolution will be set out in the notice of the AGM.

In 2018 JTC agreed to acquire Van Doorn CFS B.V. ("Van Doorn") and Minerva Holdings Limited and MHL Holdings SA (together with its subsidiaries "Minerva") as part of these transactions it agreed to pay part of the consideration in shares. The Van Doorn transaction completed on 28 September 2018 and Minerva on 20 November 2018.

It is the Board's intention to propose that an additional special resolution be passed at the AGM to allow the Company to allot equity securities up to a further 5% of the Company's issued share capital for transactions which the Board determines to be an acquisition or other capital investment.

PURCHASE OF SHARES

The Shareholders approved the authority for the Company to buy back up to 10% of its own ordinary shares by market purchase until the conclusion of the AGM to be held this year. The Directors will seek to renew this authority for up to 10% of the Company's issued share capital at the forthcoming AGM. This power will only be exercised if the Directors are satisfied that any purchase will increase the earning per share of the ordinary share capital in issue after the purchase and accordingly, that the purchase is in the interest of Shareholders.

ARTICLES OF ASSOCIATION

The Company's Articles of Association set out its internal regulations and cover the rights of Shareholders , the appointment of Directors and the conduct of Board and general meetings. Copies of the Articles of Association are available upon request from the Group Company Secretary, and at JTC's AGM.

SHARE DEALING CODE

JTC has adopted a share dealing code which applies to the Company's Directors, its other PDMRs and certain persons deemed insiders. In accordance with the Market Abuse Regulation, the Directors and PDMRs are responsible for procuring the compliance of their respective connected persons with the JTC share dealing code. The share dealing code has been published on the JTC intranet and further training will be provided on an ongoing basis to all of the JTC team.

POST BALANCE SHEET EVENTS

Details of post-balance sheet events are given in note 36 of the financial statements at page 152.

POLITICAL DONATIONS

JTC has not made any donations to any political party.

AUDITORS

PricewaterhouseCoopers CI LLP, which was re-appointed in 2018, has expressed its willingness to continue in office as the Group's Auditor and accordingly, resolutions to reappoint it and to authorise the Directors to determine its remuneration will be proposed at the AGM. These are resolutions 5 and 6 set out in the Notice of Meeting.

GOING CONCERN

Under Provision C.1.3 of the UK Corporate Governance Code, the Board is required to report whether the business is a going concern. In considering this requirement, the Directors have taken into account the following:

- The Group's latest rolling forecast for the next three years, in particular the cash flows, borrowings and undrawn facilities. Sensitivity analysis is included within these forecasts;
- The headroom under the Group's financial covenants; and
- The risks included on the Group's risk register that could impact on the Group's liquidity and solvency over the next 12 months.

Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence until at least April 2020. Therefore, the Board continues to adopt the going concern basis in preparing the financial statements.

DISCLOSURE TO THE AUDITORS

The Directors who held office at the date of the approval of this Directors' report confirm that so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the necessary steps to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

ANNUAL GENERAL MEETING

The Board and the Chairman of each of the Board's Committees will be present to answer questions put to them by Shareholders . Proxy appointment forms for each resolution provide Shareholders with the option to direct their proxy vote on resolutions or to withhold their vote. All votes are counted by JTC's Registrars and the voting results will be announced through the RNS, and made available on our website www.jtcgroup.com.

Notice of the first AGM to be held on 21 May 2019 at 10.30am at our offices in JTC House, 28 Esplanade, St. Helier, Jersey, JE2 3QA can be viewed or downloaded from the Company's website, jtcgroup.com. At that meeting, Shareholders will be asked to vote separately on the Annual Report and on the Report on Directors' Remuneration. Separate resolutions will also be proposed on every substantive issue. A poll will be held on each resolution to ensure that the votes of the Shareholders unable to attend the meeting are taken into account, and results of the voting will be placed on our website as soon as possible after the meeting.

NIGEL LE QUESNE,
CHIEF EXECUTIVE OFFICER
On behalf of the Board of JTC plc
2 April 2019

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Group financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 Group and of their profit or loss for that period. In preparing each of the Group financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business

The Directors confirm that they have applied with all the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report (contained on pages 50 to 91) includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The directors consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Approved by the Board on 2 April 2019 and signed on its behalf by:

MIRANDA LANSDOWNE
JOINT COMPANY SECRETARY
JTC (JERSEY) LIMITED, COMPANY SECRETARY

SHARPER TOGETHER

The complexity faced by our clients is immense and ever-increasing. Our vision enables us to bring distant issues into sharp focus and we apply our formidable collective experience to navigate a path to the right answer for each and every client.

Formidable. Experienced. Focused. Sharp.

FINANCIAL STATEMENTS:

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JTC PLC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of JTC PLC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2018, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

WHAT WE HAVE AUDITED

The Group's consolidated financial statements comprise:

> the consolidated balance sheet as at 31 December 2018;
> the consolidated income statement for the year then ended;
> the consolidated statement of comprehensive income for the year then ended;
> the consolidated statement of changes in equity for the year then ended;
> the consolidated cash flow statement for the year then ended; and
> the notes to the consolidated financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

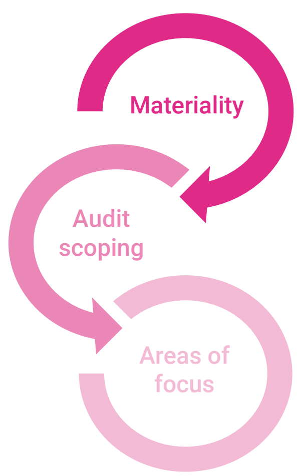
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of the Group, as required by the Crown Dependencies' Audit Rules and Guidance. We have fulfilled our other ethical responsibilities in accordance with these requirements.

OUR AUDIT APPROACH

OVERVIEW



MATERIALITY

> Overall Group materiality for the consolidated financial statements was £623,850 which represents 5% of the Group loss before tax adjusted for one-off costs relating to the initial public offering ("IPO") of the Group as set out in note 10.

AUDIT SCOPE

> Group audit scoping was performed based on loss before tax which identified fifteen significant components, covering 95% of Group loss before tax.
> We conducted the majority of our audit work in Jersey, with audit work also undertaken by component auditors in Jersey, Luxembourg, Cayman Islands, South Africa, Switzerland and the Isle of Man.
> In determining the significant components we also considered total revenue and total net assets of the Group, ensuring that the fifteen identified significant components also covered 95% of these criteria. Additional factors were also considered, including new acquisitions, common reporting processes and regulatory requirements to identify whether additional components should be considered.
> The Group is based primarily in Jersey, where the major financial reporting functions are located. Trading subsidiaries are based in Africa, Americas, Caribbean, Middle East, Asia and Europe.

KEY AUDIT MATTERS

> Revenue recognition including valuation of work in progress ("WIP")
> Impairment of intangible assets, specifically goodwill
> Accounting for acquisitions

AUDIT SCOPE

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

OVERALL GROUP MATERIALITY	£623,850
HOW WE DETERMINED IT	5% of Group loss before tax adjusted for one-off costs relating to the IPO of the Group as set out in note 10.
RATIONALE FOR THE MATERIALITY BENCHMARK	The determination of materiality and the benchmark used is a matter of professional judgement. Following the listing of JTC PLC on the London Stock Exchange, loss before tax adjusted for one-off costs relating to the IPO is considered to be the most appropriate benchmark to assess materiality, as this is the measure used by management to assess performance and to communicate results to the market. The IPO costs are deducted as we do not see these expenses as representative of the underlying performance of the Group.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £31,192 (de minimis posting level calculated as 5% of overall materiality), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
REVENUE RECOGNITION INCLUDING VALUATION OF WORK IN PROGRESS ("WIP") Revenue recognition, in particular where services are provided on a time spent basis for client matters which has not been billed is considered a key audit matter. WIP is required to be stated at the amount which is recoverable. There is a significant level of judgement applied by management in assessing and determining the value of WIP at the year end. Therefore, there is a risk of material misstatement that WIP as at year end may not be recoverable and that revenue could be overstated. Accounting policies and disclosures in respect of revenue and WIP are set out in notes 5 and 12 of the annual report respectively.	We evaluated the design and implementation of controls around the billing and quarterly valuation of WIP; For a sample of clients where WIP has been recognised, we reviewed the billing and amounts recovered post year end; Where WIP was not billed post year end, we challenged management's judgement and rationale around the recoverability of the amounts through reviewing client agreements, communication with clients, past billing and payment history on a sample basis to support judgements where required; and We also reviewed the level of WIP write-offs and credit notes raised post year end and, on a sample basis, assessed the rationale for these being raised and reviewed any impact on WIP as a result of these. As a result of the procedures performed we have not identified a material misstatement in respect of the WIP balance.
IMPAIRMENT OF INTANGIBLE ASSETS, SPECIFICALLY GOODWILL Various acquisitions by the Group have generated a significant amount of goodwill being recognised on the consolidated balance sheet. The initial allocation of goodwill (calculated as the fair value of the consideration paid less the fair value of net assets acquired, less corresponding valuation of customer contract intangible assets) is determined in the year of acquisition. Management is required to perform annual impairment reviews in respect of the carrying value of goodwill on a cash generating unit ("CGU") basis. A risk of misstatement in the impairment of goodwill exists, to the extent future developments negatively deviate from the assumptions applied during the acquisition of the Group entities. The annual impairment tests performed were significant to our audit because the assessment process is complex and judgemental, and based on estimates that are affected by expected future economic and market conditions. Accounting policies and disclosures relating to impairment of intangibles are set out in note 19 of the annual report.	We evaluated the design and implementation of controls around the preparation and review of impairment calculations; We evaluated and challenged management's future cash flow forecasts for the material CGUs and the process by which they were prepared, testing the underlying value in use calculation and compared this to management's forecasts and budgets; We challenged management's key assumptions for short and long term growth rates in the forecasts by comparing them to historical results. We challenged the discount rates used in the calculation by considering the cost of capital for the Group; We performed sensitivity analysis to identify the key assumptions used in the value in use calculation and then evaluated management's rationale for the applied rates; and We assessed the mathematical accuracy of the goodwill impairment model and assessed whether the calculated present value in use is higher / lower than the carrying amount. Based on the testing performed we have not identified a material misstatement in respect of the impairment of intangible assets, specifically goodwill.

Key audit matter	How our audit addressed the Key audit matter
ACCOUNTING FOR ACQUISITIONS The Group has acquired a number of subsidiaries during the year. Significant judgement is involved in calculating the fair value of acquired assets and the allocation of the purchase price to customer contracts. The judgements arise from the fact that there are a number of assumptions included in the valuation model used to determine the fair values and the allocation of the values between goodwill and customer contract intangible assets. These include estimates for the economic useful lives of the assets, projected future earning levels, growth rates, client attrition rates and discount rates. Accounting policies and disclosures relating to the acquisitions are disclosed in note 17 of the annual report.	We evaluated the design and implementation of controls around the preparation, review and accounting for acquisitions. We challenged the assumptions of the valuation models and purchase price allocations through reviewing comparable data and the most significant challenges were around attrition rates, useful economic life and future projections of revenue / EBITDA margins; We performed sensitivity analysis on the key assumptions used in the model, including discount rates, useful economic life and revenue growth rates; We reconciled source data used in the models to underlying accounting records; and We reviewed management's accounting assessment to whether the valuations performed are appropriate and in accordance with applicable financial reporting standards. Based on the testing performed we have not identified a material misstatement in respect of the accounting for acquisitions.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2018 Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, the requirements of Jersey law and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
> Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
> Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease 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 Group's trade, customers, suppliers and the wider economy.
> Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
> Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Under the Companies (Jersey) Law 1991 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;
> proper accounting records have not been kept; or
> the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

We have nothing to report in respect of the following matters which we have reviewed:

> the directors' statement set out on page 90 and 91 in relation to going concern. As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements. The going concern basis presumes that the Group has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the consolidated financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's ability to continue as a going concern;
> the directors' statement that they have carried out a robust assessment of the principal risks facing the Group and the directors' statement in relation to the longer-term viability of the Group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit; and
> the part of the Corporate Governance Statement relating to the parent Company's compliance with the ten further provisions of the UK Corporate Governance Code specified for our review.

This report, including the opinion, has been prepared for and only for the members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, 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.

MICHAEL BYRNE
FOR AND ON BEHALF OF PRICEWATERHOUSECOOPERS CI LLP
CHARTERED ACCOUNTANTS AND RECOGNIZED AUDITOR
JERSEY, CHANNEL ISLANDS
2 April 2019

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Revenue	5	**77,254**	59,792
Staff costs	6	**(50,703)**	(32,006)
Establishment costs		**(4,705)**	(4,082)
Other operating expenses	8	**(15,638)**	(13,134)
Credit impairment losses	13	**(1,285)**	(1,357)
Other operating income		**343**	434
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")		**5,266**	9,647
Comprising:			
Underlying EBITDA		**23,837**	14,422
Non-underlying items	10	**(18,571)**	(4,775)
		5,266	9,647
Depreciation and amortisation	20	**(4,637)**	(2,894)
Profit from operating activities		**629**	6,753
Other gains	9	**522**	1,833
Finance income	25	**103**	73
Finance cost	25	**(3,475)**	(12,215)
Share of profit/(loss) of equity-accounted investee		**92**	(6)
Loss before tax		**(2,129)**	(3,562)
Comprising:			
Underlying profit/(loss) before tax		**16,990**	(858)
Non-underlying items	10	**(19,119)**	(2,704)
		(2,129)	(3,562)
Tax	28	**(1,728)**	(1,083)
Loss for the year		**(3,857)**	(4,645)
Earnings per ordinary share ("EPS")			
(expressed in pence per ordinary share)			
Basic and diluted EPS (pence)	11	**(3.87)**	(6.98)
Underlying EPS (pence)	11	**15.32**	(2.92)

The notes on pages 105 to 152 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £'000	2017 £'000
Loss for the year	**(3,857)**	(4,645)
Other comprehensive income/(loss):		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**1,334**	(716)
Total comprehensive loss for the year	**(2,523)**	(5,361)

The notes on pages 105 to 152 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Assets			
Property, plant and equipment	18	**6,406**	5,504
Goodwill	19	**104,835**	76,183
Other intangible assets	19	**41,835**	21,761
Investment in equity-accounted investee	21	**978**	886
Other receivables	16.1	**1,536**	940
Deferred tax assets	29	**135**	61
Other non-current financial assets	24.1	**244**	64
Total non-current assets		**155,969**	105,399
Trade receivables	13	**16,142**	10,862
Other receivables	16.1	**3,884**	2,575
Work in progress	12	**7,084**	5,855
Accrued income	14	**9,309**	8,052
Current tax receivables		**453**	24
Cash and cash equivalents		**32,457**	16,164
Total current assets		**69,329**	43,532
Total assets		**225,298**	148,931
Equity			
Share capital	27.1	**1,109**	10
Share premium	27.1	**94,599**	238
Own shares	27.2	**(2,565)**	(1)
Capital reserve	27.3	**(112)**	(1,213)
Translation reserve	27.3	**2,444**	1,110
Accumulated profits	27.3	**13,426**	2,884
Total equity		**108,901**	3,028
Liabilities			
Loans and borrowings	23	**72,032**	63,341
Other financial liabilities	24.2	**241**	1,087
Provisions	30	**1,038**	646
Deferred tax liabilities	29	**6,010**	2,817
Trade and other payables	16.2	**5,469**	718
Total non-current liabilities		**84,790**	68,609
Loans and borrowings	23	**683**	56,364
Other financial liabilities	24.2	**7,968**	5,356
Deferred income	15	**7,744**	5,012
Provisions	30	**401**	187
Current tax liabilities		**2,871**	995
Trade and other payables	16.2	**11,940**	9,380
Total current liabilities		**31,607**	77,294
Total equity and liabilities		**225,298**	148,931

The notes on pages 105 to 152 are an integral part of these consolidated financial statements.

The financial statements on pages 100 to 152 were approved by the Board of Directors on the 2 April 2019 and signed on its behalf by:

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £'000	Share premium £'000	Own shares £'000	Capital reserve £'000	Translation reserve £'000	Accumulated profits/(losses) £'000	Total equity £'000
Balance at 1 January 2017		10	83	(1)	(2,349)	1,826	(24,010)	(24,441)
Loss for the year		–	–	–	–	–	(4,645)	(4,645)
Other comprehensive loss for the year		–	–	–	–	(716)	–	(716)
Total comprehensive loss for the year		–	–	–	–	(716)	(4,645)	(5,361)
Issue of share capital		–	155	–	–	–	–	155
Share-based payment expense		–	–	–	517	–	–	517
Sale and purchase of own shares		–	–	–	(636)	–	–	(636)
Own shares movement		–	–	–	1,255	–	–	1,255
Shareholder loan note interest waived	23	–	–	–	–	–	31,038	31,038
Fair value of loan notes		–	–	–	–	–	501	501
Balance at 31 December 2017		10	238	(1)	(1,213)	1,110	2,884	3,028
Balance at 1 January 2018 as originally presented		**10**	**238**	**(1)**	**(1,213)**	**1,110**	**2,884**	**3,028**
Adoption of new standards	3.1(C)	**–**	**–**	**–**	**–**	**–**	**(168)**	**(168)**
Restated total equity at 1 January 2018		**10**	**238**	**(1)**	**(1,213)**	**1,110**	**2,716**	**2,860**
Loss for the year		**–**	**–**	**–**	**–**	**–**	**(3,857)**	**(3,857)**
Other comprehensive income for the year		**–**	**–**	**–**	**–**	**1,334**	**–**	**1,334**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**1,334**	**(3,857)**	**(2,523)**
Issue of share capital	27	**1,099**	**95,103**	**–**	**–**	**–**	**–**	**96,202**
Cost of share issuance		**–**	**(742)**	**–**	**–**	**–**	**–**	**(742)**
Share-based payment expense	7.2	**–**	**–**	**–**	**443**	**–**	**–**	**443**
Movement in EBT and JSOPs		**–**	**–**	**–**	**658**	**–**	**–**	**658**
Movement of own shares	27.2	**–**	**–**	**(2,564)**	**–**	**–**	**–**	**(2,564)**
EBT12 gain on sale of shares	27.2	**–**	**–**	**–**	**–**	**–**	**15,641**	**15,641**
Dividends paid	27	**–**	**–**	**–**	**–**	**–**	**(1,074)**	**(1,074)**
Balance at 31 December 2018		**1,109**	**94,599**	**(2,565)**	**(112)**	**2,444**	**13,426**	**108,901**

The notes on pages 105 to 152 are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Operating cash flows before movements in working capital	33	**6,266**	10,421
Increase in receivables		**(3,436)**	(2,687)
Increase in payables		**4,565**	3,461
Cash generated by operations		**7,395**	11,195
Income taxes paid		**(907)**	(1,175)
Net cash from operating activities		**6,488**	10,020
Comprising:			
Underlying net movement in cash from operating activities		**19,158**	12,229
Non-underlying cash items	33	**(12,670)**	(2,209)
		6,488	10,020
Investing activities			
Interest received		**103**	56
Purchase of property, plant and equipment	18	**(1,175)**	(4,080)
Purchase of intangible assets	19	**(1,024)**	(425)
Acquisition of associate		**–**	(218)
Acquisition of subsidiaries	17	**(31,176)**	(4,482)
Proceeds from sale of subsidiaries		**–**	135
Net cash used in investing activities		**(33,272)**	(9,014)
Financing activities			
Bank charges		**(146)**	(98)
Interest on finance leases		**(3)**	(16)
Interest on loans		**(1,572)**	(2,349)
Facility fees		**(93)**	(109)
Loan arrangement fees		**(1,318)**	(38)
Share capital raised		**20,000**	–
Share issuance costs		**(742)**	–
Proceeds from sale of EBT12 shares	27.2	**15,641**	–
Redemption of loan notes		**(2,161)**	–
Sale and purchase of own shares	27.2	**(2,565)**	(636)
Redemption of bank loans	23.1	**(55,836)**	–
Redemption of other borrowings		**(853)**	(959)
Bank loan drawn down	23.1	**72,960**	1,790
Other loan drawn down		**–**	3,017
Finance lease payments		**(18)**	(57)
Dividends paid		**(1,074)**	–
Net cash from financing activities		**42,220**	545
Net increase in cash and cash equivalents		**15,436**	1,551
Cash and cash equivalents at the beginning of the year		**16,164**	15,765
Effect of foreign exchange rate changes		**857**	(1,152)
Cash and cash equivalents at end of year		**32,457**	16,164

The notes on pages 105 to 152 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SECTION 1 – BASIS FOR REPORTING AND GENERAL INFORMATION

1. REPORTING ENTITY

JTC PLC ("the Company") was incorporated on 2 January 2018 and is domiciled in Jersey, Channel Islands. The address of the Company's registered office is 28 Esplanade, St Helier, Jersey.

The financial statements of the Company for the year ended 31 December 2018 comprise the Company and its subsidiaries (together "the Group" or "JTC") and the Group's interest in an associate.

The Company was admitted to the London Stock Exchange on 14 March 2018 ("the IPO") having obtained control of the entire share capital of JTC Group Holdings Limited ("JTCGHL") via a share exchange, and thus control of the Group, see note 27.

Although the share exchange resulted in a change of legal ownership, in substance these financial statements reflect the continuation of the pre-existing Group, formerly headed by JTCGHL. As a result, the comparatives for 31 December 2017 presented in these consolidated financial statements are the consolidated results of JTCGHL. The impact on the Earnings Per Share calculation, is detailed in note 11.

The consolidated balance sheet at 31 December 2017 reflects the share capital structure of JTCGHL. The consolidated balance sheet at 31 December 2018 reflects the change in legal ownership of the Group, including the share capital of JTC PLC and the effects of the share exchange transactions.

The Group provides fund, corporate and private wealth services to institutional and private clients.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE AND BASIS OF MEASUREMENT

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, the interpretations of the IFRS Interpretations Committee ("IFRS IC") and Companies (Jersey) Law 1991. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB") and have been prepared under the historical cost convention.

2.2. GOING CONCERN

The Group continues to adopt the going concern basis in preparing its financial statements. In making this assessment, the Directors noted a reported loss before tax position, that was materially impacted by the inclusion of a one-off capital distribution to employees from the Jersey Trust Company Employee Benefit Trust 2012 ("EBT12") following the IPO. They are confident that the Group will meet its day-to-day working capital requirements through its cash-generating activities and bank facilities. The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in pounds sterling, which is the functional and reporting currency of the Company, and the presentation currency of the consolidated financial statements. All amounts disclosed in the financial statements and notes have been rounded to the nearest thousand ('000) unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. CHANGES IN ACCOUNTING POLICIES AND NEW STANDARDS ADOPTED

The accounting policies set out in these consolidated financial statements have been applied consistently to both year ends and have been applied consistently by Group entities, with the exception of IFRS 9 and IFRS 15 as set out below.

In the current year, to the extent they are relevant to its operations, the Group has adopted all IFRS standards and interpretations including amendments that were in issue and effective for accounting periods beginning on 1 January 2018.

(A) IFRS 9 'FINANCIAL INSTRUMENTS'

In July 2014, IFRS 9 'Financial Instruments' was issued, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 brings together all three aspects of the accounting for financial instruments; classification and measurement, impairment and hedge accounting.

The adoption of IFRS 9 by the Group from 1 January 2018 resulted in changes to accounting policies and adjustments to the amounts recognised in the financial statements following the provision for additional loss allowances for trade receivables, work in progress and accrued income. The Group has applied IFRS 9 retrospectively but has elected not to restate comparative information. As a result the comparative information continues to be accounted for with the Group's previous accounting policies.

CLASSIFICATION AND MEASUREMENT

IFRS 9 introduces a single classification and measurement model for financial assets, depending on both the entity's business model for managing financial assets and the contractual cash flow characteristics of financial assets. Based on these, financial assets are classified as either amortised cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). As a result of applying IFRS 9, the previous classifications under IAS 39 have changed as set out in the 'summary of the impact of adoption' section of this note.

The Group considers the objective of its business model is to collect contractual cash flows and the contractual terms give rise to cash flows representing solely payments of principal and interest. As a result of adopting IFRS 9, the Group's financial assets will be classified and then subsequently measured at amortised cost.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

MODIFICATION

Where the Group negotiates or otherwise modifies the contractual cash flows of financial assets or financial liabilities, the Group assesses whether or not the terms are substantially different to the original terms. If the terms are substantially different, the Group derecognises the old finance asset or financial liability and recognises a new financial asset or financial liability at fair value. If the terms are not substantially different, the Group recalculates the gross carrying amount based on revised cash flows of the financial asset or financial liability and recognises the modification gain or loss in the consolidated income statement. The Group has not had any substantial modifications to financial assets or financial liabilities in the year.

IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9 requires an expected credit loss ("ECL") model, as opposed to an incurred credit loss model under IAS 39. The ECL model requires an entity to account for expected credit losses and changes in these at each reporting date to reflect changes in credit risk since initial recognition.

(I) TRADE RECEIVABLES

The Group applies the simplified approach to measuring expected credit losses and recognises a lifetime expected loss allowance (see note 13 for details). On that basis, the total loss allowance as at 1 January 2018 was determined for trade receivables as follows:

	Gross trade receivables £'000	Loss allowance as % of trade receivables	Loss allowance for trade receivables £'000
<30 days	4,215	1.92%	81
30 – 60 days	2,149	4.00%	86
61 – 120 days	1,360	8.97%	122
>120 days	5,774	44.74%	2,583
Total	**13,498**	**21.28%**	**2,872**

(II) WORK IN PROGRESS AND ACCRUED INCOME

These financial assets relate to unbilled work and have substantially the same risk characteristics as the trade receivables. The Group has therefore concluded that the expected loss rates for trade receivables <30 days, being 1.92%, was an appropriate estimation of the expected credit loss. This results in a loss allowance for work in progress and accrued income of £49k and £15k respectively at 1 January 2018.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.1. CHANGES IN ACCOUNTING POLICIES AND NEW STANDARDS ADOPTED CONTINUED

SUMMARY OF THE IMPACT OF ADOPTION

The following table sets out the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities at 1 January 2018. The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements.

	Notes	Classification under IAS 39	Classification under IFRS 9	Carrying amount under IAS 39 £'000	Carrying amount under IFRS 9 £'000	Adjustment for ECL £000
Financial assets						
Trade receivables	13	Loans and receivables	Amortised cost	10,862	10,625	237
Other receivables	16.1	Loans and receivables	Amortised cost	3,515	3,515	–
Work in progress	12	Loans and receivables	Amortised cost	5,855	5,806	49
Accrued income	14	Loans and receivables	Amortised cost	8,052	8,037	15
Other financial assets	24.1	Loans and receivables	Amortised cost	64	64	–
Cash and cash equivalents		Loans and receivables	Amortised cost	16,164	16,164	–
Total financial assets				**44,512**	**44,211**	**301**
Financial liabilities						
Loans and borrowings	23	Other financial liabilities	Amortised cost	119,705	119,705	–
Trade and other payables	16.2	Other financial liabilities	Amortised cost	10,098	10,098	–
Other financial liabilities	24.2	Other financial liabilities	Amortised cost	6,443	6,443	–
Total financial liabilities				**136,246**	**136,246**	**–**

(B) IFRS 15 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 'Revenue', IAS 11 'Construction Contracts' and the related interpretations.

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' from 1 January 2018. The accounting policies for revenue recognition are unchanged from those under IAS 18 except for the incremental costs of obtaining a contract (i.e. costs that would not have been incurred if the contract had not been obtained, e.g. sales commissions), these are recognised as an asset if the costs are expected to be recovered. The capitalised cost of obtaining a contract is then amortised in a systemic manner consistent with the pattern of transfer of the related services.

In accordance with the transition provisions in IFRS 15, the Group has applied the modified retrospective approach, which means that the cumulative impact of the adoption is recognised in retained earnings as of 1 January 2018 and that the comparative figures have not been restated.

ACCOUNTING FOR COSTS TO OBTAIN A CONTRACT

When commission is due to a third party or intermediary to obtain a contract, the Group previously expensed these as commissions payable. For the year ended 31 December 2017, the expense was £269k. Following their IFRS 15 assessment, Management concluded that the commission fees paid are incremental to obtaining a contract and are expected to be recovered over the term of the contract and therefore should be capitalised. As a result, the Group now estimates the commissions due over the life of each contract and capitalises these costs as contract assets and discloses them within current and non-current other receivables (see note 16.1). The contract assets are then amortised on a straight-line basis over the expected term of the specific contract it relates to, with an amortisation charge recognised in the consolidated income statement.

Current and non-current payables are also now recognised as part of other payables, being the commissions payable over the term of the contract (see note 16.2). These are discounted to record the net present value of the obligation with the unwinding of discount now shown in the consolidated income statement, within finance costs. The current other payable reflects the cash flows expected within one year and would be reduced as payments are made.

To reflect this change in policy, the following adjustments were made to balance sheet items at 1 January 2018, resulting in a net adjustment to retained earnings of £133k:

> Within trade and other payables; accrued commissions payable of £106k were reversed, and other payables of £292k were recognised, split between current and non-current, £167k and £125k (giving a net adjustment to current trade and other payables of £61k),
> Within other receivables; contract assets of £319k were recognised, split between current and non-current, £92k and £227k.

	Notes	Carrying amount under IAS 18 £'000	Reclassification £'000	Carrying amount under IFRS 15 £'000
Non-current other receivables	16.1	940	227	1,167
Current other receivables	16.1	2,575	92	2,667
Non-current trade and other payables	16.2	(718)	(125)	(843)
Current trade and other payables	16.2	(9,380)	(61)	(9,441)
Total		(6,583)	133	(6,450)

(C) RESTATED OPENING EQUITY FOLLOWING ADOPTION OF NEW STANDARDS

The impact on the Group's retained earnings as at 1 January 2018 following the adoption of IFRS 9 and 15 is as follows:

	£'000	£'000
Closing retained earnings at 31 December 2017		2,884
Additional loss allowance (adoption of IFRS 9)	(301)	
Recognition of asset for costs to obtain a contract (adoption of IFRS 15)	133	
Total adoption of new standards		(168)
Opening retained earnings at 1 January 2018		**2,716**

3.2. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been adopted early by the Group. These are detailed below along with the Group's assessment of the impact of these.

(A) IFRS 16 'LEASES'

IFRS 16 'Leases' was published in January 2016 and replaces IAS 17 'Leases' for reporting periods beginning on or after 1 January 2019. This standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is less than one year or the underlying asset has a low value. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

TRANSITION APPROACH

To assess the impact of IFRS 16, Management has considered existing operating and finance leases as well as reviewing all other contracts in place within the business to ascertain if they fall within its definition of a lease. Following this initial review and information capture, Management has been required to interpret certain arrangements as well as exercise judgement when determining the certainty of extension or termination options and the rate to discount lease payments.

DATE OF ADOPTION BY GROUP

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the modified retrospective approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepared or accrued lease expenses).

QUANTIFICATION OF ESTIMATED IMPACT

At the reporting date, the Group has annual non-cancellable operating lease commitments of £3.6 million (see note 31). Of these commitments, approximately £745k relate to short-term leases and will be recognised on a straight-line basis as an expense in the consolidated income statement.

Based on the information currently available, the Group estimates that on 1 January 2019 it will recognise right-of-use assets of approximately £28.8 million and lease liabilities of £28.4 million.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.2. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED CONTINUED

For the year ended 31 December 2019, the Group expects that net profit after tax will decrease by approximately £587k as a result of adopting the new rules. Underlying EBITDA used to measure segmental results is expected to increase by approximately £3 million, as long-term operating lease payments were included in EBITDA, but the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure.

Operating cash flows are expected to increase and financing cash flows decrease by approximately £3 million as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Group expects the adoption of IFRS 16 to have an impact in the deferred tax, the effect of which is in the process of being assessed.

(B) OTHER STANDARDS

The following new or amended standards are not expected to have a significant impact on the consolidated financial statements:

> IFRIC 23 Uncertainty over tax treatments
> Prepayment features with negative compensation (Amendment to IFRS 9)
> Long-term interests in associates and joint ventures (Amendments to IAS 18)
> Plan amendment, curtailment or settlement (Amendments to IAS19)
> Annual improvements to IFRS Standards 2015-2017
> IFRS 17 Insurance Contracts

3.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of consolidation is described below, otherwise significant accounting policies related to specific items are described under the relevant note. The description of the accounting policy in the notes forms an integral part of the description of the accounting policies. Unless otherwise stated, these policies have been consistently applied to all the years presented.

	Notes
Revenue	5
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Share-based payments	7
Work in progress	12
Trade receivables	13
Accrued and deferred income	14, 15
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Property, plant and equipment	18
Intangible assets, including impairment of non-financial assets	19
Investment in equity-accounted investee	21
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Finance income and finance costs	25
Financial instruments	26
Capital, reserves and dividends	27
Taxation	28
Provisions	30
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BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its "subsidiaries"). The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policy in line with the Group. All inter-company transactions and balances, including unrealised gains and losses, arising from transactions between Group companies are eliminated.

COMPANY ONLY FINANCIAL STATEMENTS

Under Article 105(11) of the Companies (Jersey) Law 1991, the Directors of a holding company need not prepare separate financial statements (i.e. company only financial statements). Separate financial statements for the Company are not prepared unless required to do so by the members of the Company by ordinary resolution. The members of the Company had not passed a resolution requiring separate financial statements and, in the Directors' opinion, the Company meets the definition of a holding company. As permitted by law, the Directors have elected not to prepare separate financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

4.1. CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (which are dealt with separately in 4.2), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

RECOGNITION OF CUSTOMER CONTRACT INTANGIBLES

In 2018, the Group acquired Minerva and Van Doorn, see notes 17.1 and 17.2. IFRS 3 'Business Combinations' requires Management to identify assets and liabilities purchased including intangible assets. Following their assessment, Management concluded that the only material intangible asset meeting the recognition criteria is customer contracts. The customer contract intangible assets recognised through these acquisitions were £13.88 million and £7.72 million respectively.

4.2. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

FAIR VALUE OF CUSTOMER CONTRACT INTANGIBLES

The customer contract intangible assets are valued using the multi-period excess earnings method ("MEEM") financial valuation model. Cash flow forecasts and projections are produced by Management and form the basis of the valuation analysis. The key estimates and assumptions used in the modelling to derive the fair values include: year on year growth rates, client attrition rates, EBIT margins, the useful economic life of the customer contracts and the discount rate applied to free cash flow. See note 19.1 for the sensitivity analysis.

RECOVERABILITY OF WORK IN PROGRESS ("WIP")

To assess the fair value of consideration received for services rendered, Management is required to make an assessment of the net unbilled amount expected to be collected from clients for work performed to date. To make this assessment, WIP balances are reviewed regularly on a by-client basis and the following factors are taken into account: (i) the ageing profile of the WIP, (ii) the agreed billing arrangements, (iii) value added and (iv) status of the client relationship. See note 12 for the sensitivity analysis.

SECTION 2 – RESULT FOR THE YEAR

5. SEGMENTAL REPORTING

REVENUE

For 2018, the accounting policies for revenue recognition under IFRS 15 are unchanged from those under IAS 18 (which apply to the 2017 comparatives) with the exception of incremental costs to obtain contracts. Revenue is recognised in the consolidated income statement to the pro-rated part of the services rendered to the client at the reporting date.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable for services provided in the normal course of business, excluding discounts and sales-related taxes.

Revenue comprises fees and commissions from providing corporate, fund and private client administration services to institutional and private clients. The contractual arrangements can be timed-based, fixed fees or service charges and can be billed in advance or in arrears.

Incremental costs of obtaining a contract (i.e. costs that would not have been incurred if the contract had not been obtained) will be recognised as a contract asset if the costs are expected to be recovered. The capitalised costs of obtaining a contract are amortised on a straight-line basis over the estimated useful economic life of the contract. The asset will be subject to an impairment analysis each period end.

PRINCIPAL VERSUS AGENT CONSIDERATION

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commissions made by the Group.

OTHER REVENUE

Where revenue is derived from offering treasury services to clients, revenue is recognised where it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Rental income from operating leases is recognised on a straight-line basis over the relevant term of the lease.

5.1. BASIS OF SEGMENTATION

The Group has a multi-jurisdictional footprint and the core focus of operations is on providing services to its institutional and private client base, with revenues from alternative asset managers, financial institutions, corporates and family office clients. Declared revenue is generated from external customers.

BUSINESS ACTIVITIES INCLUDE:

FUND SERVICES

Support a diverse range of asset classes, including real estate, private equity, renewables, hedge, debt and alternative asset classes providing a comprehensive set of fund administration services (e.g. fund launch, NAV calculations, accounting, compliance and risk monitoring, investor reporting, listing services).

CORPORATE SERVICES

Includes clients spanning across small and medium entities, public companies, multinationals, sovereign wealth funds, fund managers and high-net-worth ("HNW") and ultra-high-net-worth ("UHNW") individuals and families requiring a 'corporate' service for business and investments. As well as entity formation, administration and other company secretarial services, the Group also services international and local pension plans, employee share incentive plans, employee ownership plans and deferred compensation plans.

PRIVATE WEALTH SERVICES

Support HNW and UHNW individuals and families, from 'emerging entrepreneurs' to established single and multifamily offices. Services include formation and administration of trusts, companies, partnerships, and other vehicles and structures across a range of asset classes, including cash and investments.

The Chief Executive Officer and Chief Financial Officer are together the Chief Operating Decision Makers of the Group and determine the appropriate business segments to monitor financial performance. Each segment is defined as a set of business activities generating a revenue stream determined by divisional responsibility and the Management information reviewed by the Board of Directors. They determined the Group has two reportable segments: these are Institutional Client Services ("ICS") and Private Client Services ("PCS").

5.2. SEGMENTAL INFORMATION

The table below shows the segmental information provided to the Board of Directors for the two reportable segments (ICS and PCS) on an underlying basis.

	ICS		PCS		Total	
	2018 £'000	2017 £'000	**2018 £'000**	2017 £'000	**2018 £'000**	2017 £'000
Revenue	**43,362**	36,071	**33,892**	23,721	**77,254**	59,792
Direct staff costs	**(16,465)**	(15,541)	**(10,782)**	(8,816)	**(27,247)**	(24,357)
Other direct costs	**(416)**	(199)	**(2,046)**	(1,444)	**(2,462)**	(1,643)
Underlying gross profit	**26,481**	20,331	**21,064**	13,461	**47,545**	33,792
Underlying gross profit margin %	***61.1%***	*56.4%*	***62.2%***	*56.7%*	***61.5%***	*56.5%*
Indirect staff costs	**(4,169)**	(4,078)	**(3,600)**	(2,346)	**(7,769)**	(6,424)
Other operating expenses	**(10,043)**	(8,429)	**(6,240)**	(4,951)	**(16,283)**	(13,380)
Other income	**219**	280	**125**	154	**344**	434
Underlying EBITDA	**12,488**	8,104	**11,349**	6,318	**23,837**	14,422
Underlying EBITDA margin %	***28.8%***	*22.5%*	***33.5%***	*26.6%*	***30.9%***	*24.1%*

The Board evaluates segmental performance based on revenue, underlying gross profit and underlying EBITDA. Loss before income tax is not used to measure the performance of the individual segments as items like depreciation, amortisation of intangibles, other gains and net finance costs are not allocated to individual segments. Consistent with the aforementioned reasoning, segment assets and liabilities are not reviewed regularly on a by-segment basis and are therefore not included in the IFRS segmental reporting.

No individual customer represents more than 10% of revenue.

6. STAFF COSTS

EMPLOYEE BENEFITS

SHORT-TERM BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

DEFINED CONTRIBUTION PLANS

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions.

TERMINATION BENEFITS

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within one year of the end of the reporting period, then they are discounted.

EMPLOYEE BENEFIT TRUST ("EBT")

The Group is committed to the concept of shared ownership and it is this ethos that led to the creation of EBTs to hold shares in the Company for the benefit of employees. All permanent employees of the Group automatically become beneficiaries once they complete their probationary period. Any awards made upon completion of a capital event are expensed to staff costs immediately. Due to the capital nature of these awards they are considered to be non-underlying. Following the IPO, the Company settled a new EBT, the JTC PLC Employee Benefit Trust ("PLC EBT").

6. STAFF COSTS CONTINUED

	2018 £'000	2017 £'000
Salaries and Directors' fees	**31,925**	27,172
Capital distribution from EBT12	**13,211**	–
Other short-term employee benefits	**986**	761
Defined contribution pension costs	**1,355**	993
Share-based payments	**443**	517
Training and other staff-related costs	**2,783**	2,563
	50,703	32,006

The Group contributes to a number of defined contribution pension schemes for its employees. The assets of all schemes are held separately from those of the Group in funds under the control of relevant external Trustees. For the year ended 31 December 2018, the total employer contribution to schemes was £1,355k (2017: £993k).

7. SHARE-BASED PAYMENTS

The Company operates equity-settled share-based payment arrangements under which services are received from eligible employees as consideration for equity instruments. The total amount to be expensed for services received is determined by reference to the fair value at grant date of the share-based payment awards made, including the impact of any non-vesting and market conditions.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

7.1. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS

(A) PRE-IPO

Prior to Admission to the London Stock Exchange, the Group operated a number of equity-settled share-based remuneration schemes. These were as follows:

BLUE SKY 1 SCHEME

The fair value at grant date was £81.51 per share and the shares awarded vested on 1 January 2017 subject to continued employment up to this date.

BLUE SKY 2 SCHEME

The fair value at grant date was £112.78 per share and the shares awarded vested on 1 January 2018 subject to continued employment up to this date.

BLUE ISLAND 1 SCHEME

The fair value at grant date was £112.78 per share and the shares awarded vested upon IPO, subject to continued employment up to this date.

In addition to the Schemes noted above, the Group also made awards of their own equity instruments to employees in the following circumstances: for promotion, for employees joining the business, for the retention of key employees following acquisition and to incentivise key employees.

As these equity instruments were not traded on an active market, they were valued on a debt-free basis taking into account the general market conditions, continuing trading and potential for growth in order to reach a multiple to apply to EBITDA. The expense was recognised over the period employees rendered services up until either the specified vesting date or when service conditions were fulfilled.

Awards that had not vested prior to the IPO were converted into the equivalent number of JTC PLC shares upon listing.

Details of the number of shares awarded but not vested are as follows:

	2018 No.	2018 £'000	2017 No.	2017 £'000
Outstanding at the start of the year	**8,168**	**800**	8,974	774
Awarded	**9,013**	**300**	3,134	351
Exercised	**(8,168)**	**(800)**	(3,408)	(278)
Forfeited	**–**	**–**	(532)	(47)
Converted at the IPO	**643,385**	**–**	–	–
Outstanding at the end of the year	**652,398**	**300**	8,168	800

(B) POST-IPO

Following Admission to the London Stock Exchange, the Company has implemented and made awards to eligible employees under two equity-settled share-based payment plans:

PERFORMANCE SHARE PLAN ("PSP")

Executive Directors and Senior Managers may receive awards of shares, which may be granted annually under the PSP. The maximum policy opportunity award size under the PSP for an Executive Director is 150 per cent. of annual base salary, however the plan rules allow the Remuneration Committee the discretion to award up to 250 per cent. of annual base salary in exceptional circumstances. For the initial awards granted in September 2018 the limit for Executive Directors is 75 per cent. of the annual base salary. Vesting of the initial awards is subject to continued employment and achievement of performance conditions measured over a period of 3 years. The Remuneration Committee determines the appropriate performance measures, weightings and targets prior to granting any awards. Performance conditions for the initial awards include Total Shareholder Return ("TSR") relative to a relevant comparator group and the Company's absolute Underlying Earning Per Share performance.

Details of the number of shares awarded but not vested are as follows:

	No.	2018 £'000
Awarded	**160,638**	**549**
Outstanding at the end of the year	**160,638**	**549**

DEFERRED BONUS SHARE PLAN ("DBSP")

Certain employees at director level may be eligible for an annual bonus designed to incentivise high performance based on financial and non-financial performance measures. In line with market practice, a portion of the bonus due, as determined by the Remuneration Committee, may be deferred into shares before it is paid.

In 2019, the Group granted a variable number of equity instruments to Directors as part of the annual bonus award for performance during the financial year ended 31 December 2018. These awards vest on 31 December 2020 subject to continued employment up to this date. The fair value measured at grant date is the fixed amount awarded being £150k and this will be expensed over the three year vesting period. The number of shares will be determined when the shares are issued upon vesting.

7.2. EXPENSES RECOGNISED DURING THE YEAR

The equity-settled share-based payment expenses recognised during the year, per plan and in total are as follows:

	2018 £'000	2017 £'000
PSP Awards	**142**	–
DBSP Awards	**50**	–
Other Awards	**251**	517
Total share-based payments expense	**443**	517

8. OTHER OPERATING EXPENSES

	2018 £'000	2017 £'000
Third party administration fees	**2,518**	1,472
Commissions paid	**–**	269
Legal and professional fees	**4,140**	3,050
Auditor's remuneration for audit services	**795**	538
Auditor's remuneration for other services:		
– Acquisitions	**78**	18
– IPO	**285**	605
Insurance	**593**	480
Travelling	**961**	552
Marketing	**715**	460
IT expenses	**3,565**	2,955
Other expenses	**1,988**	2,735
Other operating expenses	**15,638**	13,134

9. OTHER GAINS

	2018 £'000	2017 £'000
Loan written back/(off)	**30**	(490)
Foreign exchange gains	**558**	257
Net loss on disposal of property, plant and equipment	**(523)**	(2)
Loss on disposal of subsidiary	**–**	(53)
Gain on derivative forward contract	**–**	50
Gain on bargain purchase (see note 17.3)	**457**	2,071
Other gains	**522**	1,833

10. NON-UNDERLYING ITEMS

The Group classifies certain one-off charges or non-recurring credits that have a material impact on the Group's financial results as non-underlying items. They represent specific items of income or expenditure that are not of an operational nature and do not represent the core operating results, and based on their significance in size or nature are presented separately to provide further understanding about the financial performance of the Group.

	2018 £'000	2017 £'000
EBITDA	**5,266**	9,647
Non-underlying items within EBITDA:		
Capital distribution from EBT12[(i) (vi)]	**13,211**	–
IPO costs[(vi)]	**954**	1,768
Acquisition and integration costs[(ii)]	**4,257**	1,995
Office closures	**56**	625
One-off costs to reorganise senior Management team	**93**	200
Other	**–**	187
Total non-underlying items within EBITDA	**18,571**	4,775
Underlying EBITDA	**23,837**	14,422
Loss before tax	**(2,129)**	(3,562)
Non-underlying items within EBITDA	**18,571**	4,775
Gain on bargain purchase[(iii)]	**(457)**	(2,071)
Loss on disposal of acquired fixed assets[(iv)]	**564**	–
Unwinding of discount on capital distribution[(vi)]	**190**	–
Accelerated amortisation of loan arrangement fees[(v) (vi)]	**251**	–
Total non-underlying items within loss before tax	**19,119**	2,704
Underlying profit/(loss) before tax	**16,990**	(858)

(i) The Group expensed £13.211 million to staff costs being the discounted value of the total committed capital distributions from EBT12 following the IPO.

(ii) During 2018, the Group completed two acquisitions (Minerva and Van Doorn) and expensed £1.358 million of acquisition and integration expenditure (see notes 17.1 and 17.2). Also expensed in the year was £2.473 million in relation to the acquisition of BAML (see note 17.3). Acquisition and integration costs includes but is not limited to: travel costs, professional fees, legal fees, tax advisory fees, onerous leases, transitional services agreement costs, any client-acquired penalties or cost of acquired debtors subsequently defaulting, acquisition-related share-based payments and staff reorganisation costs.

(iii) Gain on bargain purchase arising on the acquisition of BAML (see note 17.3).

(iv) Loss on disposal of fixed assets acquired on acquisition of Minerva (see note 17.1).

(v) Due to refinancing at the time of the IPO, £251k of loan arrangement fees were written off in relation to the previous bank facility.

(vi) Items relating to the IPO.

11. EARNINGS PER SHARE

The Group presents basic and diluted Earnings Per Share ("EPS"). In calculating the weighted average number of shares outstanding during the period any share restructuring is adjusted by a factor to make it comparable with the other periods. For diluted EPS, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

	2018 £'000	2017 £'000
Loss for the year	**(3,857)**	(4,645)
Non-underlying items:		
– included within operating expenses	**18,571**	4,775
– included within other gains	**107**	(2,071)
– included within finance costs	**441**	–
Underlying profit/(loss) for the year	**15,262**	(1,941)

	No.	No.
Weighted average number of ordinary shares in issue:		
Original shareholder exchange	**66,534,213**	66,534,213
New issue to original shareholders	**798,586**	–
Primary raise	**5,536,136**	–
Loan note conversion	**26,139,903**	–
Issue of share consideration for Van Doorn	**291,787**	–
Issue of share consideration for Minerva	**331,132**	–
Weighted average number of ordinary shares for the purpose of diluted EPS	**99,631,757**	66,534,213

Basic and diluted EPS (pence)	**(3.87)**	(6.98)
Underlying EPS (pence)	**15.32**	(2.92)

The Group presents basic and diluted EPS and underlying EPS data for its ordinary shares. Basic EPS is calculated by dividing the loss after tax, attributable to ordinary shareholders, by the weighted average number of ordinary shares in issue during the year. Underlying EPS is calculated on the same basis but adjusted for non-underlying items in the year (see note 10).

As the Group made a loss for the year, the impact of any dilutive effects of contingently issuable shares (see note 7.1 (B)) are not calculated as the impact would be anti-dilutive.

As explained in note 1, the Group's financial statements reflect the continuation of the pre-existing group previously headed by JTCGHL. To aid comparability following the Group's reconstruction and share reorganisation, the number of ordinary shares issued to the original shareholders in exchange for their shareholding in JTCGHL has been used to best indicate the share capital in existence at that time and provide EPS information on a consistent basis.

SECTION 3 – WORKING CAPITAL

12. WORK IN PROGRESS

Work in progress ("WIP") represents the net unbilled amount expected to be collected from clients for work performed to date. It is measured at the chargeable rate agreed with the individual clients less progress billed and less expected credit losses.

	2018 £'000	2017 £'000
Total	**7,132**	5,855
Loss allowance (IFRS 9)	**(48)**	–
Net	**7,084**	5,855

For 2018, WIP is subject to the impairment requirements of IFRS 9. As these financial assets relate to unbilled work and have substantially the same risk characteristics as the trade receivables, the Group has therefore concluded that the expected loss rates for trade receivables <30 days, is an appropriate estimation of the expected credit losses.

SENSITIVITY ANALYSIS

The total carrying amount of WIP (before ECL loss allowances) is £7.132 million. If Management's estimate as to the recoverability of the WIP is 10% lower than expected, the impact to revenue would be £0.713 million.

13. TRADE RECEIVABLES

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. On transition to IFRS 9, opening retained earnings at 1 January 2018 were adjusted for an increase of £301k in the allowance for impairment over these receivables (see note 3.1).

Trade receivables are initially recognised at fair value, and subsequently measured at amortised cost (if the time value is material), using the effective interest method, less provision for impairment. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses on trade receivables are estimated collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors' financial position (this includes unlikely to pay indicators such as liquidity issues, insolvency or other financial difficulties) and an assessment of both the current as well as the forecast direction of macroeconomic conditions at the reporting date. The Group has identified gross domestic product and inflation in each country the Group provides services in to be the most relevant macroeconomic factors. The impact of expected changes in these factors have been assessed and are reflected in the loss allowance for 2018. Provision rates are segregated according to geographical location and by business line. The Group considers specific impairment on a by client basis rather than on a collective basis. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement as credit impairment losses. When a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against credit impairment losses.

IAS 39 is similar to IFRS 9 but without the forward looking economic scenarios. Under IAS 39, financial assets were assessed for indicators of impairment at each balance sheet date and were considered impaired when there was objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment would be adversely affected. The carrying amount of trade receivables was adjusted through the use of an allowance account consistent with IFRS 9.

The ageing analysis of trade receivables with the loss allowance is as follows:

2018 (IFRS 9)	Gross £'000	Loss allowance £'000	Net £'000
<30 days	10,048	(213)	9,835
30 – 60 days	1,214	(38)	1,176
61 – 90 days	1,090	(41)	1,049
91 – 120 days	996	(96)	900
121 – 180 days	256	(89)	167
180> days	6,197	(3,182)	3,015
Total	**19,801**	**(3,659)**	**16,142**

13. TRADE RECEIVABLES CONTINUED

2017 (IAS 39)	Gross £'000	Loss allowance £'000	Net £'000
<30 days	4,214	(25)	4,189
30 – 60 days	2,149	(26)	2,123
61 – 90 days	689	(40)	649
91 – 120 days	671	(38)	633
121 – 180 days	739	(115)	624
180> days	5,035	(2,391)	2,644
Total	**13,497**	**(2,635)**	**10,862**

The movement in the allowances for trade receivables is as follows:

	2018 £'000	2017 £'000
Balance at the beginning of the year	**(2,635)**	(2,455)
IFRS 9 opening balance adjustment	**(301)**	–
Impairment losses recognised in the consolidated income statement	**(1,285)**	(1,357)
Amounts written off (net of any unused amounts reversed)	**562**	1,177
Total allowance for doubtful debts	**(3,659)**	(2,635)

14. ACCRUED INCOME

Accrued income across all the service lines represents the billable provision of services to clients which has not been invoiced at the reporting date. Accrued income is recorded based on agreed fees billed in arrears and time-based charges at the agreed charge-out rates in force at the work date less expected credit losses.

	2018 £'000	2017 £'000
Total	**9,334**	8,052
Loss allowance (IFRS 9)	**(25)**	–
Net	**9,309**	**8,052**

For 2018, accrued income is subject to the impairment requirements of IFRS 9. As these financial assets relate to unbilled work and have substantially the same risk characteristics as the trade receivables, the Group has therefore concluded that the expected loss rates for trade receivables <30 days, is an appropriate estimation of the expected credit losses.

15. DEFERRED INCOME

Fixed fees received in advance across all the service lines and up-front fees in respect of services due under contract are time-apportioned to respective accounting periods, and those billed but not yet earned are included in deferred income in the balance sheet.

16. OTHER RECEIVABLES AND OTHER PAYABLES

16.1. OTHER RECEIVABLES

	2018 £'000	2017 £'000
Current		
Prepayments	**2,054**	1,298
Other receivables	**1,335**	1,277
Contract assets	**495**	–
Total current	**3,884**	2,575
Non-current		
Prepayments	**693**	940
Contract assets	**843**	–
Total non-current	**1,536**	940
Total other receivables	**5,420**	3,515

For other receivables, Management concluded the expected credit loss would have an immaterial impact on the financial statements.

16.2. TRADE AND OTHER PAYABLES

	2018 £'000	2017 £'000
Current		
Trade payables	**1,008**	415
Other taxation and social security	**210**	145
Other payables	**5,449**	4,133
Accruals	**5,273**	4,687
Total current	**11,940**	9,380
Non-current		
Other payables	**5,469**	718
Total non-current	**5,469**	718
Total trade and other payables	**17,409**	10,098

Trade payables and accruals principally comprise of amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying value of these to approximate to their fair value.

Included in current and non-current other payables is £3 million and £2.85 million respectively being the discounted value of capital distributions due from EBT12 to employees (2017: £nil) and £0.51 million and £1 million respectively for commissions payable over the term of the customer contracts obtained (see 3.1(B)) (2017: £nil).

In 2017, current other payables included £2.14 million due to the BAML business for bills raised to clients covering the period prior to the acquisition, this was repaid to them during 2018.

SECTION 4 – INVESTMENTS

17. ACQUISITION OF SUBSIDIARIES

BUSINESS COMBINATIONS

The Group applies the acquisition method to account for business combinations. The consideration transferred in an acquisition is measured at the fair value of assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. The identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. Acquisition-related costs are recognised in the income statement as non-underlying items within operating expenses.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

When the consideration transferred includes an asset or liability resulting from a contingent consideration arrangement, this is measured at its acquisition-date fair value. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement' period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in the consolidated income statement.

GOODWILL

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") expected to benefit from the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rata, on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

17.1. MINERVA HOLDINGS LIMITED AND MHL HOLDINGS SA ("MINERVA")

On 5 September 2018, JTC entered into an agreement to acquire 100% of share capital of Minerva Holdings Limited and MHL Holdings SA (together "Minerva") from Dome Management Limited and Dome Management SA. Minerva is a global provider of private client, corporate, fund and treasury services. It operates in Jersey, Dubai, Mauritius, Switzerland, United Kingdom and Singapore. Minerva's client book is mainly focused on private clients, with a small element of corporate and fund structures and has a strong African focus.

The acquired business contributed revenues of £4.37 million and profit before tax of £0.234 million to the Group for the period from 1 September to 31 December 2018. If the business had been acquired on 1 January 2018, the consolidated pro-forma revenue and loss for the year for the Group would have been £86 million and £1.66 million respectively.

(A) IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED ON ACQUISITION

The following table shows, at fair value, the recognised of assets acquired and liabilities assumed at the acquisition date:

	£'000
Property, plant and equipment	884
Intangible assets	13,879
Trade receivables	932
Work in progress	1,027
Accrued income	863
Other receivables	810
Cash and cash equivalents	4,068
Assets	**22,463**
Deferred income	1,476
Finance lease	50
Deferred tax liabilities	1,396
Current tax liabilities	63
Trade and other payables	1,663
Liabilities	**4,648**
Total identifiable net assets	**17,815**

Deferred tax liabilities have been recognised in relation to identified customer contract intangible assets, the amortisation of which is non-deductible against Corporation Tax in the jurisdictions in which the business operates and therefore creates temporary differences between the accounting and taxable profits.

(B) CONSIDERATION

Total consideration is satisfied by the following:

	£'000
Cash consideration	19,608
Equity instruments (2,877,698 ordinary shares issued at fair value)	11,200
Contingent consideration (discounted to fair value)	1,958
Fair value of total consideration	**32,766**

Contingent consideration of £2 million is payable following the first six months of the regulatory completion date and is contingent on Minerva maintaining an underlying EBITDA target. Based on the historic performance of the business and Management's view of expected future revenue, it's anticipated this will be paid in full. The amount payable has been discounted to its present value of £1.96 million.

(C) GOODWILL

Goodwill arising from the acquisition has been recognised as follows:

	£'000
Total consideration	32,766
Less: Fair value of identifiable net assets	(17,815)
Goodwill	**14,951**

Goodwill is represented by assets that do not qualify for separate recognition or other factors. These include new business wins to new customers, effects of an assembled workforce and synergies from combining operations of the acquiree and the acquirer.

17. ACQUISITION OF SUBSIDIARIES CONTINUED

17.1. MINERVA HOLDINGS LIMITED AND MHL HOLDINGS SA ("MINERVA") CONTINUED

(D) IMPACT ON CASH FLOW

	£'000
Cash consideration	(19,608)
Less: cash balances acquired	4,068
Net cash outflow from acquisition	**(15,540)**

(E) ACQUISITION-RELATED COSTS

The Group incurred acquisition-related costs of £212k for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 8) and are included along with integration costs to reach underlying EBITDA (see note 10).

17.2. VAN DOORN CFS B.V. ("VAN DOORN")

On 17 August 2018, JTC entered into an agreement with International Capital Group B.V. to purchase 100% of the share capital of Van Doorn, a Netherlands-based provider of corporate and fiduciary services.

The acquired business contributed revenues of £1.42 million and profit before tax of £0.914 million to the Group for the period from 1 September to 31 December 2018. If the business had been acquired on 1 January 2018, the consolidated pro-forma revenue and loss for the year for the Group would have been £80.1 million and £0.3 million respectively.

(A) IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED ON ACQUISITION

The following table shows, at fair value, the recognised of assets acquired and liabilities assumed at the acquisition date:

	€'000	£'000
Property, plant and equipment	54	48
Intangible assets	8,616	7,724
Trade receivables	342	307
Work in progress	346	311
Other receivables	42	38
Cash and cash equivalents	547	490
Assets	9,947	8,918
Deferred income	177	159
Deferred tax liabilities	2,154	1,931
Current tax liabilities	468	420
Trade and other payables	217	194
Liabilities	3,016	2,704
Total identifiable net assets	**6,931**	**6,214**

Deferred tax liabilities have been recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Netherlands Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

17. ACQUISITION OF SUBSIDIARIES CONTINUED

(B) CONSIDERATION

Total consideration is satisfied by the following:

	€'000	£'000
Cash consideration	11,258	10,093
Equity instruments (1,121,077 ordinary shares issued at fair value)	5,000	4,482
Contingent consideration (discounted to fair value)	5,352	4,798
Fair value of total consideration	**21,610**	**19,373**

Contingent consideration of £5 million (€5.5 million) was paid in February 2019 as the business performed successfully, exceeding the Revenue and underlying EBITDA targets set for 2018.

(C) GOODWILL

Goodwill arising from the acquisition has been recognised as follows:

	€'000	£'000
Total consideration	21,610	19,373
Less: Fair value of identifiable net assets	(6,931)	(6,214)
Goodwill	**14,679**	**13,159**

Goodwill is represented by assets that do not qualify for separate recognition or other factors. These include new business wins to new customers, effects of an assembled workforce and synergies from combining operations of the acquiree and the acquirer.

(D) IMPACT ON CASH FLOW

	€'000	£'000
Cash consideration	(11,258)	(10,093)
Less: cash balances acquired	547	490
Net cash outflow from acquisition	**(10,711)**	**(9,603)**

(E) ACQUISITION-RELATED COSTS

The Group incurred acquisition-related costs of £312k for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 8) and are included along with integration costs to reach underlying EBITDA (see note 10).

17.3. INTERNATIONAL TRUST AND WEALTH STRUCTURING BUSINESS OF BANK OF AMERICA CORPORATION ("BAML")

On 30 September 2017, the Group acquired 100% of the issued share capital of the following companies: Merrill Lynch Corporate (New Zealand) Ltd, CM (Suisse) Trust Company Sarl, CM (IOM) Trust Company Limited and Fiduciary Services (UK) Limited (together the "BAML business"). The BAML business provides the administration of trust services for international advisory clients and provided the Group with a presence in the Isle of Man as well as increasing headcount in the key financial centres of the Cayman Islands, Geneva, London, Miami and Singapore.

The fair value of consideration was £6.69 million ($8.98 million) for acquired identifiable net assets of £8.76 million ($11.76 million) resulting in a bargain purchase and negative goodwill of £2.07 million ($2.78 million). The gain on acquisition is shown within other gains in the consolidated income statement (see note 9).

Contingent consideration of £4.3 million ($5.75 million) was payable one year following completion dependent on the BAML business achieving an agreed revenue target. On 14 December 2018, deferred consideration of £4.06 million ($5.14 million) was paid, this amount is slightly lower than anticipated as a result of the revenue target not being met in its entirety.

Within the acquired identifiable net assets we recognised customer contract intangibles of £9.61 million ($12.89 million) with a useful economic life of 12 years. Deferred tax liabilities of £1.2 million ($1.6 million) were recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Corporation Tax in the jurisdictions in which the business operates and therefore creates temporary differences between the accounting and taxable profits.

17. ACQUISITION OF SUBSIDIARIES CONTINUED

17.4. NEW AMSTERDAM CITITRUST B.V. ("NACT")

On 31 July 2017, the Group acquired 100% of the issued share capital of New Amsterdam Cititrust B.V. ("NACT"), a business providing a range of corporate and administration services to both institutional and private clients. This acquisition served to strengthen JTC's presence in Europe and expand its global footprint to include the Netherlands.

The fair value of consideration was £5.02 million (€5.62 million) for acquired identifiable net assets of £3.02 million (€3.38 million) resulting in goodwill of £2.1 million (€2.24 million).

Contingent consideration of £1.79 million (€2 million) was payable in the two years following completion, contingent on the NACT business achieving underlying EBITDA targets for the financial years ending 31 December 2017 and 2018. On 20 March 2018, contingent consideration of £0.88 million (€1 million) was paid in respect of 2017 and on 29 January 2019, contingent consideration of £0.87 million (€1 million) was paid in respect of 2018 as both targets were achieved.

Within the acquired identifiable net assets were recognised customer contract intangibles of £2.98 million (€3.34 million) with a useful economic life of 10 years. Deferred tax liabilities of £0.75 million (€0.83 million) were recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Netherlands Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

18. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recorded at cost and are stated at historical cost less depreciation and impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Leasehold improvements	over the period of the lease
Computer equipment	4 years
Office furniture and equipment	4 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

Assets under the course of construction are stated at cost. These assets are not depreciated until they are available for use.

	Computer equipment £'000	Office furniture and equipment £'000	Leasehold improvements £'000	Assets under construction £'000	Total £'000
Cost					
At 1 January 2017	2,352	858	1,694	1,016	5,920
Additions	40	121	3,420	–	3,581
Transfers	–	–	1,016	(1,016)	–
Additions through acquisitions	286	9	–	–	295
Disposals	(27)	(62)	(68)	–	(157)
Exchange differences	(12)	1	9	–	(2)
At 31 December 2017	2,639	927	6,071	–	9,637
Additions	372	256	843	–	1,471
Additions through acquisitions	114	277	514	–	905
Disposals	(372)	(254)	(581)	–	(1,207)
Exchange differences	6	–	42	–	48
At 31 December 2018	**2,759**	**1,206**	**6,889**	**–**	**10,854**
Accumulated depreciation					
At 1 January 2017	1,557	702	919	–	3,178
Charge for the year	404	80	568	–	1,052
Disposals	(20)	(46)	(28)	–	(94)
Exchange differences	(3)	(1)	1	–	(3)
At 31 December 2017	1,938	735	1,460	–	4,133
Charge for the year	423	99	420	–	942
Disposals	(327)	(217)	(119)	–	(663)
Exchange differences	4	3	29	–	36
At 31 December 2018	**2,038**	**620**	**1,790**	**–**	**4,448**
Carrying amount					
At 31 December 2018	**721**	**586**	**5,099**	**–**	**6,406**
At 31 December 2017	701	192	4,611	–	5,504

The carrying value of property, plant and equipment includes an amount of £162k (2017: £nil) in respect of office furniture and equipment held under finance leases.

19. INTANGIBLE ASSETS AND GOODWILL

GOODWILL

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. See note 17 for the measurement of goodwill at initial recognition, subsequent to this measurement is at cost less accumulated impairment losses.

INTANGIBLE ASSETS ACQUIRED SEPARATELY

Intangible assets that are acquired separately by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date that they are available for use. The estimated useful lives are as follows:

Regulatory licence	12 years
Software	4 years

The estimated useful lives and residual value are reviewed at each reporting date and adjusted if appropriate, with the effect of any change in estimate being accounted for on a prospective basis.

Intangible assets under the course of construction are stated at cost and are not depreciated until they are available for use.

19. INTANGIBLE ASSETS AND GOODWILL CONTINUED

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, these are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date of acquisition. The estimated useful lives are as follows:

Customer contracts 8.7 to 12 years

The estimated useful lives and residual value are reviewed at each reporting date and adjusted if appropriate, with the effect of any change in estimate being accounted for on a prospective basis.

The movements of the intangible assets and goodwill are as follows:

	Goodwill £'000	Customer contracts £'000	Regulatory licence £'000	Software £'000	Assets under construction £'000	Total £'000
Cost						
At 1 January 2017	74,022	10,935	237	2,110	250	87,554
Additions	–	–	–	282	144	426
Transfers	–	–	–	394	(394)	–
Additions through acquisitions	2,001	12,591	–	–	–	14,592
Disposals	–	–	–	(1)	–	(1)
Exchange differences	160	(252)	8	1	–	(83)
At 31 December 2017	76,183	23,274	245	2,786	–	102,488
Adjustments	27	–	–	–	–	27
Additions	–	–	–	623	81	704
Additions through acquisitions	28,110	21,604	–	45	–	49,759
Disposals	–	–	–	(40)	–	(40)
Exchange differences	515	1,155	6	22	–	1,698
At 31 December 2018	**104,835**	**46,033**	**251**	**3,436**	**81**	**154,636**
Accumulated amortisation						
At 1 January 2017	–	1,429	10	1,289	–	2,728
Charge for the period	–	1,326	21	495	–	1,842
Exchange differences	–	(25)	(2)	1	–	(26)
At 31 December 2017	–	2,730	29	1,785	–	4,544
Charge for the period	–	2,743	20	484	–	3,247
Prior period adjustment	–	–	–	–	–	–
Disposals	–	–	–	(7)	–	(7)
Exchange differences	–	157	3	22	–	182
At 31 December 2018	**–**	**5,630**	**52**	**2,284**	**–**	**7,966**
Carrying amount						
At 31 December 2018	**104,835**	**40,403**	**199**	**1,152**	**81**	**146,670**
At 31 December 2017	76,183	20,544	216	1,001	–	97,944

19.1. INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

In 2018, the Group acquired Minerva and Van Doorn and recognised customer contract intangible assets of £13.88 million and £7.72 million respectively.

KEY ASSUMPTIONS

The fair value at acquisition was derived using the MEEM valuation model. Management considers the key assumptions used in this model to be:

> Year on year revenue growth
> The discount rate applied to free cash flow

SENSITIVITY ANALYSIS

Management carried out a sensitivity analysis on the key assumptions used in the valuation of the customer contract intangible assets of the two significant CGUs, being Minerva Jersey and Van Doorn.

For Minerva Jersey, an increase of 2% in year on year revenue growth would increase fair value by £516k and an increase in discount rate of 2% would decrease fair value by £550k. For Van Doorn, an increase of 2% in year on year revenue growth would increase fair value by £229k and an increase in discount rate of 2% would decrease fair value by £351k.

Management estimates that any similar changes to these key assumptions for the other customer contract intangible assets recognised in the year would not result in a significant change to fair value.

19.2. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, current and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the higher of fair value less costs to sell or the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

To perform impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Where the recoverable amount is less than the carrying amount, impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and thereafter to reduce the carrying amount of other assets in the CGU. Any impairment losses identified would be immediately recognised in the consolidated income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is also recognised immediately in the consolidated income statement. An impairment loss in respect of goodwill is not reversed.

19. INTANGIBLE ASSETS AND GOODWILL CONTINUED

19.2. IMPAIRMENT OF NON-FINANCIAL ASSETS CONTINUED

(A) GOODWILL IMPAIRMENT

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

CGU	Balance at 1 Jan 2018 £'000	Post-acquisition adjustments £'000	Business combinations £'000	Exchange differences £'000	Balance at 31 Dec 2018 £'000
Jersey	54,337	–	9,669	–	**64,006**
Guernsey	10,598	–	–	–	**10,598**
BVI	752	–	–	–	**752**
Switzerland	1,077	–	1,208	64	**2,349**
Cayman	225	–	–	12	**237**
Luxembourg	7,204	–	–	69	**7,273**
Netherlands	1,990	27	13,159	105	**15,281**
Minerva Dubai	–	–	1,761	115	**1,876**
Minerva Mauritius	–	–	2,313	150	**2,463**
Total	**76,183**	**27**	**28,110**	**515**	**104,835**

CGU	Balance at 1 Jan 2017 £'000	Business combinations £'000	Exchange differences £'000	Balance at 31 Dec 2017 £'000
Jersey	54,337	–	–	**54,337**
Guernsey	10,598	–	–	**10,598**
BVI	752	–	–	**752**
Switzerland	1,077	–	–	**1,077**
Cayman	245	–	(20)	**225**
Luxembourg	7,013	–	191	**7,204**
Netherlands	–	2,001	(11)	**1,990**
Total	**74,022**	**2,001**	**160**	**76,183**

The recoverable amount of goodwill has been determined for each CGU as at 31 December 2018 and as at 31 December 2017. For each of the CGUs, the recoverable amount was found to be higher than its carrying amount.

KEY ASSUMPTIONS USED IN DISCOUNTED CASH FLOW PROJECTION CALCULATIONS

The recoverable amount of all CGUs has been determined based on a value in use calculation using cash flow projections. Projected cash flows are calculated with reference to each CGU's latest budget and business plan which are subject to a rigorous review and challenge process. Management prepares the budgets through an assessment of historic revenues from existing clients, the pipeline of new projects, historic pricing, and the required resource base needed to service new and existing clients, coupled with their knowledge of wider industry trends and the economic environment.

The year 1 cash flow projections are based on detailed financial budgets and years 2 to 5 on detailed outlooks prepared by Management. The revenue growth rate assumed beyond the initial five year period is between 1% and 2%, based on the expected long-term inflation rate of the relevant jurisdiction of the CGU.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. In assessing the discount rate applicable to the Group the following factors have been considered:
> Long-term treasury bond rate for the relevant jurisdiction
> The cost of equity based on an adjusted Beta for the relevant jurisdiction
> The risk premium to reflect the increased risk of investing in equities

The above assumptions have resulted in weighted average cost of capital ("WACC") of between 11.3% and 16.4%.

A summary of the values assigned to the key assumptions used in the value in use calculations are as follows:
> Terminal value growth rate: between 1% and 2%
> Discount rate: between 11.3% and 16.4%
> EBIT Margin: between 25% to 65%

SENSITIVITY ANALYSIS

Management believes that any reasonable changes to the key assumptions on which recoverable amounts are based would not cause the aggregate carrying amount to exceed the recoverable amount of the CGUs.

(B) CUSTOMER CONTRACT INTANGIBLES IMPAIRMENT

The carrying amount of the identifiable customer contract intangible assets acquired is as follows:

Acquisition	Notes	Useful economic life	Carrying amount 2018 £'000	Carrying amount 2017 £'000
Signes[i]		10 years	**1,853**	2,107
KB Group[i]		12 years	**2,965**	3,314
S&GFA[i]		10 years	**2,666**	2,890
BAML	17.3	10 years	**9,100**	9,392
NACT	17.4	12 years	**2,582**	2,841
Van Doorn	17.2	11.4 years	**7,539**	–
Minerva Jersey	17.1	11.8 years	**9,736**	–
Minerva Mauritius	17.1	10 years	**1,801**	–
Minerva Dubai	17.1	10 years	**1,418**	–
Minerva Switzerland	17.1	8.7 years	**743**	–
Total			**40,403**	20,544

(i) Acquisitions in previous years included: Signes S.a.r.l and Signes S.A. ("Signes"), Kleinwort Benson (Channel Islands) Fund Services Limited ("KB Group") and Swiss & Global Fund Administration (Cayman) Ltd ("S&GFA").

Management reviews customer contract intangible assets for indicators of impairment at the reporting date. The only indicator identified was that actual revenues generated by BAML customer contracts were lower than forecast. An impairment assessment was performed and as the recoverable amount of the BAML customer contract intangible asset was higher than the carrying amount, Management concluded there was no impairment.

20. DEPRECIATION AND AMORTISATION

	2018 £'000	2017 £'000
Amortisation of intangible assets	**3,247**	1,842
Depreciation of property, plant and equipment	**942**	1,052
Amortisation of contract assets	**448**	–
Depreciation and amortisation	**4,637**	2,894

21. INVESTMENT IN EQUITY-ACCOUNTED INVESTEE

The Group's interests in an equity-accounted investee solely comprises an interest in an associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the carrying amount of the investment is adjusted to recognise changes in the Group's share of the net assets of the associate since the acquisition date.

The consolidated income statement reflects the Group's share of the results of operations of the associate, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commenced until the date that significant influence ceases. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated income statement outside of operating profit and represents profit or loss after tax.

The Group has a 42% (2017: 42%) interest in Kensington International Group Pte. Ltd ("KIG"), a company incorporated in Singapore. KIG provides corporate, fiduciary, trust and accounting services and is a strategic partnership for the Group, providing access to new clients and markets in the Far East. The associate has share capital consisting of ordinary and preference shares, which are held directly by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. KIG is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's interest in KIG.

The summarised financial information for KIG, which is accounted for using the equity method, is as follows:

SUMMARISED INCOME STATEMENT	2018 £'000	2017 £'000
Revenue	**3,639**	2,822
Gross profit	**2,762**	2,178
(Loss)/profit for the year	**(47)**	103
Other comprehensive income for the year	**15**	3
Total comprehensive (loss)/income for the year	**(32)**	106

SUMMARISED BALANCE SHEET	2018 £'000	2017 £'000
Total non-current assets	**516**	460
Total current assets	**2,133**	1,524
Total assets	**2,649**	1,984
Total current liabilities	**1,572**	1,171
Net assets less current liabilities	**1,077**	813

RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION	2018 £'000	2017 £'000
Opening net assets	**813**	816
(Loss)/profit for the year	**(47)**	103
Other comprehensive income	**15**	3
Increase in equity	**225**	–
Foreign exchange differences	**71**	(109)
Closing net assets	**1,077**	813
Group's share of closing net assets	**456**	344
Goodwill	**522**	542
Carrying value of investment in associate	**978**	886

SECTION 5 – FINANCING, FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

	2018 £'000	2017 £'000
Cash attributable to the Company	**26,354**	16,164
Committed EBT capital distributions	**6,103**	–
Total	**32,457**	16,164

For 2018, cash and cash equivalents is subject to the impairment requirements of IFRS 9. As balances are mainly held with reputable international banking institutions, they were assessed to have low credit risk and no loss allowance is recognised.

23. LOANS AND BORROWINGS

	2018 £'000	2017 £'000
Current		
Bank loans	**–**	55,522
Finance leases	**5**	–
Other loans	**678**	842
Total current	**683**	56,364
Non-current		
Bank loans	**71,494**	–
Investor loan notes	**–**	28,126
Management loan notes	**–**	34,029
Finance leases	**30**	–
Other loans	**508**	1,186
Total non-current	**72,032**	63,341
Total loans and borrowings	**72,715**	119,705

23. LOANS AND BORROWINGS CONTINUED

23.1. BANK LOANS

The terms and conditions of outstanding bank loans are as follows:

Facility	Currency	Termination Date	Initial interest rate (i)	2018 £'000	2017 £'000
Term facility B	GBP	31 December 2018	LIBOR + 4.5%	–	47,500
Acquisition facility	GBP	31 December 2018	LIBOR + 4%	–	8,336
Term facility	GBP	8 March 2023	LIBOR + 2%	**45,000**	–
Revolving facility	GBP	8 March 2023	LIBOR + 2%	**19,000**	–
Revolving facility	EUR	8 March 2023	EURIBOR + 2%	**9,014**	–
Total principal value				**73,014**	55,836
Issue costs				**(1,520)**	(314)
Total bank loans				**71,494**	55,522

(i) From the initial interest rate, the facility margin can change as a result of net leverage calculations.

Movement in bank facilities during the year:

	At 1 January 2018 £'000	Repayments £'000	Drawdowns £'000	Amortisation release £'000	Effect of foreign exchange £'000	At 31 December 2018 £'000
Principal value	55,836	(55,836)	72,960	–	54	73,014
Issue costs	(314)	–	(1,750)	544	–	(1,520)
Total	**55,522**	**(55,836)**	**71,210**	**544**	**54**	**71,494**

On 9 March 2018, the Group entered into a new five year loan facility agreement with HSBC Bank Plc for a total commitment of £55 million (or its equivalent in EUR and USD) consisting of a term loan of £45 million and a revolving facility commitment of £10 million. The loan agreement was amended on 19 October 2018 to increase the total commitment to £100 million and to introduce Barclays Bank Plc, Santander UK Plc and the Bank of Ireland as incoming lenders with an additional revolving facility commitment of £15 million each. All facilities are due to be repaid on or before the Termination Date of 8 March 2023.

An amount of £45 million from the loan facility was used to partially fund the repayment of the existing secured bank loan with HSBC Bank Plc and Royal Bank of Scotland Plc totalling £55.8 million in March 2018. The issue costs of £251k associated with this loan have been written off, having previously been capitalised for amortisation over the term of the loan. Two further withdrawals were made on 25 September 2018 and 16 November 2018 for £9 million and £19 million respectively to partially fund the two acquisitions made by the Group during the year as detailed in notes 17.1 and 17.2.

The cost of the facility depends upon Net Leverage, being the ratio of total net debt to underlying EBITDA (for LTM at average FX rates and adjusted for pro-forma contributions from acquisitions and synergies) for a relevant period. Arrangement and legal fees amounting to £1.75 million have been capitalised for amortisation over the term of the loan.

At 31 December 2018, the Group had available £27 million of committed facilities currently undrawn (2017: £1.7 million).

23.2. LOAN NOTES

The Investor (CBPE Capital LLP "CBPE") and Management were issued 12% Fixed Rate Unsecured loan notes with an aggregate principal amount of £28.4 million and £34.3 million respectively. They were repayable on the earlier of 27 July 2022 or the date of completion of an exit with interest on the principal amount accruing from the date of issue at the rate of 12% per annum compounding annually.

On 30 November 2017, the Board approved a restructuring of the Investor and Management loan notes. As a result of the restructuring, £31.038 million of loan note interest was waived in the 2017 financial year.

The loan notes were initially recognised at fair value at the issue date and were subsequently measured on an amortised cost basis. At 30 November 2017, there was a substantial change to the terms of the loan notes, whereby they became interest-free. These interest-free loan notes were then fair valued at 31 December 2017 and changes in valuation under the new loan facility in comparison to the original loan facility went through equity as this was a transaction among equity holders.

As part of the restructuring prior to the IPO (save in the case of certain loan notes which were repaid prior to Admission), the loan notes were transferred to the Company and the Company issued Ordinary Shares to such note holders (see note 27).

23.3. OTHER LOANS

On 10 April 2017, the Group entered into a loan facility with Close Leasing Limited to draw down £2.52 million. On this date, the 1% loan arrangement fee of £25k and an initial instalment of £194k were deducted from the cash received, the remaining balance due will be settled in 41 monthly instalments of £65k each.

On 22 May 2017, the Group entered into a loan facility with Lombard Finance Limited to draw down £479k. There were no arrangement fees and the total due of £492k was payable in 12 equal monthly instalments. The final instalment was paid in April 2018.

24. OTHER FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

24.1. OTHER FINANCIAL ASSETS

	2018 £'000	2017 £'000
Non-current		
Loans receivable from related undertakings		
– Northpoint Byala IC	**53**	53
– Northpoint Finance IC	**11**	11
Loan receivable from employee	**180**	–
Total other financial assets	**244**	64

Northpoint Byala IC and Northpoint Finance IC are incorporated cell companies registered in Jersey, Channels Islands and related parties due to common directorships. The loans are unsecured and interest-free, as the repayment date is unspecified, Management consider these to be non-current.

The loan made to an employee is interest-bearing (LIBOR +1.5%) and this is repayable on 31 December 2020 unless the employment contract is terminated at an earlier date.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above and in note 26.2. The Group does not hold any collateral as security.

24.2. OTHER FINANCIAL LIABILITIES

	2018 £'000	2017 £'000
Current		
Deferred consideration	**7,968**	5,356
Total current	**7,968**	5,356
Non-current		
Deferred consideration	**241**	1,087
Total non-current	**241**	1,087
Total other financial liabilities	**8,209**	6,443

Deferred consideration payable for the acquisition of subsidiaries is discounted to net present value. This is split between current and non-current and is due by acquisition as follows: £5.06 million for Van Doorn, £1.96 million for Minerva, £883k for NACT and £306k for the S&GFA (2017: £1.921 million for NACT, £4.163 million for BAML and £359k for the S&GFA).

25. FINANCE INCOME AND FINANCE COST

Finance income includes interest income from loan receivables and bank deposits and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Finance costs include interest expenses on loans and borrowings, the unwinding of the discount on provisions and contingent consideration and the amortisation of directly attributable transaction costs which have been capitalised upon issuance of the financial instrument and released to the consolidated income statement on a straight-line basis over the contractual term.

	2018 £'000	2017 £'000
Bank interest	**90**	56
Loan interest	**13**	17
Finance income	**103**	73
Bank loan interest	**1,611**	2,348
Loan note interest	**48**	9,202
Amortisation of loan arrangement fees	**555**	322
Unwinding of net present value discounts	**986**	119
Other finance expense	**275**	224
Finance cost	**3,475**	12,215

26. FINANCIAL INSTRUMENTS

CLASSIFICATION AND MEASUREMENT

The Group has applied IFRS 9 as of 1 January 2018, the impact is disclosed in note 3.1.

IFRS 9 introduces a single classification and measurement model for financial assets, depending on both the entity's business model objective for managing financial assets and the contractual cash flow characteristics of financial assets. Based on this, there are three principal classification categories, these are: amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

NON-DERIVATIVE FINANCIAL ASSETS

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such a transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position if, and only if, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables.

LOANS AND RECEIVABLES

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise loans, trade receivables and other receivables.

NON-DERIVATIVE FINANCIAL LIABILITIES

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings and trade and other payables.

IMPAIRMENT

NON-DERIVATIVE FINANCIAL ASSETS

Financial assets not classified at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not otherwise consider, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

FINANCIAL ASSETS MEASURED AT AMORTISED COST

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for Management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

The Group has exposure to the following main risks from its financial instruments: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's Management of capital.

The financial risk management policies are discussed by the Management of the Group on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise the potential adverse impact on the financial performance of the Group. Management provides necessary guidance and instructions to the employees covering the specific risk areas.

26. FINANCIAL INSTRUMENTS CONTINUED

26.1. MARKET RISK

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. There is also a degree of currency risk through overseas operations with a functional currency other than pounds sterling and to a lesser extent when contracting with clients in currencies other than pounds sterling.

FOREIGN CURRENCY RISK MANAGEMENT

The principal currency of the Group's financial assets and liabilities is pounds sterling. The Group does, however, own trading subsidiaries based in Africa, Americas, Caribbean, Middle East, Asia, New Zealand and Europe which are denominated in a currency other than the principal currency. The Group manages exposure to foreign exchange rates by carrying out the majority of its transactions in the functional currency of the Group company in the jurisdiction in which it operates.

The Group entities maintain assets in foreign currencies sufficient for regulatory capital purposes in each jurisdiction. The carrying amounts of the Group's material foreign currency denominated monetary assets and monetary liabilities at the period end are as follows:

	Monetary Assets(i)		Monetary Liabilities(ii)	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
Euro	**10,459**	3,786	**(3,020)**	(2,984)
United States Dollar	**7,746**	3,720	**(1,484)**	(552)
South African Rand	**1,192**	792	**–**	(379)
Swiss Franc	**745**	653	**(580)**	(2,562)
New Zealand Dollars	**13**	–	**–**	–
Singaporean Dollars	**–**	–	**(31)**	–
Pound Sterling	**29,602**	18,040	**(86,163)**	(119,982)
Total	**49,757**	26,991	**(91,278)**	(126,459)

(i) Monetary assets comprise of cash and cash equivalents and trade and other receivables.
(ii) Monetary liabilities comprise of loans and borrowings and trade and other payables.

FOREIGN CURRENCY RISK EXPOSURE

The following table illustrates Management's assessment of the foreign currency impact on the year-end balance sheet and presents the possible impact on the Group's total comprehensive income for the year and net assets arising from potential changes in the Euro, United States Dollar, South African Rand, Swiss Franc, New Zealand Dollar and Singaporean Dollar exchange rates, with all other variables, particularly interest rates, remaining constant. A strengthening or weakening of pounds sterling by 15% is considered an appropriate variable for the sensitivity analysis given the scale of foreign exchange fluctuations over the last three years.

	Strengthening/ (weakening) of pound sterling	*Effect on comprehensive income and net assets* **2018 £'000**	2017 £'000
Euro	+15%	**1,116**	120
United States Dollars	+15%	**939**	475
South African Rand	+15%	**179**	62
Swiss Franc	+15%	**25**	(286)
New Zealand Dollars	+15%	**2**	–
Singaporean Dollars	+15%	**(5)**	–
Total		**2,256**	**371**
Euro	(15%)	**(1,116)**	(120)
United States Dollars	(15%)	**(939)**	(475)
South African Rand	(15%)	**(179)**	(62)
Swiss Franc	(15%)	**(25)**	286
New Zealand Dollars	(15%)	**(2)**	–
Singaporean Dollars	(15%)	**5**	–
Total		**(2,256)**	**(371)**

26.1. MARKET RISK CONTINUED

INTEREST RATE RISK MANAGEMENT

The Group is exposed to interest rate risk as it borrows funds at floating interest rates, the interest rates are directly linked to LIBOR and/or EURIBOR plus a margin based on the leverage ratio of the Group, the higher the leverage ratio the higher the margin on LIBOR and/or EURIBOR. The risk is managed by the Group maintaining an appropriate leverage ratio and through this ensuring that the interest rate is kept as low as possible.

The interest fluctuations are low which minimises the Group's exposure to interest rate fluctuations. As a result, no hedging instruments have been put in place.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

INTEREST RATE RISK EXPOSURE

The following sensitivity analysis has been determined based on the floating rate liabilities.

The Group considers a reasonable interest rate movement in LIBOR to be 50 basis points based on recent historical changes to interest rates. If interest rates had been higher/lower by 50 basis points and all other variables were held constant, the Group's loss for the year ended 31 December 2018 would decrease/increase by £357k (2017: £278k).

26.2. CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's principal exposure to credit risk arises from the Group's trade receivables from clients, work in progress, accrued income and cash and cash equivalents.

Trade receivables, work in progress and accrued income consist of a large number of customers, spread across diverse industries and geographical areas. The carrying amount of financial assets recorded in the historical financial information, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

The Group manages credit risk by review at take-on around:
> The risk of insolvency or closure of the customer's business
> Customer liquidity issues
> General creditworthiness, including past default experience of the customer, and customer types

Subsequently, customer credit risk is managed by each of the Group entities subject to the Group's policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are monitored and followed up continuously. Provisions are made when there is objective evidence that the Group will not be able to collect the debts or bill the customer. This evidence can include the following: indication that the customer is experiencing significant financial difficulty or default, probability of bankruptcy, problems in contacting the customer, disputes with a customer, or similar factors. Analysis is done on a case by case basis in line with policies. The ageing of trade receivables and loss allowance at the reporting date is disclosed in note 13.

Cash and cash equivalents and interest receivable are held mainly with banks which are rated 'A-' or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd for long-term credit rating.

26. FINANCIAL INSTRUMENTS CONTINUED
26.2. CREDIT RISK MANAGEMENT CONTINUED
CREDIT RISK EXPOSURE

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

	Total 2018 £'000	Loss allowance 2018 £'000	Net 2018 £'000	Total 2017 £'000	Loss allowance 2017 £'000	Net 2017 £'000
Trade receivables	19,801	(3,659)	16,142	13,497	(2,635)	10,862
Other receivables	5,420	–	5,420	3,515	–	3,515
Work in progress	7,132	(48)	7,084	5,855	–	5,855
Accrued income	9,334	(25)	9,309	8,052	–	8,052
Other financial assets	244	–	244	64	–	64
Cash and cash equivalents	32,457	–	32,457	16,164	–	16,164
	74,388	(3,732)	70,656	47,147	(2,635)	44,512

For trade receivables, work in progress and accrued income the Group has determined that the application of IFRS 9 impairment requirements at 1 January 2018 results in an additional allowance for impairment of £301k (see note 3.1.).

For the ageing of trade receivable and the provisions thereon at the year end, including the movement in the provision, see note 13.

26.3. LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk to maintain adequate reserves by regular review around the working capital cycle using information on forecast and actual cash flows.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the Management of the Group's short, medium and long-term funding and liquidity Management requirements. Regulation in most jurisdictions also requires the Group to maintain a level of liquidity so the Group does not become exposed.

LIQUIDITY AND INTEREST RISK TABLES

The tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment years. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2018	<3 months £'000	3 – 12 months £'000	1 – 5 years £'000	>5 years £'000	Total contractual cash flow £'000
Loans and borrowings(i)	390	1,952	78,685	–	81,027
Trade payables and accruals	15,903	–	–	–	15,903
Deferred consideration for acquisitions	5,925	2,065	242	–	8,232
	22,218	4,017	78,927	–	105,162

2017	<3 months £'000	3 – 12 months £'000	1 – 5 years £'000	>5 years £'000	Total contractual cash flow £'000
Loans and borrowings(i)	587	58,770	64,151	–	123,508
Trade payables and accruals	10,190	–	–	–	10,190
Deferred consideration for acquisitions	–	5,478	1,379	–	6,857
	10,777	64,248	65,530	–	140,555

(i) This includes the future interest payments not yet accrued and the repayment of capital upon maturity.

26.4. CAPITAL RISK MANAGEMENT

The capital structure of the Group consists of shares, share premium and borrowings. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

As disclosed in note 23, the Group has a bank loan which requires it to meet leverage and interest cover covenants. In order to achieve the Group's capital risk management objective, the Group aims to ensure that it meets financial covenants attached to bank borrowings. Breaches in meeting the financial covenants would permit the lender to immediately recall the loan. In line with the loan agreement the Group tests compliance with the financial covenants on a quarterly basis.

Individual regulated entities within the Group are subject to regulatory requirements to ensure adequate capital and liquidity to meet local requirements in Jersey, Guernsey, Isle of Man, UK, USA, Switzerland, Netherlands, Luxembourg, Mauritius, South Africa and the Caribbean; all are monitored regularly to ensure compliance. There have been no breaches of applicable regulatory requirements during the year.

The Directors continue to review and improve the Group's objectives, policies and processes for managing capital.

26.5. CARRYING AMOUNT OF FINANCIAL ASSETS AND LIABILITIES

	Notes	2018 £'000	2017 £'000
Financial assets measured at amortised cost:			
Trade receivables	13	16,142	10,862
Other receivables	16.1	5,420	3,515
Work in progress	12	7,084	5,855
Accrued income	14	9,309	8,052
Other financial assets	24.1	244	64
Cash and cash equivalents	22	32,457	16,164
		70,656	44,512
Financial liabilities measured at amortised cost:			
Loans and borrowings	23	72,715	119,705
Trade and other payables	16.2	17,409	10,098
Other financial liabilities	24.2	8,209	6,443
		98,333	136,246

27. SHARE CAPITAL AND RESERVES

ORDINARY SHARES

The Group's ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Interim dividends are recognised when paid.

OWN SHARES

Own shares represent the shares of the Company that are unallocated and held by PLC EBT and previously share ownership trusts and EBT12 (together the "Trusts"). Own shares are recorded at cost and deducted from equity. When shares vest unconditionally, are cancelled or are reissued they are transferred from the own shares reserve at their cost. Any consideration paid or received by the Trust for the purchase or sale of the Company's own shares is shown as a movement in shareholders equity.

27.1. SHARE CAPITAL

	£'000
Authorised	
300,000,000 Ordinary shares of £0.01 each	**3,000**
Called up, issued and fully paid	
110,895,327 Ordinary shares of £0.01 each	**1,109**

The Company was incorporated on 12 January 2018 with an authorised share capital of £10,000 divided into 1,000,000 shares of £0.01 each, of which 2 shares were issued on incorporation at par. On 12 February 2018, the date of the IPO prospectus, a further 902,427 Ordinary Shares were issued, also at par.

Immediately prior to Admission, the Group undertook a reorganisation (the "Reorganisation") of its corporate structure that resulted in the Company being the ultimate holding company of the Group and JTCGHL becoming a direct subsidiary of the Company.

In connection with the Reorganisation and the IPO Offer, the Company's shareholders resolved by written resolution on 8 March 2018 that the authorised share capital of the Company be increased from £10,000 divided into 1,000,000 Ordinary Shares to £3,000,000 divided into 300,000,000 Ordinary Shares (known as "PLC shares").

The Reorganisation was effected pursuant to a Share Exchange Agreement made with the previous shareholders of, and holders of loan notes issued by, JTCGHL which was entered into on 14 March 2018.

Under the Share Exchange Agreement, all of the shares in, and Loan Notes (save in the case of certain Loan Notes which were repaid prior to Admission) issued by JTCGHL were transferred to the Company and the Company issued an additional 99,097,573 Ordinary Shares to such shareholders and noteholders following which the Company became the sole shareholder of JTCGHL.

Completion of the Share Exchange Agreement took place immediately prior to Admission, being conditional upon the Board deciding to proceed with Admission and any necessary prior regulatory consents being obtained.

On 14 March 2018, the Directors authorised the issue of 99,097,573 Ordinary shares at par for the Reorganisation and a further 6,896,552 Ordinary shares at par for the IPO Offer and Admission.

The IPO Offer comprised of the sale by Original Shareholders of 77,173,702 Ordinary shares and 6,896,552 New Ordinary Shares at £2.90 per share, raising gross proceeds of £243.8m. These were admitted to the Official List of the UK Listing Authority with a Premium Listing and approval to trade on the Main Market of the London Stock Exchange.

Following a capital appointment of £1.5m from EBT12 to PLC EBT, 741,345 Ordinary shares in the Company were purchased and are held by PLC EBT and have been treated as own shares in accordance with IAS 32 'Financial Instruments'.

On 28 September 2018, the Company issued and admitted an additional 1,121,077 ordinary shares at fair value to satisfy the share consideration payable for its acquisition of Van Doorn, see note 17.2.

On 20 November 2018, the Company issued and admitted an additional 2,877,698 ordinary shares at fair value to satisfy the share consideration payable for its acquisition of Minerva, see note 17.1.

Movements in share capital	2018 £'000
Balance at the beginning of the year	–
Issue of shares	**1,109**
Balance at the end of the year	**1,109**

Movements in share premium	2018 £'000
Balance at the beginning of the year	–
Issue of shares	**94,599**
Balance at the end of the year	**94,599**

27.2. OWN SHARES

The own share reserve comprises the costs of the Company's shares held by the Group, these have been treated as own shares in accordance with IAS 32 'Financial Instruments'. Under the share exchange agreement (see note 27.1), the shares and loan notes held by EBT12 were converted into PLC shares and then sold for £15.641 million upon IPO. Following the IPO, the PLC EBT was settled by capital appointments and now holds 741,345 Ordinary shares (0.7% of the issued share capital) with a cost of £2.564 million (2017: £1k).

	JSOPs No.	EBT12 No.	PLC EBT No.
At 1 January 2017	36,602	84,000	–
Movement	(7,480)	–	–
At 31 December 2017	29,122	84,000	–
Movement	(29,122)	(84,000)	741,345
At 31 December 2018	–	**–**	**741,345**

27.3. OTHER RESERVES

CAPITAL RESERVE

This reserve is used to record the gains or losses recognised on the purchase, sale, issue or cancellation of the Company's own shares, which may arise as a result of transactions with employees or owners of the Group.

TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

ACCUMULATED PROFITS

The accumulated profit and loss reserve includes all current and prior year accumulated profits and losses and share-based employee remuneration.

SECTION 6 – OTHER DISCLOSURES

28. INCOME TAX EXPENSE

CURRENT TAX

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

DEFERRED TAX

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated using tax rates that are expected to apply when the liability is settled or the asset realised using tax rates enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

CURRENT TAX AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in the consolidated income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

	2018 £'000	2017 £'000
Current tax expense		
Jersey tax on current year profits	**587**	300
Foreign company taxes on current year profits	**1,463**	982
	2,050	1,282
Deferred tax expense (see note 29)		
Jersey origination and reversal of temporary differences	**110**	7
Temporary movements in relation to customer contracts	**(389)**	(172)
Foreign company origination and reversal of temporary differences	**(43)**	(34)
	(322)	(199)
Total tax charge for the year	**1,728**	1,083

The difference between the total current tax shown and the amount calculated by applying the standard rate of Jersey income tax to the loss before tax is as follows:

	2018 £'000	2017 £'000
Loss on ordinary activities before tax	**(2,129)**	(3,562)
Tax on loss on ordinary activities at standard Jersey income tax rate of 10% (2017: 10%)	**(213)**	(356)
Effects of:		
Results from tax exempt entities (Jersey company)	**1,073**	1,280
Results from tax exempt entities (Foreign company)	**(87)**	(144)
Foreign taxes not at Jersey rate	**788**	569
Depreciation in excess of capital allowances (Jersey company)	**110**	6
Depreciation in excess of capital allowances (Foreign company)	**(43)**	(34)
Temporary difference arising on amortisation of customer contracts	**(389)**	(172)
Non-deductible expenses	**72**	17
Additional provisions	**200**	–
Consolidation adjustments	**173**	(101)
Other differences	**44**	18
Total tax charge for the year	**1,728**	1,083

Income tax expense computations are based on the jurisdictions in which profits were earned at prevailing rates in the respective jurisdictions.

The Company is subject to Jersey income tax at the general rate of 0%, however, the majority of the Group's profits are reported in Jersey by Jersey financial services companies where the applicable income tax rate is 10%. It is therefore appropriate to use this rate for reconciliation purposes.

	2018 £'000	2017 £'000
Reconciliation of effective tax rates		
Tax on loss on ordinary activities	**10.00%**	10.00%
Effect of:		
Results from tax exempt entities (Jersey company)	**(50.67%)**	(35.93%)
Results from tax exempt entities (Foreign company)	**4.11%**	4.05%
Foreign taxes not at Jersey rate	**(37.19%)**	(15.96%)
Depreciation in excess of capital allowances (Jersey company)	**(5.19%)**	(0.17%)
Depreciation in excess of capital allowances (Foreign company)	**18.36%**	0.95%
Temporary difference arising on amortisation of customer contracts	**2.02%**	4.82%
Non-deductible expenses	**(3.36%)**	(0.49%)
Additional provisions	**(9.44%)**	0.00%
Consolidation adjustments	**(8.15%)**	2.82%
Other differences	**(2.06%)**	(0.51%)
Effective tax rate	**(81.58%)**	(30.42%)

29. DEFERRED TAXATION

The deferred taxation (assets) and liabilities recognised in the financial statements are set out below:

	2018 £'000	2017 £'000
Intangible assets	**5,869**	2,817
Other origination and reversal of temporary differences	**6**	(61)
	5,875	2,756

	2018 £'000	2017 £'000
Deferred tax assets	**(135)**	(61)
Deferred tax liabilities	**6,010**	2,817
	5,875	2,756

The movement in the year is analysed as follows:

Intangible assets	2018 £'000	2017 £'000
Balance at the beginning of the year	**2,817**	1,022
Recognised through acquisitions	**3,327**	1,947
Recognised in income statement	**(389)**	(172)
Foreign exchange (to other comprehensive income)	**114**	20
Balance at 31 December	**5,869**	2,817

Other origination and reversal of temporary differences		
Balance at the beginning of the year	**(61)**	(33)
Recognised in income statement	**67**	(28)
Balance at 31 December	**6**	(61)

At 31 December 2018 and 31 December 2017 the Group recognised all material deferred tax assets and liabilities.

30. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the impact of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated income statement.

ONEROUS CONTRACTS

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

DILAPIDATIONS

The Group has entered into leases for rental agreements in different countries. The estimated cost of the dilapidations amount payable at the end of each tenancy, unless specified, is generally estimated by reference to the square footage of the building and in consultation with local property agents, landlords and prior experience. Having estimated the likely amount due, a country specific discount rate is applied to calculate the present value of the expected outflow. The discounted dilapidation cost has been capitalised against the leasehold improvement asset in accordance with IAS 16.

	Dilapidation provisions £'000	Onerous lease provisions £'000	Total £'000
At 1 January 2017	159	186	345
Additions	471	223	694
Unwind of discount	–	8	8
Amounts utilised	(159)	(55)	(214)
At 31 December 2017	471	362	833
Additions	422	334	756
Unwind of discount	28	12	40
Amounts utilised	–	(210)	(210)
Impact of foreign exchange	7	13	20
At 31 December 2018	**928**	**511**	**1,439**

Analysis of total provisions:	2018 £'000	2017 £'000
Amounts falling due within one year	**401**	187
Amounts falling due after more than one year	**1,038**	646
Total	**1,439**	833

DILAPIDATIONS PROVISION

As part of the Group's property leasing arrangements there are a number of leases which include an obligation to remove any leasehold improvements (thus returning the premises to an agreed condition at the end of the lease) and to restore wear and tear by repairing and repainting. The provisions are expected to be utilised when the leases expire or upon exit.

ONEROUS LEASE PROVISIONS

As at 31 December 2018, the Group has identified onerous leases for premises in Jersey, Guernsey and Switzerland. The provision is calculated as the net present value of the cost of the leases less the income from any known sub-leases.

31. OPERATING LEASES

The Group principally enters into operating leases for the rental of buildings and equipment. Rentals payable under such leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. Any incentives received from the lessor in relation to operating leases are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Group as lessee	2018 £'000	2017 £'000
Total lease payments under operating leases recognised as an expense	**3,587**	3,188

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £'000	2017 £'000
Within one year	**3,499**	3,196
In the second to fifth years inclusive	**10,109**	10,736
After five years	**24,090**	19,159
	37,698	33,091

The Group has entered into leases for rental agreements in different countries. Leases are negotiated for a variety of terms over which rentals are fixed with break clauses and options to extend for further periods at the prevailing market rate. Any lease incentives are spread over the term of the lease. The break dates for the lease agreements vary.

The Group has also entered into commercial leases on certain motor vehicles and items of office equipment. These leases have an average life of between three and five years with renewal options included in certain contracts.

32. FOREIGN CURRENCY

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the consolidated income statement in the year in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations with a functional currency other than pounds sterling are translated at exchange rates prevailing on the balance sheet date.

Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used.

Income and expense items relating to entities acquired during the financial year are translated at the average exchange rate for the period under the Group's control. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity in the translation reserve.

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 July 2014 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

33. CASH FLOW INFORMATION

OPERATING CASH FLOWS

	2018 £'000	2017 £'000
Operating profit	**629**	6,753
Adjustments for:		
Depreciation of property, plant and equipment	**943**	1,052
Amortisation of intangible assets	**3,694**	1,842
Share-based payment expense	**443**	517
Foreign exchange	**557**	257
Operating cash flows before movements in working capital	**6,266**	10,421

NON-UNDERLYING ITEMS WITHIN NET CASH FROM OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Net cash from operating activities	**6,488**	10,020
Non-underlying items:		
Capital distribution from EBT12	**7,543**	–
IPO costs	**954**	54
Acquisition and integration costs	**4,024**	1,142
Office closures	**56**	625
Other	**93**	388
Total non-underlying items within net cash from operating activities	**12,670**	2,209
Underlying net cash from operating activities	**19,158**	12,229

33. CASH FLOW INFORMATION CONTINUED

FINANCING ACTIVITIES

Changes in liabilities arising from financing activities:

	Finance leases due within one year £'000	Finance leases due after one year £'000	Borrowings due within one year £'000	Borrowings due after one year £'000	Total £'000
At 1 January 2018	–	–	56,364	63,341	119,705
Cash flows:					
Acquired on acquisition	5	48	–	–	53
Drawdowns	–	–	–	72,960	72,960
Repayments	–	(18)	(56,000)	(689)	(56,707)
Loan notes settled on IPO	–	–	–	(62,202)	(62,202)
Accrual of loan note interest	–	–	–	48	48
Other non-cash movements(i)	–	–	314	(1,456)	(1,142)
At 31 December 2018	**5**	**30**	**678**	**72,002**	**72,715**

(i) Other non-cash movements include the fair value adjustment on the loan note extinguishment, amortisation of loan arrangement fees and foreign exchange movement.

NET DEBT

	Notes	2018 £'000	2017 £'000
Bank loans	23	**(71,494)**	(55,522)
Finance leases	23	**(35)**	–
Other loans	23	**(1,186)**	(2,028)
Trapped cash(i)		**(2,294)**	(1,127)
Committed capital distributions(ii)		**(6,103)**	–
Less: Cash and cash equivalents		**32,457**	16,164
Total net debt		**(48,655)**	(42,513)

(i) Trapped cash represents the minimum cash balance to be held to meet regulatory capital requirements.
(ii) Committed capital distribution from EBT12 to employees.

34. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

34.1. KEY MANAGEMENT PERSONNEL

The Group has defined key Management personnel as Directors and members of senior Management who have the authority and responsibility to plan, direct and control the activities of the Group. The remuneration of key Management personnel in aggregate for each of the specified categories is as follows:

	2018 £'000	2017 £'000
Salaries and other short-term employee benefits	**1,795**	1,217
Capital distribution from EBT12	**841**	–
Post-employment and other long-term benefits	**66**	60
Share-based payments	**194**	218
Total payments	**2,896**	1,495

34.2. OTHER RELATED PARTIES TRANSACTIONS

During the year, the Group was charged by CBPE Capital LLP ("CBPE"), the Group's private equity partners up to the point of the IPO; £10k for the provision of Non-Executive Directors (2017: £50k) and £5k for associated travel and expenses (2017: £24k). See note 23 for the Investor loan notes previously held by CBPE Capital LLP which were repaid during the year.

Loan receivable balances due from related undertakings are disclosed in note 24.1.

Northpoint Latam Limited ("NPL"), a related party due to common directorships, previously acted as agent for the referral of new business to provide support services to Group offices in Latin America and North America. In accordance with a letter of agreement from JTC (BVI) Limited ("JTCBVI") to NPL, JTCBVI agreed to cover any and all costs in relation to the services provided by NPL. These included operating costs, third party administration and commissions paid. There are no costs in the current year as the Group closed its direct operations in Latin America at the end of 2017 and the arrangement ceased (2017: £1.24m).

The Group's associate, KIG (see note 21), has provided £799k of services to Group entities during the year (2017: £182k).

34.3. PARENT AND ULTIMATE CONTROLLING PARTY

Prior to admission to the London Stock Exchange, there was no ultimate controlling party as shares were held by both CBPE and Management. Following the IPO, the Company is the new ultimate controlling party of the Group.

35. GROUP ENTITIES

Detailed below is a list of subsidiaries of the Company at 31 December 2018 which, in the opinion of Management, principally affect the profit or the net assets of the Group. The Group owns 100% of the ordinary share capital of all subsidiaries within the Group, with 100% voting power held.

Name of subsidiary	Country of incorporation and place of business	Activity
JTC Group Holdings Limited	Jersey	Holding
JTC Group Limited	Jersey	Head office services
JTC (Jersey) Limited	Jersey	Trading
JTC Fund Solutions (Jersey) Limited	Jersey	Trading
JTC Trust & Corporate Services Limited	Jersey	Trading
JTC (UK) Limited	United Kingdom	Trading
JTC Fund Services (UK) Limited	United Kingdom	Trading
JTC Fiduciary Services (UK) Limited	United Kingdom	Trading
JTC Miami Corporation	United States	Trading
JTC Trustees (USA) Ltd	United States	Trading
JTC Fund Solutions (Guernsey) Limited	Guernsey, Channel Islands	Trading

35. GROUP ENTITIES CONTINUED

Name of subsidiary	Country of incorporation and place of business	Activity
JTC Global AIFM Solutions Limited	Guernsey, Channel Islands	Trading
JTC Fund Solutions RSA (Pty) Ltd	South Africa	Trading
Caledonia Accounting Services Pte Ltd	Singapore	Trading
JTC Fiduciary Services (Singapore) Pte Limited	Singapore	Trading
JTC (BVI) Limited	British Virgin Islands	Trading
JTC (Luxembourg) S.A.	Luxembourg	Trading
JTC Luxembourg Holdings S.à r.l.	Luxembourg	Holding
JTC Signes Services SA	Luxembourg	Trading
JTC Signes S.à r.l.	Luxembourg	Trading
JTC Global AIFM Solutions SA	Luxembourg	Trading
JTC (Geneva) Sàrl	Switzerland	Trading
JTC (Suisse) SA	Switzerland	Trading
JTC Trustees (Suisse) Sàrl	Switzerland	Trading
JTC Trust Company (Switzerland) SA	Switzerland	Trading
JTC Trustees (IOM) Limited	Isle of Man	Trading
JTC (Netherlands) B.V.	Netherlands	Trading
Autumn Productions B.V.	Netherlands	Trading
JTC Holdings (Netherlands) B.V.	Netherlands	Holding
Van Doorn CFJ B.V.	Netherlands	Trading
JTC Trust Company (New Zealand) Limited	New Zealand	Trading
JTC (Cayman) Limited	Cayman Islands	Trading
JTC Fund Services (Cayman) Ltd	Cayman Islands	Trading
JTC (Mauritius) Limited	Mauritius	Trading
JTC Fiduciary Services (Mauritius) Limited	Mauritius	Trading
JTC Corporate Services (DIFC) Limited	Dubai	Trading

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been a number of subsequent events from 31 December 2018 to the date of issue of these financial statements. They are as follows:

> On 12 February 2019, JTC entered into an outsourcing and a facilitation and referral agreement with Sackville Bank and Trust Company Limited ("Sackville") for the referral of Sackville's clients to JTC as a replacement provider of the trust, custody and administration services. Total compensation is expected to be between USD $1.2 million and $1.4 million.

> On 25 March 2019, JTC signed a sale and purchase agreement to acquire 100% of the share capital of Exequtive Partners S.A ("Exequtive") for a maximum total consideration of €34 million, part of which is contingent on Exequtive meeting certain EBITDA and revenue targets. Exequtive is a privately owned Luxembourg-based provider of domiciliation and corporate administration services. The acquisition was funded using cash, drawing €17.9 million from our existing bank facilities and by the issuance of 1,925,650 PLC shares.

> On 1 April 2019, JTC entered into a facilitation and referral agreement with Aufisco B.V. and Oak Tree Management B.V. for the referral of their clients to JTC as a replacement provider of the trust and administration services. Total estimated compensation is expected to be up to a maximum of €2 million.

COMPANY

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GLOSSARY

DEFINED TERMS
The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Annual Report

ADVANCE TO BUY
Advance to Buy, or the 'A2B' programme has been created to help staff purchase JTC shares directly, independent of eligibility or participation in other parts of the Ownership for All programme (e.g. the EBT, DBSP or PSP)

ADJUSTED DILUTED EPS
Underlying EPS is adjusted to remove the charge for amortisation of customer contracts, other gains and losses, share of profits from equity accounted investees, amortisation of loan arrangement fees and unwinding of NPV discounts on liabilities

AEOI
Automatic Exchange of Information

AIFMD
The Alternative Investment Fund Managers Directive (2011/61/EU)

AML
Anti-Money Laundering

ALTERNATIVE PERFORMANCE MEASURE (APM)
A financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework

ARTICLES OF ASSOCIATION
The Articles of Association of the Company

AUDIT AND RISK COMMITTEE
The Audit and Risk Committee of the Board of the Company

BAML
Bank of America Merrill Lynch Wealth Management's International Trust and Wealth Structuring business

BEPS
The Base Erosion and Profit Shifting Project of the OECD

BOARD
The Board of JTC PLC

BREXIT
Brexit is the withdrawal of the United Kingdom from the European Union

CAGR
Compounded Annual Growth Rate

CAPITAL EMPLOYED
Total of Working Capital (WC) in the Balance Sheet, Property, Plant and Equipment and Intangibles (including acquisition related and other assets)

CAPITAL EXPENDITURE (CAPEX)
Investment in property, plant, equipment and software not related to acquisitions

CASH COLLECTION / CONVERSION
The ratio of net cash from operating activities compared with EBITDA

CBPE CAPITAL LLP
Close Brothers Private Equity (JTC's private equity partner from 2012 to 2018)

CCO
Chief Commercial Officer

CEO
Chief Executive Officer

CFO
Chief Financial Officer

CFT
Combatting the Financing of Terrorism

CGU
Cash Generating Unit

CIMA
The Cayman Islands Monetary Authority

CO
Compliance Officer

COMPANY
JTC PLC

COSO-ERM FRAMEWORK
The Committee of Sponsoring Organisation's Enterprise Risk Management-Integrated Framework

CRS
Common Reporting Standard

CRO
Chief Risk Officer

CSR
Corporate Social Responsibility

CSSF
The Luxembourg Commission for the Supervision of the Financial Sector or Commission de Surveillance du Secteur Financier

DBSP
Deferred Bonus Share Plan

EBIT
Profit / (loss) before interest and tax

EBITDA
Profit / (loss) from operating activities before depreciation, amortisation, interest and tax

EBT12
Jersey Trust Company Employee Benefit Trust 2012

ECL
Expected Credit Loss

E4A
'Equity for All' – JTC's programme to promote wide employee share ownership in the Company

EPS
Earnings Per Share

ESG
Environmental, Social and Governance

EUR OR €
The single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time

EURIBOR
Euro Interbank Offered Rate

FATCA
The Foreign Account Tax Compliance Act

FCA
Financial Conduct Authority

FDI
Foreign Direct Investment

FIRST TRADING DATE
14 March 2018, the date on which trading in the Offer Shares of the Company on the premium listing segment of the Official List of the FCA and trading on the main market of the London Stock Exchange commenced

FRC
Financial Reporting Council

FTEs
Full-Time Equivalents

FVOCI
Fair value through other comprehensive income

FVTPL
Fair value through profit and loss

FX
Foreign exchange

GBP, £ OR STERLING
The lawful currency of the United Kingdom

GDPR
The General Data Protection Regulation (2016/679) on data protection and privacy for all for all individuals within the European Union and the European Economic Area.

GENERAL MEETING
The general meeting of the Company

GROUP
The Company and its subsidiaries from time to time

GHB
Group Holdings Board

GFSC
The Guernsey Financial Services Commission

GSC
Global Service Centre

HNW / UHNW
High Net Worth individual(s) / Ultra High Net Worth individual(s)

IASB
International Accounting Standards Board

ICS
Institutional Client Services

IFRS
International Financial Reporting Standards as adopted by the European Union

IFRS IC
IFRS Interpretations Committee

ILM
The organisation formerly known as the Institute of Leadership and Management

IPO
Initial Public Offering

ISAE 3403
Assurance standard developed by the International Auditing and Assurance Standards Board and supported by the International Federation of Accountants.

Type I: Documenting a 'snapshot' of the organisation's controls

Type II: Documenting over a period of time (typically 6 months) showing controls have been managed over time.

JFSC
The Jersey Financial Services Commission

LIBOR
The London Inter-bank Offered Rate is an average value of the interest-rate which is calculated from estimates submitted by the leading global banks on a daily basis

LSE
London Stock Exchange

LTIP
Long-Term Incentive Plan

LTM
Last twelve months

M & A
Merger and acquisition

MANAGEMENT
The Directors of JTC Group Holdings Limited

MEEM
Multi-period excess earnings method financial valuation model

MINERVA
Minerva Holdings Limited and MHL Holdings SA

MLRO / MLCO
Money Laundering Reporting Officer / Money Laundering Compliance Officer

NACT
New Amsterdam Cititrust B.V.

NET DEBT
Total debt and total committed capital distributions less cash and cash equivalents

NET LEVERAGE
Total net debt divided by underlying EBITDA (for the LTM at average FX rates) adjusted for proforma contribution from acquisitions and synergies

NPV
Net Present Value

NOMINATION COMMITTEE
The Nomination Committee of the Board of the Company

NON-UNDERLYING ITEMS
These are certain one-off charges or non-recurring credits that have a material impact on the Group's financial results. They represent items of income or expenditure that are not of an operational nature do not represent the core operating results and based on their significance in size or nature and are presented separately to provide further understanding about the performance of the Group.

GLOSSARY
CONTINUED

OECD
Organisation for Economic Co-operation and Development

O4A
Ownership for All, the evolution of JTC's shared ownership programme for all employees post IPO

PII
Professional Indemnity Insurance

PLC EBT
JTC PLC Employee Benefit Trust

PCS
Private Client Services

PDMR
Person Discharging Managerial Responsibility

PROFORMA
Taking into account a full year's trading

PSP
Performance Share Plan

PWC
PricewaterhouseCoopers CI LLP

RECOMMENDATION FOR SIGNING (RFS)
JTC internal control tool ensuring that decisions made by the business are thoroughly documented, reviewed and approved at an appropriate level on a 'six-eyes' basis

REMUNERATION COMMITTEE
The Remuneration Committee of the Board of the Company

SHARES
The Ordinary Shares in the capital of the Company

SHAREHOLDER
Any holder of Ordinary Shares at any time

SME
Small and Medium sized Enterprise

STEP
Society of Trust and Estate Practitioners

TSR
Total Shareholder Return

UNDERLYING EBITDA
EBITDA excluding one-off charges or non-recurring credits within operating expenses that are non-underlying

UNDERLYING EBITDA MARGIN
Underlying EBITDA divided by revenue, and is expressed as a percentage

UNDERLYING EARNINGS PER SHARE
Underlying profit / (loss) for the year divided by the weighted-average number of basic shares for the period

UNDERLYING GROSS PROFIT
Gross profit (being revenue less direct staff and other direct costs) excluding one-off charges or non-recurring credits that are non-underlying

UNDERLYING GROSS PROFIT MARGIN
Underlying gross profit divided by revenue, and is expressed as a percentage

UNDERLYING PROFIT / (LOSS) FOR THE YEAR
Loss for the year excluding one-off charges or non-recurring credits within operating expenses, other gains and finance costs that are non-underlying

UBO
Ultimate Beneficial Owner

USD OR $
The lawful currency of the United States

UK CORPORATE GOVERNANCE CODE OR THE CODE
The UK Corporate Governance Code 2016

VAN DOORN
Van Doorn CFS B.V.

WACC
Weighted Average Cost of Capital

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Consultancy, design and production
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