JTC

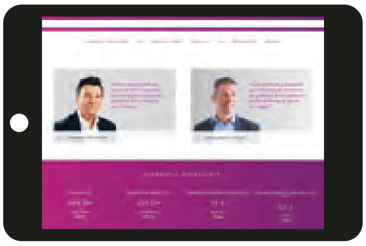
STANDING TOGETHER

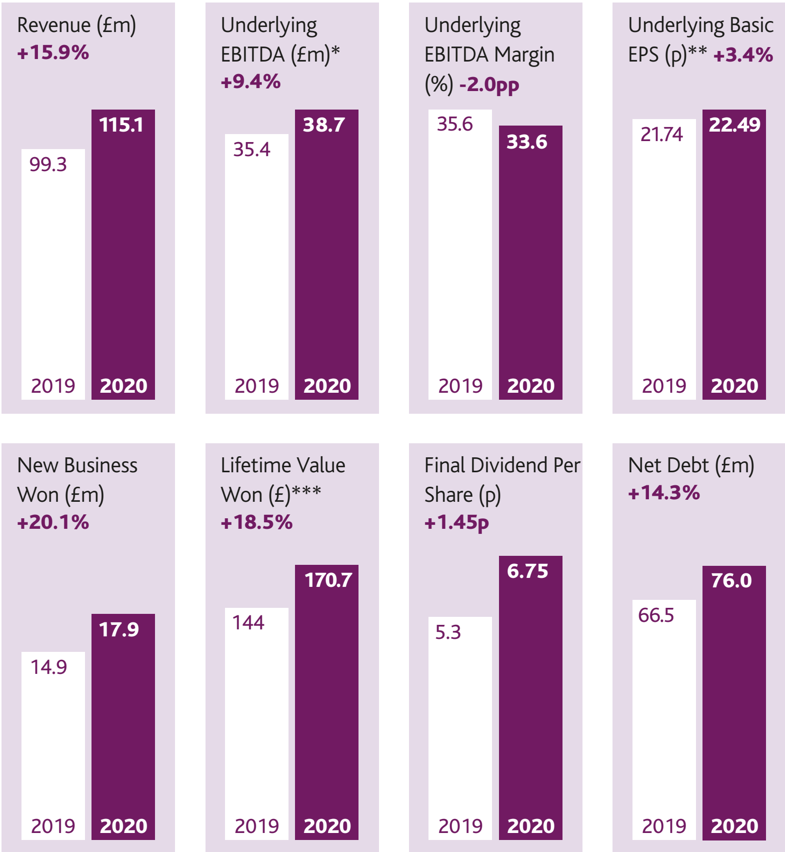
2020 ANNUAL REPORT

CONTENTS

JTC IS A PUBLICLY LISTED, GLOBAL PROFESSIONAL SERVICES BUSINESS WITH DEEP EXPERTISE IN FUND, CORPORATE AND PRIVATE CLIENT SERVICES. EVERY JTC PERSON IS AN OWNER OF THE BUSINESS AND THIS FUNDAMENTAL PART OF OUR CULTURE ALIGNS US WITH THE BEST INTERESTS OF ALL OUR STAKEHOLDERS. OUR PURPOSE IS TO MAXIMISE POTENTIAL AND OUR SUCCESS IS BUILT ON SERVICE EXCELLENCE, LONG-TERM RELATIONSHIPS AND TECHNOLOGY CAPABILITIES THAT DRIVE EFFICIENCY AND ADD VALUE.

Visit us at JTCGROUP.COM





* Items classified as non-underlying are detailed in Note 7 of the financial statements. Non-underlying items are defined as specific items of income or expenditure that are not of an operational nature.

** Underlying basic EPS is the profit for the year adjusted to remove the impact of non-underlying items within profit after tax, amortisation of customer relationships and associated deferred tax impact, amortisation of loan arrangement fees and unwinding of NPV discounts.

*** Lifetime Value Won (LVW) is 10 times annualised value of work won minus value of attrition in past year.

Financial Highlights

- Revenue up 15.9% to £115.1m (2019: £99.3m), reflecting a combination of good net organic growth of 7.9% (+16.7% gross) and inorganic growth of 8.0%.
- Underlying EBITDA up 9.4% to £38.7m (2019: £35.4m) with underlying EBITDA margin of 33.6% (2019: 35.6%).
- Performance in line with medium-term guidance of 8% – 10% net organic growth and 33% – 38% underlying EBITDA margin.
- Record annualised new business wins totalling £17.9m (2019: £14.9m), comprising £13.4m in ICS and £4.5m in PCS.
- A robust balance sheet with an undrawn £44.4m out of the available £150m facility and no debt falling due for repayment before 2023.

Strategic & Operational Highlights

- Highly resilient response to Covid-19 with no redundancies, no staff placed on furlough, no government support taken and dividend increased.
- Good performance from both the Institutional Client Services (ICS) and Private Client Services (PCS) Divisions, with continued strong results from the PCS Division.
- Acquired fund services business NES Financial in the US, the Sanne private client business in Jersey and announced the acquisition of the RBC CEES employee benefits business in the Channel Islands and UK.
- Post period end, acquired INDOS Financial, a specialist depositary, AML and ESG governance services business with operations in the UK and Ireland.
- M&A pipeline remains healthy and disciplined approach will continue in 2021 with particular focus on the US, UK, Ireland and mainland Europe.

JTC IS A PUBLICLY LISTED, GLOBAL PROFESSIONAL SERVICES BUSINESS WITH DEEP EXPERTISE IN FUND, CORPORATE AND PRIVATE CLIENT SERVICES. EVERY JTC PERSON IS AN OWNER OF THE BUSINESS AND THIS FUNDAMENTAL PART OF OUR CULTURE ALIGNS US WITH THE BEST INTERESTS OF ALL OUR STAKEHOLDERS. OUR PURPOSE IS TO MAXIMISE POTENTIAL AND OUR SUCCESS IS BUILT ON SERVICE EXCELLENCE, LONG-TERM RELATIONSHIPS AND TECHNOLOGY CAPABILITIES THAT DRIVE EFFICIENCY AND ADD VALUE.

INSTITUTIONAL CLIENT SERVICES (ICS) DIVISION

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

PRIVATE CLIENT SERVICES (PCS) DIVISION

Provides trust and corporate administration services for private clients, including HNW and UHNW individuals and families, as well as family and private offices, and international wealth management firms.

FUND SERVICES

Administers a wide variety of listed and unlisted funds across a diverse range of asset classes. Clients include a broad spectrum of fund managers from market entrants to large institutions. We provide support throughout the lifespan of a fund, including ongoing reporting and regulatory compliance.

40%
of revenue

CORPORATE SERVICES

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

30%
of revenue

PRIVATE CLIENT SERVICES

Forms and administers vehicles such as trusts, companies and partnerships on behalf of HNW and UHNW individuals and families and also dedicated private and family offices. We also provide Private Wealth Services to large institutions as an independent third-party provider. We specialise in a holistic approach to protecting private assets across countries and generations.

30%
of revenue

Our global reach

1,100+

JTC has a highly qualified team of more than 1,100 professionals providing a global service to our clients from a network of 25 local offices.

Clients

6,000+

Countries served

100+

Our recent acquisitions

NES Financial

Read more about our NESF acquisition on **page 20**

RBC Corporate Employee & Executive Services

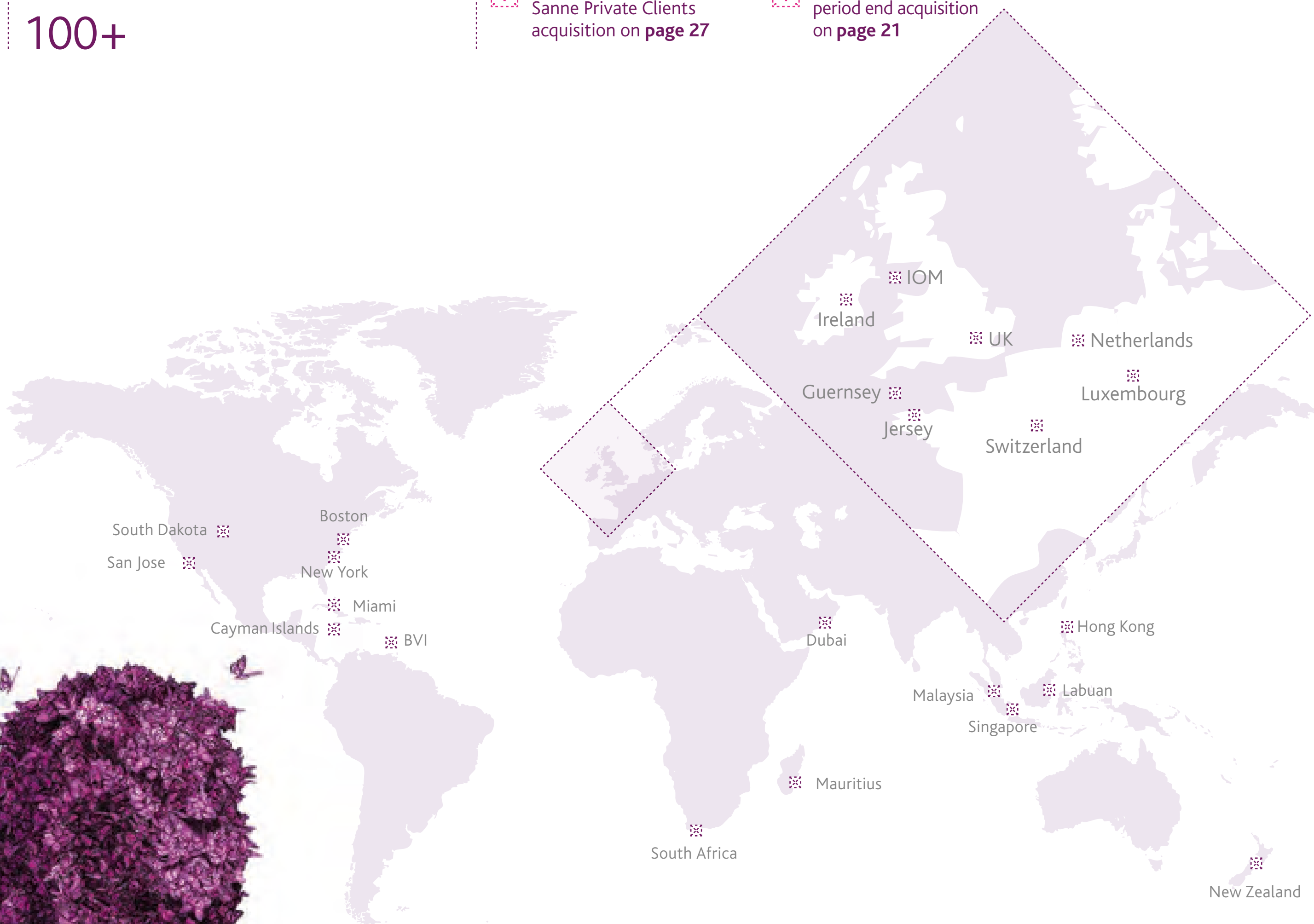
Read more about our RBC CEES acquisition on **page 20**

sanne (Jersey PCS business)

Read more about our Sanne Private Clients acquisition on **page 27**

INDOSFINANCIAL INDEPENDENT FUND OVERSIGHT

Read more about our post period end acquisition on **page 21**




ORGANIC GROWTH
EXPERIENCED MANAGEMENT TEAM
33 YEARS OF REVENUE & PROFIT GROWTH
ROBUST BALANCE SHEET
SHARED OWNERSHIP
WELL INVESTED SCALABLE PLATFORM
STRONG CASH CONVERSION
WELL DIVERSIFIED CLIENTS, SERVICES & GEOGRAPHIES
HIGHLY VISIBLE RECURRING REVENUE
INORGANIC GROWTH

OUR RESPONSE TO COVID-19
SUSTAINING PERFORMANCE THROUGH THE PANDEMIC

OPERATIONS & EMPLOYEES

- Shared ownership culture matters – excellent team spirit & effort globally
- More & better management interaction & reporting
- Well-invested platform performed & Business Continuity team delivered
- Restrictions slowed operational change & integration programmes

CLIENTS

- Existing clients more active & cash collection strong
- Won £1m+ mandates under 'lockdown', but engagement hampered and some work on hold (especially US)
- More demand & larger mandates
- Business reconfigurations & outsourcing for 'leaner' models
- Flight to quality effect benefits larger, established providers like JTC

ESG

- Even more important than pre-pandemic, especially social impact
- Positive for JTC. Builds on 20+ years of shared ownership & community support
- A growth area for us to support clients & win new business, including NESF tech-enabled solutions to support impact investing & reporting and ESG solutions from INDOS Financial

M&A ACTIVITY

- Maintained a strong pipeline of opportunities across both Divisions & all target geographies
- JTC remains a popular acquirer – shared ownership & straightforward approach
- Demonstrated ability to execute & integrate under lockdown conditions
- Will continue to target acquisitions that make JTC a better business for the long-term, will always maintain disciplined approach & know when to say no

As a global business, we were alert to the potential impact of the Covid-19 pandemic from the very earliest stages. We reacted swiftly to look after our people and our commercial interests, and soon confirmed just how resilient our business is, as we continued to grow both organically and through M&A. We are pleased to say we have made no redundancies and put nobody on furlough, and we have not taken any government funding. At the same time, we recognise this is a privileged position, thanks largely to our resilient business model and well-invested global platform. Of course, the crisis continues, and we are keenly aware of the ongoing human cost and the devastation many organisations have experienced. So we remain vigilant, while optimistic that the virus will soon be brought under control.

Everything we've done in response to the pandemic has been based on three clear principles:

- Protect the wellbeing of our people, clients and partners;
- Maintain excellent client service; and
- Protect our long-term commercial success.

Naturally, the first of these principles is the most important: nothing matters more than the health of our people, and of those who work with us. To keep everyone safe, we quickly adopted a working-from-home model in all our locations – and the success of this was largely down to our shared-ownership culture. An entrepreneurial attitude runs throughout our company, and everyone was keen to establish a suitable environment from which to maintain 'business as usual'. The spirit of collaboration and co-operation that has always driven our success became especially important – as much for boosting morale and supporting mental health as for keeping operations moving.

Upholding service levels

The way our people embraced safe working practices was a key factor in ensuring our clients still received excellent service. There was a lot for us to do as a business, but we had everyone's help. Within a matter of days, we managed to get over 90% of our people working from home seamlessly, with access to all the systems they needed. Thankfully, our IT infrastructure was already designed to support remote working; the main task was to activate that for all individuals within JTC.

We achieved this without any interruption to our services – and, fortunately for us, the non-cyclical nature of our business meant there was no drop in demand for those services from existing clients. What we do for our clients is based on annuity income, so we retain long-term relationships over the lifetime of their structures. Once established, they do not switch off, even in a crisis. They always need to be serviced and maintained.

Ensuring lasting success

In following our third principle – protecting our commercial future – our priority was to reassure shareholders that our response to the pandemic would avoid anything likely to jeopardise our long-term success. We made it clear we would not pause acquisitions, or halt investment in technology or development projects, simply due to uncertainty. With a track record spanning more than 30 years, we were able to draw on our experience of navigating prior external shocks and downturns while continuing to grow the business. This confidence was reflected in our decision to increase our dividend during the year.

We also developed processes to ensure the day-to-day running of the business could continue unaffected. For example, we instigated daily reporting, by jurisdiction and division, enabling our management to understand very quickly the performance of their teams working remotely.

Measures such as this are part of a general determination to keep JTC on its planned trajectory in spite of Covid-19. Many others have not been so fortunate. We have made substantial donations to relief charities, and hope that those who have been adversely affected can soon recover and begin to thrive again.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

People, Culture and Resilience
We like to keep things simple at JTC with our aim to make the business better every year. Once again we believe we achieved that in 2020.

By the time we reported last year, we were able to talk about how the Group might respond to the pandemic, and I mentioned factors such as our well-invested infrastructure, experienced management, historic track record and our scale and diversification as keys to our resilience. I also talked separately and specifically about the importance of the culture of the Group and how we had invested in it over decades. Well, there's nothing like the year we've just had to test the validity of that belief, in every respect. And in hindsight, our people and culture were the most important factors in making sure we could trade successfully through 2020. I would like to take this opportunity to thank and congratulate our global team for the performance of the business during an extraordinary year for the whole world. Even in the ongoing face of the pandemic, I genuinely believe we are a better business going into 2021 thanks to the energy, commitment and entrepreneurial spirit of our people.

Financial Performance
Performance was in-line with market expectations that were set pre-Covid-19 and we delivered headline revenue growth to £115.1m (2019: £99.3m), achieving £38.7m of underlying EBITDA (2019: £35.4m) at a Group margin of 33.6% (2019: 35.6%). These strong results were achieved through a combination of net organic growth of 7.9% (2019: 8.4%) and inorganic growth of 8.0% (2019: 20.1%).

This means that we again delivered in line with our medium-term guidance of 8%-10% net organic revenue growth and 33%-38% underlying EBITDA margin, which we continue to believe represent the key 'guide rails' for sustainable high performance in our sector.

A Balanced Approach
We have for many years adopted multi-year business plans that we name to mark chapters in our journey. From 2018 to 2020 we called our plan the Odyssey Era and during this three year period the performance of the Private Client Services (PCS) Division has been exceptional. On the other side of the business, the Institutional Client Services (ICS) Division has grown strongly, but has struggled, in relative terms, to achieve the same levels of operational efficiency. Having said that, we know from experience that our Divisions go through natural business cycles as they develop and evolve. Sometimes they will be at the top of their game and at other times need to make important operational changes. Conceptually we believe in the flywheel effect, where businesses succeed not from a single initiative, but from the accumulation of small wins over years of hard work. In 2020, we put a lot of good work into getting the ICS business to the position where the flywheel moment will be achieved in the medium-term. What we're seeing with PCS is the flywheel effect made real – it's outperforming its peer group in the market in almost every respect. To me, it brings home the benefit of having two Divisions within the Group and we look forward to this playing out over our next business plan era, which we are calling Galaxy and will run for five years until the end of 2025.

Institutional Client Services Division
Revenue increased 17.8% to £64.6m (2019: 54.8m) and there was a 0.8% decrease in underlying EBITDA to £18.0m (2019: £18.1m). The underlying EBITDA margin fell 5.2pp to 27.9% (2019: 33.1%) but excluding NESF, which was particularly impacted by a combination of Covid-19 and the performance of the US economy, the margin was 30.6%. Net organic growth was 6.9% (2019: 9.4%) with the annualised value of new business wins being £13.4m (2019: £8.9m). As already noted, 2020 was a more challenging year for ICS, but we have undoubtedly made progress. The planned internal operational restructuring of the fund services practice was completed, albeit at a slower pace than we would have liked due to travel restrictions, which prevented us from delivering the change programme in our preferred face-to-face format. However, the

Revenue
£115.1m

Underlying EBITDA
£38.7m

Division has landed its two biggest ever clients, judged by annualised revenue, in the last 18 months, has a strong new business pipeline going into 2021 and enjoys positive long-term structural tailwinds.

One trend we observed, possibly hastened by the effects of the pandemic, and particularly important to the ICS market, was an acceleration in decision making from larger clients who showed a greater inclination to outsource as part of their longer-term strategy. This led to us competing for and winning a number of higher value and more complex mandates, which are positive for our market profile and the lifetime value of the JTC book, but necessarily take longer to on-board and get up to speed due to their size and complexity.

In terms of acquisitions, NESF provided an important entry point to the high-growth US fund services market and brought with it a capable and experienced management team. The business also gives us a significant in-house technology capability for the first time and one that can be leveraged across the entire Group in due course.

We are excited about prospects in the corporate employee benefit services field following the acquisition of RBC CEES, announced at the end of the period, which when combined with our own shared ownership credentials, immediately positions us as a leader in this space. The business adds complementary service lines that we believe have substantial growth potential as the wider ESG agenda drives more companies to consider broader and more sophisticated employer benefit programmes. There are also opportunities for cross-selling of private client services to underlying members of such programmes.

The post period end INDOS acquisition will expand our fund services offering and brings sophisticated depositary, AML and ESG services to the Division, as well as a highly skilled team in the UK and Ireland. This will allow us to provide holistic solutions at every stage of the fund cycle, as well as our well-established administration and accountancy services. INDOS, in combination with NESF, will also be at the forefront of our expansion into specific ESG related services.

WE ARE A BETTER BUSINESS GOING INTO 2021 THANKS TO THE ENERGY, COMMITMENT AND ENTREPRENEURIAL SPIRIT OF OUR PEOPLE

Looking ahead our ICS business has some of the most exciting organic and inorganic growth prospects in the Group as we move into 2021 and we look forward to capturing those opportunities and driving performance.

Private Client Services Division
Revenue showed a 13.7% increase to £50.5m (2019: £44.5m) and a 20.2% increase in underlying EBTIDA to £20.7m (2019: £17.2m). The underlying EBITDA margin improved 2.2pp to 41.0% (2019: 38.8%). Net organic growth was 9.0% (2019: 7.2%) with the annualised value of new business wins being £4.5m (2019: £6.0m).

The performance of the PCS Division built on the great work and results in 2019. At the start of our Odyssey Era business plan three years ago, PCS was possibly seen as an unfashionable and relatively low-growth business. But it

A HISTORY OF RESILIENCE IN THE FACE OF ADVERSITY

Over the last three decades JTC has demonstrated its inherent resilience on a number of occasions. While the Group has always been configured for growth, there have been times when events in the wider world presented unexpected shocks and challenges.

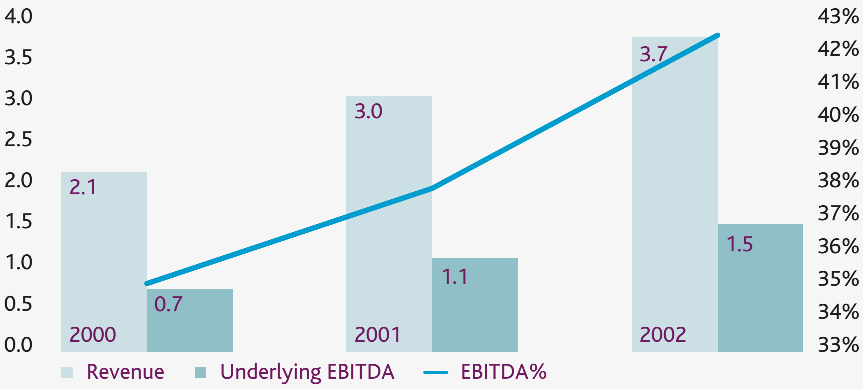
Covid-19 is the most recent example, but prior to this JTC, like all other global businesses, was faced with the impact of the terror attacks in the US on 11 September 2001 and the global financial crisis, triggered by the sub-prime mortgage lending crisis in 2007.

As the charts below show, JTC was not only able to weather the immediate macro-economic shock of these events, but was able to successfully grow through them and in subsequent years. Growth that was entirely organic as the Group did not make its first acquisition until 2010.

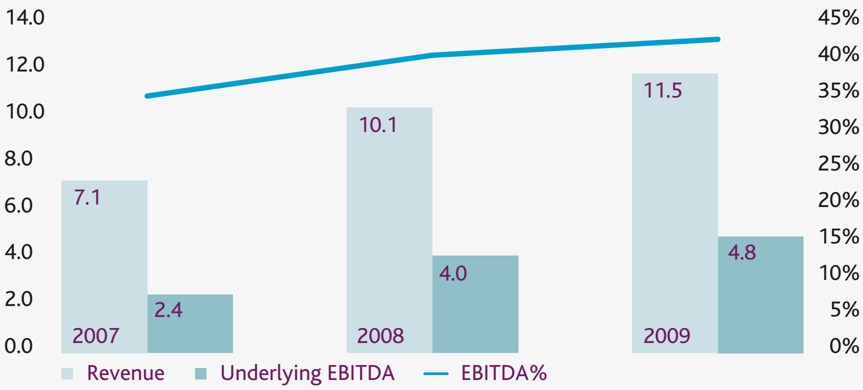
This resilient performance illustrates several fundamental features of our business. Firstly, our shared ownership culture means that we all pull together in a crisis. Secondly, our well-invested platform is robust and able to withstand sharp, near-term shocks. Finally, the professional services nature of our work, coupled with long-term client relationships, means that when external market conditions are volatile, this can actually lead to more work for JTC as we partner with clients in both Divisions to help them navigate threats and opportunities as they emerge.

While Covid-19 remains a current worldwide challenge, our performance in 2020, coupled with the lessons of the past, indicate that JTC is particularly well equipped to succeed and grow through unexpected events, both now and in the future.

PERFORMANCE POST 9/11 (£M)



PERFORMANCE POST FINANCIAL CRISIS (£M)



Net organic revenue growth

7.9%

Underlying EBITDA margin

33.6%

MEDIUM-TERM GUIDANCE

Net organic revenue growth

8-10%

Underlying EBITDA margin

33-38%

has performed strongly, benefiting from a consistency of focused management and efficiencies due to a restructuring of operational support during the Odyssey Era, which has shown through to the 2020 results. Our Private Office proposition has continued to drive growth, with the number of clients paying £100k pa or more increasing by 25%. The Division also benefited from the acquisition and full integration of the Sanne Private Clients business during the year. This strengthened our Jersey platform, delivered a skilled team and high quality client book and was immediately portable to our operating platform. It also further increased our share of and commitment to the PCS market and was a straightforward acquisition for us, in spite of the constraints of integrating during lockdown.

THE TREND TOWARDS LARGER INSTITUTIONS SEEKING TO IMPLEMENT A LIGHTER OPERATING MODEL IS SEEN ACROSS BOTH DIVISIONS

One of the more notable trends in the PCS Division is its ability to attract relationships with global financial institutions who trust us to provide services for their individual private clients. Mirroring a trend seen in the ICS Division, these large firms are opting for a lighter operating model, for example through white labelling, and are seeking to ensure that they remain ahead of market trends and fully compliant by partnering with JTC, an acknowledged expert in the field.

WE BELIEVE THE SECTOR WILL CONTINUE TO CONSOLIDATE FOR AT LEAST THE NEXT 5-10 YEARS AND LOOK FORWARD TO REMAINING AN ACTIVE PARTICIPANT

The PCS Division enters 2021 with good momentum that we are confident will carry into the Galaxy Era.

Inorganic Growth

In 2020 we once again looked at over 50 opportunities as the market continues to consolidate at pace. Our substantial experience and disciplined approach meant that we are very pleased with the deals completed in the year.

The JTC approach to inorganic growth is explained in greater detail on pages 28 to 31, but at its heart we combine a set of core criteria with near-term areas of focus. Our overarching principle is to acquire businesses that make JTC better for the long-term and our core criteria are: to improve jurisdictional strength, add scale, strengthen our service offering and create cross-selling and synergy opportunities. In 2020 our specific areas of focus were primarily ICS orientated with an emphasis on alternative asset classes, the US, UK, Ireland and Luxembourg. We also sought out opportunities related to the addition of so-called first-cousin services and technology capabilities. Notwithstanding this framework, we always remain alert to executing opportunistic deals as they may arise.

In combination, these criteria and areas of focus create a 'two plus two must equal five' mentality when we look at deals and the acquisitions made embody this approach.

We believe the sector will continue to consolidate for at least the next 5-10 years and look forward to remaining an active participant and enter 2021 with an active pipeline of opportunities.

Risk

We were pleased to welcome Richard Ingle as our new Chief Risk Officer (CRO). Richard has a distinguished financial service career spanning more than 30 years and has worked for a number of well-respected institutions including the Financial Services Authority, JP Morgan and Standard Chartered. His arrival not only strengthens the Risk & Compliance function, but also the overall leadership team as he takes a seat on the Group Holdings Board. I would also like to record my thanks to Bill Byrne, our Chief Group Counsel, who undertook the role for the majority of 2020 and now returns to his core role of leading our legal function across the Group. Bill will continue to work closely with Richard and his team, as well as both Divisions and the Operations teams.

Outlook

As we start our five-year Galaxy Era journey, it is worth noting that when we entered the Odyssey Era in 2018 we had a Group turnover of £59.8m and underlying EBITDA of £14.4m, so we have significantly moved the dial over the past three years. Assessing what we have achieved in 2020 specifically, our senior team is our most cohesive ever, and is another year wiser. We have upgraded the general talent within the Group, as we continue to find more of the industry's top professionals attracted to what we have to offer, including our shared ownership culture and entrepreneurial approach. We assess the strength of our operations in each individual jurisdiction on a regular basis and, on the whole, they are improving year on year. And importantly, we are beginning to be seen as leaders and a driver of trends in the markets we operate in.

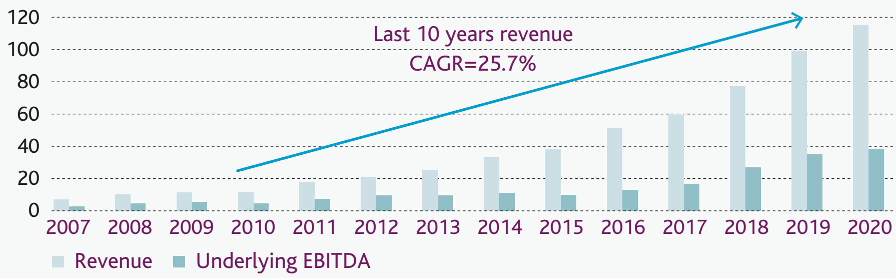
In 2021, we will continue to drive organic growth through service quality, innovation, maturity of larger mandates, process efficiencies and technological capabilities. The outlook for further inorganic growth in the Galaxy Era remains positive, with a well-developed pipeline of opportunities that can strengthen and deepen our global footprint and service offering; however it is important we maintain our reputation as a disciplined buyer. We've always said we're building this business for the long term, making sure the infrastructure we put in place future-proofs our business, incrementally keeping up with growth, whether organic or inorganic.

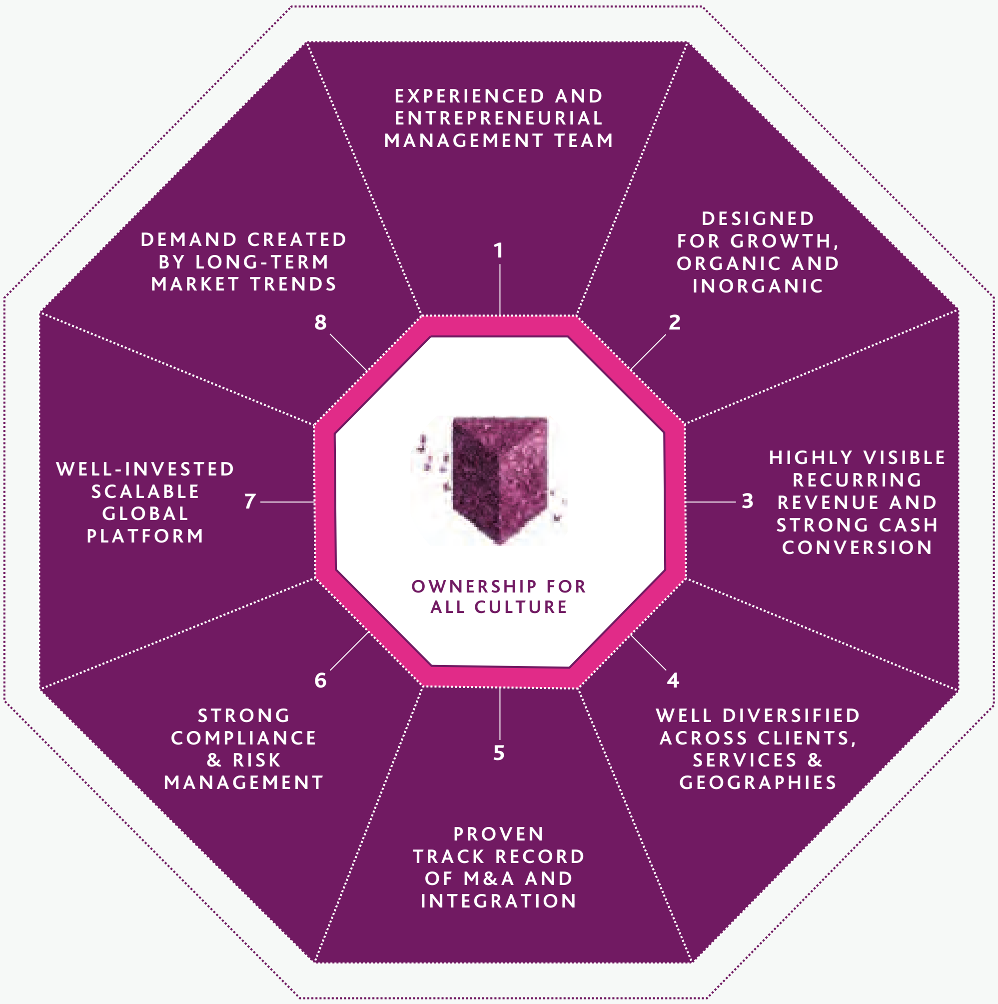
From a personal point of view, I see plenty for us yet to achieve, and I'm really enjoying continuing to build the Group, and plan to carry on doing so through our Galaxy Era. If there's a lesson from Covid-19, or from our financial performance over 33 years, it's that consistency and continuity of management is the right thing to aspire to. And so when succession comes, it will ideally come internally rather than externally. This collective approach that is so special to JTC can be handed down over generations to ensure the business continues to succeed and thrive for years to come.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

A LONG-TERM INVESTMENT

We believe that JTC represents an exceptional long-term growth investment prospect. Our 33 year track record of consistent revenue and profit growth, including through periods of significant macroeconomic challenge, speaks for itself. We believe that eight key factors define and underpin the JTC investment case and apply both now and in the medium to long-term.





OUR MARKET DRIVERS
LONG-TERM TRENDS SUPPORTING OUR GROWTH

INCREASED REGULATION

HIGH	HIGH	MEDIUM
Pace of change	Near-term impact	Long-term impact

For all our client groups – fund managers, corporates, financial and professional services firms, and HNW/ UHNW individuals and families – the growing complexity and scope of regulatory regimes is making expert advice more and more valuable, even vital. The risk of errors or omissions due to misunderstanding a regulation, or being unaware of it, becomes higher every year. To reduce this burden, outsourcing is becoming an increasingly attractive option. In particular, clients need a specialist partner who is constantly on top of the latest regulatory changes, and who can not only navigate them but also find opportunities within them.

What this means for JTC

To ensure clients continue to turn to us for help dealing with the regulatory burden, we are always expanding and revising the services we provide. This is especially important in maintaining our leading knowledge of the developing global regulatory framework, which brings us multiple revenue opportunities while raising the barriers to entry for competitors. As a large global operator, we are much better equipped than others to help clients comply with the higher standards demanded by growing regulatory scrutiny.

GROWING PROPENSITY TO OUTSOURCE

MEDIUM	MEDIUM	HIGH
Pace of change	Near-term impact	Long-term impact

As complexity increases, whether that be due to regulation, cross-border requirements or technology, the long-term benefits of outsourcing versus building in-house capabilities become increasingly compelling. For smaller clients, including individuals and families, outsourcing provides instant access to levels of expertise that might otherwise be prohibitively expensive or time consuming to acquire. For larger clients, including corporates and funds, outsourcing often forms part of a wider strategic shift to leaner operating models. While the outsourcing trend runs throughout our client groups, we find the propensity to outsource increases as the relevant regulatory environment becomes more complicated and the core competency of the client can be readily separated from the associated administration – so funds are a particular growth area for us. There are also major opportunities in the US, where both institutional and private clients have been less inclined to outsource, but are now realising the benefits.

What this means for JTC

As outsourcing grows, our main objective is to demonstrate to clients that we have the scale and capabilities to offer a comprehensive, expert service. We've built our business on this and will continue to do so, with highly qualified, experienced staff and appropriate investment in technology. We will always have everything in place to ensure clients understand that outsourcing to JTC means certainty around costs while increasing accuracy, as well as freeing resources to focus on core activities.

OPPORTUNITIES THROUGH TECHNOLOGY

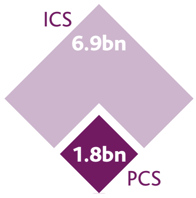
MEDIUM	LOW	HIGH
Pace of change	Near-term impact	Long-term impact

Technology is increasingly important to our business in two ways. First, it enables us to provide more, and better, services, such as client portals and real-time reporting. Second, it improves efficiency: tasks that were previously manual, like data inputting, can be automated – which speeds up the process, reduces labour costs and, again, helps improve our services. Perhaps paradoxically, technology also leads to a greater focus on human expertise in our business. Taking care of repetitive functions, it lets us devote skilled people to more advanced roles; we can make more of their knowledge and understanding of the nuances of legislation and regulations to provide a highly valuable service to clients.

What this means for JTC

As a professional services company we are now both a people-led business and a technology-enabled business. We continue to attract and retain exceptionally talented individuals, while a criteria of our M&A approach is now focused on keeping us at the leading edge of technological developments in our industry. We use technology to improve and expand our services, while still offering our clients the in-depth expertise only human insight and relationships can provide. In short, we combine the best people with the best technology to get the best results.

Operating in a fragmented global industry, we serve a variety of markets and estimate that the global ICS market is worth at least £6.9bn pa in fees and the PCS market at least £1.8bn pa in fees. All these markets are subject to a number of shared long-term trends, which offer significant growth opportunities for our business.



Addressable global market

£8.7bn

CONTINUED MARKET CONSOLIDATION

MEDIUM	LOW	HIGH
Pace of change	Near-term impact	Long-term impact

With many administrative services companies traditionally choosing to focus on a particular niche or jurisdiction, ours is a fragmented industry. But this is changing. Increasing regulatory complexity, a desire for cross-jurisdictional solutions and the increasing importance of technology are driving client demand for greater scale and breadth from providers. The ability to offer clients a multi-sector and multi-jurisdiction capability, and to gain the financial substance to invest in technology, further drives consolidation. This is an accelerating trend in our industry and with estimated 2,000+ providers in the UK and Europe alone, there is still enormous scope for more. We are poised to take advantage.

What this means for JTC

We maintain a very strong pipeline of M&A opportunities, which will help us enhance our service offering and global footprint even further. Having announced the acquisition of 23 businesses since 2010, we have a tried and tested methodology for integrating people-based companies efficiently. We are a well-liked acquirer, because of our culture and our reputation as a very competent home for a business and its clients. Also, our shared-ownership approach – which in particular can offer rewards and responsibility for entrepreneurs who become part of a bigger platform – makes us a popular choice at all scales of transaction. (See pages 28 to 31 for further detail on our M&A strategy and recent activity.)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

MEDIUM	MEDIUM	MEDIUM
Pace of change	Near-term impact	Long-term impact

The ESG agenda has been developing steadily for decades, but has recently accelerated to record levels of awareness, engagement and capital allocation. Inflows to sustainable funds are increasing across all regions of the world and it is forecast that ESG assets could expand to 57% of European mutual funds by 2025.* At the same time, a fragmented and rapidly evolving set of ESG standards presents enormous challenges for all market participants and is driving demand for credible and expert third party providers that can support a wide range of clients in developing their ESG strategies and policies and creating robust reporting and disclosure frameworks.

What this means for JTC

As a business with shared ownership at the heart of its culture for over 20 years our approach to ESG is based on compelling principles and a strong corporate purpose. As an outsource provider, we are ideally placed to become a highly credible component of our clients' value chains. In addition, our strength in providing expertise around complex regulatory and reporting frameworks means that we are ideally placed to offer technology-enabled ESG advisory and administration services to a range of clients, spanning fund managers seeking to access ESG capital through to private clients and families wishing to invest responsibly and with purpose.

GLOBALISATION AND RISING GLOBAL WEALTH IS RISING

HIGH	MEDIUM	HIGH
Pace of change	Near-term impact	Long-term impact

Globalisation, along with easier communication, co-operation and the flow of capital across international borders, leads to more entities being established. Corporates operating and investing across jurisdictions often require sophisticated structures that must comply with all local and international standards. Fund managers seek access to international pools of capital and investors, both professional and private, want to be able to invest in the strategies that best fit their goals. In addition, wealthy individuals and family offices operate more internationally than ever before. This all leads to increased demand for providers of administrative services that can work across borders and offer knowledge and expertise when dealing with the complex and ever-developing regulatory regimes in each region. Also, growing GDP and personal wealth across the world provides a general tailwind to demand for our services.

What this means for JTC

In response to this global opportunity, we have been developing our business organically, creating innovative new services, such as JTC Private Office and our proprietary Edge client portal for HNW/UHNW individuals and families. We have also been acquiring strategically to ensure that we can deliver the right services, in the right places, for our diverse range of clients, both existing and new. With a record of integrating acquisitions successfully, we are quick to offer clients seamless services as they expand across multiple jurisdictions. We do this not only in established markets but also in developing regions, such as Asia and Africa.

*Source: PwC Luxembourg

JTC IS A LEADING GLOBAL PROVIDER OF FUND, CORPORATE AND PRIVATE CLIENT SERVICES TO INSTITUTIONAL AND PRIVATE CLIENTS. WE OPERATE A HIGHLY RESILIENT, GROWTH ORIENTATED PROFESSIONAL SERVICES BUSINESS MODEL

Driven by our purpose – to help maximise the potential of every client, colleague and partner with whom we work – our business model enables us to create value sustainably by delivering on our four strategic priorities:

1. EVERY EMPLOYEE AN OWNER OF THE BUSINESS

2. GROW ORGANICALLY BY DELIVERING CLIENT SERVICE EXCELLENCE WITHIN LONG-TERM RELATIONSHIPS

INPUTS

OUR PEOPLE
We provide an environment where our people can maximise their individual potential and be part of creating something meaningful and long lasting

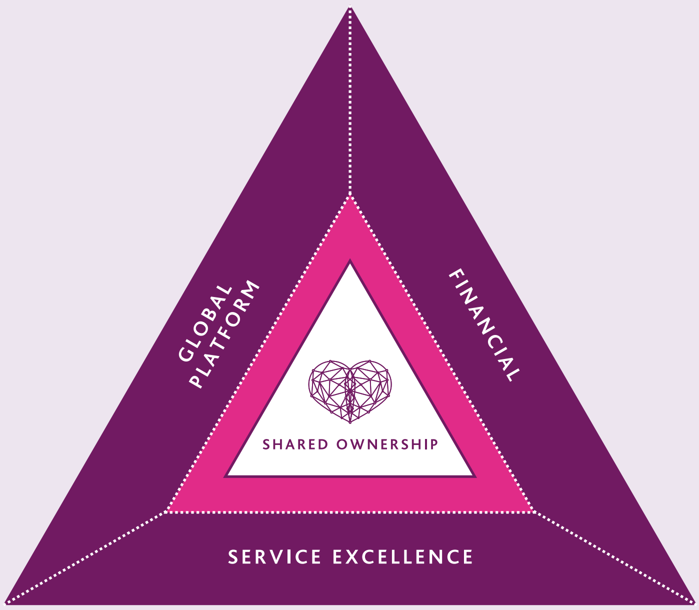
CLIENTS
We partner with our clients to help them achieve their goals and meet their expectations of the highest levels of service delivered with integrity, energy and dedication

INTERMEDIARIES
We work with intermediaries on common clients, becoming a trusted extension of their offering and they of ours

M&A OPPORTUNITIES
We provide a home and a platform for growth that is compelling across the full range of M&A opportunities

STRENGTHS

SHARED OWNERSHIP CULTURE
We operate around the simple but effective principle that if our people have a stake in the business, they will do a better job for our clients



GLOBAL PLATFORM
- Experienced and entrepreneurial leadership team
- Well balanced between our ICS and PCS Divisions
- 24 offices in 19 jurisdictions
- Tech-enabled to deliver value and drive efficiency

SERVICE EXCELLENCE
- Deep expertise delivered by highly qualified professionals
- Director-led client service teams and high employee retention rates
- Long-term, value-enhancing relationships

FINANCIAL
- 33 year track record of growth
- 8%-10% net organic revenue growth pa
- 33%-38% EBITDA margin
- 85%-90% cash conversion
- Strong balance sheet
- 23 acquisitions announced since 2010

OUR GUIDING PRINCIPLES EST. 1998

MAXIMISE INDIVIDUAL POTENTIAL

MERITOCRACY

STAKEHOLDER MENTALITY

COMPANY BEFORE INDIVIDUAL

3. MAKE STRATEGIC ACQUISITIONS AND INTEGRATE THEM SEAMLESSLY SO THAT IN OUR WORLD 2+2 = 5

4. MAINTAIN A WELL-INVESTED, SCALABLE AND TECHNOLOGY-ENABLED GLOBAL PLATFORM THAT SUPPORTS CONSISTENT GROWTH

CREATING VALUE

CREATING VALUE FOR OUR PEOPLE

Outstanding career opportunities, lifelong learning through the JTC Academy and support through the JTC Gateway and JTC Wellbeing programmes

£200+m of value created for JTC employee owners since 1998 and over 20% of ISC held by employee owners

DELIVERING VALUE FOR OUR CLIENTS

We deliver sophisticated solutions to our clients and become a trusted advisor, helping them to achieve their long-term goals

We combine our expertise and experience with an entrepreneurial approach to help our clients find the best solutions

UNLOCKING VALUE FOR INTERMEDIARIES

As an independent we are free to work with leading providers who share a common goal, the best interests of our clients

We offer our intermediary partners peace of mind that we will always match their own high standards

GENERATING VALUE FOR OUR STAKEHOLDERS

The combination of consistent organic growth and highly visible recurring revenue creates a compounding effect that drives the future value of the business

We are skilled and disciplined at finding acquisitions that complement and expand our core business. We extract value through proven integration methods and seamless transfer to the JTC platform

We actively engage with key stakeholders, including regulators, governments and local communities to share our knowledge and expertise for the benefit of all

OUTPUTS

OUR PEOPLE

– JTC Shared Ownership now a Harvard Business School MBA case study

1,100+
employees and every one an owner

94%+
employee retention

CLIENTS

6,000+
clients from over 100 countries

$180bn
Assets under Administration (AuA)

+20%
increase in the annualised value of new business won to £17.9m

10+
years, average client relationship

INTERMEDIARIES

140+
active intermediary partners globally

55%
of new business referred to JTC by intermediary partners

SHAREHOLDERS

23
acquisitions announced since 2010

25% to 30%
dividend as % of underlying PAT

22.49p
Underlying Basic EPS

COMMUNITIES

£150k+
donated to good causes in 2020

50+
charities supported in more than 20 countries

ENTREPRENEURIAL OUTLOOK

WANT TO WIN MENTALITY

‘CAN DO’ ATTITUDE

‘ABOVE AND BEYOND’ SERVICE

STRENGTH IN NUMBERS
MARTIN FOTHERINGHAM, CHIEF FINANCIAL OFFICER

Revenue

In 2020, revenue was £115.1m, an increase of £15.8m (15.9%) compared with 2019.

Despite what were undoubtedly less conducive conditions for new business we delivered net organic growth of 7.9% in the year (2019: 8.4%). The average organic growth for the last three years was 8.3%. The growth in 2020 comprised gross new business of 16.7% (2019: 15.4%), inorganic growth of 8.0% (2019: 20.1%) and attrition of 8.8% (2019: 7.0%). The higher attrition offset the increased gross new business and resulted in a reduction in the retention of revenues that were not end of life in 2020 to 96.6% (2019: 97.4%). In the last three years the average retention of not end of life revenues was 97.4%.

ICS net organic growth was 6.9% (2019: 9.4%). The average for the last three years was 9.2%. The vast majority of jurisdictions grew in 2020 with particularly strong performances in Cayman and the UK. Luxembourg and the US institutional businesses were hit harder by the macroeconomic environment and as a result we saw a reduced flow of new business. Attrition for the division for the year was 8.3% (2019: 6.8%). The slightly higher attrition mainly occurred in the Netherlands and was in connection with the NACT business. This was highlighted in the 2019 results and is consistent with the customer relationship impairment recorded in that period.

FINANCIAL REVIEW

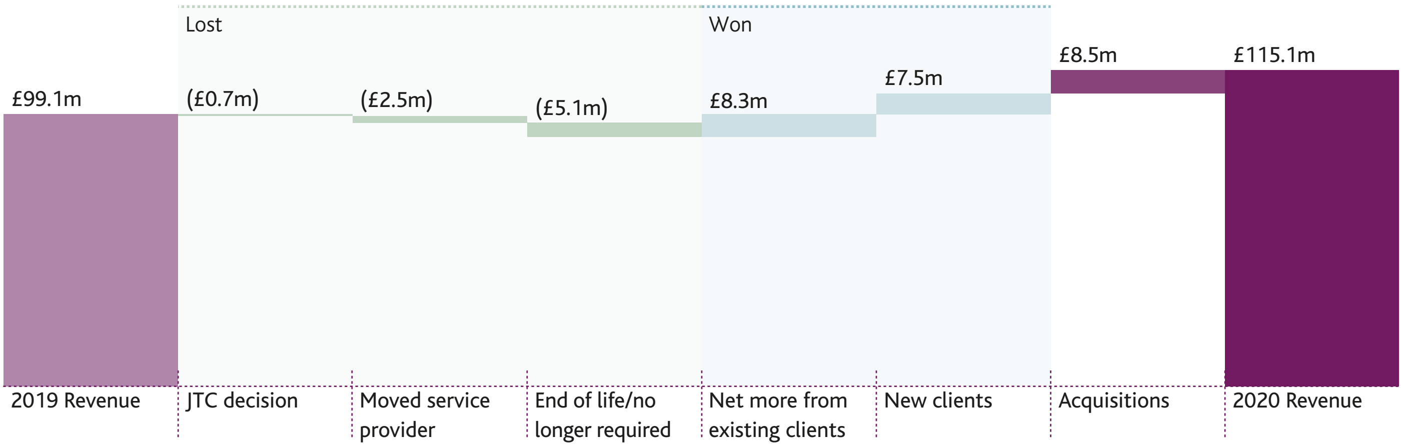
	AS REPORTED			UNDERLYING*		
	2020	2019	CHANGE	**2020**	2019	CHANGE
REVENUE (£M)	**115.1**	99.3	+15.9%	**115.1**	99.3	+15.9%
EBITDA (£M)	**34.9**	33.7	+3.5%	**38.7**	35.4	+9.4%
EBITDA MARGIN	**30.3%**	34.0%	-3.7pp	**33.6%**	35.6%	-2.0pp
OPERATING PROFIT/EBIT	**21.0**	23.0	-8.4%	**24.9**	24.6	+1.0%
PROFIT BEFORE TAX (£M)	**11.2**	17.6	-36.3%	**21.4**	19.7	+8.3%
EARNINGS PER SHARE (P)**	**9.02**	15.43	-41.5%	**22.49**	21.74	+3.4%
CASH CONVERSION	**91%**	81%	+10pp	**91%**	89%	+2pp
NET DEBT (£M)	**-76.0**	-66.5	-9.5	**-75.8**	-59.3	-16.5
DIVIDEND PER SHARE (P)	**6.75**	5.3	+1.45p	**6.75**	5.3	+1.45p

* Reconciliation of performance measures to reported results (see page 19) for further information on underlying results
** Average number of shares for 2020: 116,736,585, 2019: 111,352,868

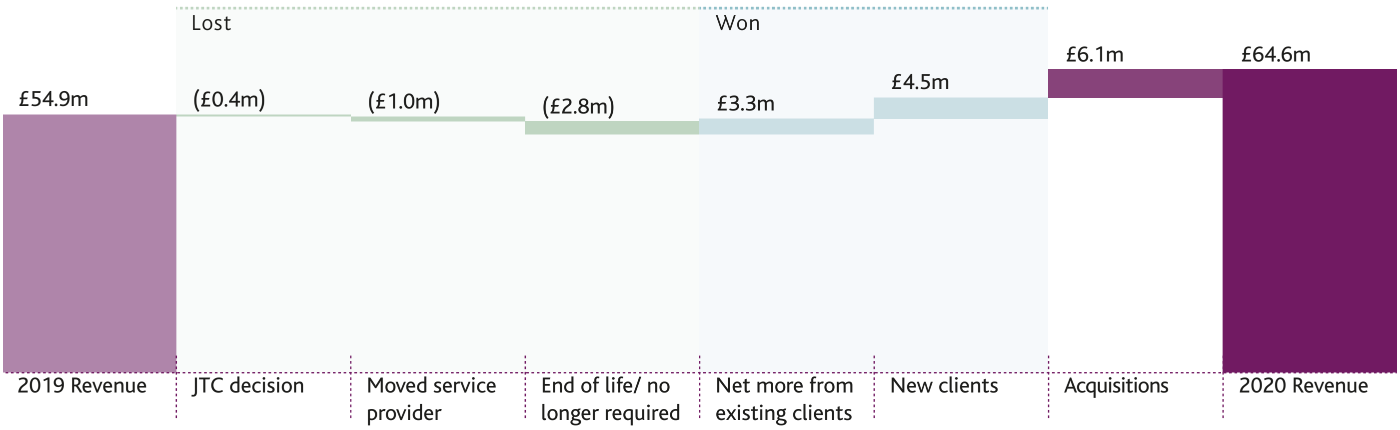
PCS net organic growth was 9.0% (2019: 7.2%). The average for the last three years was 7.4%. We continue to see strong demand for our Private Client offering and were pleased at the strong growth in Cayman, Guernsey, Jersey, Mauritius and the US. Attrition in PCS was 9.4% (2019: 7.4%) and this was higher than the prior period due to the reduction in the BVI business. This was a result of a conscious decision to exit a number of structures.

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

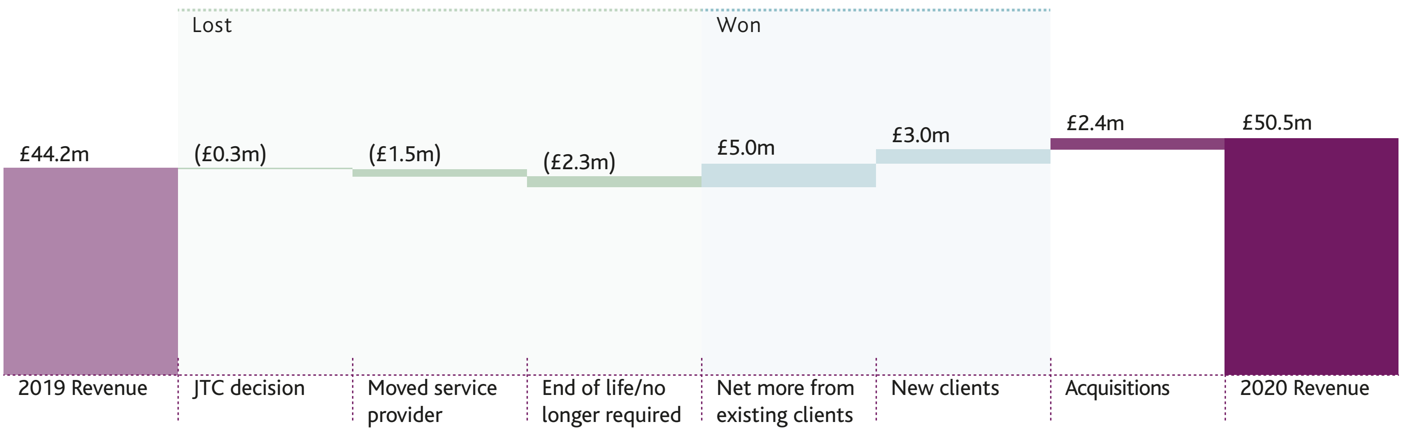
REVENUE BRIDGE (PLC)



REVENUE BRIDGE (ICS)



REVENUE BRIDGE (PCS)



ACQUISITIONS

Acquisitions contributed £8.5m of new revenue in the period broken down as follows:

	PLC	ICS	PCS
NESF (Q2 2020)	£5.1m	£5.1m	–
SANNE (Q3 2020)	£2.4m	–	£2.4m
ANSON REGISTRARS (Q1 2020)	£0.2m	£0.2m	–
ACQUISITIONS < 12 MONTHS	£0.8m	£0.8m	–
TOTAL	**£8.5m**	**£6.1m**	**£2.4m**

When JTC acquires a business, the acquired book of clients is defined as inorganic. These clients continue to be treated as inorganic for the first two years of JTC ownership.

New Business/Pipeline

During 2020 JTC secured new work with an annual value of £17.9m (2019: £14.9m). During the year £9.0m of this was recognised. The divisional split of new work won was ICS £13.4m (2019: £8.9m) and PCS £4.5m (2019: £6.0m). Typically this revenue will have an average life-cycle of approximately 10 years. Whilst new business wins increased there was undoubtedly a slowdown in the launch of new funds with investors being deterred by the uncertainty caused by Covid-19 on the macroeconomic environment. PCS is a business that typically requires a high degree of interpersonal contact and travel and meeting restrictions undoubtedly had an adverse impact on the new business won in 2020.

The enquiry pipeline increased by £15.1m (49.7%) from £30.4m at 31 December 2019 to £45.5m at 31 December 2020. The major influence on the increased pipeline was the acquisition of NESF which at 31 December 2020 had added £11m to the group pipeline. The pipeline has a number of exciting prospects and we have in the last twelve months seen a trend towards larger opportunities in both Divisions. There was a clear slowdown in the launch of new funds within ICS and this was reflected above in the lower growth, particularly in Luxembourg and the US.

Underlying EBITDA and Margin Performance

Underlying EBITDA in 2020 was £38.7m, an increase of £3.3m (9.4%) from 2019. The underlying EBITDA margin for the Group was 33.6% (2019: 35.6%).

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 EBITDA margin has remained within the Group's medium term guidance range of 33-38%.

OUR RESULTS DEMONSTRATE OUR ABILITY TO CONTINUE TO GROW DESPITE A CHALLENGING AND DIFFICULT MACROECONOMIC ENVIRONMENT.

Employees of JTC Cayman Islands

ICS New Business Won 2020

£13.4m

PCS New Business Won 2020

£4.5m

WE CONTINUE TO INVEST IN THE BUSINESS AND HAVE BEEN ENCOURAGED BY THE STRONG GROWTH IN NEW BUSINESS WINS IN H2 2020 AND IN THE SIZE OF MANDATES BEING WON BY BOTH DIVISIONS.

ICS's underlying EBITDA margin decreased from 33.1% in 2019 to 27.9% in 2020. Excluding NESF the EBITDA margin for the division was 30.6%. In the first half of the year, the ICS margin was 27.1% and in response to this we undertook an exercise to review our operating processes within the division. Global travel restrictions have frustrated the rate of progress that was achieved. We identified the areas that required restructuring but were reluctant to effect the changes remotely. Our colleagues are key to our business and we did not want to compromise client service or employee welfare in a time of significant global uncertainty.

As highlighted above, the ICS margin was also adversely impacted by the acquisition of NESF in April 2020. We were conscious that this acquisition would initially be margin dilutive. We believe that there is a strong growth outlook for the US fund administration market. Unfortunately the anticipated growth was not evidenced in 2020 due to the Covid-19 impact as well as the weakness in the NESF billing model. The reduction in interest rates in the US had an immediate and material impact on US revenues and EBITDA. We have subsequently restructured the business in line with current revenues albeit the current EBITDA margin is still dilutive to the division. We remain confident about the growth opportunity and the medium-term prospects for ICS in the US.

PCS's underlying EBITDA margin improved from 38.8% to 41.0% in the year. This was driven by the highly efficient operational model and the talent within the division. We continue to take advantage of the operational leverage we have built into the business and to identify additional service offerings. The acquisition of the Sanne Private Client business in July 2020 was a case in point, and we have integrated it seamlessly into our business with no adverse impact on the divisional margin.

We saw an increase in credit impairment losses in the year but believe this to be unique to the financial year and economic conditions. We also saw an increase in a number of indirect costs which the business has had to absorb.

We continue to invest in the business and have been encouraged by the strong growth in new business wins in H2 2020 and in the size of mandates being won by both Divisions.

Depreciation and Amortisation

The depreciation charge increased to £5.9m in 2020 from £4.6m in 2019. £1.0m of this increase was as a result of an increased charge for right-of-use assets. This reflects the increased footprint of the business in the US and Ireland.

The Group has £228.7m (2019: £172.9m) of balance sheet assets consisting of goodwill (2020: £173.8m, 2019: £124.9m), customer relationships (2020: £50.2m, 2019: £46.7m) and software (2020: £4.0m, 2019: £1.2m). The increases in the year were as a result of the acquisitions that we made. We regularly test these assets for impairment and monitor the recoverability of the carrying amounts. There were no impairments required in the year. We recognise that in the current uncertain Covid-19 business environment there may be an increased need to monitor for impairment indicators and where there is evidence of impairment, we shall review carrying amounts in our balance sheet.

The acquisition of NESF brought us in-house technology capabilities. We are in the process of standardising processes where possible and intend in time to use technology to automate many of these. There will be a commensurate investment in the business that we believe will ultimately deliver additional revenues and increase operational efficiency. To date we have not capitalised any costs in this regard.

Statutory Operating Profit

The Group recognises that statutory operating profit is a more commonly accepted reporting metric and hence shows these results for the benefit of external stakeholders.

Statutory operating profit is impacted by non-underlying costs which are higher than 2019, primarily as a result of the requirement to revalue the equity settled financial liability in relation to the contingent consideration for the NESF acquisition. When we agreed to purchase NESF we ensured that there was a two year capped earn-out and that all future contingent consideration would be settled in JTC equity. The variable number of shares offered for the earn-out was driven by a £4.23 share price. This ensured that all parties interests were absolutely aligned to focus on creating shareholder value.

As the earn-out arrangement includes a variable number of shares the contingent consideration is classified as a financial liability, in accordance with accounting standards, and is required to be re-measured to fair value at each reporting period end with the change recognised in the income statement. We are also required to estimate the value of the earn-out at each reporting period end.

We estimated the earn-out value at acquisition and the commensurate number of shares and we have not had cause to change these estimates. However, the improvement in the JTC share price since the date of

Reported profit before tax

£11.2m

Underlying profit before tax

£21.4m

the acquisition has ultimately resulted in an increase of the fair value of the contingent consideration and a subsequent charge of £6.5m has been recognised in the income statement. It should be noted that there is neither a trading nor cash impact of this charge and hence it is treated as non-underlying. We will continue to account for the fair value component of the contingent consideration in this way until the earn-out is determined and the equity obligation is settled.

Acquisition and integration costs were higher than in 2019, because of the increased volume and complexity of the transactions undertaken. Details of these non-underlying costs are set out below.

Non-underlying Items

Non-underlying items incurred in the period totalled £10.1m (2019: £2.1m). These comprised the following:

- £6.5m loss on revaluation of contingent consideration (2019: nil)
- £3.3m of acquisition and integration costs (2019: £2.0m)
- £0.3m other costs/charges (2019: £0.4m credit)
- £nil impairment of customer relationship intangible asset (2019: £0.5m)

Of the £10.1m (2019: £2.1m) of non-underlying costs, £3.8m (2019: £1.7m) are incurred at EBITDA level and £6.3m (2019: £0.4m) are included within other gains and losses.

Acquisition and integration costs reflect costs incurred on the completed acquisitions as well as transactions which are ongoing or did not complete.

Profit Before Tax

The reported profit before tax for the period ended 31 December 2020 was £11.2m (2019: £17.6m).

Adjusting for non-underlying items the underlying profit before tax for 2020 was £21.4m (2019: £19.7m). The improvement reflects the growth in revenues although the margin decreased in the period. However, the relative profitability was positively impacted by a £0.8m foreign exchange gain (2019: £1.2m loss). This is due to the translation of substantial US dollar and Euro monetary balance sheet items held at the year end. The gain reduced during the course of the year – it was £2.2m at mid-year and reflects the impact of the continued strengthening of GBP sterling in H2.

Finance costs in the year comprise £1.6m of amortisation/non-cash flow items (2019: £1.6m) and £2.8m of costs which impact cash flow (2019: £2.4m).

Tax

The tax charge in the year was £0.7m (2019: £0.5m). The cash tax charge is £1.8m (2019: £1.2m) but this is reduced by significant deferred tax credits of £1.1m (2019: £0.8m) as a result of the movements in relation to the value of customer relationships held on the balance sheet. The Group continuously reviews its transfer pricing policy and updates this to reflect the evolving nature of the business and the way it operates. The policy continues to be fully compliant with OECD guidelines.

Underlying Earnings per Share

Underlying basic EPS increased by 3.4% and was 22.49p (2019: 21.74). Underlying basic EPS is the profit for the year adjusted to remove the impact of non-underlying items within profit after tax, amortisation of customer relationships and associated deferred tax impact, amortisation of loan arrangement fees and unwinding of NPV discounts.

Cash flow and Debt

Cash generated from underlying operating activities was £35.3m (2019: £31.3m) and the underlying cash conversion was 91% (2019: 89%). This is consistent with our market guidance and reflects the highly cash generative nature of the business.

Net debt at the period end was £76.0m compared with £66.5m at 31 December 2019. The underlying net debt of £75.8m (2019: £59.3m) excludes regulatory capital (which is not included for banking covenant testing). Underlying leverage is therefore 2.0 times underlying EBITDA (2019: 1.7 times). At 31 December 2020 the bank covenant test for leverage was 3.25 times pro-forma EBITDA. The covenant test moves to 3.0 times pro-forma EBITDA on 31 March 2021 and remains at this level until the expiry of the facility.

Our banking facility was increased by £50.0m to £150m on 9 January 2020 giving a total undrawn facility balance at 31 December 2020 of £44.4m. The facilities expire on 8 March 2023.

MARTIN FOTHERINGHAM,
CHIEF FINANCIAL OFFICER

APPENDIX: RECONCILIATION OF REPORTED RESULTS TO APMs

In order to assist the reader's understanding of the financial performance of the Group, alternative performance measures ('APMs') have been included to better reflect the underlying activities of the Group excluding specific items as set out in Note 7 to the financial statements. 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. Where applicable, any prior period APMs have been restated to include the impact of IFRS 16 in order to provide an appropriate comparison to the current year performance.

1. EBITDA

	2020 £M	2019 £M
REPORTED EBITDA	**34.9**	33.7
NON-UNDERLYING ITEMS		
CAPITAL DISTRIBUTION FROM EBT	-	-0.4
ACQUISITION AND INTEGRATION COSTS	**3.2**	2.0
OTHER COSTS	**0.6**	0.1
UNDERLYING EBITDA	**38.7**	35.4

2. CASH CONVERSION

	2020 £M	2019 £M
NET CASH FROM OPERATING ACTIVITIES	**27.6**	21.6
NON-UNDERLYING CASH ITEMS	**6.3**	5.1
TAXES PAID	**1.4**	2.0
	35.3	28.7
ACQUISITION NORMALISATION(*)	–	2.6
UNDERLYING CASH FROM OPERATING ACTIVITIES	**35.3**	31.3
UNDERLYING EBITDA	**38.7**	35.4
UNDERLYING CASH CONVERSION	**91%**	89%

* Acquisition normalisation refers to the following: In 2019, £2.0m of Executive revenues and £0.6m of Aufisco revenues were collected by the previous owners in advance of JTC ownership.

3. NET DEBT/LEVERAGE

	2020 £M	2019 £M
CASH BALANCES	**31.1**	26.3
BANK DEBT	**-104.4**	-86.7
OTHER DEBT	**-2.5**	-0.5
CASH HELD ON BEHALF OF JTC EBT	–	-2.6
ADVANCE NESF DEAL FUNDING	–	4.2
NET DEBT – UNDERLYING	**-75.8**	-59.3
UNDERLYING EBITDA	**38.7**	35.4
LEVERAGE	**1.96**	1.68

INSTITUTIONAL CLIENT SERVICES

JON JENNINGS,
GROUP HEAD OF INSTITUTIONAL CLIENT SERVICES

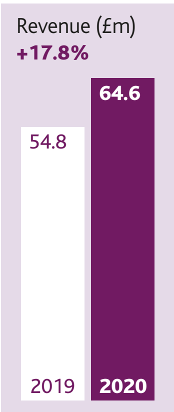
ICS has had a year of strong growth momentum, with strategically important acquisitions, and some of our largest ever new-business wins. It has also been a year of change, where we have reviewed the positioning and go-to-market strategies for both fund and corporate services as well as implementing a revised operating model for our global funds practice.

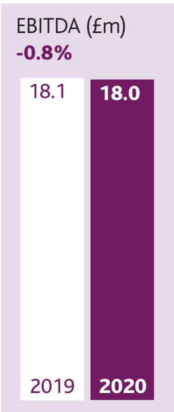
Revenue grew 17.8% to £64.6m, with organic growth of 6.9% and record new business wins with an annualised value of £13.4m. There was a small decrease in underlying EBITDA of 0.8% to £18.0m and the underlying EBITDA margin fell 5.2pp to 27.9%, although when excluding NESF, which faced particular headwinds due to Covid-19, the underlying margin was 30.6%. We continue to focus on bringing the margin back within our guidance range of 33%-38% and are confident that the hard work undertaken, much of it behind the scenes, will ensure that performance improves over the near-term and is sustainable.

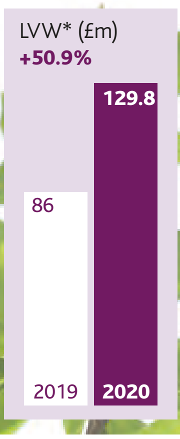
We have expanded materially through acquiring the fund services business, NESF, in the US and the RBC CEES business, which provides us with a leading position in the corporate and employee services market and brings with it a blue-chip global client base. In addition we were delighted to announce, post period end, the

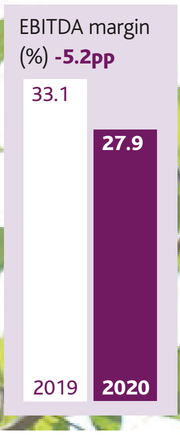
Highlights

- Substantial new mandate wins include Brooks Macdonald International
- Internal operational restructuring of the fund services practice
- NESF acquisition brings an entry to the important US fund services market
- Strong growth prospects from the RBC CEES and INDOS acquisitions









*Lifetime Value Won (LVW) is 10 times annualised value of work won minus value of attrition in past year.

acquisition of INDOS, which will add a sophisticated suite of Depositary, AML and ESG services to our offering and increases our footprint in both the UK and Ireland.

The Division encompasses both fund and corporate services and I believe that there is an opportunity to position these in an increasingly distinct way. The corporate services business is well-established and runs on a traditional, professional-services business model. The same team looks after all of a specific client's needs, and this works well. On the fund administration side of our business, I believe we can perform more effectively for our clients and also more efficiently.

CLIENTS CHOOSE US FOR OUR ABILITY TO DELIVER INNOVATIVE SOLUTIONS AND THE HIGHEST LEVELS OF SERVICE. WE HAVE EXPERTISE ACROSS THE FULL SPECTRUM OF FUND AND CORPORATE SERVICES AND APPROACH CLIENT RELATIONSHIPS AS A LONG-TERM COLLABORATION. IN ADDITION, TECHNOLOGY IS IMPROVING THE EFFICIENCY OF OUR CORE ADMINISTRATION SERVICES, ALLOWING US EVEN MORE CAPACITY TO SERVE OUR CLIENTS' STRATEGIC NEEDS

Fund Services Operational Improvements

A thorough review of our funds practice confirmed that while we have a reputation for service excellence and continue to win substantial new business, this top line growth is not carrying through to the expected margin performance. This is due to the emergence over time of a service delivery model where different components of a client mandate are delivered by separate specialist teams. While this might, on the face of it, have logical appeal, what we know from the corporate and private client parts of the business is that a client focused model is ultimately more efficient and will deliver service levels that are at least as good, if not superior.

To make this change in the fund services practice we restructured the teams in six locations (Luxembourg, London, Jersey, Guernsey, Cayman and South Africa) to create more than ten pan-jurisdictional teams, each led by a specific client director and with each team providing end-to-end service for a defined book of clients. This revised operating model means that each team is now 100% focused on delivering first-class service to their clients from start to finish and the teams are able to grow and adapt alongside their clients over time.

With a change of this type, involving many people in several locations, we would normally allow for a substantial amount of face-to-face engagement to support the change management programme. However, when it became clear in the second quarter that this would not be possible due to Covid-19 travel restrictions, we devised and implemented a virtual programme. I am extremely grateful to everyone involved for their energy and commitment in making the transition to the new model under such challenging conditions.

Of course the key throughout all of this was to maintain the highest levels of client service and appropriate resource was allocated to ensure this. As a result, we only expect to see the benefits of our changes start to come through to the bottom line in the second half of 2021 and beyond.

In addition to improving margins and further enhancing the client experience, these changes will also improve the working experience for our people. For example in our South African office, where many of the service specific teams have traditionally been located, our people can now feel part of the wider team and play a greater role in understanding and responding to each client's specific needs.

Transfer Agency Services

Continuing the theme of having the right people doing the right things in the right places, we understand that certain functions are best carried out closer to

Revenue

£64.6m

Underlying EBITDA

£18.0m

our clients. One such operation is the day-to-day trading of funds. Therefore we have created a best-in-class function in the UK to handle certain things we previously managed in multiple locations – our Transfer Agency (TA) service.

Our newly configured TA centre of excellence has been able to seamlessly scale from supporting 500 underlying investors to more than 13,000 in less than 12 months. You can read more about the detail behind this initiative in the case study opposite.

Strategic Entry into the US Market

The acquisition of NESF marks an important strategic step for the Division, providing our first material entry into the important US fund services market. The growth potential of the US fund services sector is well-known, predicated on overall scale, the increasing allocation of capital to alternative asset classes and a growing propensity for fund managers to outsource administration and related services, a practice that has so far lagged the European market.

NESF also brings us a very capable and experienced team and leading technology capabilities that we are starting to apply in other jurisdictions. In the near-term, financial performance will continue to be impacted by Covid-19 effects, which have slowed the rate of new fund launches and associated AuM growth. However, we have taken the opportunity to adjust the NESF pricing model to service-based fees, which will deliver real benefits over the long-term.

The team has integrated well into our growing global funds platform and is looking ahead with enthusiasm to securing new, larger markets in the US and leveraging the full support of JTC's global footprint.

Corporate Services

This part of the business has delivered strong and consistent performance for many years, but perhaps without the commensurate visibility – a hidden gem, if you will. We are now working to very deliberately raise the profile of this service line over the coming years. One way to build greater scale and depth is by acquisition and towards the end of the year, we were delighted to announce the acquisition of RBC CEES, a market-leading provider of employee benefit solutions to major corporate clients. This is a substantial business that brings with it an expansion of service lines we have offered for many years and which also represent a positive and natural fit with our own shared-ownership culture. In addition, it adds a very well-respected team and a complementary marketing network.

From an integration perspective, we have a strong record of transferring bank carve-outs to the JTC platform, and expect to have the business operating at our target margins in the medium-term.

Outlook

Some of our best recent performance has come from winning complex mandates from large asset managers. Despite Covid-19 restrictions, we have been able to intelligently navigate extensive tender processes and help clients to identify exactly what it is they wish to outsource. In doing so, we have demonstrated our ability to act more as a partner and an advisor than just a simple outsourced administrator and this trend is one we expect to see continue.

The restructuring of our funds practice shows that we are prepared to make difficult changes, even in difficult times, but the creation of a client focused operating model, along with specific service line enhancements, such as our TA centre of excellence, places us in a stronger position than ever to win more high quality work and to service that work at our target margins.

Longer-term, technology improvements will put us in a position to absorb additional revenue without having to materially increase staffing levels even as we continue to win substantial amounts of new business.

The acquisition of INDOS provided the perfect start to 2021 and, for ICS overall, I expect to see continued strong, organic growth and further acquisition opportunities in a number of jurisdictions and broad potential to add additional breadth and depth to our service offering.

JON JENNINGS,
GROUP HEAD OF
INSTITUTIONAL CLIENT SERVICES

CASE STUDY – CREATING A TRANSFER AGENCY CENTRE OF EXCELLENCE

We identified a gap in the market for a high touch, bespoke Transfer Agency (TA) service that could deliver a differentiated level of client service, allowing us to take market share from large, established providers. In doing so, JTC worked alongside a key vendor to develop a sophisticated system designed specifically for Transfer Agency and open ended funds; this investment created a technologically resilient system that is adaptable to regulatory change.

Our strategy has been to leverage this technology and create a TA centre of excellence in London where specialist knowledge and experience is available. By recruiting experts with practical knowledge and experience we have been able to create a best-in-class service proposition governed by a robust control environment and which adheres to jurisdictional specific regulations.

The key to our success has always been that we put relationships first and focus on creating a true partnership with our clients. This is achieved by being visible, regular communication and taking a proactive approach. This includes identifying upcoming regulatory change and also enhancing our systems to increase automation and leverage efficiencies in order to reduce manual intervention. Not only does this allow us to become more efficient, it increases accuracy which in turn builds confidence and ensures that existing clients entrust us with more opportunities as they arise and also provide very positive references for prospective clients.

JTC's TA service has grown significantly throughout the pandemic, enabled and supported by a number of substantial new client wins, including the Brooks Macdonald International mandate. The entire lifecycle – from the initial pitch through to team recruitment and the very successful migration of work to JTC on an outsourced basis – was all achieved under working from home conditions.

JTC's growth in this space can also be attributed to our ability to provide a 'full service suite' – offering everything from management of post through to fund accounting and providing company secretarial services. This means that clients can have one point of contact for all their TA-related administrative needs.

Our growth journey in this space has been fast, innovative and organic and has enabled us to create an offering that sets us apart. The approach taken is deliberate and considered, with a focus on providing the best service offering coupled with competitive fees. We look forward to further growth and development whilst also maintaining impeccable client experience and ensuring a consistent and stable service.

PRIVATE CLIENT SERVICES

IAIN JOHNS,
GROUP HEAD OF PRIVATE CLIENT SERVICES

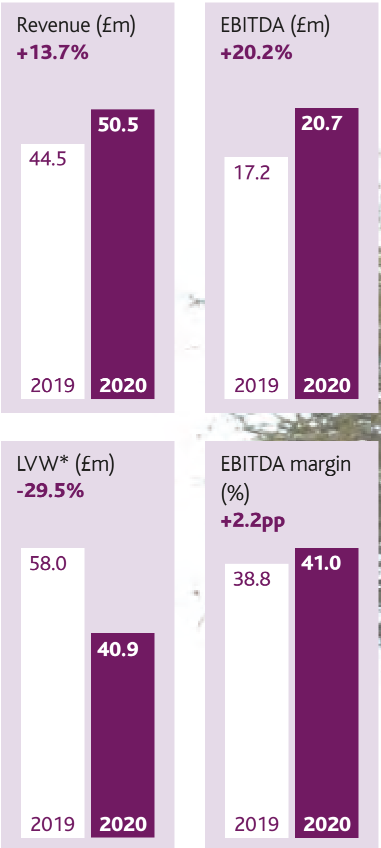
The PCS Division had an outstanding year and continues to perform well. In service, efficiency and client feedback, we are meeting all our targets and levels of expectation. Dealing with private clients and families, ours is naturally a people-based business. This year, when the modifications and rigours of dealing with the pandemic have tested us, I think we have shown we really are an extension of our private clients' lives.

The PCS Division achieved growth in revenue of 13.7% to £50.5m, growth in underlying EBITDA of 20.2% to £20.7m and an underlying EBITDA margin improvement of 2.2pp to 41.0%. Net organic revenue growth was particularly strong at 9.0% driven by the expected increase in activity from existing clients and our ability to grow relationships over time. The annualised value of new business won was £4.5m, a reduction of the £6.0m won in 2019, reflecting the impact of Covid-19 travel restrictions on face-to-face business development work.

This year, in the face of the Covid-19 crisis, our clients have wanted support, reassurance and options to make sure their affairs are in order and that the impact

Highlights

- Acquisition and full integration of the Sanne Private Clients business
- Development and growth of JTC Private Office as client numbers rise
- Growing technological capability bringing enhancements to Edge portal
- Efficiency improvements as global, regional model beds in



*Lifetime Value Won (LVW) is 10 times annualised value of work won minus value of attrition in past year.

of the pandemic will be minimal. In doing this, we have both verified and deepened the strength of our personal, long-standing relationships with our clients, even when forced to work remotely. Covid-19 has actually demonstrated the resilience of our business. Our people rose to the challenge, and our clients received the same sensitive and empathetic experience as before.

I CAN SEE SEVERAL ROUTES TO CONTINUED GROWTH IN THE WAY THE MARKET IS DEVELOPING. A BROADER SERVICE SUITE, SUPPORTED BY LEADING TECHNOLOGY, WILL HELP ENSURE OUR CLIENTS' EXPERIENCES ARE BEST-IN-CLASS. IN ADDITION TO THIS, WE ARE SEEING FAR MORE INTEREST FROM LARGE GLOBAL INSTITUTIONS, WHICH SEE US AS A PARTNER OF CHOICE IN A PRIVATE-CLIENT ENVIRONMENT. WE HAVE ALSO DEVELOPED OUR STRATEGIC DIRECTION FOR GEOGRAPHICAL GROWTH, BOTH ORGANIC AND INORGANIC. OUR AIM IS TO REMAIN THE PRE-EMINENT PRIVATE CLIENT BUSINESS IN OUR MARKET

Given the circumstance, we might have expected a slowdown in levels of new-business activity, particularly as so much of the development of new business is conducted in person. But like-for-like comparisons show there was no drop off. Clients have been rebalancing their portfolios in different ways in response to the pandemic, restructuring their affairs, and in the circumstances, found it wise to revisit their succession planning.

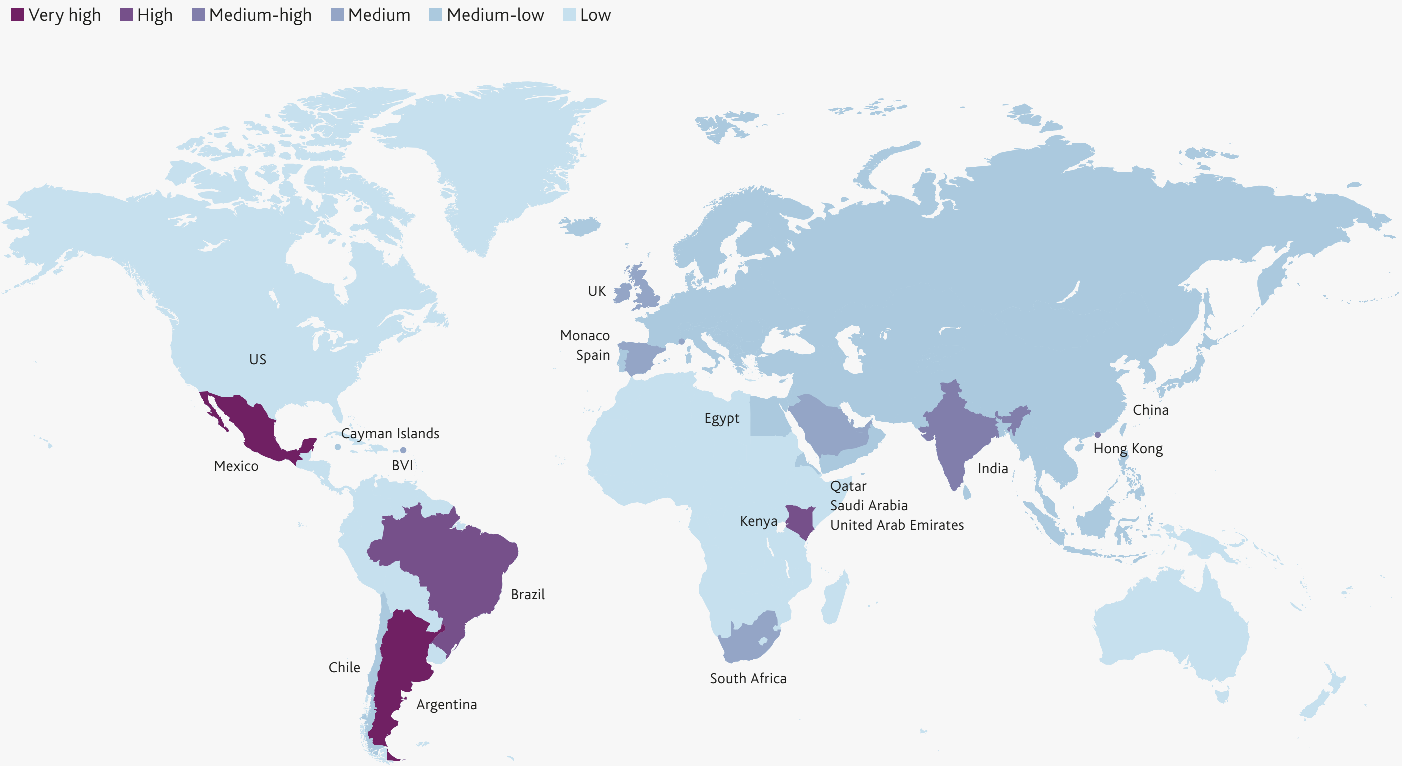
Having used our proprietary Jurisdictional Strength Index as an internal tool for monitoring and improving performance, this year we have grouped jurisdictions logically to create regional heads across the world. This recognises the growth in the Division. Now regional heads in the Americas, Caribbean, Europe and the Channel Islands, Middle East, Africa and Asia, are able to focus their time specifically on developing new business from those regions, as well as expanding our service capabilities there.

I see strong growth potential across all of our regions. The 'heat maps' on the next page show where wealth is growing and where JTC already has a strong market presence. This provides us with some strategic direction for geographical growth. In particular, I believe there is high growth potential, both organic and inorganic, for JTC in the US and good growth potential in other markets such as the Middle East and Asia.

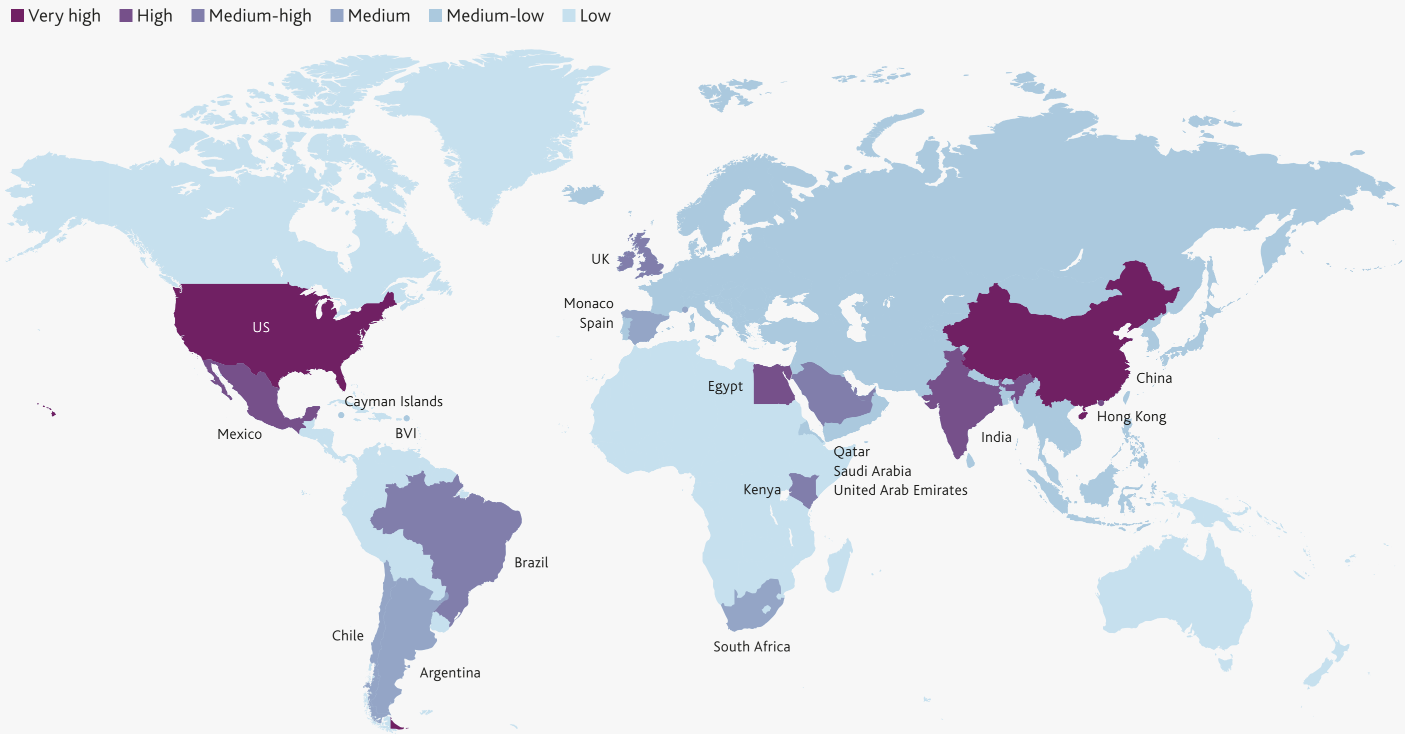
The JTC Private Office proposition goes from strength to strength, helping us attract and develop clients who entrust JTC with substantial mandates. The number of clients paying more than £100k in fees annually rose by 25% during the year. With the addition of NESF to the Group, we plan to use the technology capabilities available to us to improve the Private Office proposition further, principally through enhancements to our Edge client portal. Clients' adoption of technology has accelerated in recent years. While we're ahead of the market generally, we are now focusing on continuing our advances in this area and finding and investing in the best solutions for clients. We will always look to innovate to make sure our clients' experiences are the best possible.

For the same reason, we are broadening and deepening our service suite so we are able to offer more to new and existing clients. We aim to bring what are currently 'first-cousin' services in house. These include treasury, banking, FX, custody and tax compliance.

JTC'S GLOBAL CLIENT BASE



OPPORTUNITY FOR GROWTH



Resilience

Despite the challenges Covid-19 has presented, the number of UHNWIs is on the rise. The Knight Frank Wealth Report quotes that the UHNWI population grew by 2.4% in 2020, and while this is roughly a third of the growth rate of 2019, it demonstrates the resilience of the wealth market, even in unprecedented times.

(Knight Frank's UHNWI definition is wealth greater than $30m USD)

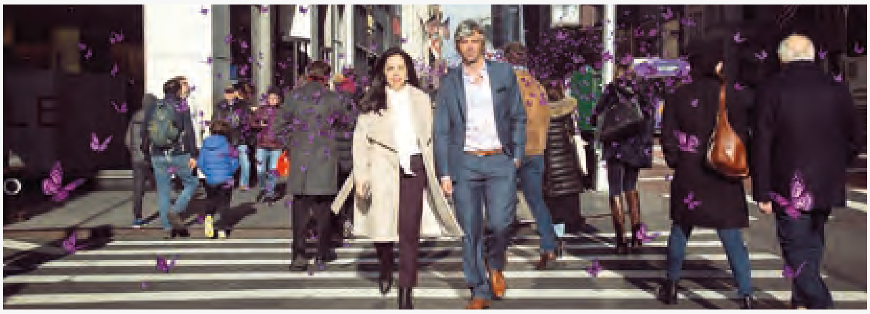
This resilience has also been demonstrated in our business. With net organic growth of 9.0% in 2020 it is clear that JTC's Private Client Services division is growing its market share.

UHNWI population growth 2020

+2.4%

Net organic growth

9.0%



In July 2020, we completed the acquisition of the Sanne Private Clients business. We have thus welcomed to our platform a strong group of practitioners who are thriving and for whom integration is now complete. Despite managing this during the pandemic, nothing slowed the momentum of our business. We have also welcomed their clients, who will benefit from the additional services and private-client focus JTC offers, and particularly from the treasury services proposition we acquired when we purchased the Minerva business in 2018.

Ultimately, we want to be better than the market and different to the rest of the market. As well as serving clients and their families directly, we aim to be partners of choice for large global institutions in a private-client environment, and these organisations increasingly perceive us as such. In this way, we are widening our client base to the many individuals and families who are private clients of these large, highly respected institutions.

IAIN JOHNS,
GROUP HEAD OF PRIVATE CLIENT SERVICES

Opportunity for Growth

As well as looking to increase market share, the private client market is growing around the world. In its 2021 Wealth Report, Knight Frank has predicted a 27% rise in the UHNWI global population over the next five years.

Knight Frank is clear that 'the US is, and will remain, the world's dominant wealth hub' over the next five years. We agree with this and are therefore building a strategy to increase our presence in the US, including providing a domestic US offering. While growth is predicted below the global average (at 24%), North America has the highest number of UHNWIs in the world (190k in 2020). The heat maps show that we are currently light in this market, which represents a huge opportunity for JTC.

Asia is leading the predicted growth charts. According to the Wealth Report, Knight Frank is predicting a 39% increase in UHNWIs over the next five years, versus the 27% global average. In 2020, there was a 12% increase, despite the global pandemic. Asia has the third largest population of UHNWIs (116k in 2020) and already has more billionaires than anywhere else in the world (36% of the global total). Again this growth prediction fits with what we expect, and we recognise that Asia could also present some big opportunities for JTC.

Africa is the region expected to see the second highest growth rates with a prediction of 33%. While this also presents a good opportunity for JTC, it's important to note that Africa's growth is coming from a small base of just 3.2k UHNWIs in the region in 2020.

Europe may have smaller growth predicted (23% in the next five years), but it remains an important region with the second largest number of UHNWIs (151k). The Middle East is predicted to grow by 25%, with Turkey leading the increase in this region.

The regional model we have established in JTC's Private Client Services division is positioned well to take advantage of these growth opportunities.

Number of UHNWIs in America (2020)

190,000

Billionaires in China as percentage of global total

36%

Predicted growth in the Middle East

25%+

INORGANIC GROWTH STRATEGY

A PROVEN TRACK RECORD OF COMPOUNDING FOR SUSTAINABLE LONG-TERM GROWTH

The foundation of our business will always be organic growth from new and existing clients and JTC grew through purely organic means for its first 20 years. However, we were quick to recognise changes in the market and demand from clients for a global offering delivered from a stable and sophisticated platform. Since 2010 we have announced 23 acquisitions and in doing so have refined and perfected our approach – from target identification to seamless integration.

Fundamentally, we look to do deals that make JTC a better business for the long-term and our disciplined inorganic growth strategy is driven by the interplay of three components.

Jurisdictional Strength Index (JSI) – this is a proprietary system that grades both the current JTC internal strength and overall market attractiveness of a given jurisdiction. While the precise criteria are commercially confidential, we apply them when evaluating acquisition opportunities and especially where we believe that a deal may deliver a material increase to our JSI score in a priority jurisdiction. The NESF acquisition is a good example of this, providing an entry into the high-growth US fund services market.

Core Acquisition Criteria – these are primarily concerned with how value will be added or created through each transaction. As well as straightforward increases in scale, we seek to strengthen our offering in terms of services, people, technology and processes; to create cross-selling opportunities between our Divisions and service lines and where applicable, to deliver cost synergies. The acquisitions of the Sanne Private Clients business in Jersey and the RBC CEES business met all of these criteria, albeit at different scales, and the RBC CEES acquisition is particularly exciting in terms of expanding our service offering and creating wide-ranging cross-selling opportunities.

Medium-term Focus – at a given moment in time, we will be particularly focussed on developing certain parts of the business, either in response to client demand or as part of delivering our longer-term strategy in an incremental manner. Our medium-term focus criteria help us to prioritise the high volume of M&A opportunities that we see and ensure we maintain our disciplined approach.

ACQUISITION STRATEGY

JURISDICTIONAL STRENGTH INDEX (JSI)

JTC propriety system. Ratings based on:

- Current JTC strength in a given jurisdiction
- Overall market attractiveness of that jurisdiction
- JSI scores further weight core criteria and current focus scores
- JSI for acquisitions is dovetailed with organic growth initiatives and ongoing investment in our global platform

CORE ACQUISITION CRITERIA

- Add scale or open a new territory
- Strengthen our offering (services, people, technology, processes)
- Create cross-selling opportunities
- Deliver cost synergy opportunities

MEDIUM-TERM FOCUS

- ICS with emphasis on alternative assets
- Mainland US (ICS and PCS)
- Luxembourg, UK and Ireland
- First cousin services

JTC ACQUISITION PIPELINE FEATURES

- Visibility of most deals in the sector
- c.25 active/potential at any time
- Disciplined approach – we know when to say no

sanne

Sanne's private client business in Jersey. An experienced team and high quality book of clients that was able to seamlessly integrate into our market-leading PCS platform.

Announced:

16 March 2020

NES Financial

A technology-enabled fund services business with a highly experienced management team. Provides an entry point to the important, high growth US fund services market.

Announced:

2 April 2020

RBC Corporate Employee & Executive Services

A market-leading provider of employee benefit solutions to a blue-chip corporate client base. The RBC CEES business aligns completely with our shared ownership credentials.

Announced:

10 December 2020

INDOSFINANCIAL INDEPENDENT FUND OVERSIGHT

A provider of sophisticated Depositary, AML and ESG services with offices in the UK and Ireland.

Announced:

15 February 2021

INTEGRATION EXPERTISE

WENDY HOLLEY
CHIEF OPERATING OFFICER

Our disciplined inorganic growth strategy ensures that we select the right acquisition targets, but the hard work does not end there. The ability to efficiently and effectively integrate an acquired business onto the JTC platform and – even more crucially – into the JTC culture is now a core capability of the Group. We believe that our approach and experience differentiates us in a rapidly consolidating sector that still comprises over 2,200 trust, corporate service and fund administration providers in the UK and Europe and at least 1,000 more in the US.

Our approach has been developed over more than a decade and leverages three of JTC's greatest strengths; shared ownership, operational excellence and an entrepreneurial approach.

OUR APPROACH TO INTEGRATION SITS AT THE HEART OF CAPTURING VALUE FROM ACQUISITIONS AND WE PLACE A PARTICULAR EMPHASIS ON WELCOMING PEOPLE TO OUR UNIQUE CULTURE

Shared Ownership – ultimately we are one JTC and every JTC person is an owner of the business. This 'stakeholder mentality' guides our approach to integration and means that we start with people (our new colleagues and clients) as the most important element of each integration programme. Our shared ownership culture also encourages a holistic approach to overcoming any obstacles and a focus on the long-term benefits that each acquisition will bring to the Group. Shared ownership and our compounding acquisition strategy go hand in hand as it is through the retention of talented people that we ensure service excellence and through the retention of our clients over relationships lasting an average of 10 years or more that we build value in the business.

Operational Excellence – while both the ICS and PCS Divisions have specific operational teams that support the delivery of client service excellence, the centralised Group functions (Human Resources, Information Technology, Risk & Compliance, Legal, Business Development & Marketing, Commercial, Finance, Company Secretarial and Premises) ensure a consistent and efficient approach across our global platform. All acquisitions are made with integration capacity a key consideration so that the central teams are able to provide the necessary bandwidth to manage and absorb the workload associated with acquisitions without impacting the focus or productivity of the fee earning Divisions. The longevity of leadership in these teams also provides deep organisational knowledge, with our heads of operational functions having an average tenure of 9 years.

Entrepreneurial Approach – a favourite phrase at JTC is that 'two plus two must equal five' when it comes to acquisitions. Taking an entrepreneurial approach to our work is one of JTC's eight guiding principles and its application to integration programmes is vital to ensure that the potential value of each and every deal is fully realised over time. To further support this approach, in 2020 we strengthened our Commercial Office team, with a specific focus on rapidly identifying value creation and synergy opportunities for each acquisition and tracking these through to delivery.

Bringing it all Together – the illustration opposite shows an example integration timeline. Each acquisition is unique and this framework is tailored to take account of the characteristics of each business we acquire.

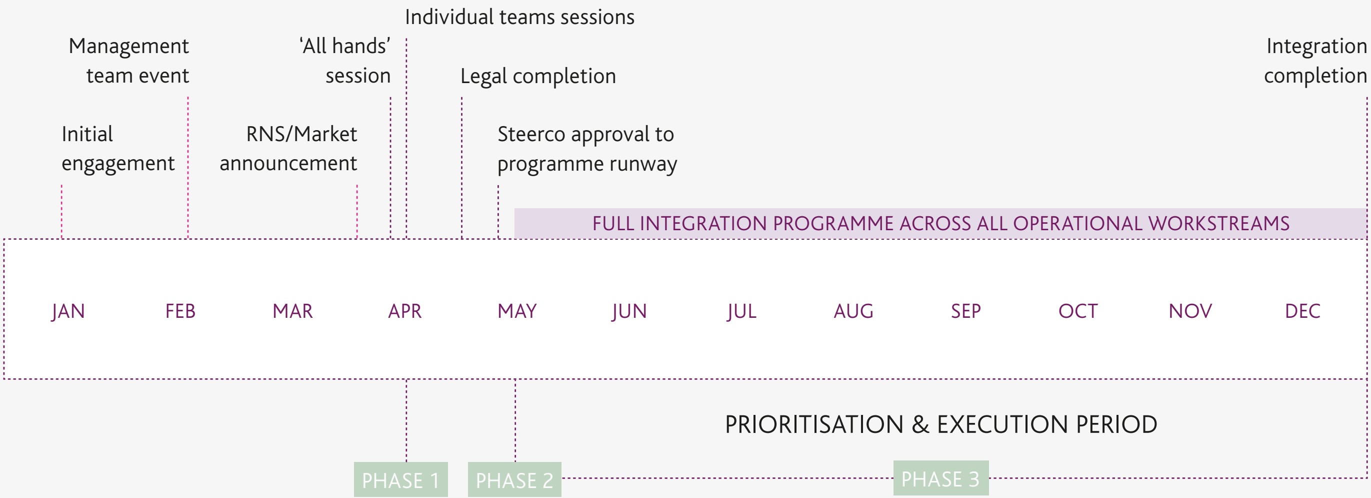
Employees welcomed in 2020

260+

Clients welcomed in 2020

900+

EXAMPLE INTEGRATION TIMELINE



PHASE 1 ACTIVITIES

- Set & agree directional strategy
- Define top level JTC leadership
- Agree integration guiding principles
- Confirm financial goals/expectations for period of plan
- Define integration programme structure
- Establish and launch workstreams & workshops
- Mobilise any quick wins and launch comms
- Prepare high-level integration roadmap
- Plan and manage any culture transition

PHASE 2 ACTIVITIES

- Complete all integration workstream workshops
- Prepare workstream charters, priorities and key decisions
- Develop and implement change of control priorities
- Identify early integration & business risks
- Set-up synergy tracking
- Analyse and define operating model
- Assess gaps, impacts and interdependencies
- Plan and manage client & employee experience

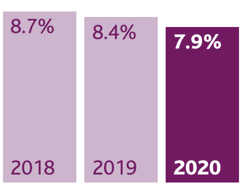
PHASE 3 ACTIVITIES

- Update integration roadmap
- Kick off full execution phase
- Define and implement readiness assessment programme
- Deploy client & employee programmes
- Build integrated environment
- Prepare integration events plan and logistics
- Execute integration event(s)
- Conduct synergy tracking
- Embed culture and employee ownership
- Transition to business as usual

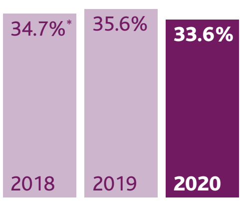
KEY PERFORMANCE INDICATORS
THE JTC BOARD USES THE FOLLOWING KPIs TO MEASURE THE PERFORMANCE OF THE GROUP

FINANCIAL

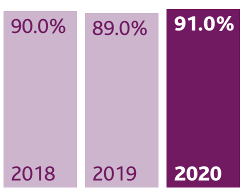
REVENUE	UNDERLYING EBITDA MARGIN	UNDERLYING CASH CONVERSION	LEVERAGE
Description Revenue generated based upon work done.	**Description** The EBITDA margin of the underlying business.	**Description** Our success in turning profits into cash.	**Description** The relative amount of third party debt we have in the business.
Definition Revenue of the business excluding items considered non-recurring or not of an operational nature or not reflective of the underlying performance of the business.	**Definition** Underlying EBITDA margin of the business excluding items considered not of an operational nature or not reflective of the underlying performance of the business divided by revenue.	**Definition** Net cash generated from underlying activities divided by underlying EBITDA.	**Definition** Third party debt less cash, divided by underlying EBITDA.
Why it's important Revenue is a reflection of the work we do for clients. We seek to deliver a high quality service, do more work for existing clients and attract new clients.	**Why it's important** Underlying EBITDA margin is our key measure of how well our business is performing, including relative to the wider industry.	**Why it's important** Cash generated allows us to pay dividends to shareholders, service our debts and invest in the business (both organically and through acquisitions).	**Why it's important** We need to manage the business without holding excessive levels of debt.
2020 Performance Revenue growth of 15.9% which comprised 7.9% net organic growth and inorganic growth of 8.0%.	**2020 Performance** Decrease of 2.0pp to 33.6%.	**2020 Performance** 91% underlying cash conversion (2019: 89%).	**2020 Performance** 2.0 times underlying EBITDA (2019: 1.7 times).
Commentary The PCS Division achieved 13.7% growth and net organic growth of 9.0%. The ICS Division achieved 17.8% growth and net organic growth of 6.9%.	**Commentary** The ICS Division achieved 27.9% (-5.2pp), impacted by the NESF acquisition and the PCS Division achieved 41.0% +2.2pp.	**Commentary** Underlying performance in line with guidance but actual cash impacted in first year by acquisitions. Impact will be eliminated in future years.	**Commentary** We remained within our guidance range.
Target We aim to achieve net organic growth of 8%-10% at Group level every year.	**Target** We aim to deliver an underlying EBITDA margin in the range of 33%-38%.	**Target** We aim to achieve 85%-90% cash conversion each year.	**Target** We aim to stay within 1.5-2.0 times leverage. We will exceptionally increase this to 2.5 times when supported by clear visibility of incoming cash flow and rapid reduction to below our target.



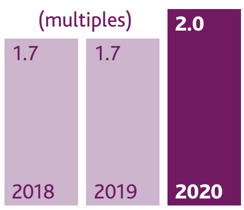
Read more on **page 14**



Read more on **page 16**



Read more on **page 18**

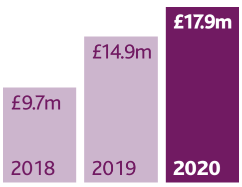


Read more on **page 18**

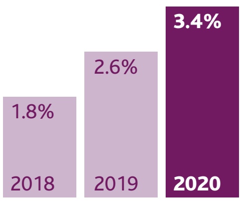
*IFRS16 impact estimated

OPERATIONAL

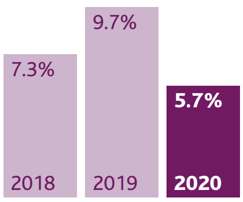
	NEW BUSINESS WINS	CLIENT ATTRITION	STAFF TURNOVER	SHARED OWNERSHIP
Description	The annualised value of new business won (AVNBW) each year.	The amount of business that we lose each year.	The number of staff who leave each year that we did not want to leave.	How many of our permanent employees are owners of the business.
Definition	Annualised value of new work won from clients where we have a signed contract.	Work lost that was regretted.	Number of staff who leave in the year that we did not want to leave divided by average number of staff in the year.	The proportion of permanent employees who are direct owners of the business through our shared ownership programmes.
Why it's important	Our industry has good growth fundamentals. In order to meet our organic growth targets we need to win new work every year.	We have a high volume of annuity business. Maintaining clients is a key indicator of customer satisfaction.	We deliver a high touch service to clients. Maintaining continuity of staff ensures that we are best able to meet client needs.	Shared ownership is our key differentiator. It is important that staff have a direct stake in our business to promote a stakeholder mentality and ensure that their interests are aligned with external shareholders
2020 Performance	Despite Covid-19, a strong year for new business wins with an increase by value of 20.1% to £17.9m.	Total client attrition was 8.8% (2019: 7.0%) with regretted attrition of 3.4% (2019: 2.6%).	Turnover of 5.7% at Group level (2019: 9.7%).	100% of permanent employees are owners of the business with staff holding c. 20% of issued share capital.
Commentary	ICS AVNBW was +51% at £13.4m and the PCS AVNBW was -25% at £4.5m.	96.6% (2019: 97.4%) of revenues that were not end of life were retained in the period.	A strong performance as we supported our people through the pandemic even while growing. We continue to benchmark favourably to peers and the wider sector.	1.1 million shares were issued to the JTC EBT in 2020, which was the final year of our 'Odyssey Era' three-year business plan.
Target	We aim to achieve at least a 10% increase in the annualised value of new business wins year on year.	We aim to keep regretted client attrition at less than 2.5% p.a.	We aim to keep annual staff turnover, as defined, at less than 10%.	100% of permanent employees to be owners of the business.



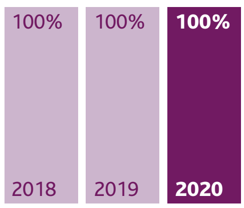
Read more on **page 16**



Read more on **page 15**



Read more on **page 36**



Read more on **page 40**

SHARED OWNERSHIP IS AT THE HEART OF OUR CULTURE AND OUR PURPOSE IS TO HELP MAXIMISE THE POTENTIAL OF EVERY CLIENT, COLLEAGUE AND PARTNER WITH WHOM WE WORK

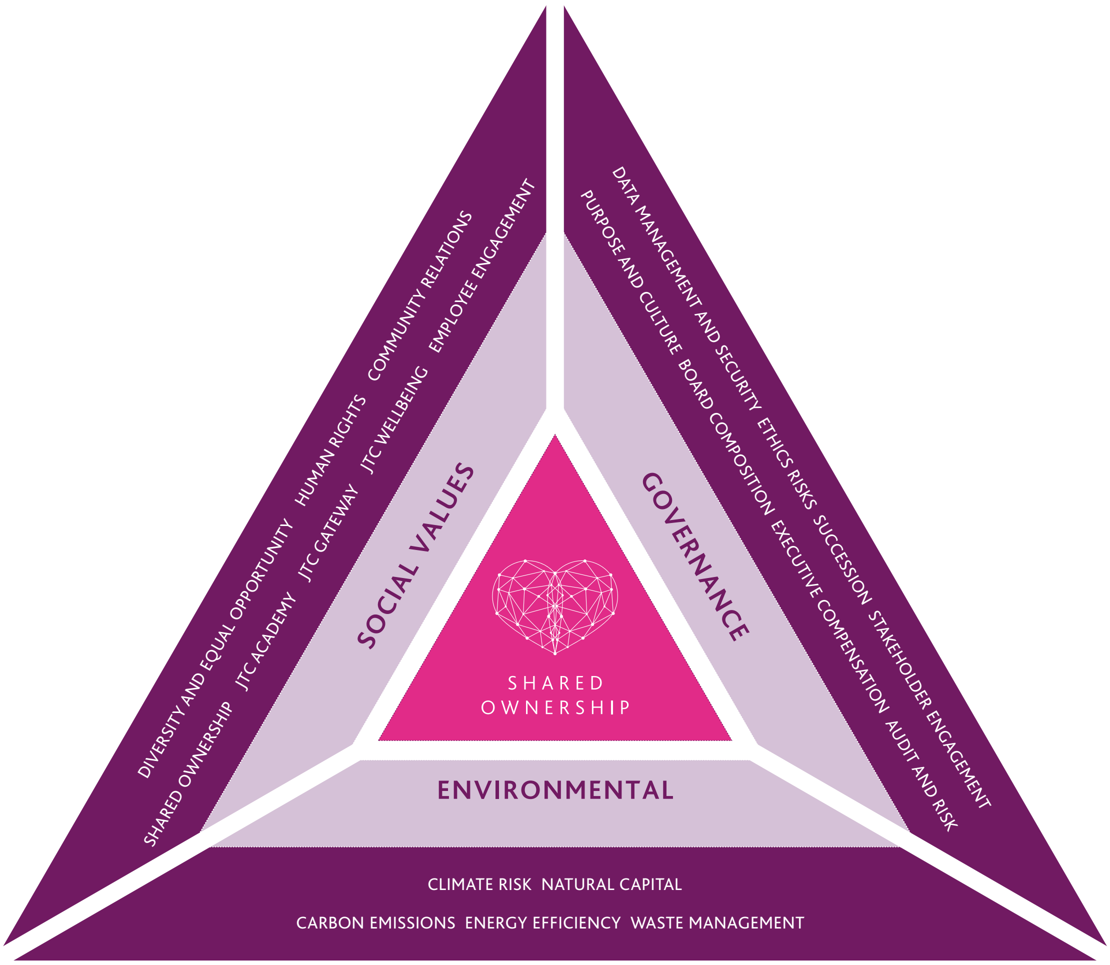
As a leading global provider of financial services, we understand the opportunity we have to play a role in realigning capital flows to address ESG issues.

We know that we will thrive as a business by working in a sustainable way, within constantly evolving legal and regulatory frameworks, respecting the natural environment and creating a positive impact for the communities where we live and work.

To help ensure this, we maintain our commitment to the ESG framework shown below. The framework is based on our purpose and cultural values, which you can read more about on page 40. At its heart is our culture of shared ownership, established in 1998, that places the interests of the collective above that of any individual. The principal items listed in the framework are those we believe to be meaningful and material to our business, and as you will see in the coming pages, many of these issues came to the fore during the Covid-19 pandemic. We work continuously to develop and improve our approach in all of these areas. The ESG framework is governed and overseen by the Board, with operational responsibility sitting with the executive team and in particular the Chief Operating Officer.

This year we are pleased to report for the first time using the Sustainability Accounting Standards Board (SASB) framework, which we believe is currently the most suitable for our business, a view that has also been expressed by many of our institutional investors.

In the coming year, we have undertaken to become a Carbon Neutral company on a global basis and will also be identifying which of the 17 United Nations Sustainable Development Goals (SDGs) are most relevant for our business and our stakeholders.



In choosing to report under the SASB framework we have elected to use the Professional & Commercial Services Standard, within the Services Sector. We believe that SASB is emerging as one of the most effective ESG reporting standards, with its focus on sustainability topics that are material to the business. At the time of writing, 21 of our institutional shareholders, including 50% of our ten largest holders, are SASB Alliance members. In addition, we are actively examining a number of other frameworks and standards as they relate to our business and stakeholders, including the UN's Sustainable Development Goals (SDGs) and readiness for reporting under the Task Force on Climate-related Financial Disclosures (TCFD).

JTC SASB REPORT – PROFESSIONAL & COMMERCIAL SERVICES

We have chosen to provide disclosures in line with the Professional & Commercial Services Standard issued by the Sustainability Accounting Standards Board (SASB).

SASB was founded in 2011 as a not-for-profit, independent standards setting organisation to establish and maintain industry-specific standards to assist in disclosing financially material, decision-useful sustainability information to investors.

The information disclosed is to assist investors and other stakeholders in understanding the governance and management of the Group's environmental and social impacts arising from its activities as well as the ability of the Group to create value over the long-term.

Sustainability Disclosure Topics & Accounting Metrics

DATA SECURITY

Accounting Metric & Code	Category	Unit of Measure	Disclosure
Description of approach to identifying and addressing data security risks Code: SV-PS-230a.1	DISCUSSION & ANALYSIS	N/A	At JTC, we understand the importance of protecting all of our information assets as well as retaining the trust of our existing and future clients. To support the JTC vision, and help the business meet its objectives, we are committed to building the protection of assets from the foundations up. For our Information Security program to be robust, effective and efficient, we align ourselves to the NIST Framework and ISO27001 Standards. The core framework itself is supported by Information Security policies and governance structures. Specifically with regard to identifying and addressing data/information security risk, Information Security Assessments are performed by our dedicated Information Security team. Our current assessment process includes assessment background, assessment details, compensating controls, conclusion and recommendations. Risk assessment reports are generated and shared with required stakeholders. The controls we consider necessary and appropriate to protect assets from unauthorised access to assure the confidentiality of information and maintain integrity are implemented. Post period end, we purchased an Information Security Governance Risk and Compliance solution. This solution will allow us to mature and enhance our Information Security Risk Assessments functionality and processes, improve frequency and efficiency and increase our risk transparency and reporting capabilities.
Description of policies and practices relating to collection, usage, and retention of customer information Code: SV-PS-230a.2	DISCUSSION & ANALYSIS	N/A	JTC is fully committed to both the spirit and the letter of all of the data protection/data privacy frameworks that apply to it globally. As a market-leading provider of private and institutional client services, client confidentiality sits at the heart of our business. We build on this foundation with respect for all of our data subjects' statutory data protection rights. We continually seek to enhance our data protection practices, and to that end in 2020 invested in our first Global Director of Data Protection Governance. We are excited by the opportunities that lie ahead to 'get closer' to data and in late 2020 we commenced an end-to-end review of our suite of data protection policies, procedures, template documents and practices, with retention practices and procedures being an early focus.
Number of data breaches Code: SV-PS-230a.3	QUANTITATIVE	NUMBER, PERCENTAGE (%)	No personal data breaches requiring formal notification to an Information Commissioner or a data subject were recorded for the period.

WORKFORCE DIVERSITY & ENGAGEMENT

Accounting Metric & Code	Category	Unit of Measure	Disclosure
Percentage of gender and racial/ethnic group representation. Code: SV-PS-330a.1	QUANTITATIVE	NUMBER, PERCENTAGE (%)	Executive Management (Group Holdings Board and Group Directors) – 25% female/75% male. All other employees – 59% female/41% male. *At present, we do not record data on racial/ethnic group, but plan to collect such data to enable reporting for our US workforce from 2021 onwards.*
Voluntary and involuntary turnover rate for employees Code: SV-PS-330a.2	QUANTITATIVE	NUMBER, PERCENTAGE (%)	5.7% voluntary. 9.0% involuntary.
Employee engagement Code: SV-PS-330a.3	QUANTITATIVE	NUMBER, PERCENTAGE (%)	*At present we do not record data, but plan to collect such data to enable reporting from 2021 onwards.*

PROFESSIONAL INTEGRITY

Accounting Metric & Code	Category	Unit of Measure	Disclosure
Description of approach to ensuring professional integrity Code: SV-PS-510a.1	DISCUSSION & ANALYSIS	N/A	The Group has a set of guiding principles and core value behaviours that are designed to establish the organisational cultural tone and set the standards we expect our employees to follow. These clear standards aim to support the Group's policy of ensuring that business is conducted in a manner that is consistent with our reputation, conducive to maintaining high standards of integrity in all our business dealings, whilst having the highest regard for the interests of our clients. The guiding principles include the Group's commitment to: – Full compliance with all legal, regulatory and other requirements wherever we operate, adopting best practice wherever possible; – Maintaining monitoring and risk management systems and procedures for the effective control of our affairs; and – Open and transparent dealings with our stakeholders including our clients and regulators. The principles are underpinned by Group Policies which set expected standards in a number of areas linked to professional integrity including Conduct Risk, Anti-Money Laundering, Countering of Terrorist Financing, Anti-Bribery and Corruption, Sanctions Compliance, Insider Trading, Conflicts of Interest and Whistleblowing. Adherence to these standards are periodically tested through the Group's 'three lines' model of assurance (read more on page 46) and further supported by an employee compliance declaration exercise undertaken each year. On an annual basis, each employee's adherence to the Group's core value behaviours of accessibility, integrity, commercial awareness, personality, engagement and innovation are assessed and are key contributory factors to the annual appraisal process. Over and above the internal organisational processes, the Group is currently regulated in 15 different jurisdictions. It is an accepted global practice for regulators to require those employees who look to take senior board roles and responsibilities either within the Group or on behalf of clients, to submit personal questionnaires or other confirmatory paperwork before assuming such positions. Regulators will then examine such applications and grant licences only upon satisfaction of local and international checks and regulatory considerations of fitness, suitability, experience and proven integrity. As such, and in support of the integrity achieved through internal organisational processes, there is considerable and consistent external regulatory scrutiny of integrity conducted by experienced authorities, often utilising information gateways (e.g. to law enforcement) that would not typically be available to the Group.
Total amount of monetary losses as a result of legal proceedings associated with professional integrity Code:SV-PS-510a.2	QUANTITATIVE	REPORTING CURRENCY	During the reporting period there were no monetary losses to the Group stemming from legal proceedings associated with lack of professional integrity or stemming from other environmental, social or governance issues.

ACTIVITY METRICS

Accounting Metric & Code	Category	Unit of Measure	Disclosure
Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract Code: SV-PS-000.A	QUANTITATIVE	NUMBER, PERCENTAGE (%)	Full-time – 845 Part-time – 31 Temporary – 28 Contract – 13
Employee hours worked, percentage billable Code: SV-PS-000.B	QUANTITATIVE	NUMBER, PERCENTAGE (%)	For our fee earning employees, hours worked as % of contracted hours was 106%. Billable time as a % of contracted hours was 82%.

SHARED OWNERSHIP IS AT THE HEART OF OUR CULTURE AND OUR PURPOSE IS TO HELP MAXIMISE THE POTENTIAL OF EVERY CLIENT, COLLEAGUE AND PARTNER WITH WHOM WE WORK

ENVIRONMENTAL

Components of our framework	Our response and capabilities
Operations – Carbon emissions – Energy efficiency – Waste management Our strategies in these areas are focused on efforts to reduce energy usage, increase office efficiency and ensure compliance with environmental regulations.	We have committed to become a Carbon Neutral organisation by the end of 2021. INDOS, acquired post period end, is a service provider signatory to the UN Principles for Responsible Investment (UNPRI) and a Carbon Footprint Standard accredited Carbon Neutral Organisation. We intend to leverage the experience of INDOS across the wider Group in the near-term. We are further committed to minimising other types of negative environmental impact wherever practicable and in the best interests of all stakeholders. Such measures include: – a commitment to energy efficient office premises and measures including those that manage lighting, heating and IT/communications equipment; – a commitment to digital document management to reduce paper consumption. New working practices and habits in this area have been accelerated by the need to adapt to remote working as part of our response to Covid-19; – a commitment to minimise all non-essential travel, in particular air travel, and the use of alternative technologies, such as telephone and video conferencing for both internal and external applications. As a result of the pandemic, our use of travel in 2020 was dramatically reduced and our adoption of technology solutions vastly accelerated. While we do not believe it will be possible to alleviate all travel in the future, like many organisations, we have rapidly learnt how to be effective with vastly reduced travel; – a commitment to minimise the use of disposable/single use plastics, including the Group-wide adoption of glass and ceramic glasses, bottles, cups, plates and bowls for food and beverage consumption; and – a commitment to purchase all paper stationery from responsible suppliers that are committed to sustainable source materials i.e. those that adhere to the www.fsc.org 'paper from responsible sources' and the Rainforest Alliance standards.
Services – Climate change – Natural capital – ESG integration for clients Our strategies in this area include engagement with our value chain (including investors, clients and suppliers) and providing support to clients as they seek to adapt their own business models to become more sustainable.	As the climate change regulatory environment matures and becomes clearer, we understand the need to manage transition risk for our business and also recognise the service opportunities that will emerge for us to support our clients. We recognise the need for TCFD compliance and in the coming year will be working on preparation steps, including upskilling and governance development. In addition to the capabilities added to the Group through the acquisition of INDOS, as noted above, the acquisition of NESF in 2020 brought expertise that can be leveraged in impact and socially responsible investing globally. These solutions have been designed for fund managers focused on impact investing and can help clients of our ICS Division globally to emphasise, and improve capital allocation towards and provide transparency of, investment impact and compliance. NESF's solutions are closely integrated with Howard W. Buffett, President of Global Impact, professor at Columbia University and creator of the impact rate of return (iRR®) algorithm. When combined with iRR® reporting, NESF technology helps organisations calculate how efficient their financial investments are in terms of accomplishing social, environmental and economic (including job creation) impact goals.

SOCIAL

Components of our framework	Our response and capabilities
Shared ownership	The foundation of JTC's culture is 'shared ownership' and this has been in place for over 20 years and is a key differentiator in attracting and retaining talent. Further details can be found in our IPO prospectus and Annual Reports for 2018 and 2019. www.jtcgroup.com/investor-relations/prospectus/ www.jtcgroup.com/investor-relations/annual-report-archive/ In addition, in 2019 the JTC shared ownership 'story' was made the subject of a Harvard Business School (HBS) case study: www.hbs.edu/faculty/Pages/item.aspx?num=56820
Employee engagement **Recruitment** **Employee communications** **JTC Academy** **JTC Gateway** **JTC Wellbeing**	We understand that our people are a fundamental source of differentiation and employee engagement is afforded the highest priority within the Group. Finding and attracting the best talent is managed through a structured approach to recruitment on a global basis through a strategic Human Resources team that is headquartered in Jersey, but has representatives in other JTC offices globally. This includes a dedicated role of Recruitment Manager. JTC conducts regular benchmarking of remuneration and benefits packages globally, in order to remain competitive within the labour markets where it operates. An overview of our approach can be found on the 'Careers' section of our website: www.jtcgroup.com/careers/ We use a wide variety of employee communication methods to share information about the business and the markets in which we operate. This includes communication of the Group's purpose, cultural values, commercial goals and strategies, performance updates and market news. + Read more on **page 43** JTC operates three specific global programmes as part of its wider employee engagement strategy and in support of both recruitment and retention goals. These are: – JTC Academy – our global learning and development programme + Read more on **page 42**; – JTC Gateway – our global talent mobility programme + Read more on **page 42**; and – JTC Wellbeing – our employee wellness (physical and mental good health) programme + Read more on **page 42**. With the exception of JTC Gateway, which was necessarily curtailed due to global travel restrictions, all of these strategies and programmes were more valuable than ever during 2020 as our workforce transitioned rapidly to remote working in response to Covid-19. We are incredibly proud of the team spirit demonstrated by our colleagues around the world and the incredible output of our operations teams, in particular IT, HR and Marketing, in supporting our people.

SOCIAL CONTINUED

Components of our framework	Our response and capabilities
Employee turnover rate	Our employee turnover rate is one of eight key performance indicators (KPIs) used by the Board to measure the performance of the Group. We define staff turnover as the number of staff who leave each year that we did not want to leave and we target 10% or less per year. Staff turnover is important because we deliver a high touch service to clients and maintaining continuity of staff helps to ensure that we are able to meet client needs. Staff retention is also important for our meritocratic internal talent development programmes and succession planning. Staff turnover in 2020 was 5.7% (2019: 9.7%) and this low figure is testament to the secure and engaging employment provided by the Group. It is challenging to find benchmarks for a global business of our type, but we believe that turnover rates in the region of 15 – 20% are more typical. + Read more on **pages 33 & 36**
Human rights, diversity and equal opportunity	JTC has defined policies covering: – modern anti-slavery and human trafficking www.jtcgroup.com/modern-anti-slavery-and-human-trafficking-statement/; – equal opportunities www.jtcgroup.com/careers/equal-opportunities/; – dignity at work; and – social media (inappropriate use/content, business and personal).
Health and safety	JTC has a defined Health and Safety Policy (and numerous related policies) that are detailed in the Employee Handbook and are introduced during a new employee's induction to the Group as well as being reviewed and revised on a regular basis.
Community relations	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. In 2020 we felt it was more important than ever to give back to local communities and within the bounds of restrictions imposed by the pandemic, we were able to remain highly active, especially in fundraising for a wide range of local charities. In addition, we were quick to recognise the significance of the pandemic and in April made a donation of £100,000 to three international charities to support their work in fighting Covid-19, these were the WHO Covid-19 Solidarity Response Fund, Médecins Sans Frontières and Comic Relief. + Read more on **pages 41-45**

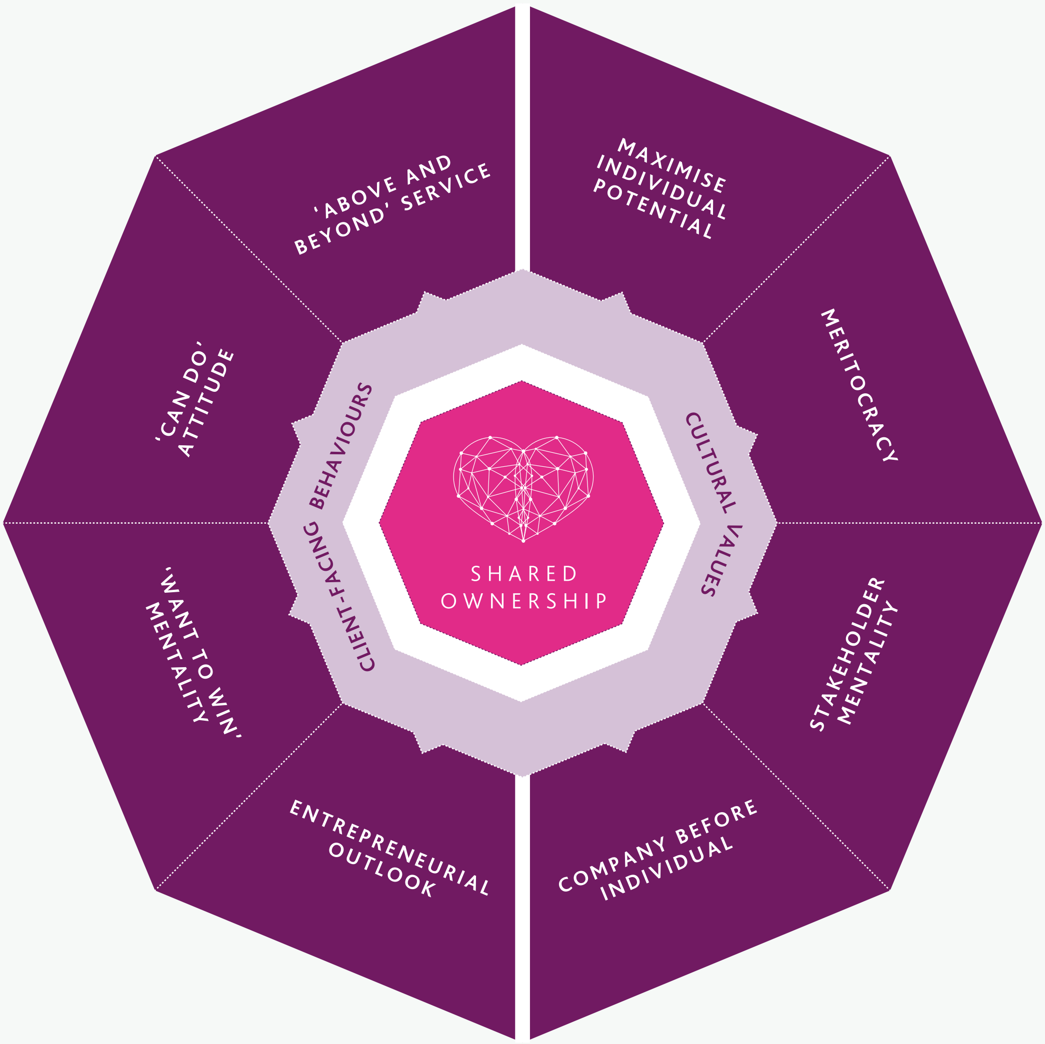
GOVERNANCE

Components of our framework	Our response and capabilities
Purpose, culture and ethics	JTC's purpose and culture are based on shared ownership and supported by eight defined 'Guiding Principles' that are intended to clearly define the Company's cultural values and in turn drive ethical behaviours throughout the organisation. Read more on page 40.
Board composition and effectiveness	Full details are provided on pages 61-67. Additional relevant detail, including the Terms of Reference of the various PLC Board Committees, are also available on our website: www.jtcgroup.com/investor-relations/corporate-governance/
Stakeholder engagement	We engage on an ongoing basis with a wide range of stakeholders, including: clients, employees, investors, intermediaries, regulators, government bodies, industry associations and charities. + Read more on **pages 63-65**
Executive compensation	Following feedback from investors, the Remuneration Committee conducted an extensive review of our reporting and disclosures on Executive Compensation and appointed Mercer as an expert third party to assist with that process. This has resulted in substantially revised and updated report of the Remuneration Committee, which can be found on pages 76-98 In addition to executive compensation, JTC's wider shared ownership culture and programmes are central to aligning the interests of our people with the interests of our stakeholders. As of 31 December 2020 c. 21.5% of the issued share capital of the Group was owned by employees, either directly or through the JTC EBTs. In 2019 JTC's shared ownership model became the subject of a Harvard Business School MBA case study www.hbs.edu/faculty/Pages/item.aspx?num=56820
Succession	The Board's Executive Succession Plan is based on JTC's shared ownership culture and places particular emphasis on meritocratic succession from within the business. + Read more on **page 57**
Audit & risk, including ethics risks	Full details are provided in the report of the Audit & Risk Committee on pages 72-75 and the Risk Management section of the Strategic Report on pages 46 to 53.

OUR PURPOSE AND CULTURE BROUGHT TO LIFE

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

This extends beyond creating economic value and links closely with our culture.



The JTC culture wheel is over 20 years' old and is as valid today as it was when we first created it. It describes the values and behaviour that have helped us grow our company to its current size and strength. At its heart is the principle of shared ownership, exemplified by the employee benefit trust that was created at around the same time. We believe that by living by these values and behavioural traits, we can protect and nurture that shared ownership, and grow our company for the benefit of everybody. And vice versa, the concept of shared ownership is what inspires the values and behaviour.

WORKING TOGETHER THROUGH 2020

Working together through 2020

Our purpose came to the fore in 2020 and was brought alive by our culture. Together we adapted to the adverse and extraordinary situation brought about by the pandemic. Together we supported our clients and partners. Together we continued to succeed in growing the business, and so supported our shareholders. And together we could still support the communities where we live and work.

Working together for our clients, we help them navigate the challenges and complexity they face, in the most effective and efficient ways. We help clients maximise their potential by working with them for the long-term, providing innovative solutions that allow them to focus on their strengths and goals. In July, we were awarded the mandate to provide fund administration and registrar services to Brooks Macdonald International. We were able to mobilise a senior team, understand the complex needs and put forward a compelling technological and multi-jurisdictional solution while operating under Covid-19 lockdown conditions. It is pleasing for us to prove we can support Brooks Macdonald's growth ambitions despite the restrictive circumstances, and we look forward to a long and productive working relationship. We aim to demonstrate this approach with every client.

Working together for our people, our culture of shared ownership makes every member of the team a direct stakeholder in the business, able to share in the success we achieve. In 2020, our focus was on keeping everyone connected throughout the pandemic. We were able to set 900 people up for working at home, and made nobody redundant as a result of Covid-19 nor placed anybody on furlough. During December, we ran our #Festivetogether campaign across all Group jurisdictions to keep people in touch with each other and raise their spirits. Activities included scavenger hunts, quizzes, bingo nights, decorating and baking competitions and special Christmas gift deliveries. A comprehensive communications programme through Joogle, our Group-wide intranet, ensured there was seasonal fun throughout the whole month.

Working together for our commercial partners, we extend our shared-ownership culture to the people we work alongside, helping them maximise their potential by providing complementary services to our shared clients. Of particular note in 2020, was our ongoing collaboration with BankClarity, with the successful delivery of a single banking payments platform as part of our centralised banking and treasury hub. This smart digital solution has created additional capacity for providing real value-added services to clients.

Working together for our communities and social partners, we give time, expertise and money to help people achieve their aspirations and enjoy a better life. In April 2020, as we were all acutely aware, the ongoing effects of Covid-19 reached every corner of society, and we felt we should make our own contribution to international charities with specific programmes focusing on the response. We decided to donate £100,000 and asked all employees to cast their vote on how we should distribute this. The top three choices sharing the donation (in proportion to the votes cast) were: the WHO Covid-19 Solidarity Response Fund; Médecins Sans Frontières; and Comic Relief.

Working together for our shareholders, who we thank for their continued support, we have developed a highly successful growth strategy that combines strong organic growth with highly disciplined inorganic growth. In the year, we have achieved revenue growth of 15.9% and an EBITDA margin of 33.6%. In November 2020, as a result of continued growth and performance, JTC was promoted from the FTSE SmallCap Index to the FTSE 250 Index. Every single employee is an owner of the business and can share in this success.

900+
people set up to work from home

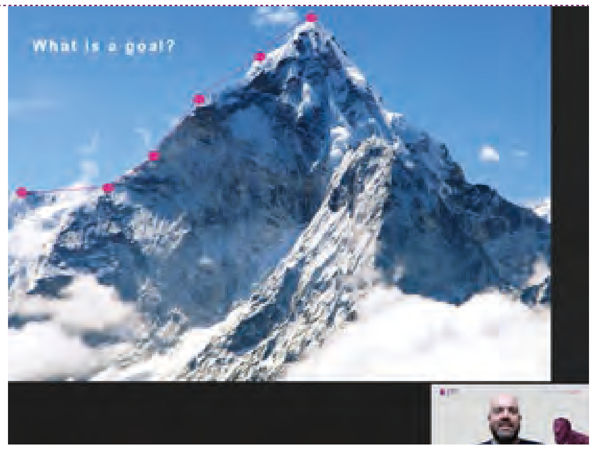
£100,000
Donated to WHO Covid-19 Solidarity Response Fund; Médecins Sans Frontières; and Comic Relief

Maximising the Potential of our People

We are a people business and have put in place three formal programmes – **JTC Academy, JTC Gateway and JTC Wellbeing** – that support every member of our global family to maximise their potential. From professional qualifications to personal mental health, these programmes are designed to deliver world-class experiences, opportunities and support to all our people.

JTC ACADEMY

Despite the 'working from home' circumstances, everyone across the JTC network still had the learning and development modules of the JTC Academy available to them to help them reach their full potential. Throughout the year, 208 delegates attended the leadership and management programmes, 482 delegates attended one-hour CPD sessions provided by our partners, and 881 people attended sessions to improve specific professional skills.



JTC GATEWAY

JTC Gateway offers our people the opportunity to develop their careers by working in Group locations around the world in support of their personal and professional growth. Despite the Covid-19 restrictions that came into force around March, four employees from various locations made permanent moves from Cape Town, Dublin and Guernsey to London, Luxembourg and Dubai.

JTC WELLBEING

We want our people to enjoy the best possible physical and mental health. We used our Wellbeing programme and app to provide advice and support on a range of topics, with a focus this year during Covid-19 on mental wellbeing and keeping us all connected and resilient while working from home. We added additional content on Joogle, our intranet, as our teams tried to navigate through a 'new normal' and we also saw increased use of LifeWorks, our Employee Assistance Programme. In addition, we ran a number of JTC Active events such as a virtual spinathon, triathlon and marathon, for anyone across all of the Group's jurisdictions to join – these all also raised additional funds for charity.

The Importance of the Everyday

We love to bring our culture to life everyday, in our workplaces and our communities. As a global business spanning more than 20 jurisdictions, our people are able to support good causes that matter to them and give back to the places where they live and work. Our internal communications reflect our personality and we work hard to share stories of giving and success.

Promotions across the globe

Our aim to maximise the potential of all our people is embodied in our approach to promotions within the business. In 2020 nearly 100 JTC people were promoted across our global office network. The promotions ranged across all levels, from Administrator to Managing Director, and we celebrated the achievements of our colleagues through extensive internal and external communications.

Employee communications

We encourage open communication across the business and Joogle became a key communications tool during lockdown. We offer a weekly reminder of the stories published on Joogle (420 this year) in a summary email, 'Joogle Week That Was' issued each Monday. We also launched our Communications Champions initiative, aiming for representation from every jurisdictional office and from different divisions and functions at JTC House. We held meetings every month in 2020, offering open discussion of news, events and initiatives around the business, which can then be further cascaded to all employees.

Our birthday breakfasts continued in Jersey, and we're looking to make it a global initiative in 2021. And with most of us working away from the office, people spoke of how much they missed the social aspect of work – and our electronic 'Kindness Cards' initiative was one way of trying to counter this. Kindness has the power to completely transform someone's day, so a simple question such as 'how are you?' can have a big effect. People sent over 500 around the business in 2020 to show their appreciation of colleagues and their work.

Charitable giving

We volunteer to provide expertise and time to charities in the communities where we live and work. But for many charities, funding is the most useful thing we can organise. Our employee-led approach has raised funds for charities in all jurisdictions where we operate, including our £100,000 Covid-19 response donation. We also launched JTC payroll giving in late 2020, where employees can choose to make tax-efficient donations to charities of their choice and as part of our #Festivetogether initiative, each office chose a local charity to receive a special financial donation from our JTC Supports budget.

There were so many charitable and community events throughout the year, with just a few highlighted here.

New office dress code

In March, in combination with Sport Relief, our Directors in Jersey, Guernsey, London and Isle of Man turned dress-down day on its head and dressed up in fancy dress for the day in and around the office. Between them they managed to raise well over £2,000 from their colleagues in charitable donations.

Thought for food

When lockdown first hit towards the start of 2020, our South Africa CSR Committee had to think of some new and inventive ways to help charitable causes once their usual events couldn't take place. They came up with the Pack a Parcel initiative, challenging the office each month to pack a parcel with essential items to supply food to kids and families in need. There was a competitive element to it, too, so well done to the Support Services team who consistently packed the most across the year, earning themselves R5000 towards a charity of their choice.

On course

JTC's Guernsey team hosted a fun-filled mini-golf morning in conjunction with the Smile for Georgie Foundation. Local Guernsey children enjoyed a game of pirate mini golf and other outdoor games, followed by a tasty kiddie's buffet, as well as lunch for parents and guardians.

In it to win
This year, the JTC House annual Christmas raffle in Jersey had to go fully virtual with online ticket sales. Teams donated an array of luxury hampers and items and together the event raised a much appreciated £7,000 for Jersey Hospice Care. We also supported the Jersey Christmas Appeal through our sponsorship of lunches for five charities enabling vulnerable islanders to enjoy a three course hot meal on Christmas Day.

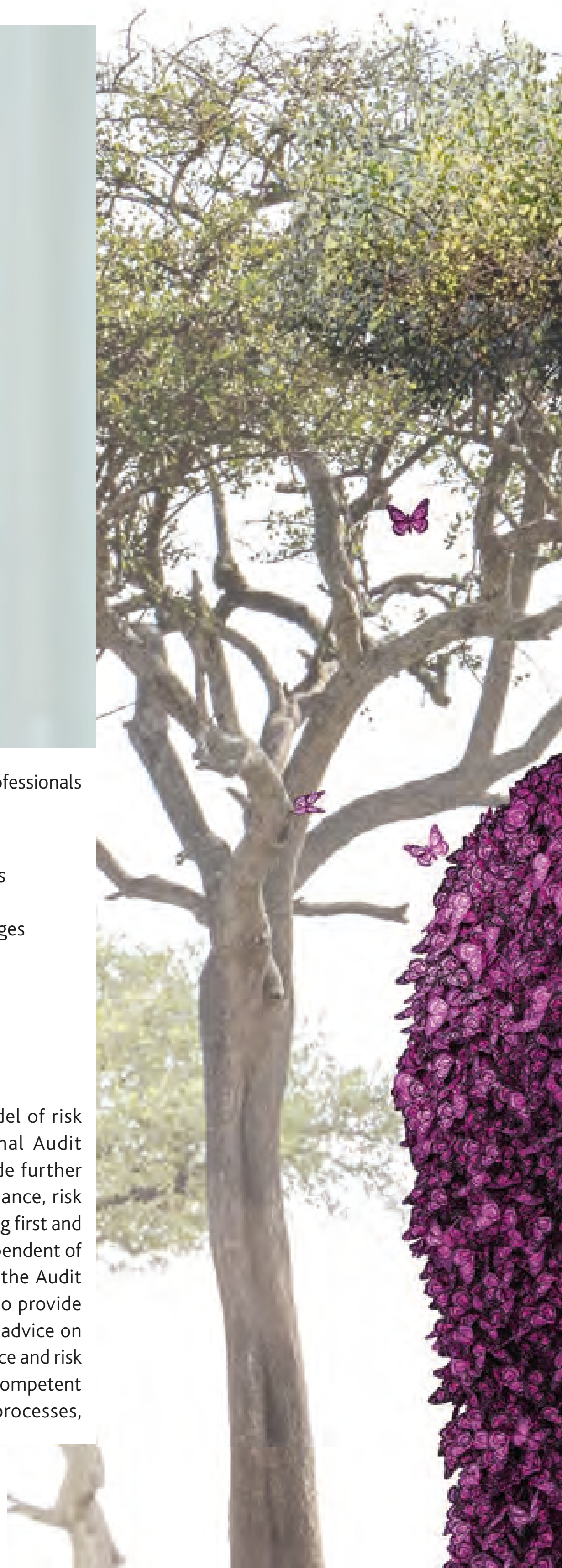
#SINGINGTOGETHER
Each year, in lieu of sending out festive cards, JTC makes a charitable donation and sends a digital greeting to its thousands of clients, intermediaries and other partners. This year, following a challenging 12 months that saw many people around the world suffering through anxiety and isolation, we decided to make a very special JTC music video. 20 talented members of the team from offices around the world formed a virtual choir and performed 'You Gotta Be' by Des'ree and the response was amazing! After sharing the video via email and social media, we received dozens of messages saying how uplifting and positive it was. We also engaged our employees to choose the charity that they most wanted to support and via an online poll they selected United for Global Mental Health.

https://www.jtcgroup.com/singing-together/

Green fingers
Members of the JTC Isle of Man team volunteered their spare time to help Lions Club members out with a day's worth of intense gardening at the Oncology Courtyard at Nobles Hospital.

In addition to fund raising for local charities close to their hearts, they also volunteered for Manx Wildlife Trust in Calf of Man, helping the wardens who live on the Island to remove weeds from a bog, which is a key habitat for local wildlife. Everyone was very grateful to find out only afterwards that the bog contained eels!

STRONG FOCUS ON RISK MANAGEMENT AND COMPLIANCE RICHARD INGLE, CHIEF RISK OFFICER



I am pleased to present my first risk report since I joined JTC as Chief Risk Officer on 28 September 2020. At the time of writing, I have only been in the role since the final quarter of 2020, so I am very grateful to Bill Byrne for the work he had done in the position up to that point during 2020. Bill has now returned to focus full time on the role of Group Chief General Counsel.

Overview of Risk Management at JTC

As a global provider of fund, corporate and trust administration services in a highly regulated sector, JTC places risk management and compliance at the heart of its day-to-day activities.

The Group cultivates a strong culture of risk awareness, where we set the tone at the top of the organisation, and assign ownership of risk very clearly. We are committed to ensuring we manage risk in a balanced and consistent manner, one aligned to the Board's stated risk appetite, and also to ensuring we comply with any rules and regulations that apply.

A specialist team of Risk and Compliance professionals operates throughout the Group to:

- help identify and manage risks
- monitor and report on the effectiveness of risk controls
- help resolve risk and regulatory challenges
- advise on regulation and controls
- manage regulatory relationships.

Notable developments in our approach during 2020

Internal Audit

We have bolstered our 'three-lines' model of risk management by establishing an Internal Audit function. Group Internal Audit will provide further assurance on the effectiveness of governance, risk management and internal controls, including first and second-line controls. Internal audit is independent of management and has a reporting line to the Audit and Risk Committee. The function aims to provide independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. It achieves this through the competent application of systemic and disciplined processes, expertise and insight.

Covid-19

Our immediate approach to the risk of the Covid-19 pandemic was described in some length in last year's report. The world economy is facing a 'once in a generation' shock that is not only affecting vulnerable individuals but also fragile businesses and national economies. During 2020, we were able to adapt our business resiliency measures quickly, to embrace large-scale home working practices with little disruption to business operations and client service (see page 5). Equally, we were able to adapt work spaces and practices to address 'return to work' guidelines as opportunities arose to once again provide a safe working environment for our staff.

WE WERE ABLE TO ADAPT OUR BUSINESS RESILIENCY MEASURES QUICKLY, TO EMBRACE LARGE SCALE HOME WORKING PRACTICES WITH LITTLE DISRUPTION TO BUSINESS OPERATIONS AND CLIENT SERVICE

Regulatory Scrutiny

The high standards set by international regulators rightly provides comfort and assurance to clients and investors and JTC remains accustomed to meeting exacting regulatory standards. It is a noted trend that the regulatory overhead for international financial service providers continues to increase. An increasing number of jurisdictions are subject to evaluation and scrutiny by international assessment bodies. Such evaluations assess (among other matters), the effectiveness of national regulators' enforcement. This has, in turn, seen an increased propensity for regulatory action and civil penalties for matters that might, in the past, have been dealt with differently. This evolution means that we must remain vigilant and responsive to continued regulatory scrutiny. We have responded to this emerging risk of increased regulatory intervention with a range of mitigation measures including 'lessons learned' reviews from regulatory public statements, continuous improvements to systems, controls and employee training and, when necessary, undertaking remediation programmes.

JTC PLC BOARD

JTC PLC AUDIT AND RISK COMMITTEE

GROUP RISK COMMITTEE

KEY RISK TYPES

- LEGAL
- FINANCIAL
- POLITICAL/ REGULATORY
- HUMAN RESOURCES
- OPERATIONAL
- STRATEGIC
- REPUTATIONAL

THREE LINES MODEL

- GROUP RISK OWNERS
- GROUP RISK & COMPLIANCE
- GROUP INTERNAL AUDIT

EACH JURISDICTION

Local Boards and risk owners ensure robust control environment is maintained.
Local Risk & Compliance personnel hold regulatory roles and support local risk owners.
Monthly reporting provided to Group Risk & Compliance

How we manage risk at JTC

The Board has overall responsibility for setting JTC's risk appetite and ensuring we identify, understand and manage any risks that could affect the Group pursuing or achieving its corporate strategies. To achieve this objective, the Board asks the Audit and Risk Committee to oversee the risk and control environment. The Audit and Risk Committee consists of three Non-Executive Directors. The Chief Risk Officer and Group Internal Auditor have a standing invitation to attend all meetings.

The Group-wide risk-management framework established by the Board is designed to work with JTC's evolving structure, risk profile, complexity, activities and size. It adopts an industry-standard, three-lines model. The main features of the model are as follows:

- The Board and senior management have collective overall responsibility for setting organisational objectives, defining strategies to achieve them and establishing the necessary control frameworks to manage the risks.
- The first line is formed by the business and operational managers in each jurisdiction who are 'risk owners' and have primary responsibility, with the appropriate local Boards of Directors, for managing organisational risks by designing and implementing appropriate mitigating controls.
- The second line reports to senior management and comprises risk management and compliance functions who help build and monitor the activities of the first line. Local jurisdictional companies maintain key regulatory and compliance personnel (for example, Compliance Officers, Money Laundering Reporting Officers and Money Laundering Compliance Officers) in accordance with local regulatory requirements.
- The principal function of the third line is to provide risk assurance. In the past, we have relied upon a formal external audit programme and regular external visits and regulatory inspections across the Group's regulated businesses. We have now bolstered this third line by establishing the Group Internal Audit function mentioned previously.

The Group Risk Committee comprises the Chief Risk Officer, Group Chief Executive Officer and Chief General Counsel. This Committee maintains responsibility for considering the risk types that may affect the Group including, but not limited to, strategic risk, operational risk, regulatory risk, legal risk, human resources risk, technology risk (including data security risk), client risk, fiduciary risk and performance risk.

The Group Risk Committee meets quarterly and is responsible for overseeing the Group's internal risk framework. It continuously evaluates the adequacy of systems and controls for identifying and managing risk and regulatory compliance. It monitors trends, identifies potential emerging risks through periodic macro reports and reviews issues that may present material risk at Group level. It also considers significant or imminent changes to the risk and regulatory environment and available mitigants. The Committee is also mandated to advise the Group regularly on the risk management and regulatory compliance implications of its overall business strategy, culture and risk appetite, taking account of macroeconomic as well as operational conditions.

The Group Risk & Compliance function provides assurance through regular reporting of the independent compliance monitoring programme in each jurisdiction.

Key Controls

We have a number of key controls to ensure we monitor and manage all elements of our business activities, including fiduciary risks. These include:

- a high level of jurisdictional Director control over processes
- a specific 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 professionally qualified employees
- regular risk and compliance updates.

Many of these controls come within our rigorous, bespoke 'Recommendation for Signing' (RFS) approval process. This internal control tool ensures we thoroughly document, review and approve all business decisions and transactions at an appropriate level on a 'six-eyes' basis. The RFS is a key tool in identifying, managing and monitoring client, transactional, operational and internal risks within JTC. It was originally developed to provide control over the Group's diverse client base, business operations and regions, and subsequently refined, it continues to be effective in maintaining high standards of control in a rapidly growing organisation. All new employees must take RFS training and testing, and existing employees have refresher training. The Group maintains a strict management process for exceptions to documented controls.

Risk Types

We have categorised the key risk and sub-risk types JTC is exposed to, along with mitigation measures. We periodically reassess the risk types to ensure they remain relevant to our current operating environment.

LEVEL 1	LEVEL 2	DESCRIPTION
LEGAL	– Litigation, contractual	The Group's activities expose it to the risk of potential disputes, legal proceedings or claims from clients and other parties such as service providers. A risk that the Group does not administer clients and their structures in accordance with its standard terms of business and specific client agreements, which could potentially give rise to a claim against us.
	– Fiduciary	One of our main offerings is to provide trustee services and provide directors on administered entities. Undertaking a fiduciary role carries specific legal obligations.
FINANCIAL	– Performance of business	The risk of JTC not meeting financial forecasts or not achieving the provided market guidance.
	– Earnings (FX)	Risk of exposure to fluctuations in currencies outside of reporting currency, leading to realised or unrealised losses.
	– Impairment	Given our strategy of organic and inorganic growth, there is a risk of impairment of significant intangible assets on the balance sheet.
	– Financing	Failure to comply with banking loan covenants may lead to a withdrawal of facility availability.
POLITICAL/ REGULATORY	– Listing rules	Risk of not complying with the LSE listing rules, particularly the greater scrutiny, disclosure and corporate governance requirements.
	– Regulation	Risk that our business model is adversely affected by political or regulatory changes to markets or services we offer, together with our client base. Risk of exposure to regulatory sanction and subsequent reputational damage given a failure to follow regulatory laws, orders and codes of practice. Risk of failing to adequately document, manage and monitor the activities of material service providers can lead to regulatory intervention.
	– AML/CFT	The risk of the Group administering client structures that are participating in money laundering or terrorist financing.
HUMAN RESOURCES	– Adequate resources	As business grows, the risk of failure to attract the best people with the right capabilities across all levels and jurisdictions.
	– Retention	Failure to retain those staff identified as adding value to the business.
	– Key person	Risk of losing, and consequently replacing, key individuals unexpectedly at short notice.
OPERATIONAL	– Client – Process	The risk of the Group taking on the wrong type of clients, or the Group or the clients actions during the client's lifecycle, leading to losses, failed strategic objectives, poor customer service and employee frustration and potentially enforcement, supervision or prosecution.
	– Business continuity	The Group is heavily dependent on the capacity and reliability of the IT and communication systems that support its operations. Any loss of operational capacity or disruption of IT and communications systems could have a material adverse effect on our ability to deliver services to clients.
	– Data security risk	The risk of a security breach, including cyber-attacks by destructive forces from both internal and external sources, leading to loss of confidentiality and integrity of data. GDPR regulations represent a further risk.
STRATEGIC	– Acquisition	Risk that acquisitions do not achieve intended objectives, giving rise to ongoing or previously unidentified liabilities.
	– Competitor	Failure to innovate in line with key competitors or advancing technology may lead to significant loss of potential or existing business.
	– Strategy	Risk that the Group's strategy brings excessive risks to the business or does not sufficiently align to changing market conditions or client requirements, such that sustainable growth, market share or profitability is affected.
REPUTATIONAL	– Regulatory sanction – Public litigation – Breaching sanctions – Implicated in money laundering or the financing of terrorism	Risk arising from negative public opinion that could harm JTC's reputation and standing by failing to meet stakeholder expectations, or ineffective management responses to a crisis situation. Reputational risk events may be caused by JTC or its employees or agents.

MITIGATION	
– Rigorous policies, procedures and processes in operation within the Group (particularly risk escalation policy). – Qualified and experienced staff operating within a 'six-eyes' control parameter. – Using external counsel in disputes where appropriate. – Substantial PII cover.	– Maintaining an experienced in-house legal team. – Free legal helpline from two international law firms. – Prohibited from providing legal, tax or investment advice to clients. – Continuous training programme.
– Ongoing monthly reporting and KPIs that help monitor by performance assumptions and targets. – Rigorous annual business planning and budget process. – Cash management process including matching of cash flows where possible.	– Monitoring of FX rates. – Regular impairment testing in line with accounting rules. – Strict monitoring of loan covenants. – Ongoing review of financial targets and reforecasting.
– Retained specialist advisers. – Suitably staffed and skilled specialist compliance teams operating independently in each jurisdiction. – Use of NED expertise. – Product and jurisdictional diversification reduces impact. – Horizon-scanning by boards and committees. – Comprehensive policies, procedures and processes across the Group that align to the appropriate regulatory and AML/CFT regimes.	– Established risk and compliance culture across the Group. – Independent monitoring programme. – Hiring capable employees for key roles. – (e.g. Compliance Officer and Money Laundering Reporting Officer). – Established and continuing professional development training and awareness initiatives.
– Comprehensive policies, procedures and processes specifically drafted for AML/CFT purposes. – Hiring capable employees for key roles (e.g. Compliance Officer and Money Laundering Reporting Officer). – Frequent staff training and awareness initiatives. – Competitive remuneration package benchmarked with peer group. – Shared ownership ideology established across the business.	– A strong management culture where talent management and people development are a key focus. – Succession plan from current staff pool being developed for key roles. – Ongoing vetting and monitoring of employees through annual appraisal and declaration process, and screening of all new employees. – JTC Academy provides technical, management and professional training, and a personal development programme for all staff.
– Strict policy and procedures from the outset, subject to regular review, with appropriate escalation for higher-risk clients. – Frequent staff training and awareness initiatives. – Established reporting and escalation processes with review by boards and committees as appropriate. – Independent client and compliance-monitoring review programme. – Established risk and compliance culture across the Group. – Ensuring high-quality administration and compliance staff in each jurisdiction, plus internal legal counsel support as appropriate. – Well-established RFS process. – 'Three lines of defence' assurance and controls model.	– Comprehensive policies, procedures and processes specifically drafted for business continuity and IT security purposes. – Dual data-centre model providing inter-jurisdictional redundancy if power or communication failure, connected by four diverse and redundant network links to allow for synchronous replication. – Established and tested business continuity procedures. – Defined and audited IT procedures. – Regular external security assessments and penetration testing. – System access controls embracing 'least privilege access' model. – Specialist in-house IT security expertise. – Continuous training, including compulsory online security awareness courses. – Review of data security procedures and controls as part of the annual ISAE 3402 report.
– Rigorous acquisition due-diligence process including third-party assessments by well-regarded accounting and legal firms. – Governance and questioning by NEDs. – Integration strategy agreed before acquisition. – Committees established to manage integration process. – Identifying forthcoming needs early for investment in digital business systems, and established procedures for prioritising product innovation.	– Group strategy regularly reviewed and questioned by Group Holdings Board. – Strategically based annual business planning process and performance-based targets. – Clear acquisition process and well-established criteria. – Experienced management team.
– Comprehensive risk management capability including controls within the procedural environment and management of all litigation. – 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.	– Daily screening and monitoring of clients and related parties on published databases and sanctions lists. – Ongoing transaction monitoring.

Principal risks

We assess the principal risks JTC is exposed by reference to (i) their impact if they were to occur and (ii) the likelihood of occurrence. These factors are plotted on the Group Risk Register and Risk Assessment Matrix. The timescale over which the risks could occur are a further factor of consideration and referenced in the table below. The Chief Risk Officer reports to the Audit and Risk Committee, presenting the Group Risk Register and Group Risk Assessment Matrix and providing an assessment of the risk status based on the control and mitigation.

	1	2
PRINCIPAL RISK	**Risk of a security breach, including cyber-attacks from destructive forces leading to loss of confidentiality and integrity of data.**	**Risk of the Group taking on the wrong type of clients, or the Group or the client's actions during the client's lifecycle leading to losses, failed strategic objectives, poor customer service and employee frustration and potentially enforcement, supervision or regulatory sanction.**
POTENTIAL CAUSES	– Data exfiltration – Malware – Financial theft – Denial-of-service attacks – Cyber phishing attacks – Network service failures – Employee error – Malicious employee intent – Security breach of client data	– Inadequate policies and procedures – Failure to apply policies and follow procedures – Failure to follow codes of conduct – Failure of managerial oversight – Failure to adequately train and develop employees – Failure to identify and remediate identified issues promptly
MITIGATION	– Defined and audited IT procedures – Embedded, external security – IT systems including 'one-click' reporting for suspicious activity and monitoring external emails – Periodic external security assessments (at least annually) – System access controls embracing 'least privilege access' model – Specialist in-house IT security – Continuous training programme including annual compulsory online security awareness course – Review of data security procedures and controls as part of the annual ISAE 3402 report – Strict business continuity planning	– Rigorous policies and procedures subject to regular review (including for client take-on) – Enhanced vetting and sign-off for higher-risk clients – Frequent staff training and awareness initiatives – Established reporting and escalation process with review by boards or committees as appropriate – Independent client and compliance-monitoring review programme – Established risk and compliance culture across the Group – Ensuring high-quality administration and compliance staff in each jurisdiction, with internal legal counsel support where necessary – Well-established RFS process – 'Three lines of defence' assurance and controls model
TIMESCALE	– Continuous risk	– Continuous risk

3	4	5
Risk that acquisitions fail to achieve intended objectives or give rise to ongoing or previously unidentified liabilities.	**Failure to attract, maintain and develop high-calibre, experienced senior managers and employees in key roles in the business, in order to achieve JTC's strategic aims.**	**Risk that legal or regulatory changes will materially affect the financial services sector or specific jurisdictions in which JTC operates.**
– Inadequate due diligence – Economic misjudgement – Lack of strategic clarity – Ineffective or delayed integration	– Uncompetitive remuneration – Unappealing working environment and inadequate support – Lack of adequate succession planning – Failure to invest in appropriate and timely talent development – Failure to identify roles most essential to achieving strategic aims – Failure to identify the required skills for key roles – Insufficient focus on attitude and motivation and alignment with JTC's vision and values	– Geopolitical uncertainty – Regional or global standards or requirements with disproportionate impact – Political reaction to wide-scale data leaks and associated negative press coverage – Balancing increased transparency requirements with increased data protection legislation – Challenge and cost of measuring, monitoring and demonstrating good conduct as well as meeting new requirements – Keeping pace with rapid regulatory change and reporting requirements
– Strict due-diligence process including third-party assessments by well-regarded accounting and legal firms and thorough review by in-house experienced acquisition team – Obtaining run-off insurance for minimum five-year period where required – Governance and questioning from Non-Executive Directors (including reference to proprietary Jurisdictional Strength Index) – Established and tested integration strategy and process agreed before acquisition – Management experience – Shared Ownership aligns interests	– Ensuring competitive remuneration package and proactive benchmarking against peer group and competitors – High-quality and well-maintained office space – Supportive, friendly and inclusive working environment – Shared ownership ideology established across the business – Established management culture supporting staff development and recognition – Key roles identified and development of succession planning – Established in-house employee training for all levels of the business including bespoke senior management development programme – External professional qualifications encouraged and supported (including financially) – Flexible and appropriate working practices	– Specialist risk and compliance staff with the skills needed to monitor and report on strategic outlook and the impact of change – Strict and sustainable regulatory change-management model – International presence offering alternative solutions across multiple jurisdictions (including within the EU) – Agile technology allowing for swift adoption and assured compliance with rapidly changing reporting requirements – Proven record of navigating and maximising revenue growth opportunities from regulatory change
– Diminishing risk as each acquisition is integrated	– Continuous risk, but with some increased risk following key remuneration events	– Continuous risk

VIABILITY STATEMENT

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 12 to 13. The nature of the Group's activities are 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 operational efficiency and cost control.

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 are in place 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 key factors that support the Group's future prospects as well as its resilience are:

- Highly visible recurring revenue and strong cash conversion;
- Diversified across clients, services and geographies;
- Well-invested scalable global platform;
- Experienced and entrepreneurial management team; and
- Proven track record of M&A and integration.

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, particularly in light of the global Covid-19 pandemic, including macroeconomic, political, social, technological, legal and regulatory changes.

The Group is at the beginning of a 5 year business plan, known as the Galaxy Era, that will run from 2021 to 2025. The business has been in existence for 33 years and has grown every year. It has long term customer relationships that typically last more than ten years. Within the five year plan the business focuses on strategic objectives and these are supported by detailed financial models for the first three years. As a result Management believe that it is appropriate to base the Viability Statement on the three year period.

Detailed financial forecasts have been prepared for the three year period to 31 December 2023, and therefore two years and nine months remain at the time of approval of this year's Annual Report. The first year of the financial forecasts is derived from the Group's operating budget and is subject to regular review throughout the year. The second and third years are completed with 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:

- Annual organic growth of 8 – 10% year on year;
- Target margin of 33 – 38% for the Group as a whole.
- No change to the current dividend policy
- Consistent business model; and
- No material change to capital structure.

ASSESSMENT OF VIABILITY

Whilst the Group's detailed financial forecasts are based on the Directors' expectations for the period of viability, the Group has also assessed the financial impact and the impact on our loan covenants in relation to the Group's Principal Risks, which are set out on pages 52 and 53. 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.

The viability statement evaluates the following risks:

1. Lower revenues and higher costs resulting from a change in economic outlook that leads to: (i) a higher cost to service debt and (ii) a reduction in revenues due to depressed market activity;
2. An acquisition in similar size to RBC CEES (£20m acquisition price) failing to achieve intended objectives or giving rise to ongoing or previously unidentified liabilities;
3. Adverse foreign exchange movements and interest rate increases; and
4. A regulatory, cyber or fiduciary incident resulting in significant one-off costs during the period.

The Group's assessment considered all of the above risks occurring at the same time. Based on this assessment, the Directors 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 2023. 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 this severe but plausible scenario. The modelling of these risks has taken into account the principal risks and their impact on the business model, future performance, solvency and liquidity over the period.

There are a number of mitigating actions available to the Board in the event of any of the risks materialising, such as reducing dividends, employee incentives, marketing, business and technology development spend, which have not been included in the assessment.

GOING CONCERN BASIS

The Directors also considered it appropriate to prepare the consolidated financial statements on the going concern basis, as explained in the Basis of Preparation paragraph in note 2 to the consolidated financial statements on page 119.

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 2023.

The Strategic Report on pages 1 to 53 was approved by the Board on 12 April 2021.

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

GOVERNANCE

THE IMPORTANCE OF CULTURE MIKE LISTON, OBE, NON-EXECUTIVE CHAIRMAN

The Importance of Culture

The year highlighted vividly how culture and purpose underpin the resilience of JTC's business philosophy. Much as it has during other major crises in the past 30 years, JTC has reasons to be grateful that its founding principles remain intact and relevant.

The challenge of preserving organisational culture in a remote setting has been a unique feature of the Covid-19 crisis and our people have adapted seamlessly to new ways of working to maintain excellent client service whilst also managing continuous growth. Their dedication is a reassuring reflection of the culture of care which the company strives for and the power of shared ownership in motivating team effort not just for our clients and investors around the globe, but also for each other.

Achieving this business-as-usual performance during unprecedented disruption is testament to the innate qualities of our people and the wisdom of their daily decision-making. Moreover, it highlights the robustness of our information and communications technology infrastructure which harnesses the global expertise of our people as they deliver local client solutions to exacting corporate standards.

Our business model has fared extremely well during the pandemic, supported by the inherent stability of the industry and clients we serve – be they asset managers responding continuously to new disruptive risks to their value chains, or private clients engaged in wealth protection, preservation and succession planning. Such activity brings constant demand for outsourced services like ours and leverages the mutual advantages of longevity in our relationships which give us deep insight into client needs.

Our Role in Society

We take pride in the calibre of the Institutional and Private clients who trust us to help them achieve positive impact in the world. We share their long-term perspective in wealth creation and distribution, with time frames often measured in decades and benefits measured in social impact.

Looking beyond the pandemic, the macro-economic outlook appears exceptionally positive for our industry and our company. It also aligns positively with our recognition of the increasing importance of ESG. This annual report documents just some of the work we are doing to continuously strengthen our own ESG framework as we support clients to strengthen theirs. In particular, we have a good history in providing services to developers of renewable energy and sustainable infrastructure.

We see that private equity is poised to play a vital role in rebuilding the global economy and funding the cycle of recovery. Governments that are no longer able to afford their traditional provision of vital infrastructure in healthcare, water and sanitation, housing, safe transportation and sustainable energy are relying on alternative capital to 'build back better', which is rapidly turning into 'build back greener'.

The explicit social purpose for massive post-pandemic investment across the globe demands both probity and efficiency in the mobilisation of capital and this is where fiduciary service providers like JTC and its peers have a real role to play.

Regulatory Expertise

Our expertise in connecting capital for social good is as vital for our private clients as it is for the institutions we serve. Many are investors in their own right and very often with substance and commitment to ESG principles equal to their institutional peers. This is

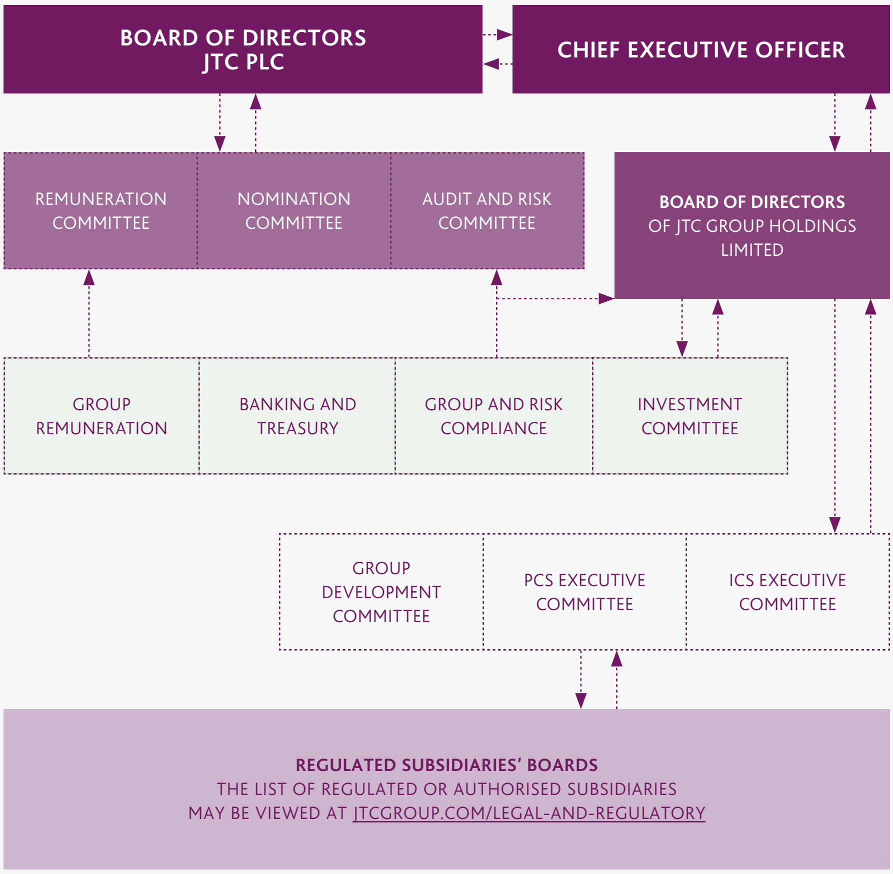
UK Corporate Governance Code Compliance Statement

The Board is pleased to confirm that JTC applied the principles and complied with all of the provisions of the 2018 UK Corporate Governance Code (the "Code") throughout the year, except that:

the Non-Executive Chairman was a member of the Audit and Risk Committee during the year. The Non-Executive Chairman stepped down from the Committee effective as of 26 November 2020 to ensure that the Company is fully compliant with Provision 24 of the Code;

the Company did not have a post-employment shareholding requirement during the year. The Remuneration Committee adopted a policy in relation to executives' shareholdings post-cessation of employment on 11 February 2021 to ensure compliance with Provision 36 of the Code; and

BOARD GOVERNANCE FRAMEWORK



the alignment of the Executive Directors' pensions with that of the workforce in accordance with Provision 38 of the Code. The Remuneration Committee will consider the Executive Directors' pension arrangements when reviewing the Company's Remuneration Policy in 2021 and consider making any adjustments it considers appropriate to ensure consistency with the Company's commitment to fair executive and employee compensation.

Disclosure Guidance and Transparency Rules

We comply with the corporate governance statement requirements pursuant to the FCA's Disclosure Guidance and Transparency Rules by virtue of the information included in this Governance section of the Annual Report together with information contained in the Information for Shareholders section on page 169.

particularly true of the next generation, who typically have a highly enlightened perspective on how they should use their wealth to do good in the world. JTC's presence onshore, offshore and mid-shore positions it perfectly to serve its clients and their stakeholders as they put capital to work across borders. Like few others, we have decades of experience with both the harmonisation and fragmentation of global standards for the regulation, transparency and reporting of financial services. Our mission is to ensure not just regulatory compliance in facilitating the flow of capital but also to protect its value to lenders and borrowers alike, against risks of negligence, corruption and unwarranted territorial layering of taxation.

Advantage through Technology

Whilst much of our technology focus during the year was on preserving our high standards of cyber-security during a widespread transition to remote working, we made steady progress in our aim to achieve a position of leadership in our sector.

NESF had already demonstrated before we acquired it during the year, many opportunities to transform fund administration by combining technology, domain expertise and smart business processes. Now applying its capabilities across the Group, we are confident of achieving the efficiencies for our people and the service customisation for our clients, on which our continuing growth relies.

Developments in Governance

In November, Dr. Erika Schraner assumed the role of Chair of the Nomination Committee. I would like to thank Michael Gray for chairing the Committee since our IPO, and I welcome Erika to the role. One of my key priorities is to support long-term succession planning. I have written before about the value of leadership at JTC in defining who we are and what we stand for. Not just in terms of strategic capability, entrepreneurialism, determination and performance management, but also in terms of cultural alignment across the company. The response of our people to the challenges of the pandemic and management's response to their needs in turn, demonstrates again the full suite of hard and soft leadership qualities for which our CEO and founder, Nigel Le Quesne, is admired.

The Executive Succession Plan which I highlighted last year stresses the importance of preserving the company's founding principles and unique culture, as it continues its evolution to a substantial global corporation. So too, the importance of succession from within as an ambition, in a business 20% owned by its employees.

The Board believes it is in the company's best interests that Nigel Le Quesne should continue to lead it through its next 'Galaxy Era' business-plan era, which will have a span of five years commencing in 2021. I aim to discuss further details of the Succession Plan with our largest shareholders during the year.

Outlook

The year 2020 concluded the 'Odyssey Era' which took JTC from small-cap IPO to FTSE 250 in less than three years. The Galaxy Era picks up the pace with organic growth supplemented by disciplined acquisition in the manner we demonstrated this year with NESF, the Sanne Private Client business and RBC CEES.

With proven adaptability and scalable infrastructure we are well placed to exploit opportunities in the most promising jurisdictions and service lines as they emerge in what we believe is going to be a dynamic time for our industry.

MIKE LISTON, OBE
NON-EXECUTIVE CHAIRMAN

BOARD OF DIRECTORS
VALUES AND LEADERSHIP

	MIKE LISTON, OBE Non-Executive Chairman	**NIGEL LE QUESNE** Chief Executive Officer	**MARTIN FOTHERINGHAM** Chief Financial Officer
			
APPOINTMENT TO BOARD	8 March 2018	12 January 2018 (Joined the Group in 1991)	12 January 2018 (Joined the Group in 2015)
COMMITTEE MEMBERSHIP	Nomination Remuneration	Not applicable.	Not applicable.
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.	Key figure in the development of JTC over the last 29 years with extensive trust, fund and corporate administration experience.	Chartered Accountant with extensive management and corporate finance experience.
RELEVANT SKILLS	Broad range of experience at board level, including eight years' relevant industry experience.	Extensive experience in leadership and management. Commercial, strategic, communication and investor relations skills. Experience of financial markets and fund management.	Strong financial analysis skills. Extensive experience in financial management and reporting. Broad range of management experience.
EXTERNAL APPOINTMENTS	Non-Executive Director and Chairman of the Audit Committee of Foresight Solar & Technology VCT Plc. Non-Executive Director and Chair of the Remuneration Committee at Foresight Group Holdings PLC.	Non-Executive Director of Brooks Macdonald International Investment Funds Limited.	Not applicable.

Director effectiveness
The Board meets regularly during the year as well as on an ad hoc basis, as required by business needs. The Board met eight times during the year and member attendance for each meeting held during the year is shown in the table opposite.

WENDY HOLLEY	DERMOT MATHIAS	MICHAEL GRAY	ERIKA SCHRANER
Chief Operating Officer	Senior Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
			
19 July 2019 (Joined the Group in 2008)	8 March 2018	8 March 2018	18 November 2019
Not applicable.	Nomination Audit and Risk (Chair) Remuneration	Nomination Audit and Risk Remuneration (Chair)	Nomination (Chair) Audit and Risk Remuneration
Over 25 years' experience in financial services operations and HR.	Chartered Accountant with extensive management, corporate finance and NED experience.	FCIBS, Fellow AMCT, Dip IoD. 20 years' senior management, financial and capital raising expertise and relevant experience.	Executive at IBM Corp. and Symantec Corp. Partner and Americas Operational Transaction Services leader (Tech Sector) at Ernst & Young (US). Partner, UK M&A Integration Leader & TMT M&A Advisory/ Delivering Deal Value Leader at PwC LLP, London.
Chartered FCIPD, MIAB. Broad range of management, project and business integration experience.	Strong financial skills. Extensive experience in leadership and management.	Extensive experience in the banking sector. Communication and management skills.	PhD in Management Science & Engineering. Extensive information technology and M&A experience.
Not applicable.	Formerly Non-Executive Director and Chairman of the Audit Committee of Shaftesbury PLC (retired 25 February 2021 having served over eight years on the Board). Governor of Activate Learning.	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.	Non-Executive Director, Chair of the Audit Committee and a member of the Remuneration and Nomination Committees of Amino Technologies PLC.

Meeting attendance

The following table shows the attendance of Directors at scheduled Board and ad hoc Board meetings during the year:

Member	MIKE LISTON	NIGEL LE QUESNE	MARTIN FOTHERINGHAM	DERMOT MATHIAS	MICHAEL GRAY	ERIKA SCHRANER	WENDY HOLLEY
Member since	March 2018	January 2018	January 2018	March 2018	March 2018	November 2019	July 2019
Maximum no. of meetings	8	8	8	8	8	8	8
No. of meetings attended	8	8	8	8	8	8	8
% of meetings attended	100%	100%	100%	100%	100%	100%	100%

GROUP HOLDINGS BOARD

NIGEL LE QUESNE
Chief Executive Officer

MARTIN FOTHERINGHAM
Chief Financial Officer

WENDY HOLLEY
Chief Operating Officer

IAIN JOHNS
Group Head of Private Client Services

JONATHAN JENNINGS
Group Head of Institutional Client Services

RICHARD INGLE
Chief Risk Officer

MICHAEL HALLORAN
Group Head of Technology Strategy

OPERATIONS

BILL BYRNE
Chief Group Counsel

DEAN BLACKBURN
Chief Commercial Officer

CAROL GRAHAM
Group Director: Group Human Resources

ADAM JEFFRIES
Chief Information Officer

DAVID VIEIRA
Chief Communications Officer

BECKY HENWOOD -DARTS
Group Director Finance

MIRANDA LANSDOWNE
Joint Company Secretary

INSTITUTIONAL CLIENT SERVICES

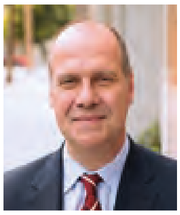
KOBUS CRONJE
ICS Global Head of Operations

EKE VERBEKE
Managing Director – Netherlands

JOOST MEES
Managing Director – Luxembourg

WOUTER PLANTENGA
ICS Head of Group Client Services

HELIER LE MAIN
Group Director, Employer Solutions



REID THOMAS
Managing Director – NESF

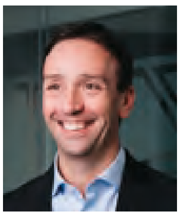
FIONA WILD
Head of Operations: ICS

PRIVATE CLIENT SERVICES

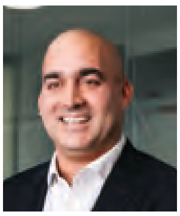
PAUL WEIR
Regional Head – Europe

EMILIO MIGUEL
Regional Head – Americas

TRACEY MCFARLANE
Head of Operations: PCS



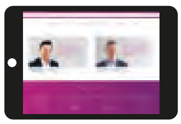
MICHAEL HALSEY
Regional Head – Caribbean



NEEL SAHAI
Regional Head – AMEA

MATTHIAS BELZ
Head of JTC Private Office

Find out more about us at JTCGROUP.COM



Board Composition and Roles

As at 31 December 2020, our Board comprised the Chairman, three Non-Executive Directors and three Executive Directors. The details of their career background, relevant skills, Committee membership, tenure and external appointments can be found within their individual biographies on pages 58 and 59. Further detail on the role of the Chair and members of the Board can be found below.

The composition and effectiveness of the Board is subject to regular review by the Nomination Committee which, in particular, considers the balance of skills, experience and independence of the Board, in accordance with the Board Diversity Policy.

Any new appointments to the Board result from a formal, rigorous and transparent procedure, responsibility for which is delegated to the Nomination Committee (although decisions on appointments are a matter reserved to the Board). Further information on the work of the Nomination Committee can be found on pages 68 to 71.

ROLES	RESPONSIBILITIES
CHAIRMAN	– Leads the Board and is responsible for its effectiveness. – Sets agendas and ensures timely dissemination of information to the Board, to support sound decision making and allow for constructive discussion, challenge and debate, in consultation with CEO, CFO and Company Secretary. – Responsible for scrutinising the performance of the Executives and overseeing the annual Board effectiveness evaluation process. – Facilitates contribution from all Directors and ensures that effective relationships exist between them. – Ensures that the views of all stakeholders are understood and considered appropriately in Board discussion and decision making.
CEO	– Represents JTC to all stakeholders, including employees, clients, regulators and investors. – Develops and implements the Group's strategy, as approved by the Board. – Sets the cultural tone of the organisation. – Facilitates an effective link between the business and the Board to support effective communication. – Responsible for overall delivery of commercial objectives of the Group. – Promotes and conducts Group affairs with the highest standards of integrity, probity and corporate governance, in line with our strategic framework and values. The CEO's Review can be found on pages 6 to 9.
CFO	– Manages the Group's financial affairs. – Supports the CEO in the implementation and achievement of the Group's strategic objectives. – The CFO's Review can be found on pages 14 to 18.
SID	– In addition to his responsibilities as a Non-Executive Director, also: – Supports the Chairman in the delivery of his objectives. – Acts as an alternative contact for shareholders should they have a concern that is unresolved by the Chairman, CEO or CFO. – Leads the appraisal of the Chairman's performance with the Non-Executive Directors. – Undertakes a key role in succession planning for the Board, together with the Board Committees, Chairman and Non-Executive Directors.
NEDs	– Monitor the delivery of strategy by the Executive Committees within the risk and control framework set by the Board. – Satisfy themselves that internal controls are robust and that the external Audit is undertaken properly. – Engage with internal and external stakeholders and feedback insights to the Board, including in relation to employees and the culture of the Company. – Constructively challenge and assist in the development of strategy. – Have a key role in succession planning for the Board, together with the Board Committees, Chairman and SID. – Serve on various Committees of the Board.
COO	– Responsible for developing and implementing the operational strategy of the Group. – Leads and supports the post-acquisition integration team. – Responsible for 'people', culture and remuneration.
COMPANY SECRETARY	– Ensures appropriate information flows to the Board in order for the Board to function effectively and efficiently. – Advises and keeps the Board updated on Listing and Transparency Rule requirements and on best-practice corporate governance developments. – Facilitates a comprehensive induction for newly appointed Directors, tailored to their individual requirements. – Ensures compliance with Board procedures and provides support to the Chairman. – Co-ordinates the performance evaluation of the Board in conjunction with the Chairman. – Provides advice and services to the Board.

Board Activities During the Year

The Board meets regularly during the year as well as on an ad hoc basis, as required by business needs. The Board met eight times during the year and attendance is shown in the table on page 59.

The Board has a formal schedule of matters reserved for its decision as follows:

- purpose, strategy and management
- values, culture and stakeholders
- Board membership and other appointments
- financial and other reporting and controls
- audit, risk and internal controls
- contracts and capital structure
- communication
- remuneration
- delegation of authority
- corporate governance and other matters

Board activities are structured to help the Board achieve its goals and to provide support and advice to the executive management team on the delivery of Group strategy within a robust governance framework.

Meetings between the Chairman and Non-Executive Directors, both with and without the presence of the Group CEO, are scheduled in the Board's annual programme. During the year, the Non-Executive Directors met on several occasions without the presence of the executives. These meetings were encouraged by the Chairman and provide the Non-Executive Directors with a forum in which to share experiences and to discuss wider business topics, fostering debate in Board and committee meetings and strengthening working relationships.

If a director is unable to attend a Board or committee meeting, the Chairman of the Board and/or committee Chairman are informed and the absent director is encouraged to communicate comments and opinions on the matters to be considered. Each director also attends the AGM to answer shareholder questions.

In addition to routine financial and operating reports and updates, the Board spends time debating and formulating Group strategy and reviewing its performance. Throughout the year, the Board received presentations from colleagues across the Group and regularly reviewed the periodic financial results, market consensus, operational updates, merger and acquisition opportunities, capital expenditure and other matters.

The following is a summary of the key matters considered by the Board throughout the year:

FEBRUARY
- 2020 Group budget
- Full-year report from Group HR department
- Review of Policies and Procedures
- Board Reports and standing agenda items

MARCH
- GDC Projects

APRIL
- GDC Strategic update (Deep Dive)
- Approval of Annual Results, and all ancillary matters
- Approval of Final Dividend Recommendation
- Approval of AGM Notice
- Board Reports and standing agenda items

MAY
- AGM Results
- BCP presentation (Deep Dive)
- US update (Deep Dive)
- ICS update (Deep Dive
- Projects update
- Board Reports and standing agenda items

JULY
- Review and approval of Auditors' Half-Year Review plan
- Review Chief Risk Officer's Report
- Review and approval of Compliance Monitoring Programme and internal audit function
- Review of the Conduct Risk Policy and Whistleblowing Policy and Procedure
- Review the Board evaluation programme
- Mid-year update from Group HR department
- Regular Board Reports and standing agenda items

SEPTEMBER
- Review of the Group's Half-Yearly Results and supporting papers
- Half year review of internal financial controls
- Review of the dividend policy and interim dividend proposal
- Review Chief Risk Officer's report
- Regular Board Reports and standing agenda items

NOVEMBER
- Review and approval of the year end external audit timetable, scope and plan
- Review Chief Risk Officer's report
- Board Reports and standing agenda items

2021
- Continued implementation and development of the Group strategy
- Five year business planning 2021-2025
- Executive Succession planning, talent acquisition and development
- Furthering information technology strategy

HOW WE ENGAGE

The Board recognises that positive, effective engagement between the Company and its stakeholders is key in informing the Board's decision making and strengthening and promoting JTC's long-term success. We will maintain and develop a proactive programme of stakeholder engagement to help us deliver our strategic 'Galaxy' Plan 2021-2025, our statutory functions and achieve our vision for 2025.

Internal and External Stakeholder Engagement

JTC's key stakeholders are its clients, employees, and shareholders, as well as our regulators and professional intermediaries. Appreciating stakeholders' needs and developing corresponding solutions that meet stringent standards and set new industry benchmarks lie at the core of JTC's holistic approach to value creation.

To set our strategic priorities, the Board incorporates stakeholder inputs, business insights, sector initiatives, peer reviews, and global trends. This helps to identify the most important issues for our business as well as our stakeholders, making it easier to not only define risks, opportunities, and performance metrics, but also to report and set targets.

Principles

We recognise that open and transparent engagement with our stakeholders is essential for the long-term success of our business. Engagement is based on mechanisms through which we provide information about our activities and learn about our stakeholders' interests and concerns.

Transparent and responsible: we have a strong reputation for doing business with integrity – and we value it. In everything we do, we want to be transparent and honest with our stakeholders

An inclusive approach: consultation with stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality: determining the relevance and significance of issues to both the Group and its stakeholders. The materiality of issues concerns the legitimate interests and expectations of stakeholders in the context of the legal and strategic considerations of the business.

Responding: appropriately to stakeholder issues through decisions, actions and performance, and communication.

Section 172(1) Statement

JTC is incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) which does not have a statutory equivalent to section 172 of the Companies Act 2006 (the UK Act). However, in accordance with Provision 5 of the 2018 Code, the Directors have undertaken to describe in the annual report how their interests and the matters set out in section 172 have been considered in board discussions and decision-making.

Section 172(1) of the Companies Act 2006 requires a director of a company to act in a way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so, have regard, amongst other matters, to:

a) the likely consequences of any decision in the long-term;
b) the interests of the company's employees;
c) the need to foster the Company's business relationships with suppliers, customers and others;
d) the impact of the Company's operations on the community and the environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly as between members of the Company.

Set out below are some examples of how the Directors have had regard to the matters set out in section 172(1)(a)-(f) and the effect on certain decisions made by the Directors.

The Directors have taken steps to implement a more structured reporting process, increasing the scope of information received and considered by the Directors at the formally scheduled board meetings. The Directors received information on a range of matters concerning the business activities of the Company and its employees, to support the Directors in exercising their discretion when considering the matters set out in section 172(1). To support the conduct of normal business in an expeditious manner, the board delegates certain authority to management, pursuant to the Company's Delegation of Authority which is regularly reviewed.

The Directors consider the likely consequences of any decision in the long term. Each company within the JTC Group is bound by Group policies consistent with the Group's culture in all key areas including supplier management and outsourcing, customer interactions, human resources, legal and compliance, quality and regulatory, and health and safety.

The Directors received and considered reports outlining stakeholder engagement activities which had taken place at a group level, whereby much of this activity takes place, due to the diversity and breadth of the Group's stakeholders. Further details of the Group's stakeholders and how their interests are considered can be found on pages 63 to 65.

The Company considers its employees to be a key stakeholder and attaches significant importance to employee welfare and development. The Directors considered some of the key themes which had been communicated as part of the employee engagement at a company level.

During the year when considering the proposed transactions undertaken by the Company, the Directors had regard to the Company's assets, liabilities, and the benefit to the Company and its stakeholders. Further details can be found on pages 12 to 13.

Understanding the views and values of all our stakeholders is critical to JTC's success and we use a range of tools to foster an open dialogue with all of them.

Stakeholder engagement in the Group is overseen by the Board and material engagements are reported to the Board at each meeting. Interactions with stakeholders take place on both a formal and informal basis, are ongoing and conducted by the functions directly aligned with the stakeholder group. For example, employee engagements are mainly coordinated by the senior management team and engagements with clients include administration and operational staff.

For each matter that comes before the Board, the Board considers the likely consequences of any decision in the long-term, identifies stakeholders who may be affected, and carefully considers their interests and any potential impact as part of the decision-making process.

We openly communicate the reasons for our decisions so stakeholders can understand what we have done and how their feedback has been considered. Some of our information will be technical in nature, but we aim to communicate in ways that make it accessible for different audiences while still providing sufficient detail.

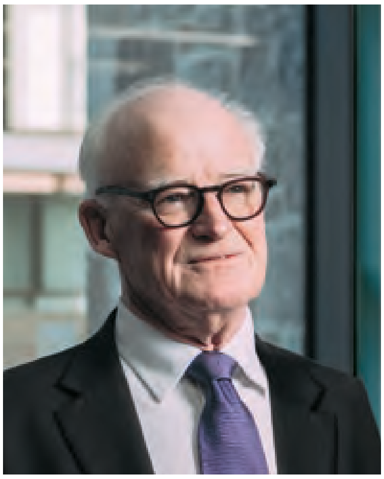
With stakeholder trust being a vital ingredient for sustainable long-term growth the Board is committed to maintaining engagement mechanisms that are working well and to find better ways to reach those where our opportunity for engagement is currently limited.

STAKEHOLDER ENGAGEMENT

	WHY IT IS IMPORTANT TO ENGAGE
CLIENTS – 98 Ambassador Programme meetings – 20+ E-comms – 10 BCP Covid-19 comms – 10 CEO updates issued	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.
EMPLOYEES – 'Ownership 4 All' programme – Comms champions initiative – 650+ 'JTC Joogle' articles – 15 Group BCP Covid-19 comms – 10 CEO updates – 12 birthday breakfasts – 51 virtual 'events'	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.
INTERMEDIARIES – 2,404 Meetings – 26 Conferences – 33 Events – 16 Webinars – 20 E-comms	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.
REGULATORS AND GOVERNMENT BODIES – 37 Events/virtual events attended – 5 Working parties – 5 Workshops attended – 12 Quarterly review meetings	Governments and regulators, at national, regional and local levels, draft, implement and uphold legislation, rules and regulations, and set the framework within which we operate. JTC has a global footprint and currently operates 23 offices in 19 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.
SHAREHOLDERS – Annual and interim results presentations – Meetings held with holders of c. 75% of issued Share Capital (excluding Directors and Employees) – c. 21% of Issued Share Capital held by Directors and Employees	Shareholders are the companies, financial institutions and individuals that hold a stake in the Company. They are entitled to receive dividends and to vote at shareholder meetings on certain matters, including the election of the Company's Directors.
CHARITIES AND COMMUNITIES – 76 employee fund raising events – £150,000+ in charitable donations – 4,100+ hours donated – 50+ charities supported	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.

HOW WE ENGAGE	KEY INTERESTS	OUTCOME OF ENGAGEMENT
The Group Heads of ICS, PCS and Technology Strategy keep the Board informed of new and evolving trends and the requirements of our client base. Client feedback through JTC's Ambassador and Star Ratings programmes, is key to process improvements, quality enhancement and service performance.	Our aim is to provide our clients with value-added and competitive solutions tailored to their present and future needs.	By taking an entrepreneurial approach and delivering a first class service with a can-do attitude, we are able to retain and support our clients in a way that adds value and is mutually beneficial.
The Board receives regular People strategy updates from the COO, including details of our employee engagement results, updates on diversity and inclusion and cultural awareness initiatives, measurement and performance, and our succession planning and talent development initiatives.	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.	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.
The Board is kept informed of intermediary partners initiatives through the Executive Committees, with support from the Chief Commercial Officer, Chief Communications Officer and business development teams.	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.	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.
The Chief Risk Officer and Company Secretary, and other subject matter experts regularly update the Board on matters affecting the Group as a result of actions being taken by regional and national government bodies and agencies which implement and enforce laws and regulations. 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.	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.	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. 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.
We regularly meet with institutional investors and brokers' analysts at industry conferences and roadshows, as well as in one-on-one meetings. The Board attends the Company's AGM, where Directors are available to answer questions. The Company also provides regular financial reports and other ad hoc information, which is maintained on our website: jtcgroup.com/investor-relations/	Shareholders, and particularly institutional investors, are constantly evaluating their holdings in the Company and whether to buy, hold or sell shares. We provide insightful information about the Company's strategy, projects and performance to assist them in their assessment of the Company.	We pay special attention to how we communicate with shareholders, maintaining fluent and transparent dialogue with them in order to ensure that they are treated well and informed of all relevant information.
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.	Engaging with a range of organisations in the third sector helps to guide our programmes and our impact on the environment and society in the jurisdictions and countries where we operate.	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.

BOARD EVALUATION
MIKE LISTON
NON-EXECUTIVE CHAIRMAN



The Board carries out a review of the effectiveness of its performance and that of its Committees and Directors every year. The evaluation is externally facilitated every three years. The next external evaluation will be in respect of the 31 December 2021 financial year.

In 2020, the performance and effectiveness of the Board and its committees was assessed by way of an internal evaluation. As a result of the assessment, it was concluded that the performance of each director continued to be effective and that both the Board and its committees continued to provide effective leadership and exert the required levels of governance and control, which aligned with observations made by the Chairman and Non-Executive Directors as part of the evaluation process and throughout the year.

THE BOARD, WITH THE SUPPORT OF THE NOMINATION COMMITTEE, KEEPS UNDER CONSTANT REVIEW THE COMPOSITION OF THE BOARD AND ITS COMMITTEES, SUCCESSION PLANNING, DIVERSITY, INCLUSION AND GOVERNANCE RELATED MATTERS

Board Induction and Training Programme

We have an established induction and training programme in place which can be tailored to meet the requirements of individual Directors.

We continually enhance the Board's induction and training process, in full consideration of feedback from new appointees and the Board Effectiveness evaluation.

Informal Board Interactions

The Board regularly meets more informally, in the form of Board dinners, outside of the scheduled Board meeting calendar. These sessions are convened to build and maintain successful relationships and promote a culture of openness in Board discussions. Senior management are invited to attend these sessions.

2020 Evaluation Process

Step 1. 2020 Process planning

The Company Secretary undertook a detailed review of the Board Effectiveness evaluation process and made recommendations to incorporate areas of focus highlighted in the 2018 Code and FRC Guidance on Board Effectiveness.

A process for the completion of Board self-assessment questionnaires followed by one-to-one meetings was developed for the Board and its Committees, with interview questions structured on the basis of feedback from the Board, including areas for improvement and any additional observations.

Step 2. Self-assessment questionnaires

Structured to the performance of board members in order to pinpoint areas in need of improvement to better meet company goals.

Step 3. One-to-one meetings

Board and Committee members participated in comprehensive one-to-one meetings with the Chairman, with appropriate time provided to allow detailed discussion to take place.

Step 4. Evaluation and reporting

The Company Secretary compiled the individual responses, including analysis of themes and proposed actions. A report, setting out the findings of the evaluation was provided to the Chairman for consideration. The Chairman and CEO met to discuss the findings, with the results being tabled at the Nomination Committee and Board meetings held in February 2021.

Step 5. Agree actions and monitor progress

The findings of the evaluation exercise were fully considered when making recommendations in respect of the re-election of individual Directors and included an assessment of their independence, time commitment and individual performance.

Evaluation Findings

The internal evaluation concluded that the Board, its Committees and each of its Directors continue to be effective.

The internal effectiveness review identified some opportunities for the Board and the resulting areas of focus are summarised in the table overleaf.

The agreed actions included adopting more succinct reporting to assist the Board's focused discussions, as well as the changes proposed to the composition of the Board Committees and terms of reference.

As part of the evaluation, consideration was given to the number of external positions held by the Non-Executive Directors, including the time commitment required for each. As a result of this review, the Nomination Committee did not identify any instances of overboarding and confirms that all individual Directors have sufficient time to commit to their role. The full list of external appointments held by our Directors can be found on pages 58 to 59. All of our Non-Executive Directors are considered to be independent.

Board Expertise

The Board's evaluation process supports our approach to diversity by mapping the skills, capability and relevant experience of the Board to the needs of the Group and our strategy, while supporting our focus on developing the diversity of the Board in regard to gender and ethnicity, geographical expertise, professional background, tenure, age and other distinctions over time.

Non-Executive Directors' Independence

The Nomination Committee considers whether each of the NEDs continues to be independent. For more information please see page 70.

Progress against 2019 actions

Set out below is the progress made against actions identified through the 2019 internal Board effectiveness review.

2019 EVALUATION FINDINGS	PROGRESS IN 2020
	The Board noted the progress made in the following areas since the following areas since the previous Board effectiveness review:
BALANCE OF DEBATE	– the focus on future strategy (Galaxy era) – additional information supporting the Jurisdictional Strength Index metrics presented to the Board – reporting on employee engagement – improvement in the format of the risk reporting Board papers
TALENT MANAGEMENT AND SUCCESSION PLANNING	The 2019 review included questions about the effectiveness of contributions of each Board member; the size, composition, diversity and balance of skills on the Board and the adequacy of succession plans. The Board received a full update on succession planning at its meeting in May 2020.

2020 EVALUATION FINDINGS	EVALUATION
BALANCE OF DEBATE	Continue to maintain focus on strategic, operational and reputational priorities as well as regulatory matters Greater focus on the impact of technology and the threats and opportunities arising from this to the Group's longer-term strategy.
BOARD COMPOSITION	Suggestions were made regarding desirable attributes in future potential candidates, including sector / market experience
TALENT MANAGEMENT AND SUCCESSION PLANNING	Further increase the succession planning and talent development discussions at the Nominations Committee and the Board
MATTERS RESERVED FOR THE BOARD	Opportunity to review the schedule of matters reserved for the Board and ensure that meetings have appropriate time allocated to them.
REMIT OF BOARD COMMITTEES	Opportunity to review the duties within the respective Committee Terms of Reference and ensure that Committee meetings have sufficient time allocated to them.

NOMINATION COMMITTEE
ERIKA SCHRANER,
INDEPENDENT NON-EXECUTIVE DIRECTOR

Membership of the Committee

In compliance with the Code, the Committee's membership is limited to the Non-Executive Directors and comprises a majority of Independent Non-Executive Directors of the Company. By invitation, meetings of the Committee may be attended by the Executive Directors.

Dr. Erika Schraner was appointed as Chair of the Committee with effect from 26 November 2020. Erika's appointment is subject to her re-election by shareholders at the 2021 Annual General Meeting.

JTC (Jersey) Limited, the corporate Company Secretary, acts as secretary to the Committee.

Committee Members

Erika Schraner
Independent Non-Executive Director – appointed Committee Chairman 26 November 2020

Mike Liston
Non-Executive Chairman

Dermot Mathias
Senior Independent Non-Executive Director

Michael Gray
Independent Non-Executive Director

Committee Meetings in 2020

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

	MAXIMUM NO. OF MEETINGS	MEETINGS ATTENDED	% OF MEETINGS ATTENDED
Erika Schraner (Chair)	2	2	100%
Michael Gray	2	2	100%
Mike Liston	2	2	100%
Dermot Mathias	2	2	100%

Dear Shareholders,

On behalf of the Board, I am pleased to present the Nomination Committee's Report for the financial year ended 31 December 2020.

Having been a member of the Committee since 3 March 2020, I was delighted to assume the role of Chair of the Committee from 26 November 2020. I would like to thank Michael Gray for chairing the Committee since the Company's IPO, and for his support in ensuring a smooth transition of our roles.

Committee Responsibilities and Key Activities

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.

Details of the key areas of responsibility of the Committee and the time spent on each during 2020 are set out below:

Board composition
- Review the size and composition of the Board and its Committees;
- Review the Directors' skills matrix; and
- Recommendation of the annual re-election of Directors.

Succession planning
- Review the succession plans for the Board and senior management ; and
- Talent management.

Effectiveness
- Review the plans for the current year's effectiveness review;
- Review progress against the actions identified in the previous year's effectiveness review;
- Review the Non-Executive Director time commitments; and
- Review of Non-Executive Director independence.

Governance
- Ensure the Committee's compliance with the UK Corporate Governance Code;
- Review of matters reserved for the Board;
- Review Directors' conflicts of interest; and
- Review the Group's approach to diversity and inclusion.

WE ARE COMMITTED TO CONTINUING TO EVOLVE DIVERSITY OF THE BOARD AND THE EXECUTIVE TEAM, WHILST ENSURING THAT THE COMPOSITION AT BOTH LEVELS SUPPORTS THE COMPANY IN ACHIEVING ITS STRATEGIC PLANS

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

Focus of Committee Activities in 2020

Board and Committee composition	**28%**
Succession planning	**22%**
Effectiveness	**30%**
Governance	**20%**

Board Committee Changes in 2020

The Committee has sought to balance the composition of the Board and its Committees and will seek to refresh them over time. In discharging its responsibilities, the Committee regularly reviews the structure, size and composition of the Board and its Committees, including skills, knowledge, independence and diversity to ensure that they are aligned with the Group's strategy.

Following a formal review of the composition of Board Committees and the UK Corporate Governance Code, and discussions with each Non-Executive Director, the Board agreed to a recommendation from the Committee to my appointment as the Nomination Committee Chair in place of Michael Gray. Michael remains a member of the Board and its Committees and will continue to fulfil the role of Chair of the Remuneration Committee.

In accordance with the Committee's recommendation Non-Executive Chairman, Mike Liston, stepped down as a member of the Company's Audit and Risk Committee with effect from 26 November 2020. This change was made to ensure that the Company is fully compliant with Provision 24 of the 2018 UK Corporate Governance Code.

Succession Planning

Succession planning continues to be a priority for the Committee and throughout the year the Committee focussed on the succession plan and pipeline for candidates for the Board and senior management.

The Committee has also continued to focus on talent and the ability to retain, progress and incentivise high-potential individuals with the skills and experience to improve the overall capability and performance of the Group. This has been facilitated through regular reporting from and discussions with the Chief Operating Officer. This has provided the Committee and the Board with oversight of internal talent progress within the broader leadership talent pool, and the bespoke LION development programme put in place for these colleagues.

The Board has also engaged with all members of the senior management team through regular presentations and discussions at its scheduled quarterly Board meetings.

Effectiveness

Every year, a performance evaluation of the Board and its committees is carried out to ensure that they continue to be effective, and that each of the directors demonstrates commitment to his or her respective role and has sufficient time to meet his or her commitment to the Company.

The 2020 evaluation took the form of the completion by each director of a questionnaire covering questions about Board culture, administration, strategy and operations, Board composition, committee structure and succession planning. One-to-one discussions were then held between the Non-Executive Chairman and each director, and senior management, to solicit feedback, followed by a closed session discussion of the Board and Committee evaluations led by the Chairman and Committee Chairs. A private meeting of the SID and CEO was held to evaluate the performance of the Chairman, taking into account the views of the Executive Directors. A report on the outcome of the evaluation was presented to the full Board at its February 2021 meeting.

The Board evaluation is used to provide a full and frank appraisal of the contribution of each individual director and the effectiveness of the Board and its committees. Through the annual evaluation process, the Board concluded that the performance of each director was effective and that both the Board and its committees continued to provide effective leadership and exert the required levels of governance and control. This conclusion aligns with the observations of the Chairman, committee Chairmen and other Non-Executive Directors made within the evaluation process and throughout the year.

As a Board, we are satisfied that all Non-Executive Directors contribute effectively to Board debate, and guide, probe and, where necessary, challenge management's strategic plans and their execution. Each of the Non-Executive Directors brings considerable expertise and experience accumulated in their past professional careers. Performance and training of the Board and its members is further supported by a full induction on appointment, and regular meetings with members of the senior management team where directors are encouraged to discuss operational matters and strategy.

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

Further details of the Board evaluation findings and the actions taken/agreed may be found at pages 66 to 67.

In-line with the mandated triennial external requirement set out in the Code an independent, externally facilitated Board evaluation will be carried out in the year ending 31 December 2021.

Governance
During the year the Committee reviewed the matters which are reserved for the decision of the Board. The full schedule of matters reserved for the Board is available at jtcgroup.com/investor-relations.

Additionally, the Committee reviewed compliance with the UK Corporate Governance Code, resulting in the Non-Executive Chairman stepping down as a member of the Company's Audit and Risk Committee with effect from 26 November 2020.

Non-Executive Directors' Independence
The Committee concluded that each Non-Executive Director is free from any relationship or circumstance that could affect, or appear to affect, the exercise of their independent judgement; and, the quality of the debate at Board and committee meetings indicates that the Non-Executives devote sufficient time to considering and are well informed on the matters relating to the business.

The Non-Executive Directors met with the Chairman without the Executive Directors being present on a number of occasions during the year, and the Directors met with the Senior Independent Non-Executive Director to review the Chairman's performance and other matters.

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, the Board will consider whether fees paid in respect of the appointment are retained by the individual or paid to the Company.

Board Diversity
The most important priority of the Committee is to ensure that members of the Board collectively possess the broad range of skills, expertise and industry knowledge, and business and other experience necessary for the effective oversight of the Group.

In line with JTC's Guiding Principles and commitment to operating a meritocratic approach to career progression the Board is generally opposed to the idea of stated quotas. However the Committee recognises and embraces the benefits of and is committed to increasing the diversity of the Board. The Committee takes 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, and every effort is made to ensure that the talent pool from which new Board members are sought is sufficiently diverse in order to result in more balanced representation over time.

Diversity and Inclusion
JTC is a people-led business that is inclusive, engaged and committed to developing our people and supporting their career progression through the business, providing a fulfilling and fair environment in which to work. In line with our Guiding Principles and our commitment to operating a meritocratic approach to career progression, we have an ambition to achieve an improved diversity balance at all levels. In terms of gender balance, our progress continues to track positively, as shown in the table opposite, however the Board acknowledges that there is currently relatively low representation of female employees at the most senior levels of the organisation. At manger level and above, this currently stands at 55% vs 45% in favour of male employees. At all levels of the business, gender representation figures stand at 57% female and 43% male. Improving the balance of our leadership requires close attention to succession planning so we can build a balanced pipeline of talent for the future. 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, and we are confident that we are moving in the right direction.

Priorities for the Coming Year
We have a strong Board and executive management with a broad range of experience which has driven the Company's success to date. In the coming year we will continue to focus on our evolutionary strategy led succession planning agenda.

Re-Election
All Directors will submit themselves for re-election at the forthcoming AGM in May 2021. Detailed information on the contribution that each Director brings to the Board is set out on pages 58 to 59 and in the 2021 Notice of AGM.

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

Both the Committee and the Board as a whole recognise the benefits of and welcome the engagement of shareholders. I remain available to shareholders throughout the year to discuss key issues. I regret that due to the 'safer travel guidance' which currently applies to travel to and from Jersey to reduce the transmission of Covid-19 it is unlikely I shall be able to attend this year's AGM in person. Shareholders who wish to do so may submit any questions to the Board before the AGM. Answers to questions will be placed on the Company's website. Shareholders should submit questions up until 5pm on 22 May 2021 by emailing them to the Company Secretary at agm@jtcgroup.com.

ERIKA SCHRANER
NOMINATION COMMITTEE CHAIRMAN

12 APRIL 2021

NOMINATION COMMITTEE PRIORITIES 2021

BOARD COMPOSITION	The Committee will continue to assess how the Board's composition and director nomination process reflects the Company's commitment to making further progress on diversity, equity and inclusion. In 2021 the Committee will oversee discussion of the current and future Board composition in light of the Company strategy and review the implementation of the outcome of the Board evaluation exercise and succession planning. The Committee will consider what skills the Board needs to deliver the Company's strategy throughout the 'Galaxy Era' (2021-2025) and deal with changes in the business environment.
SUCCESSION	Board succession discussions are seen as a matter for the whole Board, with the Committee reviewing the executive and senior talent succession planning and company strategy to ensure that there is appropriate challenge, questioning and debate. In 2021 the Committee will review the executive succession plan and talent pipeline, the ongoing development of directors, the continued suitability of contingency plans and strategy for the next cycle of board appointments and reappointments.
EVALUATION	In accordance with the Board evaluation programme, the 2021 Board effectiveness assessment will be conducted by an external third party. The Board and the Committee consider that independent evaluations provide essential insight into how the Board functions as a group and assists the Committee in the complex task of evaluating the skills, strengths and experience of the Directors in support of the Company's long-term strategy. Regular independent analysis of Board composition and its collective effectiveness also enables the Committee to incorporate this insight on an ongoing basis so that it may ensure the Board's composition adequately supports the Company's needs in line with JTC's evolution. The Committee will consider the nature and quality of the executive and senior management development programmes keeping in mind the requirements of the Galaxy Era

GENDER DIVERSITY (ACTUAL YEAR-END HEAD COUNT)

	2020	2019
BOARD OF DIRECTORS	71% MALE/29% FEMALE	71% MALE/29% FEMALE
SENIOR MANAGERS – DIRECTORS	86% MALE/14% FEMALE	86% MALE/14% FEMALE
DIRECTORS AND MANAGERS	55% MALE/45% FEMALE	55% MALE/45% FEMALE
ALL EMPLOYEES	43% MALE/57% FEMALE	42% MALE/58% FEMALE

AUDIT & RISK COMMITTEE
DERMOT MATHIAS,
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Membership of the Committee

In compliance with the Code, the Committee's membership is limited to the Non-Executive Directors and comprises a majority of Independent Non-Executive Directors of the Company.

In accordance with the Nomination Committee's recommendation Non-Executive Chairman, Mike Liston, stepped down as a member of the Committee with effect from 26 November 2020. This change was made to ensure that the Company is fully compliant with Provision 24 of the 2018 UK Corporate Governance Code.

JTC (Jersey) Limited, the corporate Company Secretary, acts as secretary to the Committee.

Committee Members

Dermot Mathias
Committee Chairman, Senior Independent Non-Executive Director

Mike Liston
Non-Executive Chairman
(resigned 26 November 2020)

Michael Gray
Independent Non-Executive Director

Erika Schraner
Independent Non-Executive Director
(appointed 3 March 2020)

Committee Meetings in 2020

The Committee met six times during the year. Attendance by the Committee members at these meetings was as follows:

	MAXIMUM NO. OF MEETINGS	MEETINGS ATTENDED	% OF MEETINGS ATTENDED
Dermot Mathias (Chair)	6	6	100%
Mike Liston	6	6	100%
Michael Gray	6	6	100%
Erika Schraner	6	6	100%

Dear Shareholders,

On behalf of the Board, I am pleased to present the Audit and Risk Committee's Report which provides insight into the work carried out by the Committee, our discussions and key areas of focus over the past year.

Role of the Committee

The Committee supports the Board in fulfilling its responsibilities in respect of monitoring the integrity of financial reporting, the effectiveness of risk management and internal controls processes together with governance and compliance matters.

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

UK Corporate Governance Code

The Board applied all of the principles and provisions of the Code throughout the year ended 31 December 2020, except for the appointment of the Non-Executive Chairman as a Committee member. In accordance with the Nomination Committee's recommendation the Non-Executive Chairman resigned from the Committee, effective as of 26 November 2020.

For the purpose of the Code, I satisfy the requirement of having appropriate recent and relevant financial experience. I am a chartered accountant with many years of senior financial experience.

Audit Committee Meetings

Meeting agendas are linked to the financial calendar and to the annual plan which is devised to ensure we discharge our responsibilities as documented in our Terms of Reference. The annual plan is dynamic and therefore will evolve when the Committee feels that there is a need for greater focus on a specific area.

At my request, meetings are attended by the Chief Risk Officer, the External Auditor and members of the Senior Management team, each of whom can be asked to withdraw from the meeting if necessary.

JTC (Jersey) Limited, our corporate Company Secretary, acts as Secretary to the Committee. 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.

THE COMMITTEE HAS CONTINUED TO MONITOR THE INTEGRITY OF FINANCIAL REPORTING, THE EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROLS PROCESSES, AND IN GOVERNANCE AND COMPLIANCE MATTERS

I provide an update to the Board following each meeting and Committee meetings are scheduled close to Board meetings to facilitate an effective and timely reporting process.

Throughout the year the Committee Chair meets with the Executive Directors and the Chief Risk Officer, as appropriate, to obtain a good understanding of the issues affecting the Group which assists the Chair in his oversight and direction of the Committee's activities.

Key Activities

As in previous years, the Committee's primary focus was on the integrity of the Group's financial reporting activities. In considering the financial statements for 2020, the Committee concentrated on accounting and disclosures related to the valuation of intangible assets – including the three business combinations completed during the year (NESF, Sanne Private Clients and Anson Registrars) – the recoverability of work in progress and the potential impact of Covid-19. The Committee concluded that executive management had adopted an appropriate approach in all significant areas.

During the year, the Committee was updated regularly on the Group's IT strategy including an overview of the IT controls framework and infrastructure and the ability quickly to detect and defend against cyber attack.

Viability and Going Concern Statements

For the half year results the Committee reviewed the going concern and financial statements for the period. For the Annual Report it also reviewed the going concern and financial statements together with the Viability Statement. This included the work undertaken to assess potential and emerging risks to the business, including the impact of the Covid-19 pandemic, and the three year-period adopted in the Viability Statement.

The Committee was satisfied that management had carried out a robust assessment of the risks that could threaten the business model, future performance, solvency or liquidity of the Company, including its resilience to the threats to its viability posed by severe but plausible scenarios, and recommended to the Board that it could approve and make the viability and going concern statements.

Internal Controls and Internal Audit

The Committee is responsible for overseeing the Group's internal risk audit and accreditation arrangements. It reviews 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.

During the year the Committee reviewed the proposal to introduce a dedicated Internal Audit function (see page 46) and considered and approved the Internal Audit Charter and Framework setting out the purpose, activities, scope and responsibilities of the Internal Audit function and the arrangements for the management of the function, including ensuring its independence from the 1st and 2nd lines of defence within JTC.

In 2021 the internal audit plan will be developed further using a risk based methodology, including business strategy and emerging and systemic risks, with the Committee providing general direction as to the scope of work and the activities to be audited. The head of Group Internal Audit will periodically report to senior management and directly to the Committee on performance relative to the internal audit plan, together with significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Committee.

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 46 to 53.

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 it has not identified any significant failings or weaknesses during the year.

The Committee is satisfied that the statements made by executive management on pages 46 to 53 of the Risk Management and Principal Risks sections of this Annual Report are appropriate based on what is currently known to management as at the date of this Report.

Covid-19

The Board's statements with regards to the Covid-19 pandemic may be found on page 5.

Whistleblowing

Under the 2018 Code, the responsibility for whistleblowing resides with the Board, and widens the remit from financial to all aspects of the business. The Committee reviews the whistleblowing policy on an annual basis, and reports to the Board on its conclusions and highlights any concerns, including any whistleblowing incidents. There have been no such incidents reported during the course of the year.

Financial Reporting Council (FRC)

The FRC undertook an audit quality review of the audit of the 2018 Annual Report and Accounts, the final result being that limited improvements were required. In the Committee's view this result was positive and an indication that the level of audit work being undertaken and the approach being followed was appropriate given the Group's size and activities. The Committee has reviewed the recommendations from the FRC audit quality review and is satisfied that the measures taken by the External Auditors during the year are appropriate and sufficient to implement the required improvements in 2020.

External Audit

PwC continued as our External Auditor during the year and the Committee is satisfied that they remain independent and objective in their work. The Committee has reviewed the quality of the audit plan and related reports for the 2020 audit and is satisfied with the quality of these documents.

The Committee met separately with the External Auditor without Executive Management being present on several occasions throughout the year, and I have met privately with the External Auditor to discuss any matters they may wish to raise.

The Committee will review the effectiveness and quality of PwC's 2020 year end audit. 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 recommended to the Board that a resolution to reappoint PwC for the 2021 financial period be prepared and presented to shareholders. The audit partner is Mike Byrne, who has been the partner on the engagement since 2016.

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 its review of the effectiveness of the External Auditor.

Audit Fees

Fees payable to the Auditor for audit services are set out in note 6 to the Financial Statements on page 124.

Non-Audit Fees

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 Auditors 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 70% of audit and assurance fees over a 3 year rolling period.

Fees payable to the Auditor for audit and non-audit services are set out in note 6 to the Financial Statements on page 124.

Effectiveness

Each year, the Audit Committee critically reviews its own performance and considers where improvements can be made and in so doing it considers, amongst other things, those matters discussed by the Audit Committee, such as:

- composition, structure and activities
- how well the Committee oversees the financial reporting process
- its review of the internal controls function and the work of the external auditor
- the effectiveness of the process for raising concerns
- its monitoring of the management of risk
- how well it understands and evaluates the effectiveness and conclusions of internal control and the adequacy of the related disclosures
- whether the Committee's terms of reference are appropriate for the particular circumstances of the Company and comply with prevailing legislation and best practice
- whether the number and length of time of Committee meetings are sufficient to meet the role and responsibilities of the Committee and coincide with key dates within the financial reporting and audit cycle
- identification of additional training needs for Committee members

This is underpinned by the annual performance evaluation of the Board and its committees, referred to on pages 66 and 67. The review found that the Committee was operating effectively and that its role and remit remained appropriate for the current needs of the Group.

I believe that the quality of discussion and challenge by the Committee of management, the external audit team and the risk controls, together with the quality of the papers received by the Committee and the Board, ensure the Committee continues to perform its role effectively.

Priorities for the Coming Year

In the coming year, the Committee will continue to work together with the Board and the other committees to monitor and review the effectiveness of the Group's financial reporting and risk management and internal control framework. We will oversee the implementation of the Group's internal audit function, as noted above and, in addition, we will continue to focus on the resilience of our cyber security and IT controls and on ensuring that all new accounting standards, relevant legislation and guidance are being met.

Fair, Balanced and Understandable Statement

The Committee has considered this Annual Report and Financial Statements, taken as a whole, and concluded that the disclosures, as well as the processes and controls underlying its production, were appropriate. The Committee recommended to the Board that the Annual Report and Financial Statements are fair, balanced and understandable while providing the necessary information to assess the Company's position and performance, business model and strategy.

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 regret that given current Government measures to reduce the transmission of Covid-19 it is unlikely I shall be able to meet with Shareholders at this year's AGM in person, however, Shareholders who wish to do so may submit any questions to the Board before the AGM. Answers to questions will be placed on the Company's website. Shareholders should submit questions up until 5pm on 22 May 2021 by emailing them to the Company Secretary at agm@jtcgroup.com.

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

DERMOT MATHIAS
AUDIT AND RISK COMMITTEE CHAIRMAN

12 APRIL 2021

Highlights from the year

2020 AREAS OF FOCUS	ACTION TAKEN BY THE COMMITTEE/BOARD
FINANCIAL REPORTING	Reviewed the half year and full year financial statements including key judgements, estimates and assumptions, going concern and viability statements Consideration as to whether the Annual Report was fair, balanced and understandable Meetings with the Auditors in respect of the half year and full year financial statements
CONTROLS AND ASSURANCE	Review of risk and controls including reports from and meeting with the Chief Risk Officer Consideration of the need for internal audit, and review of the internal audit framework and charter for implementation in 2021 Review of the Group's whistleblowing policy
AUDIT	Consideration of the independence and effectiveness of the external auditor Review of audit fees and non-audit fees paid to the external auditor Review and approval of the audit strategy and audit plan
SHARE BASED PAYMENTS	Review of the methodology for the accounting of share-based payments and assessment by management as to the number of shares expected to vest under the terms of the Performance Share Plan, and expectations around the achievement of performance targets.

REMUNERATION COMMITTEE
MICHAEL GRAY,
REMUNERATION COMMITTEE CHAIRMAN

Dear shareholder,

On behalf of the Board, I am pleased to present the Committee's Report for the financial year ended 31 December 2020.

Membership of the Committee

All Committee members are independent Non-Executive Directors, as defined under the Code, with the exception of the Chairman who was independent on his appointment. Full biographies of the Committee members can be found on pages 58 to 59. The Committee members have no personal financial interest, other than as shareholders, in the matters considered by the Committee.

There were no changes in the Committee during the year. 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
Audit & Risk Committee Chair, Senior Independent Non-Executive Director

Erika Schraner
Nomination Committee Chair, Independent Non-Executive Director

Committee meetings in 2020

The Committee met formally 3 times during the year. Attendance by the Committee members at these meetings is shown below:

	MEETINGS ATTENDED
Michael Gray (Chair)	100%
Mike Liston	100%
Dermot Mathias	100%
Erika Schraner	100%

Main responsibilities

In line with the authority delegated by the Board, the Committee sets the Company's Remuneration Policy and is responsible for determining remuneration terms and conditions of employment for the Executive Directors.

The committee:

- ensures that the Executive Directors are appropriately incentivised to enhance the Group's performance and rewarded for their contribution to the success of the business by designing, monitoring and assessing incentive arrangements, including setting stretching targets and assessing performance and outcomes against them
- reviews the remuneration arrangements for other senior Executives within the Group, having regard to the wider remuneration philosophy of the Group when developing policy and considering Executives' packages, monitoring the relationship between them and those of the wider workforce
- maintains an active dialogue with shareholders, ensuring their views and those of their advisors are sought and considered when setting executive remuneration

Key areas of Remuneration Committee focus in 2020

A summary of the matters considered at each meeting is set out below:

February	– Annual bonus outcome for 2019 and oversight of distribution for the wider workforce – Directors' salary increase proposals and broader wider workforce salary increases – Review of NED fees – PSP awards for 2020 – Setting of Directors' personal annual bonus objectives and weightings
July	– Review of broader workforce promotions and approach to mid-year merit increases
November	– Review of market practice and remuneration governance trends – Remuneration report planning for 2020

Who supports the committee?

The Committee retendered the appointment of independent external remuneration advisers during the year and subsequently appointed Mercer as of October 2020 as a result of a competitive process. Mercer is a founder member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK (www.remunerationconsultantsgroup.com). Neither Mercer (nor its parent, Mercer Limited) has any other remuneration or unrelated connection with the Group and is considered to be independent by the Committee. Fees paid to Mercer totalled £22,123 (excluding expenses and VAT) for the 2020 financial year in their capacity as advisers to the Committee.

Prior to this appointment, KPMG provided adhoc advice to the Committee when required. By invitation, the Executive Directors and the Group Head of HR also attended the Committee meetings to provide advice and respond to specific questions. Such attendances specifically excluded any matter concerning their own remuneration. The Company Secretary acts as secretary to the Committee. The Committee is satisfied that the advice from KPMG was objective and independent. Fees for advice provided by KPMG to the Committee during the year were £7,500. Separate teams within KPMG also provided advisory services during the year.

AGM shareholder voting

RESOLUTION	VOTES FOR	VOTES AGAINST	VOTES WITHHELD
Approve Directors' Remuneration Report (2020 AGM)	60,606,356	37,187,632	842,232
	61.97%	38.03%	
Approve Remuneration Policy (2019 AGM)	90,970,146	180,717	3,509,502
	99.80%	0.20%	

WE ARE COMMITTED TO ENSURING JTC'S REMUNERATION POLICY PROMOTES LONG-TERM SUCCESS, ENSURING ALIGNMENT WITH SHAREHOLDER VALUE-CREATION WITH PAY-FOR-PERFORMANCE SET AGAINST CHALLENGING TARGETS AND STRETCHING GOALS

Covid-19

The Covid-19 pandemic has disrupted many people, businesses and communities, and looks set to remain a very real challenge for 2021 and beyond. Faced with such uncertainty, I would like to start this letter by recognising our outstanding employees across the globe, who have shown great agility in adapting to new ways of working while ensuring that JTC continues to deliver the highest levels of service to its clients, whilst also continuing to grow sustainably and support and invest in all our people.

At the onset of the pandemic, JTC took decisive action to ensure the stability of the business. The Business Continuity Planning team moved quickly to ensure that employees were able to continue to provide services remotely, minimising disruption and maintaining critical dialogue with our clients and wider stakeholder groups.

JTC remained steadfast in its commitment to protecting employees and their wellbeing. All of our employees have access to an Employee Assistance Programme and through an easy to use mobile app we provided specific health-related content, including mental health, physical health and nutrition guidance. We also adapted and increased our internal communications programmes to support our people at all levels of the organisation and efforts to maintain team engagement and morale throughout the year.

During this time, we prioritised supporting our employees. There was no temporary reduction to salaries and no furloughing of any employees. JTC did not receive any government support or assistance. We are proud that JTC has continued to pay out and increase dividends and that our share price has remained resilient in the face of the pandemic. We also remained dedicated to our philanthropic goals and made donations totalling more than £100k to international and local charities, including the World Health Organisation, Médecins Sans Frontières and numerous organisations that supported those who were disproportionately affected by Covid-19 in 2020. We also set up a scheme to match employee charitable donations.

Despite the pandemic, the Group was able to continue with its inorganic growth strategy and through the acquisitions of NESF and Sanne's private client services stream, we welcomed 81 new employees to JTC. We also announced the acquisition of the RBC CEES business in December, which saw a further 171 employees join the business at the beginning of April 2021. These acquisitions further demonstrate JTC's resilience and ability to sustain growth, even during periods of external challenge.

Pay for performance

The Committee is mindful of the importance of the relationship between pay and performance to generate returns for shareholders. The key aims of the remuneration policy are to promote the long-term success of JTC whilst ensuring alignment with shareholder value-creation.

Performance is critical, but a well-designed remuneration programme must also attract and retain a high calibre team to support the delivery of long-term shareholder value. We endeavour to maintain competitive remuneration packages that focus the Executive Directors' efforts on the delivery of the Company's long-term strategic and business objectives, avoiding excessive or inappropriate risk taking.

In reviewing Executive Directors' remuneration, our overriding considerations were alignment with the strategic objectives of the Group; the extent to which remuneration will attract, motivate and retain the talent needed to achieve long-term success; and, of course, overall affordability. The Committee's decision-making this year has taken into account a range of internal and external factors, including alignment with the wider workforce and the Group's shared ownership ethos, as well as the Group's decisive and considered response to Covid-19 and the experience of our stakeholders during this period.

Performance and remuneration in 2020

JTC has continued to grow year on year since IPO, demonstrated by our TSR which has grown by 97% since JTC listed on the London Stock Exchange on 14th March 2018. This is significantly more than both the FTSE 250 (10% growth) and FTSE Small Cap (27% growth) within the same period. This year, despite the challenge that Covid-19 presented, we continued to grow and bounced back quickly from the initial share price drop in March 2020. Our financial performance was in line with our expectations that were set pre-Covid-19 and we delivered 33.6% EBITDA margin, slightly ahead of our 'Meets' expectations target. We achieved exceptional cash conversion improvement at 91%, ahead of our "Exceptional" target of 90%. Group net organic growth was just shy of our 'Meets' expectations target of 8% achieving 7.9% within the year (and an average of 8.4% for the past three years). As mentioned earlier in the CEO's report, our annual results of revenue growth, EBITDA margin, organic and net organic growth has led to us delivering our medium-term guidance of net organic growth and underlying EBITDA margin.

In our Annual Report on Remuneration, on page we summarise the performance outcomes against our remuneration framework, in the context of how the Policy was applied in 2020. In keeping with the Company's shared ownership ethos, the Executive Directors voluntarily waived more than half of their bonuses achieved to ensure the alignment of remuneration outcomes with the wider workforce and to additionally recognise the wider workforce for their resilience and contributions throughout the pandemic. As such, although the CEO, CFO, and COO respectively, earned annual bonus awards of 70%, 65%, and 30% of salary, the pay-outs actually received were approximately half of that, or 32%, 30% and 14% of salary, respectively. The funds waived were reinvested in the wider bonus pot for employees

USE OF DISCRETION

The Committee believes that the outcomes of the 2020 annual bonus appropriately reflect the performance of the Company and the Executive Directors over this period. As such, the Committee did not exercise their discretion for any variable incentive outturns, but supported the Executive Directors' personal decisions to waive part of their bonus

2020 AGM & shareholder engagement

Both the Remuneration Committee and the Board as a whole recognise the benefits of and welcome the engagement of shareholders on a wide range of topics, including executive compensation.

In relation to our engagement during the year, the Board and Committee took steps to engage with shareholders in advance of and following the 2020 AGM results, as detailed below to ensure that shareholders' views have been fully taken into account and are reflected in the disclosures in the 2020 Report.

- Annual General Meeting voting intention discussions
- AGM results announcements on the company website
- One-to-one meetings
- Interim results analyst and investor meetings
- Communication in the 2020 annual report

When providing feedback regarding their voting intentions or recommendations, and subsequently the voting results of the 2020 AGM, shareholders and proxy advisory agencies were consistent in

PERFORMANCE IS CRITICAL, BUT A WELL-DESIGNED REMUNERATION PROGRAMME MUST ALSO ATTRACT AND RETAIN A HIGH CALIBRE TEAM TO SUPPORT THE DELIVERY OF LONG-TERM SHAREHOLDER VALUE

asking for more detailed disclosure in connection with the Executive Director's individual objectives and performance measures for target and maximum bonus awards. Crucially no concerns were raised by investors regarding the Remuneration Policy.

The Committee has undertaken a comprehensive review of disclosure regulations and best practices with the aim to present clear, succinct and informative reports relevant to the Company and its particular circumstances. Our 2020 Report is divided into:

– This letter from myself as Chair of the Remuneration Committee
– JTC's Remuneration at a Glance
– Our Annual Report on Remuneration detailing the outcomes from 2020 and our implementation of our Policy in 2021.

The Board is confident that, having taken into account the views received, the actions taken and the improvements made to the level of disclosure provided in the 2020 Report will address the concerns of the shareholders who raised issues.

The Board looks forward to continued engagement with its shareholders.

CORPORATE GOVERNANCE DEVELOPMENTS

The Committee is aware of the market development to align executive director pension contributions with that of the majority offering to the wider workforce. The Committee has committed to reviewing this in 2021 alongside a full review of the Remuneration Policy against FTSE 250 practice. Following the year end, the Committee has adopted post-cessation share retention guidelines with a requirement that 150% of salary should be held in shares for a two-year period following cessation of employment.

As COO Wendy Holley has responsibility for overseeing the development of strategies to improve employee engagement, and oversees the implementation of JTC's employee development, recognition and wellness programmes, together with other activities aimed at creating a positive workplace environment, reporting to the Board on a regular basis on the effect of each, including activities and the views of employees.

Work of the remuneration committee in 2020

Building on last year's work to broaden oversight of the Committee to the wider workforce, the Committee were kept abreast of salary increases amongst the global employee population when reviewing executive salaries. The bonus structure is universal throughout the organisation ensuring there is consistency in the performance management system and review of performance. In particular, the bonus structure ensures that all individuals uphold JTC's values and principles, which in turn are driven by its culture of shared ownership.

This year the Committee reviewed the CEO pay ratio which has increased from 8x in 2019 to 20x in 2020. The Committee determined that the increase was due in part to a change in UK employee incumbents which led to a fall in absolute pay quartiles as well as the CEO receiving his first PSP award vesting. The Committee is mindful that the ratio is sensitive to the small subset of UK employees included within the calculation, but notes that the CEO's pay should now be in a steady state with equity awards vesting, subject to the achievement of performance criteria, each year on a rolling basis.

The Committee were informed of employee feedback and developments in employee engagement throughout the year; Communications Champions were appointed globally and reported to the Board feedback on themes including reward and recognition, wellbeing and benefits and general feedback on life at JTC across jurisdictions. JTC is committed to creating an inclusive environment where all voices are heard, all cultures are respected, and a diversity of perspectives is welcomed. In this regard, JTC continued to engage the wider workforce through a number of virtual initiatives, including monthly Birthday Breakfasts, where employees with birthdays falling in a given month are invited to an open forum where the CEO and other members of Senior Management provide Company updates and solicit direct feedback from employees on a more personal basis.

The Committee also reviewed its terms of reference to ensure that they continue to be fit for purpose and in line with best practice. The review was undertaken by Mercer, with guidance from the Group General Counsel and Company Secretary. A copy of the terms of reference can be found on the Company's website www.jtcgroup.com.

Remuneration in 2021

Following a review of total remuneration in 2020, the CEO and CFO will receive nominal salary increases of 3.57% which is below the Group average of 4.85%. The COO will receive an increase of 5.0% as part of the process to bring her closer to market and to provide due recognition for her growing responsibilities within the role, including her role as a main Board director.

The Committee has reviewed the incentive structure and opportunities with JTC's long-term strategy, company purpose, and Ownership for All culture firmly in mind. Following this review, the Committee confirmed the maximum opportunities under the annual bonus and PSP for 2021, which remain within the approved policy:

Annual bonus: The maximum annual bonus opportunity will remain up to 100% of salary for the Executive Directors, subject to meeting all financial and non-financial objectives. Financial measures will form at least 50% of the annual bonus award and

COMMUNICATIONS CHAMPIONS WERE APPOINTED GLOBALLY AND REPORTED TO THE BOARD FEEDBACK ON THEMES INCLUDING REWARD AND RECOGNITION, WELLBEING AND BENEFITS

individual leadership and behaviours will be assessed holistically when determining the extent to which financial and non-financial goals were achieved throughout the year.

PSP awards: The Committee further determined that PSP awards will remain at up to a maximum of 150% of salary for all Executive Directors. All Executive Directors will share the same financial performance goals and will be measured against 3-year TSR and EPS performance on an equal basis (as detailed on page 98).

Employee incentive plan (EIP)
Following a review of the Company's share plans, as adopted in March 2018, the Board intends to seek Shareholders' approval to amend the rules of the JTC PLC Employee Incentive Plan (EIP) at the forthcoming AGM. The EIP was adopted as a performance-based cash bonus plan, funded using dividends paid over shares held by the employee benefit trust (EBT), under which payments made to participants are determined according to a points system based on seniority, length of service and individual performance. No awards under the EIP have been made to date. The intention is to amend the rules of the EIP, such that cash awards can be satisfied by either the Group or EBT trustee and awards may also be settled in shares, potentially using the shares held by the EBT. All employees of the Company and its subsidiaries (excluding all Executive Directors) will be eligible to be granted an award under the EIP at the discretion of the Committee. A summary of principal terms to the EIP, as amended, will be set out in the AGM notice to be sent to all Shareholders.

Since JTC's first employee benefit trust was established in 1998 the concept of shared ownership, recognising the importance and benefits of offering equity to employees at all levels, has been embedded in JTC's culture. The Directors believe this is a key differentiator and a significant motivating factor in executive and employee engagement and performance, and aligns with JTC's strategy of creating value for all stakeholders through long-term, sustainable growth. The Directors consider the changes proposed to the EIP are consistent with the Company's commitment to fair and responsible remuneration which, to the extent possible, seeks to ensure the reward structure is similar regardless of seniority, and the Board's stated intention to maintain JTC's well-established "ownership for all" programme.

Priorities for the coming year
We remain committed to delivering a leading and transparent remuneration framework, supported by strong governance processes, designed to drive the right behaviours across the whole organisation and deliver long-term success, meeting the needs of all our stakeholders. Next year we will focus on reviewing the Remuneration Policy ahead of the 2022 AGM, including our executive pension provisions with due consideration to our shareholders and broader employee population.

POST-EMPLOYMENT SHAREHOLDING GUIDELINES
The Committee is mindful of the developments in the market and as such, adopted post-employment guidelines in early 2021 whereby Executives are required to hold the lower of the in-post shareholding requirement (i.e. 150% of salary) and the incumbent's level of holding on exiting the business for a period of 2 years. These guidelines are compliant with the Investment Association's guidelines and echo our ethos of shared ownership and wealth creation in all employees. Our Executives all have significant levels of share ownership and satisfy the shareholding requirement in full. Further details on the levels of share ownership can be found on page 92.

Wider workforce considerations
The principle of making all our people owners of the business is fundamental to our culture and aligns us completely with the best interests of our clients and our shareholders. We work to maximise the potential of every employee, providing support through our range of development programmes. Further details on our broader workforce programmes can be found on pages 40 to 45 within the ESG section of our Strategic Report.

Committee evaluation
The Committee's performance was assessed as part of the annual Board evaluation. I am pleased to report that the Committee is regarded as operating effectively and the Board takes assurance from the quality of the Committee's work. The findings of this year's evaluation of the performance of the Remuneration Committee can be found on pages 66 to 67.

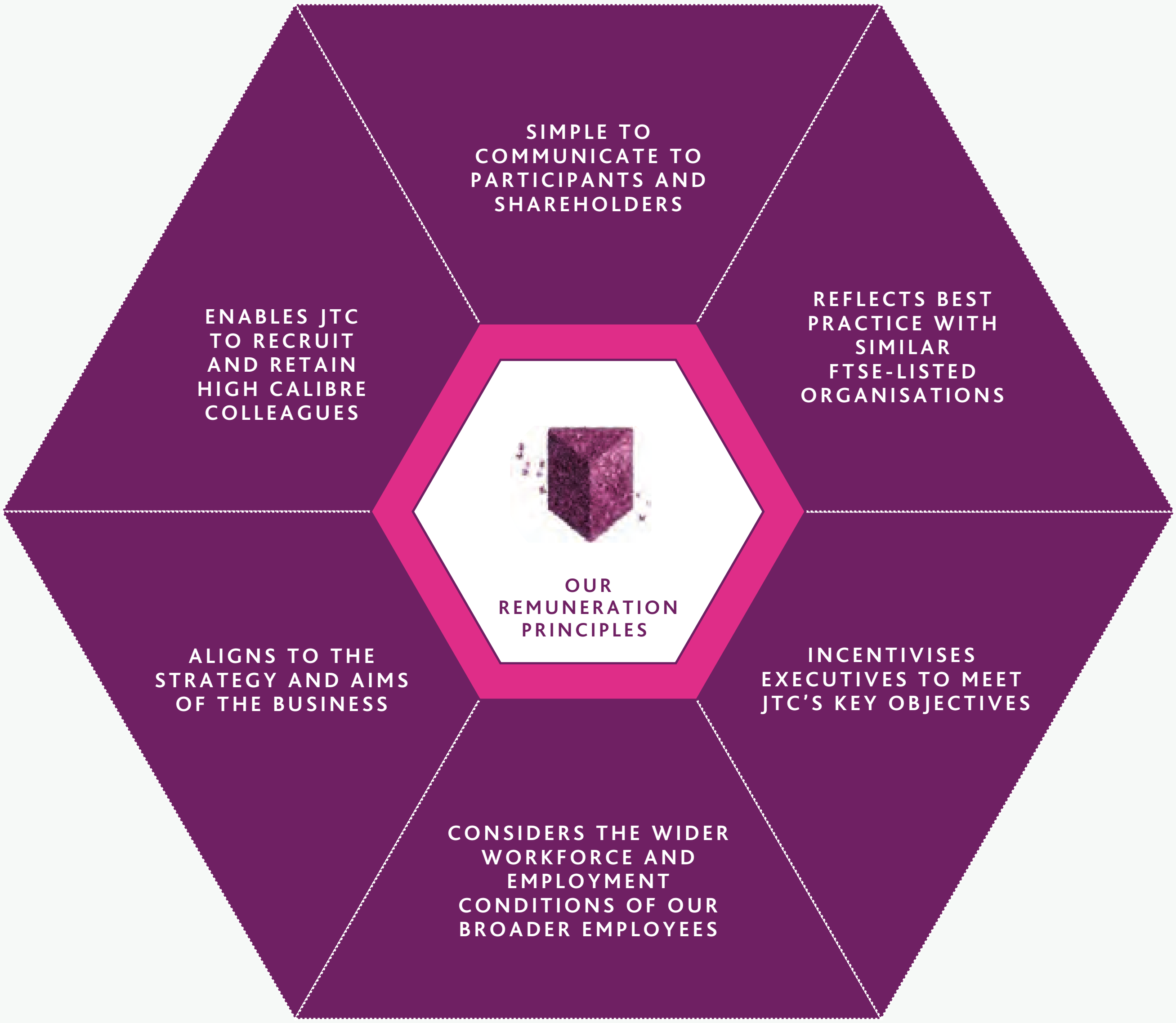
I look forward to receiving your feedback and support at the upcoming AGM.

MICHAEL GRAY
REMUNERATION COMMITTEE CHAIRMAN

12 APRIL 2021

OUR REMUNERATION AT A GLANCE

This section provides a summary of the remuneration policy approved in 2019 and our approach to implementing this for our Executive Directors in 2021.



PAY ELEMENT	POLICY	2021 IMPLEMENTATION	LINK TO JTC'S STRATEGY
BASE SALARY	Reviewed annually with increases effective 1 January; reflects the individual's role and contribution. Increases take account of those applied across the wider workforce; the Committee retains discretion to award higher increases where appropriate to take into account market conditions, performance and/or development of the individual, a change in the responsibility and/or complexity of the role, new challenges or a new strategic direction for the Company.	CEO: £435,000 (3.57% increase) CFO: £316,925 (3.57% increase) COO: £241,500 (5.00% increase)	Creating long-term value for our – shareholders – employees Being a responsible business
BENEFITS	Executives are entitled to receive life assurance, pension contributions, private medical insurance and other de minimis benefits in kind.	Unchanged from Policy.	
PENSION	All Executives are eligible to receive employer contributions of up to 10% of salary. The COO has elected to receive an employer contribution of 5% of her salary.	CEO: 10% CFO: 10% COO: 5%	
ANNUAL BONUS	Maximum opportunity: 100% of salary. Performance measures, targets and weightings are set at the start of the year. Performance is measured on financial, operational and individual goals. Malus and clawback provisions apply.	Award of up to 100% of salary for all Executive Directors. Performance will be measured based on tailored scorecards comprised of shared financial goals and strategic goals linked to the successful execution of JTC's business plan.	Creating long-term value for our – shareholders – employees – clients – intermediary partners – communities Being a responsible business
DEFERRED BONUS SHARE PLAN ("DBSP")	All employees are eligible to participate; it is intended that Executive Directors, Senior Managers and certain managers below Senior Manager will participate. For Executive Directors, any bonus earned over 50% of salary is deferred into shares for 3 years. The Committee may include further financial and non-financial performance.	Unchanged from Policy.	A unique culture based on Shared Ownership
PERFORMANCE SHARE PLAN ("PSP")	Normal maximum opportunity: 150% of salary (exceptional maximum of 250%). Performance is measured over TSR, EPS and delivery of the Group Business Plan over a period of 3 years. An additional 2-year holding period applies post-vesting. Malus and clawback provisions apply.	Award opportunity of up to 150% of salary for all Executive Directors. Performance will be measured by TSR and EPS over a period of 3 years.	Creating long-term value for our – shareholders – employees – clients – intermediary partners – communities Acquisitions Being a responsible business A unique culture based on Shared Ownership
EMPLOYEES INCENTIVE PLAN	All employees are eligible to be granted an award except for Executive Directors and Senior Managers. It is designed to incentivise high performance and may include performance measures – these will be reviewed by the Committee each year.	Executive Directors are not eligible to participate.	A unique culture based on Shared Ownership
SHAREHOLDING GUIDELINES	Executive Directors are required to build or maintain a shareholding requirement equivalent to 150% of their base salary. Post-cessation, Executives are required to hold on to the lower of their share ownership on leaving or their in-post share ownership guideline for a period of 2 years.	In-post guidelines unchanged from Policy, post-cessation guidelines introduced.	A unique culture based on Shared Ownership Being a responsible business
MALUS AND CLAWBACK PROVISIONS	Recovery provisions may be applied to the annual bonus, DBSP And PSP in certain circumstances including: – materially inaccurate information – material breach of employment contract which would include, without limitation, any event or omission by the Executive that contributes to a material loss or reputational damage to the Company – material breach of any compromise agreement – material breach of fiduciary duties Cash bonuses will be subject to clawback, with deferred shares being subject to malus, over the deferral period. PSP awards will be subject to malus over the vesting period and clawback from the vesting date to the third anniversary of the relevant vesting date.	Unchanged from Policy.	Being a responsible business

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 next 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.

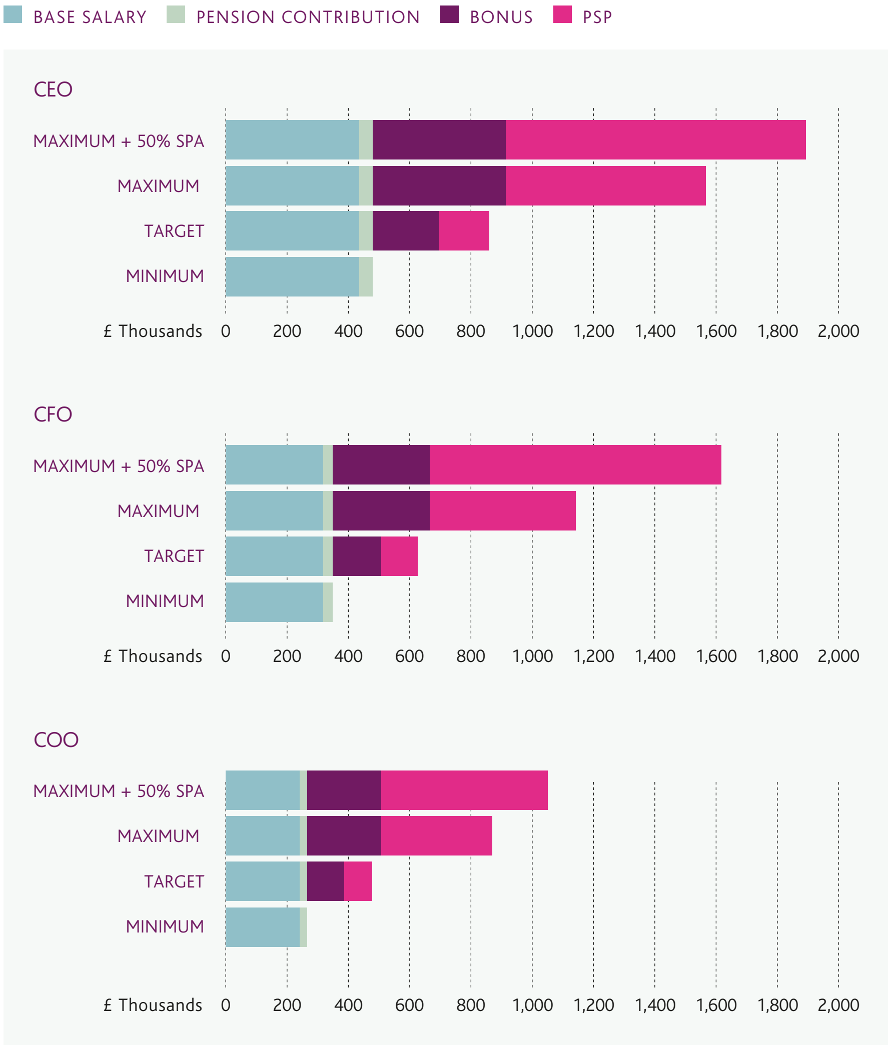
Termination policy

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.

Remuneration scenarios

The total remuneration opportunity for Executive Directors is strongly performance based and weighted to the long-term. The charts below provide scenarios for the total remuneration of Executive Directors at different levels of performance and are calculated as prescribed in UK regulations.

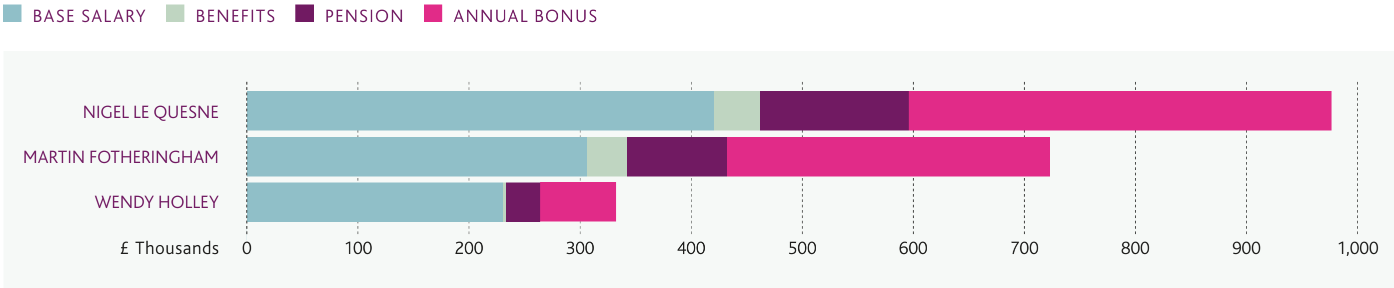


The above charts are based on the following assumptions:

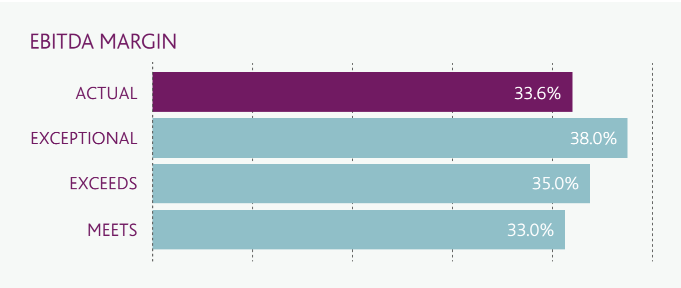
SCENARIO	DETAILS
MINIMUM	Fixed remuneration only, i.e. base salary and pension contribution: – CEO: £435,000 and 10% pension contribution – CFO: £316,925 and 10% pension contribution – COO: £241,500 and 10% pension contribution
TARGET	Fixed remuneration as above, plus target bonus (50% of maximum) and threshold PSP vesting (25% of maximum): – Bonus: 50% of salary for all Executive Directors – PSP: 37.5% of salary for all Executive Directors
MAXIMUM	Fixed remuneration as above, plus maximum bonus and full vesting of the 2020 PSP award: – Bonus: 100% of salary for all Executive Directors – PSP: 150% of salary for all Executive Directors
MAXIMUM + 50% SPA (SHARE PRICE APPRECIATION)	As above, plus with 50% share price growth over the vesting period for the PSP award.

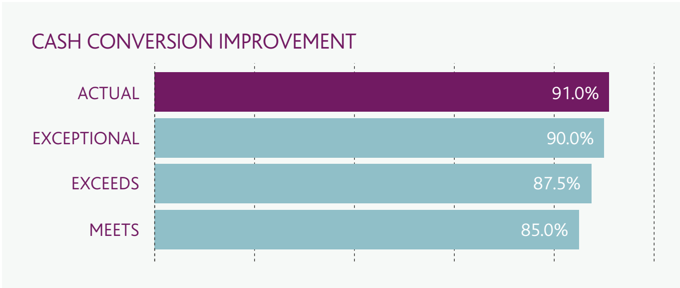
2020 PERFORMANCE AT A GLANCE & REMUNERATION OUTCOMES

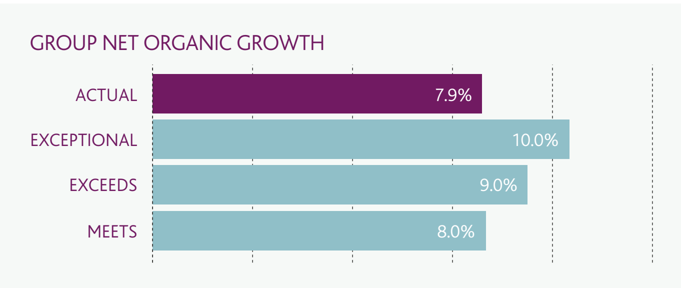
2020 Single figure remuneration



2020 Annual bonus award (further details on page 90)







Non-Financial Metrics:
The Non-Financial metrics includes Strategic Execution, Investor Relations, Risk and Compliance, People and Culture and Growth targets. The Committee reviewed these targets holistically; a description of the performance achieved against this metric is detailed on page 88.

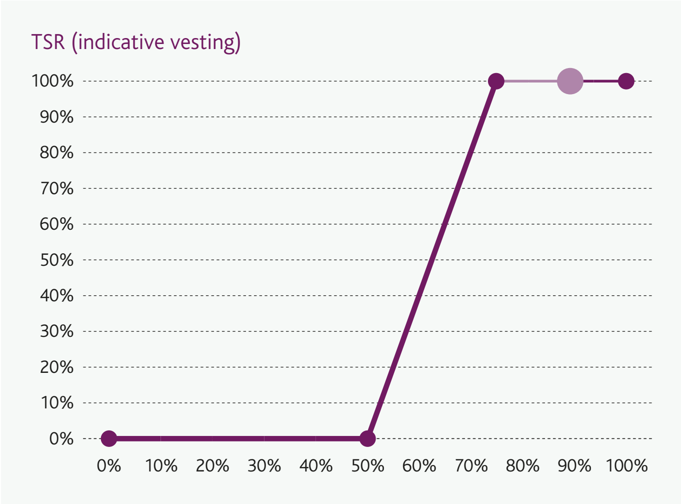
The above charts are based on the following assumptions:

	MAX. OPPORTUNITY % OF SALARY	OUTTURN £	OUTTURN (% OF MAX)	ADJUSTED OUTTURN (% OF MAX)	% OF SALARY	ADJUSTED OUTTURN
NIGEL LE QUESNE[1]	75%	£294,000	93%	42%	32%	£133,770
MARTIN FOTHERINGHAM[1]	75%	£198,900	87%	39%	30%	£90,500
WENDY HOLLEY[1]	50%	£69,000	60%	27%	14%	£31,395

1 Amounts waived by the Executive Directors were £160,230 for the CEO, £108,400 for the CFO and £37,605 for the COO.

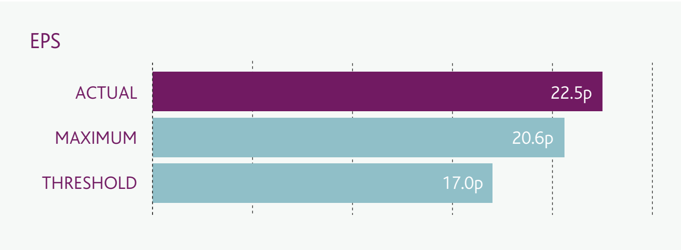
PSP (further details on page 90)

The 2018 PSP award was subject to performance conditions for a period ending on 31 December 2020 with the exception of TSR which ended on 14 March 2021. Indicative TSR vesting and final vesting of the EPS and Group Plan objectives are shown below:



TSR threshold performance begins at median ranking against the FTSE Small Cap with 25% of the element vesting rising to full vesting for upper quartile performance.

JTC at 31 December 2020 ranked 89th percentile and therefore indicative vesting suggests full vesting of the TSR element.



EPS threshold performance begins at 17.0p with 25% of the element vesting rising to full vesting for 20.6p.

JTC at 31 December 2020 achieved an EPS of 22.5p and therefore the EPS element of the award fully vests.

Wendy Holley: Group Business Plan

The Group Business Plan incorporates Group, Divisional (ICS and PCS), Development, Finance and Operational targets. The Committee reviewed all targets holistically and determined that this element would vest in full. A description of the performance achieved against this metric is detailed on page 90.

ANNUAL REPORT ON REMUNERATION

The Annual Report on Remuneration and the Annual Statement will be put to an advisory Shareholder vote at the AGM on 26 May 2021. Sections of the report are subject to audit and these have been flagged where applicable.

Single total figure of remuneration for Executive Directors (audited)

The table below sets out the total remuneration payable to each Executive Director for the years ended 31 December 2020 and 31 December 2019.

SINGLE TOTAL FIGURE OF REMUNERATION		BASE SALARY[1]	BENEFITS[2]	PENSION[3]	ANNUAL BONUS[4]	PSP[5]	TOTAL	TOTAL FIXED	TOTAL VARIABLE
NIGEL LE QUESNE	2020	£420,000	£2,913	£42,000	£133,770	£368,727	£967,410	£464,913	£502,497
	2019	£392,400	£2,857	£39,240	£196,200	n/a	£630,697	£434,497	£196,200
MARTIN FOTHERINGHAM	2020	£306,000	£2,976	£30,600	£90,500	£281,667	£711,743	£339,576	£372,167
	2019	£300,000	£2,920	£17,500	£150,000	n/a	£470,420	£320,420	£150,000
WENDY HOLLEY	2020	£230,000	£2,913	£11,500	£31,395	£66,166	£341,974	£244,413	£97,561
	2019[6]	£90,959	£1,299	£4,548	£9,096	n/a	£105,902	£96,806	£9,096

1 Base Salaries were increased effective 1 January 2020; the figures above represent the increased salaries for the year as disclosed in the prior year remuneration report.
2 Benefits provided to Executive Directors include healthcare and annual membership provisions; 2019 figures have been restated to reflect taxable benefits in the UK in line with reporting regulations.
3 Executives receive contributions to the Group Occupational Retirement Plan which is a defined contribution plan of up to 10% of salary. Wendy has elected to receive a contribution of 5% of her salary.
4 To promote greater alignment between the annual bonus pay-outs for Executive Directors and the wider workforce, as well as to demonstrate their appreciation, the Executive Directors voluntarily waived more than half of their earned bonus. As such, bonus payments were reduced by c.54%.
5 Estimated value of 2018 PSP award at 540.8 pence per share being the average of the closing mid-market share price in the 3 month period ending 31/12/2020. 2019 PSP values have been restated to reflect no awards vesting in 2019. PSP Participants are not entitled to any dividends (or any other distribution) and do not have the right to vote in respect of Shares subject to an Award until the Award vests.
6 Wendy joined the Board of Directors on 19 July 2019; therefore, the figures are pro-rated to her appointment.

2020 Annual bonus (audited)

The chart below summarises our annual bonus framework for 2020 and includes measures that provide a fair balance of rewarding financial and non-financial performance. Each Executive has a personal scorecard with shared financial and non-financial objectives. As part of the transition to main Board director, as the first full year in role, Wendy Holley has a balance of 25%/75% financial to non-financial targets. From 2021 onwards, all three Executives will have at least 50% weighted towards Financial targets.

Annual bonus scorecard

Performance is assessed against defined threshold, target, and maximum targets.

FINANCIAL MEASURES	STRATEGIC MEASURES
UNDERLYING EPS	STRATEGIC EXECUTION
GROUP NET ORGANIC GROWTH	INVESTOR RELATIONS, RISK AND COMPLIANCE
EBITDA MARGIN	PEOPLE AND CULTURE
CASH CONVERSION GROWTH	GROWTH
COMMERCIAL & OPERATIONAL EFFICIENCY IMPROVEMENTS	

The detail of the measures, targets and weightings may be varied by the Committee year on year based on the Company's strategic priorities. The achievement of the objectives is measured on a points basis against determination of whether goals were met and where performance exceeded expectations or was deemed exceptional. In addition, in line with all JTC employees, the assessment of strategic priorities is conducted alongside an evaluation of JTC Behaviours and Core Values for each Executive.

Bonus scorecard – Financial Measures

The table below sets out performance against the financial targets under the annual bonus scorecard which comprise a weighting of 25% to 60% on a combination of the following measures, with performance ranges set based on a sliding scale of challenging targets.

GROUP FINANCIAL METRICS	THRESHOLD	TARGET	MAXIMUM	2020 PERFORMANCE
UNDERLYING EPS PERFORMANCE VERSUS FINANCIAL CONSENSUS	Lower quartile of average consensus range	Median of average consensus range	Upper quartile of average consensus range	Achieved lower end of average consensus range above the threshold
GROUP NET ORGANIC GROWTH	8%	9%	10%	Group net organic growth of 7.9%
EBITDA MARGIN	33%	35%	38%	Completed a root and branch review on the ICS operating platform intended to drive future pricing harmonisation and delivery of margin improvements. Achieved overall EBITDA margin of 33.6%
CASH CONVERSION IMPROVEMENTS (IN LINE WITH GUIDANCE)	85%	87.5%	90%	91% cash conversion
	Successful integration of NESF plan against business plan			Successful integration of the NESF business and strong delivery against business plan despite Covid-19 headwinds; see "Growth" performance below for a summary of operational delivery
	Successful integration of Sanne business against business plan			Notable success from planning to integration of the Sanne business, including delivery of planned profit margins; see "Growth" performance before for a summary of operational delivery
	Successful integration of the Luxembourg business against business plan			Continued the consolidation of its Luxembourg operations as part of its long-term strategic commitment to service and growth in the region
	Successful establishment and integration of the Dublin office against business plan			Established a presence in Ireland with an office in Dublin and successfully acquired a corporate license which provides a strong foundation for growth and delivery against the Group business plan

Bonus scorecard – Non-Financial Measures

The table below sets out performance against the non-financial targets under the annual bonus scorecard, which comprise a weighting of 50% to 75%. Non-financial performance categories reflect short-term operational and strategic priorities of the business that are critical to our continued success and are assessed based on key milestones or performance in line with our business plan on a combination of the following measures.

NON-FINANCIAL METRICS		2020 GROUP OBJECTIVES
STRATEGIC EXECUTION	✓	JTC has delivered share price growth of 97% since the IPO in 2018; successful admission to the FTSE 250 Index in November 2020 is a testament to the continued growth and performance of the business upon listing
	✓	Delivered strong progress against JTC's banking strategy designed to meet the future needs of JTC and its clients, as evidenced by the launch of virtual banking solutions; delivery of custody services above plan financial returns; a more streamlined and cost-efficient banking platform in the Private Client Services division in Jersey; Straight Through Processing (STP) technology and improved treasury pooling services to improve our global payment and treasury solutions and foreign exchange offering
	✓	Drove the implementation of technological and process improvements across the Group, including initiatives to support the expansion of JTC's service lines as well as upgrades to office premises, including a new and strategically important operating presence in Ireland
	✓	For each completed acquisition, drove the integration of enterprise information technology systems and networks to unify communications, enable data sharing and cross organisational application access, and drive operational efficiency and cost reduction
	✓	JTC was recognised at the Digital Jersey Tech Awards for the "Best Use of Technology in Finance" through its collaboration with BankClarity. The win focussed on the successful delivery of a single banking payments platform, resulting in up to 75% reduction in payment-processing times and up to 90% reduction in error rates, as well as the delivery of a centralised and integrated banking and treasury hub within JTC's secure infrastructure designed with the scalability to support JTC's future growth aspirations
	✓	Seamless client experience provided by our global team despite the challenges of Covid-19, demonstrating business resilience
INVESTOR RELATIONS, RISK AND COMPLIANCE	✓	Established a clear strategic report ahead of the new business plan and communicating this to stakeholders
	✓	Deepened relationships with key stakeholders and in particular, the financial community, through proactive outreach by reinforcing JTC's strategic vision and articulating JTC's investment case and growth through strengthened financial reporting and communications – consistent and positive feedback from stakeholders
	✓	Appointment of a Group Chief Risk Officer in November 2020, a new strategic role for JTC, underscores the Group's commitment to maintaining an efficient and effective governance and risk management framework, as well as regulatory compliance across its global network of 23 offices in 19 different jurisdictions to support JTC's fourth decade of growth
	✓	Created a fully integrated US finance function following the acquisition of NESF to enable delivery and growth at scale
PEOPLE AND CULTURE	✓	Continued to reinforce distinctive 'Ownership for All' culture by providing meaningful share ownership to all 1,100+ employees and by introducing year-end share ownership declarations to drive employee ownership levels
	✓	Appointed Communications Champions to provide a feedback conduit for employees and the Group; feedback themes culminating from the two-way dialogue between each jurisdiction, department, and division were ultimately relayed back to the Board for broader consideration
	✓	Continued to invest in Group-wide employee training and development programs, including the enhancement of the LION Foundation, to support the next generation of leaders
	✓	Achievement of 90%+ employee retention within the year
	✓	Delivered on the people and culture integration roadmap for the NESF and Sanne acquisitions to streamline operations and create a fit-for-purpose organisational structure
	✓	Supported employee wellbeing through the use of the Communications Champions, JTC Wellbeing App, facilitating Stress Management Courses, EAP and frequent internal communications.

NON-FINANCIAL METRICS		2020 GROUP OBJECTIVES
GROWTH	✓	JTC's strategic acquisition of NESF (NESF) in April 2020, a US-based, technology enabled market leading provider of specialist fund administration services, provided JTC with a platform from which to capitalise on the trend towards outsourcing in the US and the in-house capability to deliver on the growing demand for tech-enabled client solutions. The technological enablement for JTC has already provided for some operational efficiencies delivered through data aggregation technology
	✓	The acquisition of Sanne's private client business was strategically beneficial as it afforded the Company with the opportunity to demonstrate to the market the value of JTC's commitment to its two tier Institutional Client Services and Private Client Services model
	✓	JTC's strategic acquisition of the corporate services business in Dublin, Cornerstone, and subsequent appointment of a Dublin Leadership Team in May 2020 enabled the Company to offer corporate and fund administration services in Ireland, provide flexibility to alternative asset managers and exposure to the US market, as well as access to a highly skilled workforce, which, together, presents a strong foundation for growth
	✓	JTC's shared ownership culture has been recognised as important and unique and is central to the ongoing success of the business. As a facet of the ESG agenda, the announced acquisition of the RBC CEES business is strategically important as it enables JTC to support both institutional and private clients who wish to make a similar investment in their people by offering them access to the market leader in global Employer Solutions
	✓	Introduced a new process with regards to cohesively govern the identification and management of new technology and projects across the Group

Individual performance

The Committee carefully considered the individual performance of each Executive Director with the following in mind and approved modified pay-outs to recognise strong individual contributions and achievement. The details of the considerations that were factored into the final bonus assessment are set out in the detail below:

- Individual contribution and achievements
- Individual leadership exhibited
- Demonstration and alignment with JTC's values

	2020 INDIVIDUAL ACHIEVEMENTS	FINAL PERORMANCE[1]	TOTAL SCORECARD (% OF SALARY)	INDIVIDUAL MODIFIER	FINAL BONUS (% OF SALARY)
NIGEL LE QUESNE	Under the CEO's leadership, JTC continues to transform and grow, with a clear purpose and well-defined strategy to deliver strong returns to shareholders. The CEO has combined strong financial performance, international expansion within defined business outcomes, strengthened relations with institutional investors whilst leading an engaged and motivated workforce through a challenging period.	9 /10	60%	10%	70%
MARTIN FOTHERINGHAM	The CFO demonstrated strong capital discipline leadership, as evidenced by the maintenance of the debt equity ratios, efficient capital investment on acquisitions and reduction in the operating cost base. In particular, the CFO has played a significant role in clearly articulating JTC's investment case through meaningful engagement with the investor community and providing timely and informative updates, which has further strengthened JTC's reputation globally	8.5 /10	60%	5%	65%
WENDY HOLLEY	The Chief Operating Officer has been instrumental in the co-ordination of the group's Covid-19 response and in particular ensuring that business continued as usual in the numerous countries in which JTC operates by implementing group-wide protocols and processes, as well as supporting the wellbeing of employees globally, further reinforcing JTC's reputation as a professional service provider and employer of choice. During this period, she also led the successful financial, operational, and cultural integration process for two significant acquisitions despite the limitations resulting from the pandemic.	8 /10	20%	10%	30%

1 For further information see table on page 90.

2020 annual bonus outcomes for Executive Directors

The Committee conducted a comprehensive analysis in respect of the progress achieved against the financial and non-financial measures. Overall, it was concluded that 2020 was a successful year, marked by strong performance financially and execution against our four strategic areas. In assessing the individual performance of the Executive Directors, the Committee noted their contributions in establishing the strategic direction for the Group; clearly articulating our business strategy and strong investment case to secure investment worldwide; leading JTC's growth agenda to ensure that it is well-positioned for the next phase of transformation during the Galaxy Era from 2021; and continuing to build on JTC's team capabilities through supporting its learning, development, and growth despite the challenges brought on by Covid-19.

The following table sets out the basis on which the potential 2020 annual bonus award is calculated as a % of salary:

	COMBINED PERFORMANCE AND BEHAVIOUR GRADE				
BONUS % AWARD	6	7	8	9	10
CEO/CFO	50%	55%	60%	70%	75%
COO	10%	20%	30%	40%	50%

Given the current bonus levels, the outcomes are well within the maximum set out in policy in recognition of leadership and resilience demonstrated through Covid-19. The Executive Directors voluntarily waived more than half of their bonus achieved (c.54%) to demonstrate their appreciation of the wider workforce and to recognise their resilience and contributions throughout the pandemic. The funds waived were reinvested in the wider bonus pot for employees. This further reflects the Executive Directors' commitment to the shared ownership culture at JTC. The following table sets out the outcome of the 2020 annual bonus, including the adjusted outturn to reflect the impact of the voluntary bonus reduction for each Executive Director:

	MAX OPPORTUNITY (% OF SALARY)	OUTTURN £	OUTTURN (% OF MAX)	OUTTURN (% OF SALARY)	ADJUSTED OUTTURN* £	ADJUSTED OUTTURN (% OF MAX)	ADJUSTED OUTTURN (% OF SALARY)
NIGEL LE QUESNE	75%	£294,000	93%	70%	£133,770	42%	32%
MARTIN FOTHERINGHAM	75%	£198,900	87%	65%	£90,500	39%	30%
WENDY HOLLEY	50%	£69,000	60%	30%	£31,395	27%	14%

*Amounts forfeited by the Executive Directors were £160,230 for the CEO, £108,400 for the CFO and £37,605 for the COO.

The Remuneration Policy states that any bonus earnt in excess of 50% of salary should be deferred into shares on a net of tax basis for 3 years. As such, there will be no deferral of bonuses this year.

PSP Awards vesting in 2020 (audited)

The 2018 PSP award is subject to performance conditions ending on 31 December 2020 with the exception of TSR which will be ending on 14 March 2021. We have set out indicative vesting of the award below, based on indicative TSR vesting as at 31 December 2020 and final vesting of the EPS and Group objectives. These will be updated in the next annual report once the TSR element has been finalised and audited.

For the TSR performance condition which underscores our commitment to share price outperformance, median TSR performance versus the FTSE Small Cap Index results in threshold vesting (i.e. 25% of maximum), rising to full vesting for upper quartile performance versus the FTSE Small Cap Index. Indicative TSR performance to 31 December 2020 positions JTC at 89th percentile against the FTSE Small Cap. As such, indicative vesting shows full vesting of TSR.

For the EPS performance condition which was originally set with reference to available analyst forecasts, EPS of 17.03p results in threshold vesting (i.e. 25% of maximum) and EPS of 20.59p qualifies for full vesting. For the year ending 31 December 2020, JTC's underlying EPS was 22.5p and as such this element of the award qualified for full vesting

The Group objectives performance condition was assessed against JTC's Odyssey Era business plan ambitions which were set following JTC's IPO in 2018. These included becoming a £1bn+ business; delivering a margin of 33% and 10% organic growth per annum at a Group level; fostering a global reputation for service excellence in the Private Client Service (PCS) and Institutional Client Service (ICS) divisions; delivering sector-leading efficiencies to ensure global scalability whilst maintaining an impeccable standard of service and administration; and becoming an employer of choice.

The Committee reviewed JTC's achievements in the context of the ambitions set and was satisfied that full vesting was warranted on account of the overall success of the Odyssey era and shareholder value created over the three-year period:

- JTC delivered on its ambition to become a $1bn+ business (by market capitalisation)
- Despite Covid-19 challenges, JTC reported an EBITDA margin of 33.6% and Group net organic growth of 7.9% as at 31 December 2020 and achieved guidance, which is a testament to the robustness and resilience of the business and its people
- The Group has developed a highly successful growth strategy that combines strong organic growth of the core business, with highly disciplined inorganic growth in a sector that is consolidating at a global level. Notable acquisitions completed since IPO include NESF which provided a

strategic entry into the US fund services market (completed April 2020) and Sanne's private client business in Jersey which was a good value bolt-on (completed July 2020). These acquired businesses have been successfully integrated into JTC's portfolio and have contributed to the Group's growth and margins. JTC also acquired Minerva, Van Doorn and Exequtive Partners since IPO.
– JTC continues to pursue growth opportunities to expand its service range, including the announced acquisition of the RBC CEES Limited business which is an established leader in the employee benefits market (December 2020)
– Further technology and process improvements, management enhancements, service line expansion and premises upgrades positions JTC for further growth via acquisition opportunities to increase market share; structure and diversified nature of the business ensures that it is well-organised for success
– Continued outperformance with JTC shares up 97% since the IPO versus the FTSE Small Cap Index (27%) and the FTSE 250 Index (10%)
– Reflecting JTC's commitment to shareholder returns, annual dividend per share increased from 3.0p per share in 2018 to 5.3p per share in 2019 (a 77% increase), and a further year-over-year increase in the interim dividend in 2020
– Admission to the FTSE 250 Index in November 2020, as a result of the continued growth and performance of the business since its IPO in 2018
– JTC is a 'top tier' provider: JTC's PCS division was awarded "STEP Large Trust Company of the Year" in 2020 by the Society of Trust and Estate Practitioners, which is seen as a hallmark of quality in the private client industry around the world and evidences JTC's commitment to client focus and global service excellence
– JTC continues to invest in employee training, development, and global mobility initiatives through the establishment of JTC Academy and JTC Gateway. Key initiatives include the design of Managing JTC Way, a bespoke in-house management development programme, that is accredited by the Institute of Leadership and Management (ILM), to support the lifelong learning and growth of its people
– JTC's ICS division continues to be a top tier global provider, with two large competitive mandates secured demonstrating its reputation in the market

	PERFORMANCE MEASURES				
	MEASURE	WEIGHTING	INDICATIVE VESTING (% OF ELEMENT)	TOTAL INDICATIVE VESTING (% OF MAXIMUM)	TOTAL INDICATIVE VESTING (NO. SHARES)
NIGEL LE QUESNE	TSR	50%	100%	100%	68,182
	EPS	50%	100%		
MARTIN FOTHERINGHAM	TSR	50%	100%	100%	52,083
	EPS	50%	100%		
WENDY HOLLEY	TSR	33%	100%	100%	12,235
	EPS	33%	100%		
	Group Business Plan	33%	100%		

2020 PSP Awards (audited)

During the year ended 31 December 2020, Executive Directors received a conditional award of shares which may vest after a three year performance period ending on 31 December 2023, based on the achievement of stretching performance conditions. The maximum levels achievable under these awards are set out in the table below:

				PERFORMANCE MEASURES			
	MAX. AWARD (% OF SALARY)	MAX. AWARD[1] (£)	NO. SHARES	MEASURE	WEIGHTING	VESTING DATE	HOLDING PERIOD[2]
NIGEL LE QUESNE	100%	£420,000	99,762	TSR	50%	31.12.2023	2 years
				EPS	50%		
MARTIN FOTHERINGHAM	100%	£306,000	72,684	TSR	50%	31.12.2023	2 years
				EPS	50%		
WENDY HOLLEY	25%	£57,500	13,658	TSR	33%	31.12.2023	2 years
				EPS	33%		
				Group Business Plan	33%		

1 Face value of award based on the 3-day average share price to 20 April 2020 being £4.21.
2 Executive Directors are required to hold vested awards for a period of two years following vesting so as to further strengthen the long term alignment of Executives' remuneration packages with shareholders'' interests and, if required, to facilitate the implementation of provisions related to clawback.

The targets for the 2020 PSP award are outlined below. EPS targets are set with reference to available analyst forecasts and projected in line with expected organic growth.

	PERFORMANCE OVER THE PERIOD	% OF ELEMENT VESTING			PERFORMANCE OVER THE PERIOD	% OF ELEMENT VESTING	
TSR VS. FTSE SMALL CAP INDEX (EXCLUDING REAL ESTATE AND INVESTMENT TRUSTS)	Below Median	0%	Straight-line vesting occurs between points	Underlying EPS	Below 23.8p per share	0%	Straight-line vesting occurs between points
	Equal to Median	25%			23.8p per share	25%	
	Equal or Exceeds Upper Quartile	100%			Equal to Exceeds 29.75p per share	100%	
GROUP BUSINESS PLAN	The Board approves a rolling three-year business plan, which codifies the Company's strategy of growth organically and by acquisition. The Committee sets objectives reflecting the Company's delivery of the plan which will be detailed further retrospectively at the end of the performance period.						

Statement of Directors' shareholdings and interests in shares (audited)
As at 31 December 2020 the Directors have significant shareholdings in the Company, as follows:

		UNVESTED SHARES			SHAREHOLDING		
		WITH PERFORMANCE CONDITIONS	WITHOUT PERFORMANCE CONDITIONS				
	SHARES LEGALLY OWNED AS AT 31 DECEMBER 2020[3]	PSP AWARDS	DBSP AWARDS	% INTEREST IN VOTING RIGHTS	REQUIREMENT (% OF SALARY)	SHAREHOLDING AS AT 31 DECEMBER 2020 (% OF SALARY)[4]	REQUIREMENT MET?
EXECUTIVE DIRECTORS							
NIGEL LE QUESNE[1]	10,509,128	266,044	–	8.58%	150%	13,962%	Yes
MARTIN FOTHERINGHAM	718,586	199,767	–	0.58%	150%	1,310%	Yes
WENDY HOLLEY[2]	349,489	42,560	–	0.28%	150%	848%	Yes
NON-EXECUTIVE DIRECTORS							
MIKE LISTON	32,797	n/a	n/a	0.03%	n/a	n/a	n/a
DERMOT MATHIAS	25,863	n/a	n/a	0.02%	n/a	n/a	n/a
MICHAEL GRAY	17,242	n/a	n/a	0.01%	n/a	n/a	n/a
ERIKA SCHRANER	0	n/a	n/a	0.00%	n/a	n/a	n/a

1 Includes Ordinary Shares held by Ocean Drive Holdings Limited, a company in which Nigel Le Quesne is beneficially interested.
2 In August 2020 Wendy Holley sold 229,139 shares; as detailed in the announcements on 10 and 12 August 2020 this related to the purchase of a private primary residence. Wendy remains fully committed to the business and, in keep with JTC's ethos of shared ownership amongst all employees, retains a significant shareholding In the Company.
3 In accordance with LR 9.8.6. there have been no further changes in the interests of each director during the period, nor in the period from 1 January 2021 to the date of this Report.
4 Share price as of 31 December 2020 was £5.58.

Total share awards granted (audited)

The table below sets out details of the Executive Directors' outstanding share awards as at 31 December 2020.

	AWARD	NO. SHARES (100% VEST)[1]	MAX. AWARD AS % OF SALARY	VALUE AT DATE OF GRANT	% VESTING AT THRESHOLD PERFORMANCE	VEST DATE	HOLD
NIGEL LE QUESNE	PSP 2018	68,182	75%	£270,000	25%	14.03.2021	n/a
	PSP 2019	98,100	75%	£294,300	25%	31.03.2022	2 years
	PSP 2020	99,762	100	£420,000	25%	31.03.2023	2 years
	Total	**266,044**					
MARTIN FOTHERINGHAM	PSP 2018	52,083	75%	£206,250	25%	14.03.2021	n/a
	PSP 2019	75,000	75%	£225,000	25%	31.03.2022	2 years
	PSP 2020	72,684	100%	£306,000	25%	31.03.2023	2 years
	Total	**199,767**					
WENDY HOLLEY	PSP 2018	12,235	25%	£48,450	25%	14.03.2020	n/a
	PSP 2019	16,667	25%	£50,000	25%	31.03.2022	2 years
	PSP 2020	13,658	25%	£57,500	25%	31.03.2023	2 years
	Total	**42,560**					
	Total	**508,371**					

1 PSP Share awards are nil cost (in the case of existing shares) or the nominal value of the Shares if newly issued. All PSP awards made to date are nil cost.
2 Number of shares awarded calculated based on the average of the middle market quotations in the 3 immediately preceding days prior to the date of Grant (2018: £3.96/2019: £3.00/2020: £4.21).
3 The end of the performance period for all PSP awards is on the third anniversary of the date of Grant.
4 Executive Directors are required to hold vested awards for a period of two years following vesting so as to further strengthen the long term alignment of Executives' remuneration packages with shareholders interests and, if required, to facilitate the implementation of provisions related to clawback.

Loss of office payments (audited)

No loss of office payments were made during the year.

Payments to past Directors (audited)

No payments to past Directors were made during the year.

Fees retained for external Non-Executive Directorships

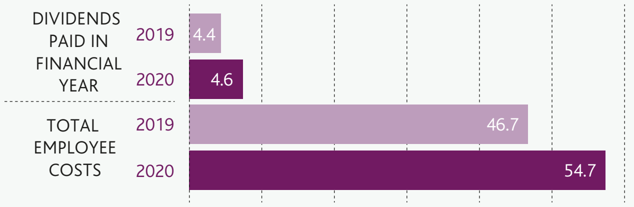
Executive Directors may hold positions in other companies as Non-Executive Directors subject to the prior approval of the Chairman. Executive Directors are also permitted to retain fees for these appointments subject to Board approval. Nigel Le Quesne is a Non-Executive Director of Brooks Macdonald International Investment Funds Limited and Brooks Macdonald Multi Strategy Fund Limited, but does not receive any personal fees for these appointments.

Relative spend on pay

The table below shows the relative 2020 expenditure of dividends against employee costs compared to 2019. These figures are underpinned by amounts from the Notes to the Financial Statements.

YEAR ON YEAR INCREASES	2020	2019	ANNUAL INCREASE %
DIVIDENDS PAID IN FINANCIAL YEAR	£7.4m	£4.4m	67%
TOTAL EMPLOYEE COSTS	£57.4	£46.7m	23%

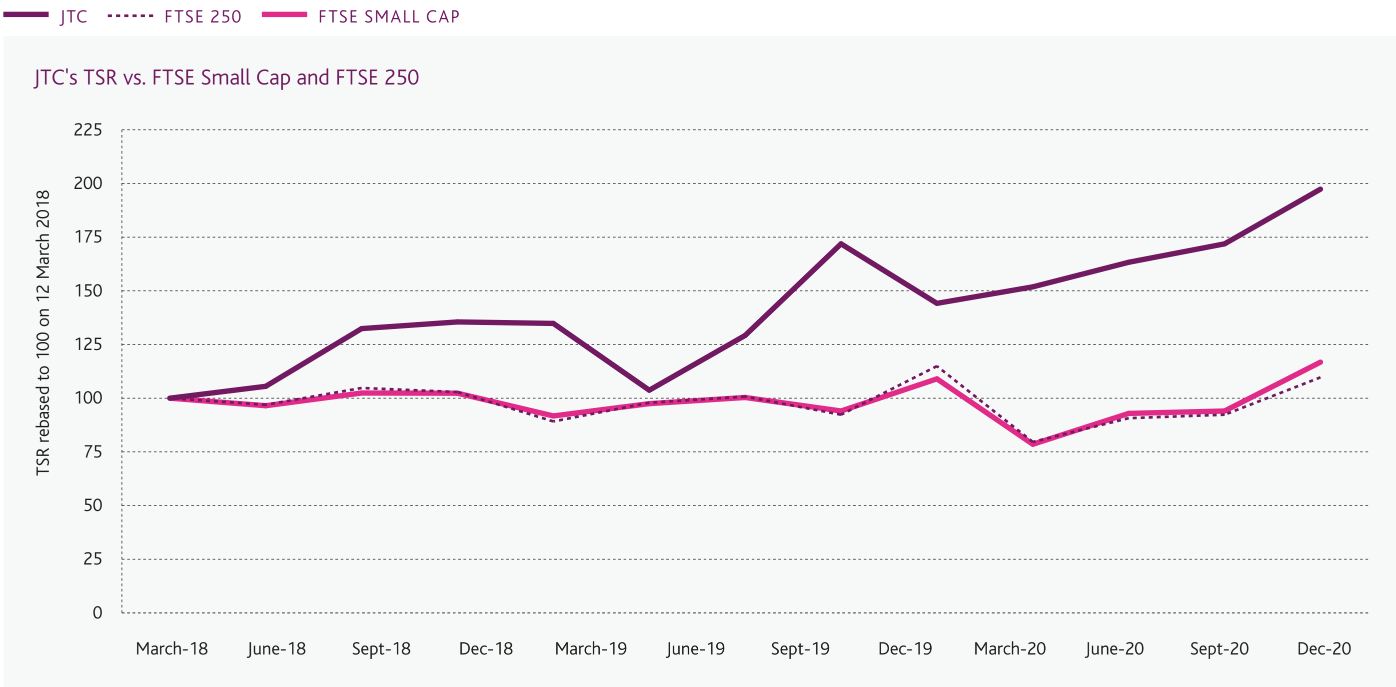
RELATIVE IMPORTANCE OF SPEND OF PAY (£m)



ALIGNMENT BETWEEN PAY AND PERFORMANCE

Total shareholder return ("TSR") performance
The following graph shows, for the financial year period ended 31 December 2020 and for each of the financial periods since JTC Group's IPO, the TSR on a holding of JTC's ordinary shares of the same kind and number as those by reference to which the FTSE 250 is calculated. The Committee feels that the FTSE 250 is the appropriate comparator index given JTC's recent ascent to the FTSE 250 on 16 November 2020. However, we note that our Performance Share Plan measures performance over the FTSE Small Cap in line with our prior constituency within that index.

The TSR graph represents the daily value of £100 invested in JTC Group on 12 March 2018, compared with the value of £100 invested in the FTSE 250 Index over the same period. JTC's TSR since IPO has grown by 97% which is significantly more than both the FTSE 250 (10% growth) and FTSE Small Cap (27% growth). This strong continued growth reinforced JTC's solid investment case and contributed to JTC's admission to the FTSE 250 Index in November 2020.



The Committee believes that the Policy and the supporting reward structure provide a clear alignment with the strategic objectives and performance of the Company. The table below shows the CEO's total remuneration since IPO and the achieved annual variable and long-term incentive pay awards as a percentage of the plan maxima.

	2020	2019	2018
SINGLE TOTAL FIGURE OF REMUNERATION	£979,139	£630,697	£538,239
ANNUAL BONUS AWARD AGAINST MAXIMUM %	42%[1]	67%	80%
PSP VESTING RATES AGAINST MAXIMUM OPPORTUNITY %	n/a	n/a	n/a

1 Represents the value of the annual bonus following the voluntary reduction by the CEO. In 2019, the CEO and CFO both waived part of their bonus (representing 15% of salary) in order to better align with the remuneration outcomes for the wider workforce; the funds waived were reinvested in the wider bonus pot for employees.

Percentage change in Director remuneration

The table below shows the percentage year-on-year change in salary, benefits and annual bonus for all Directors compared to the average of all employees in the UK, which JTC believes this is the most appropriate peer group as it provides consistency with the CEO pay ratio methodology. Please note that the population in the UK is small and is therefore subject to volatility changes year on year due to turnover in the incumbent data set.

The Executive Directors received salary increases within the year, increases in benefits are minimal and reflect the year on year increase in cost for the same benefits, but annual bonuses have reduced year on year reflecting the Executives' personal decision to waive more than half of their bonus this year. As mentioned, the UK subset is exposed to changes in the incumbent data set which saw a number of higher earners leave during the year; bonuses are slightly smaller compared to last year but were partially funded by the Executive Directors waiving a portion of their bonuses.

	2020		
	SALARY %	BENEFITS %	ANNUAL BONUS %
EXECUTIVE DIRECTORS			
NIGEL LE QUESNE	7%	2%	-32%
MARTIN FOTHERINGHAM	2%	2%	-40%
WENDY HOLLEY[1]	n/a	n/a	n/a
NON-EXECUTIVE DIRECTORS			
MIKE LISTON	0%	n/a	n/a
DERMOT MATHIAS	0%	n/a	n/a
MICHAEL GRAY	0%	n/a	n/a
ERIKA SCHRANER[1]	n/a	n/a	n/a
AVERAGE PAY FOR UK EMPLOYEES	-15.5%	-12.76%	-4.45%

1 Wendy joined the Board of Directors on 19 July 2019; therefore, year on year percentage changes are not reflected of full year service and have not been disclosed.
2 Erika was appointed to the Board on 18 November 2019.

CEO pay ratio

As a non-UK incorporated company with fewer than 250 UK employees, JTC is not required to adhere to the CEO pay reporting regulations. The Committee is keen; however, to ensure that disclosure in relation to executive pay is transparent and has chosen to make a voluntary disclosure of CEO pay ratios.

JTC has adopted 'Option A' as its methodology to calculate the pay ratio as it believes it is the most comparable and relevant methodology:

– Determine the total FTE remuneration for all the Company's UK employees for the relevant financial year
– Rank those employees from low to high, based on their total FTE remuneration
– Identify the employees whose remuneration places them at the 25th, 50th (median) and 75th percentile points. These employees were identified as of 31 December 2020.

YEAR	METHOD	25TH PERCENTILE PAY RATIO	MEDIAN PAY RATIO	75TH PERCENTILE PAY RATIO
2020[1]	TOTAL FTE REMUNERATION FOR ALL UK EMPLOYEES	28	20	11
2019[2]	TOTAL FTE REMUNERATION FOR ALL UK EMPLOYEES	16	8	5

1 2020 is the first year that the CEO had a PSP Award vest (awarded in 2018) and this accounts for a significant proportion of the CEO's total remuneration. To allow for 'like for like' comparison year-on-year if the 2018 PSP award is removed from the CEO's single figure remuneration then the pay ratio would be 17x the 25th percentile, 12x at the median and 7x at 75th percentile.
2 Figures have been restated to account for changes to the single figure in 2019 in relation to the calculation of benefits and PSP.

Please note that the 2020 ratios will be restated next year should the final vesting figure for the 2018 PSP change from the indicative figures provided in the single figure calculation.

Due to the small subset of employees included within the analysis for calculating the pay ratios, the Committee is aware of the data sensitivity in publishing the salary and bonuses of the employees at each quartile. As such, the Committee has decided not to disclose this data publically, but will review this in future as the JTC population in the UK grows.

This ratio shows that the CEO's pay is 20x greater than the median average of all of JTC's UK employees compared to 8x in 2019. The year on year increase in median pay ratio is due partially to a change in UK incumbent employees which has reduced the absolute pay quartiles. As mentioned there is a small subset of employees in the UK and as such the pay quartiles are sensitive to changes in incumbents.

In addition, 2020 is the first year that the CEO has had a PSP award vest which has increased his total pay substantially compared to 2019. The ratio is currently calculated on the indicative vesting figures as outlined in the report earlier; should these figures change we will restate these ratios in next year's report. The Committee is mindful of these year on year changes and will continue to monitor this in future; it acknowledges that the exclusion of the PSP award from the single figure table would have resulted in a median pay ratio of 12x which reflects the significance of the addition of variable pay. The Committee anticipates that year on year changes will continue to be sensitive to changes in incumbent UK employees, however, the CEO's pay should now be in a steady state, with equity awards that are due to vest each year, if earned based on performance

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out the total remuneration payable to each Non-Executive Director for the year ended 31 December 2020

SINGLE TOTAL FIGURE OF REMUNERATION		CHAIRMAN	BASE	SID	AUDIT & RISK COMMITTEE CHAIR	REMUNERATION COMMITTEE CHAIR	TOTAL
MIKE LISTON	2020	£100,000	n/a	n/a	n/a	n/a	£100,000
	2019	£100,000	n/a	n/a	n/a	n/a	£100,000
DERMOT MATHIAS	2020	n/a	£60,000	£10,000	£5,000	n/a	£75,000
	2019	n/a	£60,000	£10,000	£5,000	n/a	£75,000
MICHAEL GRAY	2020	n/a	£60,000	n/a	n/a	£10,000	£70,000
	2019	n/a	£60,000	n/a	n/a	£10,000	£70,000
ERIKA SCHRANER[1]	2020	n/a	£60,000	n/a	n/a	n/a	£60,000
	2019	n/a	£7,233	n/a	n/a	n/a	£7,233

1 Erika Schraner was appointed to the Board on 18 November 2019.

Implementation of the Remuneration Policy during 2021

This section provides details of how the Remuneration Policy will be implemented for 2021.

Base salary

The proposed annual rate of base salaries of the Executive Directors from 1 January 2021 are detailed below; the average increase for the wider workforce is 4.85%.

GROUP FINANCIAL METRICS	BASE SALARY	EFFECTIVE DATE	INCREASE	REASON
NIGEL LE QUESNE	£435,000	1 January 2021	3.57%	Nominal increase below the Group average
MARTIN FOTHERINGHAM	£316,925	1 January 2021	3.57%	Nominal increase below the Group average
WENDY HOLLEY	£241,500	1 January 2021	5.00%	Following JTC's ascent to the FTSE 250, executive pay was reviewed in this context; the Committee expected pay to be somewhat behind market as pay positioning was previously set with the FTSE Small Cap in mind. However, the COO's positioning lagged behind the market and therefore the Committee determined that a larger increase than the Group average was appropriate to bring the COO closer to market. To facilitate further alignment with the market and to provide due recognition for her growing responsibilities as a main Board director, the Committee also determined that the COO should be remunerated with the same PSP opportunity as the CEO and CFO going forwards. See below for further details.

The Committee has in the past year made increases to Executive Directors to reflect the increase in responsibilities since the IPO. Following JTC's move from the FTSE Small Cap to FTSE 250 and in line with the upcoming review of the Remuneration Policy as a whole, the Committee will review each pay element as well as the overall reward proposition.

Salary adjustments are generally considered in the context of market conditions, performance of the individual, new challenges or a new strategic direction for the Company. There may be occasions when the Committee needs to recognise circumstances including, but not limited to: an individual's development in the role, a change in the responsibility and/or complexity of the role. In these circumstances, the Committee may determine that a higher annual increase than the average for the workforce is appropriate. The Committee will consult with shareholders ahead of time and the rationale will be disclosed to shareholders in the Remuneration Report.

Benefits and pension

In line with the Policy, Executive Directors will continue to receive life assurance, pension contributions, private medical insurance and other de minimis benefits in kind. The average employer contribution rate in the UK and Jersey for employees is 5%, this increases to 7%-10% for senior management.

Executive Directors are eligible for pension contributions up to 10% of salary. The CEO and CFO currently receive a contribution of up to 10% of salary, the COO has elected to receive a pension contribution equal to 5% of her salary. A review in terms of the alignment of pension contributions between incumbent Executives and the wider workforce is underway.

Annual bonus

As noted Executive Directors will have a maximum annual bonus opportunity for 2021 of 100% of salary. The Committee will consider the overall remuneration mix and its alignment with JTC's strategic goals and the wider workforce pay policy when it undertakes its review of remuneration policy prior to the 2022 AGM.

A combination of financial and non-financial weightings will be retained for Executive Directors, with financial measures comprising at least 50% of the total weighting. Annual bonus performance measures will be aligned with JTC's Group business plan to incentivise the achievement of annual delivery targets. From 2021, the Executive Directors will also have shared financial measures, to reinforce a common focus on creating shareholder value and to align with best practice. The Executive Directors' specific objectives under each theme are considered commercially sensitive and as such will be reported in the following financial period.

GROUP FINANCIAL METRICS	NIGEL LE QUESNE	MARTIN FOTHERINGHAM	WENDY HOLLEY
FINANCIAL METRICS	60%	60%	50%
UNDERLYING EPS	✓	✓	✓
GROUP NET ORGANIC GROWTH	✓	✓	✓
EBITDA MARGIN	✓	✓	
CASH CONVERSION IMPROVEMENTS	✓	✓	✓
DELIVER COMMERCIAL AND OPERATIONAL EFFICIENCY IMPROVEMENTS	✓	✓	✓
NON-FINANCIAL METRICS	40%	40%	50%
STRATEGIC EXECUTION	✓	✓	✓
INVESTOR RELATIONS	✓	✓	
RISK AND COMPLIANCE	✓	✓	✓
PEOPLE AND CULTURE	✓	✓	✓
GROWTH	✓	✓	✓

Performance Share Plan

For 2021, Executive Directors will be granted PSP awards with a maximum face value of 150% of salary and vesting linked to JTC's TSR performance (relative to the FTSE 250 Index, excluding real estate and investment trusts) and EPS performance over a three-year period. The Committee believes that the maximum long-term incentive award provides a strong incentive for management to focus on executing the global growth strategy to position JTC firmly as a leader in fund, corporate, and private client services. It also rewards the achievement of sustainable per share returns, in a manner that is aligned with the long-term shareholder experience.

As part of the review of policy before the 2022 AGM the Committee will consider the remuneration mix and the balance between long and short term performance together with the relationship to the JTC Ownership for All culture.

Under the PSP, performance share awards will be made in April 2021, in line with our shareholder approved policy. The number of shares over which awards will be made is determined by the 3-day average share price prior to date of award. The Committee intends to make PSP grants to each of the Executive Directors as set out below, subject to shareholder approval, with values based on salaries effective 1 January 2021 as set out below. Actual award values and shares granted will be disclosed in next year's Annual Report.

GROUP FINANCIAL METRICS	% OF SALARY	PSP VALUE £	TSR	EPS
NIGEL LE QUESNE	150%	£652,500	50%	50%
MARTIN FOTHERINGHAM	150%	£475388	50%	50%
WENDY HOLLEY	150%	£362,250	50%	50%

The performance share awards to be granted in May 2021 will be subject to three-year targets for the following measures: relative TSR; underlying EPS. The targets for the 2021 PSP award are outlined below:

	PERFORMANCE OVER THE PERIOD	% OF ELEMENT VESTING			PERFORMANCE OVER THE PERIOD	% OF ELEMENT VESTING	
TSR VS. FTSE 250 INDEX (EXCLUDING REAL ESTATE AND INVESTMENT TRUSTS)	Below Median	0%	Straight-line vesting occurs between points	Underlying EPS	Below 30p per share	0%	Straight-line vesting occurs between points
	Equal to Median	25%			30p per share	25%	
	Equal or Exceeds Upper Quartile	100%			Equal to Exceeds 37.5p per share	100%	

Shareholding requirements

Executive Directors are required to build or maintain a shareholding requirement equivalent to 150% of their base salary. All the Executive Directors comply with this requirement. In 2021, the Committee will review emerging best practice in relation to post-cessation guidelines and the requirements against the UK Corporate Governance Code. Changes will be incorporated in the Remuneration Policy for approval at the 2022 AGM. During the year, the Committee reviewed these requirements against the UK Corporate Governance Code and emerging best practice in relation to post-cessation requirements. As such, the Committee has decided to adopt post-employment guidelines whereby Executives are required to hold the lower of the in-post shareholding requirement and the incumbent's level of holding on exiting the business for a period of 2 years. These guidelines are compliant with the IA's guidelines and echo our ethos of shared ownership and wealth creation for all employees.

Non-Executive Directors' fees for 2021

The Committee reviewed Non-Executive Director fees during 2020 and determined that no adjustments would be made for 2021. As such, the fees for 2021 are as follows:

FEES	WITH EFFECT FROM 1 JANUARY 2021
CHAIRMAN	£100,000
BASE	60,000
SID	£10,000
AUDIT & RISK COMMITTEE CHAIR	£5,000
REMUNERATION COMMITTEE CHAIR	£10,000

Service contracts

In accordance with general market practice, Executive Directors have a rolling service contract. The Executives have service contracts with JTC (copies of which are available to view at the Company's registered office) that are terminable on 6 months' notice from the Group and 6 months' notice from the Executive Director. This practice will also apply for any new Executive Directors. The Non-Executive Directors' letters of appointment do not contain provision for notice periods or for compensation if their appointments are terminated.

The Directors' Remuneration Report has been approved by the Board and signed on its behalf by:

MICHAEL GRAY
REMUNERATION COMMITTEE CHAIRMAN

12 APRIL 2021

DIRECTORS' REPORT

This Directors' Report forms part of the management report as required under DTR 4. The Company has chosen to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report can be found on pages 4 to 47 and includes an indication of future likely developments in the Company, details of important events and the Company's business model and strategy. The Corporate Governance Report on pages 56 to 98 and the Directors' Responsibilities Statement on page 104 are incorporated into the Directors' Report by reference.

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, specifically the following disclosures, have been included elsewhere within the Annual Report and are incorporated into this Directors' Report by reference:

DISCLOSURE	PAGE
FINANCIAL RISK MANAGEMENT	149 to 153
FUTURE DEVELOPMENTS IN THE BUSINESS	6 to 13
STATEMENT OF DIRECTORS' RESPONSIBILITIES INCLUDING DISCLOSURE OF INFORMATION TO THE AUDITOR	104
SHAREHOLDER INFORMATION	169
VIABILITY STATEMENT	54
GOING CONCERN STATEMENT	54

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 33 to the Financial Statements.

Compliance with the UK Corporate Governance Code (the 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. A copy of the Code can be found at frc.org.uk.

As at the date of this Report, the Company complies with the UK Corporate Governance Code published by the Financial Reporting Council (the "Code") except that: the Non-Executive Chairman was a member of the Audit and Risk Committee during the year. The Non-Executive Chairman stepped down from the Committee effective as of 26 November 2020 to ensure that the Company is fully compliant with Provision 24 of the Code; the Company did not have a post-employment shareholding requirement during the year. The Remuneration Committee adopted a policy in relation to Executives' shareholdings post-cessation of employment on 11 February 2021 to ensure compliance with provision 36 of the Code; and the alignment of the Executive Directors' pensions with that of the workforce in accordance with provision 38 of the Code. The Remuneration Committee will review the Executive Directors' pension arrangements when reviewing the Company's Remuneration Policy in 2021 and consider making any adjustments it considers appropriate to ensure consistency with the Company's commitment to fair executive and employee compensation.

Disclosure Guidance and Transparency Rules
By virtue of the information included in this Governance section of the Annual Report we comply with the corporate governance statement requirements of the FCA's Disclosure and Guidance and Transparency Rules. Certain additional information that is required to be disclosed pursuant to DTR7.2 can be found on pages 99 to 103.

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

In the year ended 31 December 2020, the Group delivered an underlying profit before tax of 21.4 million (2019: £19.7 million), an increase of 8.3%; and a statutory profit before tax of 11.2 million (2019: £17.6 million), a change of -36.3%.

A summary of the dividends on ordinary shares for the financial year ended 31 December 2020 compared to the prior year is shown below:

YEAR	DIVIDEND	PENCE PER SHARE
2020	FINAL (RECOMMENDED)	4.35p
2020	INTERIM	2.4p
2020	TOTAL	6.75p
2019	FINAL	3.6p
2019	INTERIM	1.7p
2019	TOTAL	5.3p

The 2020 interim dividend of 2.4 pence per existing ordinary share (2019: 1.7 pence) was paid to shareholders on 23 October 2020.

Payment of the recommended final dividend for the year 31 December 2020, if approved at the 2021 AGM, will be made on 2 July 2021 to shareholders registered at the close of business on 11 June 2021. The shares will be quoted ex-dividend from 10 June 2021.

Directors

Details of the Directors in office at the date of this Report are listed on pages 58 to 59. In accordance with the Code, each director will retire and submit himself or herself for election or re-election at the 2021 AGM.

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 92 and 96.

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 all of the Directors wishing to continue will retire and, being eligible, offer themselves for re-election by the Shareholders at the 2021 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 104 of this Report.

Material interest in shares

Up to year-end being 31 December 2020 and as at 10 March 2021, 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.

SHAREHOLDER	% INTEREST IN VOTING RIGHTS
LIONTRUST ASSET MANAGEMENT	10.70
ABERDEEN STANDARD INVESTMENTS	8.83
NIGEL LE QUESNE	8.58
FIDELITY MANAGEMENT & RESEARCH	7.00
INVESCO	6.95
FRANKLIN TEMPLETON FUND MANAGEMENT	6.02

Share capital

General

The issued share capital of the Group and details of movements in share capital during the year are shown in the Consolidated Statement of Changes in Equity shown on page 116 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.

There are no restrictions on the transfer of ordinary shares in the capital of the Company other than those restrictions which may from time to time be imposed by law, for example, insider trading law. With respect to Market Abuse Regulation, all employees are required to seek the approval of the Company to deal in its shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

The Company's articles of association may only be amended by special resolution at a general meeting of shareholders.

The Company is not aware of any significant agreements to which it is party that take effect, alter or terminate upon a change of control of the Company following a takeover.

More detailed information relating to the rights and obligations attaching to the Company's ordinary shares, in addition to those conferred by law, are set out in the Company's articles of association, which are available on the Company's website www.jtcgroup.com

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.

The Shareholders approved the further authority to allot Equity Securities for cash without application of the pre-emption rights contained in Article 10 of the Articles equivalent to approximately 5% of the issued ordinary share capital of the Company until the conclusion of the AGM to be held this year. The Directors will seek to renew this extra authority in accordance with the Pre-Emption Group's Statement of Principles for the Disapplication of Pre-Emption Rights which permits disapplication authorities of up to 10% of issued ordinary share capital in total to be sought provided the extra 5% is used only in connection with the financing (or refinancing) of an acquisition or specified capital investment (as defined).

It is the Board's intention to propose that a 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 all Group employees. 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 40 of the financial statements.

Donations and political expenditure

Charitable objectives support the Company's ESG strategy and have primarily focused on improving the environment, education, health and wellbeing, community engagement and responsible business practice. Donations have included employee involvement through fundraising and financial support.

GROUP CHARITABLE DONATIONS	£
2020	110,000

JTC has not made any donations to any political party. The Board has consistently confirmed that it operates a policy of not giving any cash contribution to any political party in the ordinary meaning of those words and that it has no intention of changing that policy.

Communicating with shareholders

The Company places considerable importance on communication with its shareholders, including its private shareholders. The Group CEO and the Group CFO are closely involved in investor relations and a senior executive has day to day responsibility for such matters. The views of the Company's major shareholders are reported to the Board by the Group CEO and the Group CFO as well as by the Chairman (who remains in contact with our largest shareholders) and are discussed at its meetings.

There is regular dialogue with institutional shareholders, and private shareholders at the AGM. Contact with institutional shareholders (and with financial analysts, brokers and the media) is controlled by written guidelines in the Company's Corporate Communications Code and Market Soundings Policy, in compliance with EU Market Abuse Regulation requirements to ensure the continued protection of share price sensitive information that has not already been made generally available to the Company's shareholders. Contact is also maintained, when appropriate, with shareholders to discuss overall remuneration plans and policies.

The Annual Report is available to all shareholders and can be accessed via the Company's website www.jtcgroup.com. The Group's annual and interim results are also published on the Company's website, together with all other announcements and documents issued to the market, such as statements, interviews and presentations by the Group CEO and Group CFO.

The Notice of Annual General Meeting is circulated to all shareholders at least 21 clear days prior to such meeting and it is Company policy not to combine resolutions to be proposed at general meetings. The results of proxy voting for and against each resolution, as well as abstentions, are announced to the London Stock Exchange and are published on the Company's website as soon as practicable after the meeting.

UK Listing Rule 9.8.4

There are no disclosures required to be made under UK Listing Rule 9.8.4 which have not already been disclosed elsewhere in this Report. Details of long term incentive plans can be found in the Directors' Remuneration Report on page 82.

Auditors

PricewaterhouseCoopers CI LLP, which was re-appointed in 2020, 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 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 December 2021. 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.

AGM

The AGM will be held on 26 May 2020 at 10.30am at JTC House, 28 Esplanade, St. Helier, Jersey, JE2 3QA. 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.

In light of Government measures to reduce the transmission of Covid-19, and specifically the 'safer travel' guidance which currently applies to everyone travelling to and from Jersey, shareholders are advised not to attend the AGM. If the measures continue to be similar or even more restrictive then shareholders (other than those specifically required to form the quorum for the AGM) may be refused entry to the meeting. Shareholders who wish to do so may submit any questions to the Board before the AGM and answers to the questions will be placed on the Company's website. Shareholders should submit questions up until 5pm on 22 May 2020 by emailing them to the Company Secretary at agm@jtcgroup.com.

On behalf of the Board

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

12 APRIL 2021

DIRECTORS' RESPONSIBILITY STATEMENT

THE CORPORATE SECRETARY IS AN IMPORTANT LINK BETWEEN THE BOARD, MANAGEMENT, SHAREHOLDERS AND OTHER STAKEHOLDERS. GOOD GOVERNANCE ENSURES THE JTC NOT ONLY CONFORMS BUT PERFORMS

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

The Annual Report and Accounts complies with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and the UK Corporate Governance Code in respect of the requirements to produce an annual financial report.

The Annual Report and Accounts is the responsibility of, and has been approved by, the Directors.

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 1 to 54) 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 12 April 2021 and signed on its behalf by:

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

FINANCIAL STATEMENTS

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 2020, 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 2020;
– 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 significant accounting policies and other explanatory information.

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

AUDIT SCOPE

– Group audit scoping was performed based on profit before tax which identified fourteen significant components covering at least 85% of the group's profit before tax.
– We conducted the majority of our audit work in Jersey, with audit work also undertaken by component auditors in Luxembourg, South Africa, the Netherlands, Cayman Islands, and the United States of America.
– In determining the significant components we also considered total revenue and total work in progress of the group, ensuring that the fourteen significant components also cover at least 85% of these financial statement line items. Additional factors were also considered, including new acquisitions, common reporting processes and regulatory requirements to identify whether any additional components should be scoped in.
– The group is primarily based in Jersey, where the group financial reporting functions are located. Trading subsidiaries are based in Africa, Americas, Caribbean, Middle East, Asia and Europe.

KEY AUDIT MATTERS

– Recognition and recoverability of work in progress ("WIP").
– Impairment of goodwill.
– Business combinations.
– Consideration of the potential impact of Covid-19 on the group.

MATERIALITY

– Overall group materiality: £885,950 (2019: £882,000) based on 5% of the group's profit before tax, adjusted for the loss on revaluation of the contingent consideration relating to NESF.
– Performance materiality: £664,400 (2019: £661,500).

THE SCOPE OF OUR AUDIT

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.

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 period. These matters, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the Key audit matter
RECOGNITION AND RECOVERABILITY OF WORK IN PROGRESS ("WIP") Recognition of, and recoverability of WIP, where services are provided on a time spent basis for client matters which have not yet 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 note 4 & 13 of the consolidated financial statements.	We evaluated the design and implementation of controls around the billing process and quarterly valuation of WIP; For a sample of clients where WIP has been recognised and is outstanding at the year end, we confirmed subsequent billing and when possible, the amounts recovered post year end to ensure appropriateness of revenue recognition; Where WIP was not billed and not recovered post year end for any of the clients within the sample, we challenged management's judgement and rationale around the recoverability of the amounts through analysis of client agreements, communication with clients, billing and payment history with a focus on current year payments to identify any potential impact from the Covid-19 pandemic; Analytical procedures were performed to analyse the implied recovery of historic WIP for us to assess the reasonability of the implied recovery of WIP on a sample selected at year-end; We assessed the provisions applied, the level of WIP written-off and credit notes raised on post year end invoices, on a sample basis and challenged the rationale for those provisions, WIP write-offs and credit notes raised and the impact on the year-end WIP balance; We assessed the appropriateness of judgements made regarding the potential impact of the Covid-19 pandemic on the implied recovery of WIP at the year end and in light of the general economic conditions of each jurisdiction/client; and We performed a standback evaluation for the implied recovery of WIP at year end in order to assess whether there are any indicators of management bias. As a result of the procedures performed, we have not identified any material misstatements in respect of the WIP balance at year end.

Key audit matter	How our audit addressed the Key audit matter
IMPAIRMENT OF GOODWILL Various acquisitions made 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 fair value of acquired intangible assets) is determined at the acquisition date. Management is required to perform annual impairment reviews in respect of the carrying value of goodwill on a cash generating unit ("CGU") basis. Management uses a discounted cash flow model to determine the value in use of each CGU to which goodwill is allocated. The annual impairment tests performed by management were considered significant to our audit due to the complexity of the assessment process and the judgements applied by management when determining the assumptions included in the assessment. These assumptions are based on estimates that are affected by expected future economic and market conditions in the geographic region and division within which a particular CGU operates. Accounting policies and disclosures relating to impairment of goodwill are set out in note 21 of the consolidated financial statements.	We evaluated the design and implementation of controls around the preparation and review of impairment calculations. We evaluated the inputs and assumptions in the forecast used by management in determining the value in use for each of the CGUs, including the appropriateness of the basis of the forecast. We challenged management's judgements, tested the underlying value in use calculation and compared the forecast used in the calculation to management's approved forecasts and budgets; We challenged management's key assumptions used in the forecasts taking into consideration potential short term and long-term impact of the Covid-19 pandemic on future performance, profit margin and terminal growth rate; We performed sensitivity analysis to identify the key assumptions to the value in use calculation and challenged management's rationale for the applied rates. We also performed sensitivity analysis to determine the extent to which a reduction in key assumptions would result in goodwill impairment and challenged management on the likelihood of such events occurring; We compared the approved management forecast to historical performance; We performed sensitivity analysis to identify the key assumptions to the value in use calculation and challenged management's rationale for the applied rates. We also performed sensitivity analysis to determine the extent to which a reduction in key assumptions would result in goodwill impairment and challenged management on the likelihood of such events occurring; We assessed the mathematical accuracy of each discounted cash flow model; We considered the adequacy of the disclosure in the consolidated financial statements of the impairment assessment of goodwill; and We performed a standback evaluation for the key assumptions used in the value in use calculation in order to assess whether there are any indicators of management bias. As a result of the testing performed we have not identified any material issue in respect of the impairment of goodwill.
BUSINESS COMBINATIONS The group has completed three business combinations during the year. Significant judgement is involved in calculating the fair value of acquired assets and the allocation of the purchase price. Judgements arise from the fact that there are a number of assumptions included in the valuation models used to determine the fair values of intangible assets acquired which include customer contracts, brand and software. These assumptions include estimates for the economic useful lives of the intangible assets, projected future earning levels, growth rates, client attrition rates, royalty rates and discount rates. Judgement is also applied in considering whether acquisitions meet the definition of a business combination, the date control passed and judgement on inputs required to determine the fair value of contingent consideration when it arises. Accounting policies and disclosures relating to the acquisitions are disclosed in note 31 of the consolidated financial statements.	We evaluated the design and implementation of controls around the preparation, review and accounting for acquisitions. We obtained management's accounting judgement papers and challenged whether the valuations performed were appropriately accounted for in accordance with applicable financial reporting standards; We challenged management on the date the control was passed to JTC for each acquisition; We challenged management on the key assumptions used in the valuation of non-cash contingent consideration at the date of the acquisition and the subsequent valuation of the contingent consideration at year end; We challenged management on the appropriateness of the method used for the valuation of each type of intangible assets; We challenged management on the assumptions used in the valuation models such as royalty rates, attrition rates, discount rates, useful economic life and future projections of revenue/ EBITDA margins. This included benchmarking against comparable data; We performed sensitivity analysis on the key assumptions used in the valuation models, including royalty rates, useful economic life, attrition rates, discount rates and revenue growth rates; We reconciled source data used in the models to underlying accounting records; and We performed a standback evaluation for the key assumptions used to determine the fair values of the acquired intangibles in order to assess whether there are any indicators of management bias. As a result of the testing performed, we have not identified any material issues in respect of the accounting for business combinations.

Key audit matter	How our audit addressed the Key audit matter
CONSIDERATION OF THE POTENTIAL IMPACT OF COVID-19 ON THE GROUP Covid-19 has emerged as a global pandemic during 2020. Management and the board of directors ("the board") have considered the impact caused by the Covid-19 pandemic on the current and future operations of the group. In doing so, management has made estimates and judgements that are critical to the outcomes of these considerations with a particular focus on goodwill impairment and the group's viability and ability to continue as a going concern. As a result of the impact of Covid-19 on the global economy and the group, we have determined management's consideration of the impact of Covid-19 (including their associated estimates and judgements) to be a key audit matter.	In assessing the impact of Covid-19, we have undertaken the following audit procedures: We obtained management's latest assessment that supports the board's assessment and their conclusions with respect to the statements of viability and going concern respectively; We discussed with management and the board the critical estimates and judgements applied in this assessment so we could understand and challenge the underlying factors incorporated and the sensitivities applied as a result of Covid-19; We evaluated management's assessment of accounting estimates, which could be impacted by the economic environment resulting from Covid-19, including estimates involved in the impairment assessment of goodwill and intangible assets and recoverability of WIP and debtors; We noted the following factors that were considered to be fundamental in the consideration of the potential impact of Covid-19 on the current and future operations of the group and which support the statements of viability and going concern: – The group has a highly visible recurring revenue not linked to Assets under Administration. – The group has demonstrated the ability to deliver 'business as usual' services to clients under prolonged business continuity conditions. – The group controls the underlying assets of many of its clients and therefore the macroeconomic impact on Expected Credit Losses was considered low. – The group has prudent debt levels with a leverage level maintained within the guidance range. We reviewed the disclosures presented in the Annual Report in relation to Covid-19 by reading the other information, including the response to Covid-19, and assessing their consistency with the financial statements and the evidence we obtained in our audit; and We assessed management's going concern analysis in light of Covid-19 and evaluated management's stressed scenarios, challenged the underlying data and adequacy and appropriateness of the underlying assumptions used to make the assessment and evaluated the directors' plans for future actions in relation to their going concern assessment. Based on the procedures performed we have not identified any matters to report with respect to both management and the board's consideration of the impact of Covid-19 on the current and future operations of the group but acknowledge that the situation continues to evolve.

HOW WE TAILORED THE AUDIT SCOPE

We tailored the scope of our audit to ensure that we performed enough work to be able to give 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.

The group has operating components internationally spread and two segments, institutional client services and private client services. Components were considered financially significant where they exceeded 10% of our primary benchmark, profit before tax, as well as revenues and WIP. Additional components were scoped in considering the risks associated with those components and their financial contribution, to ensure audit coverage is at least 85% of each benchmark.

Eight of the components in scope for group reporting were audited by PwC Channel Islands, and a further three components were audited by PwC member firms providing 78% coverage of total profit before tax. Three additional components were audited by non-PwC firms. We instructed non-PwC Channel Island component audit teams to perform full scope audit procedures on the component's management information.

Centralised procedures were performed by the group audit team to look at non-significant components, including a combination of statutory audits for non-significant components, analytical review and journal entries testing.

As the group audit team, we determined the level of involvement required at those components to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole. In our role as group auditors, we exercised oversight over the work performed by auditors of the components including performing the following procedures:

- Maintained an active dialogue with reporting component audit teams, including regular group wide audit team conference/video calls and specific conference/video calls for each reporting territory covering scope, status and results prior to inter-office reporting; and
- Video conferencing and/or remote audit workpaper reviews, to satisfy ourselves as to the sufficiency of audit work performed at the significant and additional components.

MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

OVERALL GROUP MATERIALITY	£885,950 (2019: £882,000).
HOW WE DETERMINED IT	5% of the group's profit before tax, adjusted for the loss on revaluation of the contingent consideration relating to NESF (Prior year: 5% group profit before tax).
RATIONALE FOR BENCHMARK APPLIED	The determination of materiality and the benchmark used is a matter of professional judgement. Profit before tax is the measure used by management to assess the performance of the business and to communicate results to the market. We have adjusted the profit before tax for the loss on revaluation of the contingent consideration relating to NESF as we do not consider this transaction to be reflective of the normal operations of the business.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £123,000 and £841,600. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £664,400 for the group financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £44,300 (2019: £44,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The directors are responsible for the other information. The other information comprises all the information included in the 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 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 based on these responsibilities.

Responsibilities for the consolidated financial statements and the audit

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

As explained more fully in the Directors' responsibility statement, 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 related 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 over a period of at least twelve months from the date of approval of the financial statements. 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.
– 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.

USE OF THIS REPORT

This report, including the opinions, 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 these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

COMPANY LAW EXCEPTION REPORTING

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.

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Directors report is materially consistent with the consolidated financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group 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 (the "Code"); and considering whether the statement is consistent with the consolidated financial statements and our knowledge and understanding of the group and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

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

12 APRIL 2021

a. The maintenance and integrity of the JTC PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
b. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Revenue	4	**115,090**	99,274
Staff costs	5	**(57,364)**	(46,699)
Other operating expenses	6	**(20,875)**	(17,808)
Credit impairment losses	12	**(2,382)**	(1,253)
Other operating income		**49**	53
Share of profit of equity-accounted investee	32	**359**	146
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")		**34,877**	33,713
Comprising:			
Underlying EBITDA		**38,724**	35,383
Non-underlying items	7	**(3,847)**	(1,670)
		34,877	33,713
Depreciation and amortisation	8	**(13,846)**	(10,752)
Profit from operating activities		**21,031**	22,961
Other losses	9	**(5,409)**	(1,479)
Finance income	10	**33**	170
Finance cost	10	**(4,415)**	(4,013)
Profit before tax		**11,240**	17,639
Comprising:			
Underlying profit before tax		**21,386**	19,745
Non-underlying items	7	**(10,146)**	(2,106)
		11,240	17,639
Tax	11	**(707)**	(458)
Profit for the year		**10,533**	17,181

Earnings per Ordinary share ("EPS")		Pence	Pence
Basic EPS	34.1	**9.02**	15.43
Diluted EPS	34.2	**8.96**	15.35

The notes on pages 118 to 168 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Profit for the year		**10,533**	17,181
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations (net of tax)		**(3,928)**	(1,375)
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	5	**(808)**	–
Total comprehensive income for the year		**5,797**	15,806

The notes on pages 118 to 168 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Assets			
Property, plant and equipment	20	**49,249**	37,865
Goodwill	21	**173,777**	124,880
Other intangible assets	21	**54,944**	48,039
Investments	32	**2,274**	1,124
Other non-financial assets	22	**303**	965
Other receivables	15	**64**	217
Deferred tax assets	23	**104**	103
Total non-current assets		**280,715**	213,193
Trade receivables	12	**17,230**	16,255
Work in progress	13	**11,431**	9,297
Accrued income	14	**13,382**	12,906
Other non-financial assets	22	**3,671**	2,992
Other receivables	15	**4,368**	6,266
Cash and cash equivalents	16	**31,078**	26,317
Total current assets		**81,160**	74,033
Total assets		**361,875**	287,226
Equity			
Share capital	26.1	**1,225**	1,141
Share premium		**130,823**	100,658
Own shares	26.2	**(3,084)**	(3,027)
Capital reserve	26.3	**1,456**	451
Translation reserve	26.3	**(2,859)**	1,069
Retained earnings	26.3	**30,844**	28,265
Total equity		**158,405**	128,557
Liabilities			
Trade and other payables	17	**23,027**	–
Loans and borrowings	18	**104,376**	86,681
Lease liabilities	19	**39,154**	28,616
Deferred tax liabilities	23	**8,902**	7,656
Other non-financial liabilities	24	**311**	518
Provisions	25	**1,601**	1,116
Total non-current liabilities		**177,371**	124,587
Trade and other payables	17	**11,684**	21,148
Loans and borrowings	18	**2,456**	508
Lease liabilities	19	**4,215**	2,875
Other non-financial liabilities	24	**5,171**	7,536
Current tax liabilities	11	**2,534**	1,942
Provisions	25	**39**	73
Total current liabilities		**26,099**	34,082
Total equity and liabilities		**361,875**	287,226

The consolidated financial statements on pages 113 to 168 were approved by the Board of Directors on 12 April 2021 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 2020

	Note	Share capital £'000	Share premium £'000	Own shares £'000	Capital reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019 as originally presented		1,109	94,599	(2,565)	(112)	2,444	13,426	108,901
Adoption of new standards		–	–	–	–	–	1,792	1,792
Restated total equity at 1 January 2019		1,109	94,599	(2,565)	(112)	2,444	15,218	110,693
Profit for the year		–	–	–	–	–	17,181	17,181
Other comprehensive loss for the year		–	–	–	–	(1,375)	–	(1,375)
Total comprehensive income for the year		–	–	–	–	(1,375)	17,181	15,806
Issue of share capital	26.1	32	6,093	–	–	–	–	6,125
Cost of share issuance		–	(34)	–	–	–	–	(34)
Share-based payment expense	36.2	–	–	–	694	–	–	694
Movement in EBT		–	–	–	(131)	–	–	(131)
Movement of own shares	26.2	–	–	(462)	–	–	–	(462)
Dividends paid	27	–	–	–	–	–	(4,134)	(4,134)
Balance at 31 December 2019		1,141	100,658	(3,027)	451	1,069	28,265	128,557
Balance at 1 January 2020		**1,141**	**100,658**	**(3,027)**	**451**	**1,069**	**28,265**	**128,557**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**10,533**	**10,533**
Other comprehensive loss for the year		**–**	**–**	**–**	**–**	**(3,928)**	**(808)**	**(4,736)**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**(3,928)**	**9,725**	**5,797**
Issue of share capital	26.1	**84**	**30,240**	**–**	**–**	**–**	**–**	**30,324**
Cost of share issuance		**–**	**(75)**	**–**	**–**	**–**	**–**	**(75)**
Share-based payment expense	36.2	**–**	**–**	**–**	**1,082**	**–**	**–**	**1,082**
Movement in EBT		**–**	**–**	**–**	**(77)**	**–**	**–**	**(77)**
Movement of own shares	26.2	**–**	**–**	**(57)**	**–**	**–**	**–**	**(57)**
Dividends paid	27	**–**	**–**	**–**	**–**	**–**	**(7,146)**	**(7,146)**
Balance at 31 December 2020		**1,225**	**130,823**	**(3,084)**	**1,456**	**(2,859)**	**30,844**	**158,405**

The notes on pages 118 to 168 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Operating cash flows before movements in working capital	35.1	**35,600**	34,261
Increase in receivables		**(1,226)**	(4,912)
Decrease in payables		**(5,377)**	(5,751)
Cash generated by operations		**28,997**	23,598
Income taxes paid		**(1,413)**	(2,009)
Net cash from operating activities		**27,584**	21,589

	Note	2020 £'000	2019 £'000
Comprising:			
Underlying net movement in cash from operating activities		**35,290**	28,748
Non-underlying cash items	35.2	**(6,293)**	(5,150)
		28,997	23,598

	Note	2020 £'000	2019 £'000
Investing activities			
Interest received		**33**	171
Payment for property, plant and equipment	20	**(1,518)**	(2,009)
Payment for intangible assets	21	**(2,884)**	(1,417)
Payment for business combinations	31	**(18,912)**	(26,596)
Payment for investment	32	**(791)**	–
Net cash used in investing activities		**(24,072)**	(29,851)
Financing activities			
Share issuance costs		**(75)**	(33)
Purchase of own shares	26.2	**(45)**	(434)
Dividends paid	27	**(7,146)**	(4,134)
Loans to related parties		**(311)**	–
Repayment of loans and borrowings		**(2,236)**	(689)
Proceeds from loans and borrowings		**18,914**	15,509
Loan arrangement fees		**(642)**	(285)
Interest paid on loans and borrowings		**(2,442)**	(2,193)
Facility fees paid on loans and borrowings		**(156)**	(183)
Principal paid on lease liabilities		**(3,138)**	(2,167)
Interest paid on lease liabilities		**(1,006)**	(936)
Net cash from financing activities		**1,717**	4,455
Net increase/(decrease) in cash and cash equivalents		**5,229**	(3,807)
Cash and cash equivalents at the beginning of the year		**26,317**	32,457
Effect of foreign exchange rate changes		**(468)**	(2,333)
Cash and cash equivalents at the end of the year	16	**31,078**	26,317

The notes on pages 118 to 168 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 Company was admitted to the London Stock Exchange on 14 March 2018 (the "IPO"). The address of the Company's registered office is 28 Esplanade, St Helier, Jersey.

The consolidated financial statements of the Company for the year ended 31 December 2020 comprise the Company and its subsidiaries (together the "Group" or "JTC") and the Group's interest in an associate.

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 consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB") and have been prepared on a going concern basis, under the historical cost convention.

In assessing the going concern assumption in light of Covid-19, the Directors noted that the Group continued to experience revenue growth and generate positive cash flows from operating activities. Considering these factors as part of the review of the Group's financial performance and position, forecasts and expected liquidity, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the consolidated financial statements. They have concluded that it is appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2.2. Functional and Presentation Currency

The consolidated 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 consolidated 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 consistently applied to all the years presented, unless otherwise stated.

NEW STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE FROM 1 JANUARY 2020

To the extent that they are relevant, the Group has adopted from 1 January 2020 all IFRS standards and interpretations including amendments that were in issue and effective for accounting periods beginning on 1 January 2020. These are as follows:

- Definition of Material – Amendments to IAS 1 and IAS 8
- Definition of a Business – Amendments to IFRS 3
- Interest Rate Benchmark Reform – Amendments to IFRS 7, IFRS 9 and IAS 39
- Revised Conceptual Framework for Financial Reporting

These standards and interpretations have had no material impact for the Group.

NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

3.2. 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 accounting policies. Unless otherwise stated, these policies have been consistently applied to all the years presented.

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 to direct the activities of the entity.

De-facto control exists where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers the size of the Company's voting rights relative to other parties, substantive potential voting rights held by the Company and by other parties, other contractual arrangements and historical patterns in voting attendance.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that 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 policies in line with the Group. All inter-company transactions and balances, including unrealised gains and losses, arising from transactions between Group companies are eliminated on consolidation.

The acquisition method of accounting is used to account for business combinations by the Group (see note 31). Associates are accounted for via the equity method of accounting (see note 32).

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.

Section 2 – Result for the Year

4. Segmental Reporting

Revenue Recognition

Revenue is measured as the fair value of the consideration received or receivable for satisfying performance obligations contained in contracts with customers excluding discounts, VAT and other sales-related taxes.

To recognise revenue in accordance with IFRS 15 "Revenue from contracts with customers", the Group applies the five step approach: identify the contract(s) with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations and recognise revenue when, or as, performance obligations are satisfied by the Group.

The Group enters into contractual agreements with institutional and private clients for the provision of fund, corporate and private client services. The agreements set out the services to be provided and each component is distinct and can be performed and delivered separately. For each of these performance obligations, the transaction price can be either a pre-set (fixed) fee based on the expected amount of work to be performed or a variable time spent fee for the actual amount of work performed. For some clients, the fee for agreed services is set at a percentage of the net asset value ("NAV") of funds being administered or deposits held. Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone selling price.

Revenue is recognised in the consolidated income statement when, or as, the Group satisfies performance obligations by transferring control of services to clients. This occurs as follows for different elements:

– Variable fees are recognised over time as services are provided at agreed charge out rates in force at the work date where there is an enforceable right to payment for performance completed to date. Time recorded but not invoiced is shown in the consolidated balance sheet as work in progress (see note 13). To determine the transaction price, an assessment of the variable consideration for services rendered is performed by estimating the expected value, including any price concessions, of the unbilled amount due from clients for the work performed to date (see note 28.2).
– Pre-set (fixed) and NAV-based fees are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to the total expected inputs. Where services have been rendered and performance obligations have been met but clients have not been invoiced at the reporting date, accrued income is recognised, this is recorded based on agreed fees to be billed in arrears (see note 14). Where fees are billed in advance in respect of services under contract and given rise to a trade receivable when recognised, deferred income is recognised and released to revenue on a time apportioned basis in the appropriate reporting period (see note 24).

The Group does not adjust transaction prices for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

4.1. 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, high net worth ("HNW") and ultra high net worth ("UHNW") individuals and family office clients. Declared revenue is generated from external customers. Business activities include:

FUND SERVICES

Supporting 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, HNW and 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 CLIENT SERVICES

Supporting HNW and UHNW individuals and families, from 'emerging entrepreneurs' to established single and multi-family offices. Services include JTC's own comprehensive Private Office, as well as the 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. They have determined that the Group has two reportable segments: these are Institutional Client Services ("ICS") and Private Client Services ("PCS").

4.2. Segmental Information

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

	ICS		PCS		Total	
	2020 £'000	2019 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000
Revenue	**64,560**	54,824	**50,530**	44,450	**115,090**	99,274
Direct staff costs	**(26,138)**	(21,371)	**(17,248)**	(14,897)	**(43,386)**	(36,268)
Other direct costs	**(359)**	(157)	**(1,540)**	(1,592)	**(1,899)**	(1,749)
Underlying gross profit	**38,063**	33,296	**31,742**	27,961	**69,805**	61,257
Underlying gross profit margin %	***59.0%***	*60.7%*	***62.8%***	*62.9%*	***60.7%***	*61.7%*
Indirect staff costs	**(7,529)**	(5,221)	**(5,429)**	(4,760)	**(12,958)**	(9,981)
Other operating expenses	**(12,557)**	(9,959)	**(5,975)**	(6,133)	**(18,532)**	(16,092)
Other income	**18**	28	**390**	171	**408**	199
Underlying EBITDA	**17,995**	18,144	**20,728**	17,239	**38,724**	35,383
Underlying EBITDA margin %	***27.9%***	*33.1%*	***41.0%***	*38.8%*	***33.6%***	*35.6%*

The Board evaluates segmental performance based on revenue, underlying gross profit and underlying EBITDA. Profit before income tax is not used to measure the performance of the individual segments as items such as depreciation, amortisation of intangibles, other losses 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.

5. 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 PENSION PLANS

Under defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans. The Group has no further payment obligation once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

DEFINED BENEFIT PENSION PLANS

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The calculation of defined benefit obligations is performed annually by independent qualified actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no established market in such bonds, the market rates on local government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included as an employee benefit expense in the consolidated income statement.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated income statement as past service costs.

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 that is within the scope of IAS 37 and involves the payment of termination benefits. If benefits are not expected to be settled wholly within one year of the end of the reporting period, then they are discounted to their present value using an appropriate discount rate.

EMPLOYEE BENEFIT TRUST ("EBT")

The Group is committed to the concept of shared ownership. It has created EBTs to indirectly hold shares in the Company for the benefit of employees (see note 26.2). All permanent employees of the Group automatically become beneficiaries once they complete their probationary period. Any awards made from the EBT will be expensed to staff costs immediately. Management regard such distributions as non-underlying costs.

	Note	**2020 £'000**	2019 £'000
Salaries and Directors' fees		**48,658**	39,667
Capital distribution from EBT12	7	**–**	(407)
Other short-term employee benefits		**1,555**	1,216
Pension employee benefits		**1,902**	1,735
Share-based payments	36.2	**1,082**	694
Training and other staff-related costs		**4,167**	3,794
Staff costs		**57,364**	46,699

Defined Benefit Pension Plans

The Group operates defined pension plans in Switzerland and Mauritius. Both plans are contribution based with guarantee of a minimum interest credit and fixed conversion rates at retirement. Disability and death benefits are defined as a percentage of the insured salary. The Group recognised a net defined benefit obligation of £0.9m (2019: £nil) on the consolidated balance sheet in respect of amounts that are expected to be paid out to employees. The Group does not expect a significant change in contributions for the following years.

The Swiss plan must be fully funded under LPP/BVG law on a static basis at all times. The subsidiary, JTC (Suisse) SA, is affiliated to the collective foundation Swiss Life. The collective foundation is a separate legal entity. The foundation is responsible for the governance of the plan, the board is composed of an equal number of representatives from the employers and the employees chosen from all affiliated companies. The foundation has set up investment guidelines, defining in particular the strategic allocation with margins. Additionally, there is a pension committee responsible for the set-up of the plan benefit, this is composed of an equal number of representatives of JTC (Suisse) SA and its employees.

The amounts recognised in the consolidated balance sheet are as follows:

	2020 £'000
Present value of funded obligations	(2,285)
Fair value of plan assets	1,382
Consolidated balance sheet liability	**(903)**

The movement in the net liability recognised in the consolidated balance sheet is as follows:

	£'000
At 1 January 2020*	(901)
Service cost	(235)
Net interest	(6)
Contributions paid by employer	149
	(993)
Actuarial remeasurements	
Gain from change in demographic assumptions	192
Loss from change in financial assumptions	(116)
Experience gain	14
Total amount recognised in other comprehensive income	90
At 31 December 2020	(903)

* During the year, Management have reviewed the accounting for their pension schemes across the Group and now recognise a defined benefit pension scheme in Switzerland which was previously accounted for as defined contribution schemes. The accounting has been corrected for the current year financial statements and was not considered material for restatement of prior periods.

The plans are exposed to actuarial risks relating to discount rate, interest rate for the projection of the savings capital, salary increase and pension increase.

The principal annual actuarial assumptions used for the IAS 19 disclosures were as follows:

	Switzerland	Mauritius
Discount rate at 1 January 2020	0.3%	4.6%
Discount rate at 31 December 2020	0.1%	2.8%
Future salary increases	1.0%	2.5%
Rate of increase in deferred pensions	0.0%	0.0%

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a male member aged 65 will live on average until age 86.7 and that a female member aged 65 will live on average until age 88.5. For a member currently aged 45 the assumptions are that if they attain age 65, they will live on average until age 88.3 if male and age 90 if female.

6. Other Operating Expenses

Other operating expenses are accounted for on an accruals basis.

	2020 £'000	2019 £'000
Third party administration fees	**1,994**	1,789
Legal and professional fees(i)	**5,923**	3,791
Auditor's remuneration for audit services	**1,055**	969
Auditor's remuneration for other services	**128**	98
Establishment costs(ii)	**1,806**	1,446
Insurance	**1,183**	607
Travelling	**438**	1,418
Marketing	**964**	890
IT expenses	**5,343**	4,436
Other expenses	**2,041**	2,364
Other operating expenses	**20,875**	17,808

(i) Included in legal and professional fees are £2.73m (2019: £0.92m) of non-underlying items (see note 7(i)).
(ii) Establishment costs were previously shown separately in the consolidated income statement. Following the adoption of IFRS 16 and the capitalisation of lease payments, Management consider the residual expenses in this category to be more representative of operating expenses.

7. Non-underlying Items

Non-underlying items represent specific items of income or expenditure that are not of an operational nature and do not represent the underlying 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.

	2020 £'000	2019 £'000
EBITDA	**34,877**	33,713
Non-underlying items within EBITDA:		
Acquisition and integration costs(i)	**3,302**	2,041
Revision of ICS operating model(ii)	**401**	–
Other(iii)	**144**	–
IPO costs	**–**	36
Capital distribution from EBT12	**–**	(407)
Total non-underlying items within EBITDA	**3,847**	1,670
Underlying EBITDA	**38,724**	35,383
Profit before tax	**11,240**	17,639
Total non-underlying items within EBITDA	**3,847**	1,670
Unwinding of discount on capital distribution	**33**	165
Gain on settlement of contingent consideration(iv)	**(213)**	–
Loss on revaluation of contingent consideration(v)	**6,479**	–
Gain on bargain purchase	**–**	(188)
Impairment of customer relationship intangible asset	**–**	459
Total non-underlying items within profit before tax	**10,146**	2,106
Underlying profit before tax	**21,386**	19,745

(i) During 2020, the Group expensed £3.3m (2019: £2.04m) in relation to business combinations. For those completed in the year: NESF £2.48m (see note 31.1), Sanne private client business £0.16m (see note 31.2), RBC CEES £0.37m (see note 40) and other smaller acquisitions £0.06m (see note 31.3). For those completed in prior periods: Van Doorn £0.11m, Minerva £0.07m, Exequtive £0.02m (see note 31.4) and Aufisco £0.03m (see note 31.5). 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 and staff reorganisation costs.
(ii) During 2020, the Group commenced the implementation of a revised operating model for the fund services practice and incurred redundancy costs.
(iii) One-off costs relating to other items not considered to represent the ongoing operations of the business, including aborted project costs.
(iv) Gain recognised on final settlement of contingent consideration for the Swiss & Global Fund Administration (Cayman) Ltd ("S&GFA") acquisition.
(v) Loss on revaluation of contingent consideration to fair value for the NESF acquisition (see note 28.2 and note 31.1(B)).

8. Depreciation and Amortisation

	Note	2020 £'000	2019 £'000
Depreciation of property, plant and equipment	20	**5,884**	4,588
Amortisation of intangible assets	21	**7,327**	5,566
Amortisation of contract assets	22	**635**	598
Depreciation and amortisation		**13,846**	10,752

9. Other Losses

	Note	2020 £'000	2019 £'000
Foreign exchange gains/(losses)		**842**	(1,215)
Net profit on disposal of property, plant and equipment		**15**	7
Gain on settlement of contingent consideration	7	**213**	–
Loss on revaluation of contingent consideration	31.1	**(6,479)**	–
Gain on bargain purchase		**–**	188
Impairment of customer relationship intangible asset	21.2	**–**	(459)
Other losses		**(5,409)**	(1,479)

10. 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, contingent consideration and lease liabilities 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.

	2020 £'000	2019 £'000
Bank interest	**33**	158
Loan interest	**–**	12
Finance income	**33**	170
Bank loan interest	**2,319**	2,065
Amortisation of loan arrangement fees	**603**	376
Unwinding of net present value discounts	**1,043**	1,259
Other finance expense	**450**	313
Finance cost	**4,415**	4,013

11. Income Tax Expense

Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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 offset with deferred tax liabilities when there is a legally enforceable right to set off 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.

	2020 £'000	2019 £'000
Current tax expense		
Jersey tax on current year profit	692	323
Foreign company taxes on current year profit	1,128	903
	1,820	1,226
Deferred tax expense (see note 23)		
Jersey origination and reversal of temporary differences	(10)	17
Temporary movements in relation to customer relationship intangible assets	(1,102)	(787)
Foreign company origination and reversal of temporary differences	(1)	2
	(1,113)	(768)
Total tax charge for the year	707	458

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Jersey income tax to the profit before tax is as follows:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	**11,240**	17,639
Tax on profit on ordinary activities at standard Jersey income tax rate of 10% (2019: 10%)	**1,124**	1,764
Effects of:		
Results from entities subject to tax at a rate of 0% (Jersey company)	**(485)**	(1,403)
Results from tax exempt entities (foreign company)	**56**	(204)
Foreign taxes not at Jersey rate	**670**	663
Depreciation in excess of capital allowances (Jersey company)	**(10)**	17
Depreciation in excess of capital allowances (foreign company)	**(1)**	2
Temporary difference arising on amortisation of customer relationships	**(1,102)**	(787)
Non-deductible expenses/(income)	**15**	(14)
Consolidation adjustments	**463**	412
Other differences	**(23)**	8
Total tax charge for the year	**707**	458

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. The income tax rate applicable to certain financial services companies in Jersey is 10%. It is therefore appropriate to use this rate for reconciliation purposes.

	2020 £'000	2019 £'000
Reconciliation of effective tax rates		
Tax on profit on ordinary activities	**10.00%**	10.00%
Effect of:		
Results from entities subject to tax at a rate of 0% (Jersey company)	**(4.32%)**	(7.96%)
Results from tax exempt entities (foreign company)	**0.49%**	(1.16%)
Foreign taxes not at Jersey rate	**5.96%**	3.76%
Depreciation in excess of capital allowances (Jersey company)	**(0.09%)**	0.10%
Depreciation in excess of capital allowances (foreign company)	**(0.01%)**	0.01%
Temporary difference arising on amortisation of customer contracts	**(9.80%)**	(4.46%)
Non-deductible (income)/expenses	**0.13%**	(0.08%)
Consolidation adjustments	**4.12%**	2.33%
Other differences	**(0.21%)**	0.05%
Effective tax rate	**6.27%**	2.60%

Section 3 – Financial Assets and Financial Liabilities

This section provides information about the Group's financial instruments, including; accounting policies; specific information about each type of financial instrument; and, where applicable, information about determining the fair value, including judgements and estimation uncertainty involved.

Financial Assets

The Group classifies its financial assets as either amortised cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") depending on the Group's business model objective for managing financial assets and their contractual cash flow characteristics.

As the Group's financial assets arise principally from the provision of services to clients (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest, they are classified at amortised cost.

Financial assets are recognised initially on the trade date, which is the date that the Group became party to the contractual provisions of the instrument and are derecognised when the contractual rights to the cash flows from the asset expire, or the rights to receive the contractual cash flows from the transaction in which substantially all of the risks and rewards of ownership of the financial asset have been transferred.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied takes into consideration whether there has been a significant increase in credit risk.

Financial assets comprise trade receivables, work in progress, accrued income, other receivables and cash and cash equivalents. For further details on impairment for each, see notes 12 to 16.

Financial Liabilities

The Group classifies its financial liabilities as either amortised cost or FVTPL depending on the purpose for which the liability was acquired.

As the Group does not have any financial liabilities held for trading (derivatives), all other financial liabilities are classified as measured at amortised cost. Other financial liabilities include trade and other payables, borrowings and lease liabilities.

Trade and other payables represent liabilities incurred for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method and are presented as current liabilities unless payment is not due within 12 months after the reporting period. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated income statement as finance income or finance cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Lease liabilities are financial liabilities measured at amortised cost. They are initially measured at the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rate applied to each lease was determined considering the Group's borrowing rate and the risk-free interest rate, adjusted for factors specific to the country, currency and term of the lease.

The Group can be exposed to potential future increases in variable lease payments based on an index or rate which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

12. Trade Receivables

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

2020	Gross £'000	Loss allowance £'000	Net £'000
<30 days	**7,990**	**(113)**	**7,877**
30 – 60 days	**1,770**	**(36)**	**1,734**
61 – 90 days	**1,834**	**(127)**	**1,707**
91 – 120 days	**967**	**(126)**	**841**
121 – 180 days	**1,369**	**(262)**	**1,107**
180> days	**8,192**	**(4,228)**	**3,964**
Total	**22,122**	**(4,892)**	**17,230**

2019	Gross £'000	Loss allowance £'000	Net £'000
<30 days	8,724	(151)	8,573
30 – 60 days	1,474	(38)	1,436
61 – 90 days	1,199	(72)	1,127
91 – 120 days	731	(59)	672
121 – 180 days	1,042	(175)	867
180> days	7,087	(3,507)	3,580
Total	20,257	(4,002)	16,255

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

	2020 £'000	2019 £'000
Balance at the beginning of the year	**(4,002)**	(3,659)
Credit impairment losses	**(2,382)**	(1,253)
Amounts written off (including unused amounts reversed)	**1,492**	910
Total allowance for doubtful debts	**(4,892)**	(4,002)

To measure the ECL, trade receivables are grouped based on shared credit risk characteristics and the days past due. The ECL are estimated collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtor's 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. Management have identified gross domestic product and inflation in each country the Group provides services in to be the most relevant macroeconomic factors.

Management have given consideration to these factors and the unusual trading environment presented by Covid-19 and concluded that any impact is highly immaterial to the ultimate recovery of receivables, such is the diversification across the book in industries and geographies. Upon further analysis of the small increase to the loss allowance in 2020, Management concluded this to be a temporary increase reflective of our commitment to work with customers, providing support if necessary with extended terms. This is not considered a fundamental change to credit risk management (and commitment remains towards long-term recovery) but is representative of a short-term uplift in ECL based on an ageing profile appropriate to the current uncertain macroeconomic conditions. See note 29.2 for further comment on credit risk management.

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 consolidated income statement as credit impairment losses. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against credit impairment losses.

13. Work in Progress

	2020 £'000	2019 £'000
Total	**11,491**	9,350
Loss allowance	**(60)**	(53)
Net	**11,431**	9,297

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, allowances for unrecoverable amounts and ECL. As these financial assets relate to unbilled work and have substantially the same risk characteristics as trade receivables, the Group has concluded that the expected loss rates for trade receivables <30 days is an appropriate estimation of the ECL.

Sensitivity Analysis

The total carrying amount of WIP (before ECL allowances) is £11.49m (2019: £9.35m). If Management's estimate of the recoverability of the WIP (the amount expected to be billed and collected from clients for work performed to date) is 10% lower than expected on the total WIP balance due to allowances for unrecoverable amounts, revenue would be £1.15m lower (2019: £0.94m lower).

14. Accrued Income

	2020 £'000	2019 £'000
Total	**13,400**	12,927
Loss allowance	**(18)**	(21)
Net	**13,382**	12,906

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 less ECL. As these financial assets relate to unbilled work and have substantially the same risk characteristics as trade receivables, the Group has concluded that the expected loss rates for trade receivables <30 days is an appropriate estimation of the ECL.

15. Other Receivables

	2020 £'000	2019 £'000
Non-current		
Loans receivable from employees	–	153
Loans receivable from related undertakings	64	64
Total non-current	64	217

	2020 £'000	2019 £'000
Current		
Other receivables	1,934	1,867
Loans receivable from employees	2,214	180
Loan receivable from related undertakings	220	–
Loans receivable from third parties	–	4,219
Total current	4,368	6,266
Total other receivables	4,432	6,483

Loans receivable from employees include the following: (i) £0.05m due from employees participating in Advance to Buy ("A2B") programmes (2019: £0.18m) (these are interest bearing at 3% per annum and repayable two years after the commencement date of each annual programme unless the employment contract is terminated at an earlier date) and (ii) £2.16m due from employees of NESF to participate in JTC share options as part of the acquisition, £0.97m of which was settled in early 2021 with the balance expected later in the year (these are interest bearing at 2% per annum).

Non-current loans receivable from related undertakings are due from Northpoint Byala IC (£0.05m) and Northpoint Finance IC (£0.01m), incorporated cell companies registered in Jersey, Channels Islands, considered related parties due to common directorships. These loans are unsecured, interest free and with an unspecified repayment date.

The current loan receivable from related undertakings relates to Harmonate Corp. (see note 32); this is an unsecured short-term loan and is interest bearing at 4% per annum.

In the prior year, loans receivable from third parties included £4.2m ($5.5m) due from NESF, an entity acquired during 2020. These were settled during the 2020 as part of the purchase consideration (see note 31.1).

Other receivables are subject to the impairment requirements of IFRS 9 but as balances are primarily with related parties or part of a business combination, they were assessed to have low credit risk and no loss allowance is recognised.

16. Cash and Cash Equivalents

	2020 £'000	2019 £'000
Cash attributable to the Group	31,078	23,693
Committed EBT capital distributions (restricted)	–	2,624
Total	31,078	26,317

For the purpose of presentation in the statement of cash flow, 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.

Cash and cash equivalents are subject to the impairment requirements of IFRS 9 but, as balances are mainly held with reputable international banking institutions, they were assessed to have low credit risk and no loss allowance is recognised.

17. Trade and Other Payables

	Note	2020 £'000	2019 £'000
Non-current			
Contingent consideration		**22,124**	–
Employee benefit obligations	5	**903**	–
Total non-current		**23,027**	–
Current			
Trade payables		**1,970**	1,196
Other taxation and social security		**312**	646
Other payables		**3,006**	5,670
Accruals		**5,022**	5,176
Contingent consideration		**1,374**	8,460
Total current		**11,684**	21,148
Total trade and other payables		**34,711**	21,148

Contingent consideration payable is discounted to net present value, split between current and non-current and is due by acquisition as follows: £23.35m for NESF (see note 31.1) and £0.15m for Sanne Private Client Business (see note 31.2) (2019: £7.64m for Exequtive (see note 31.4), £0.56m for Aufisco (see note 31.5) and £0.26m for S&GFA).

The fair value of contingent consideration for the acquisition of NESF is considered a critical estimate and is discussed further in note 28.2.

At 31 December 2019, current other payables included £2.5m being the discounted value of capital distributions due from EBT12 to employees; these were paid in 2020.

For current trade and other payables, due to their short-term nature, Management consider the carrying value of these financial liabilities to approximate to their fair value.

18. Loans and Borrowings

This note provides information about the contractual term of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 29.

	2020 £'000	2019 £'000
Non-current		
Bank loans	**104,376**	86,681
Total non-current	**104,376**	86,681
Current		
Other loans	**2,456**	508
Total current	**2,456**	508
Total loans and borrowings	**106,832**	87,189

18.1. Bank Loans

The terms and conditions of outstanding bank loans are as follows:

Facility	Currency	Termination date	Interest rate(i)	**2020 £'000**	2019 £'000
Term facility	GBP	8 March 2023	LIBOR + 2% margin	**45,000**	45,000
Revolving facility	GBP	8 March 2023	LIBOR + 2% margin	**35,425**	19,000
Revolving facility	EUR	8 March 2023	EURIBOR + 2% margin	**25,169**	23,836
Total principal value				**105,594**	87,836
Issue costs				**(1,218)**	(1,155)
Total bank loans				**104,376**	86,681

(i) The margin applied to bank loans may change as a result of net leverage calculations. At 1 January 2020, the margin was 1.75%. This changed in August 2020 to 2% and remained at this rate at 31 December 2020 (2019: 1.75%).

Under the terms of the facility, HSBC holds a charge against the shares of JTC PLC and other applicable subsidiaries deemed to be obligors and, in the event of default, could place charges against the net assets held.

Movement in bank facilities during the year:

	At 1 January 2020 £'000	Drawdowns £'000	Amortisation release £'000	Effect of foreign exchange £'000	At 31 December 2020 £'000
Principal value	87,836	16,425	–	1,333	105,594
Issue costs	(1,155)	(625)	562	–	(1,218)
Total	**86,681**	**15,800**	**562**	**1,333**	**104,376**

On 9 March 2018, the Group entered into a five year loan facility agreement with HSBC Bank Plc ("HSBC") for a total commitment of £55m (or its equivalent in EUR and USD) consisting of a term loan of £45m and a revolving credit facility ("RCF") of £10m. The loan agreement was amended on 19 October 2018 to increase the total commitment to £100m and to introduce Barclays Bank Plc, Santander UK Plc and the Bank of Ireland as incoming lenders. On 9 January 2020, the RCF was increased by £50m providing a total facility commitment of £150m. The additional commitments are made on the same terms as the existing commitments.

During 2018, an amount of £45m was used to partially fund the repayment of the previous bank loan with HSBC and Royal Bank of Scotland Plc and subsequent to this, further withdrawals were made for £9m and £19m respectively to partially fund the acquisitions of Minerva and Van Doorn. In the prior year, £15.5m (€17.9m) was drawn to partially fund the acquisition of Exequtive. In the current year, a withdrawal was made on 16 April 2020 for £6.425m to assist with the funding required to settle contingent consideration due for Exequtive (£5.5m) and Aufisco (£0.58m); see notes 31.4 and 31.5. A further withdrawal was made on 30 June 2020 for £10m to partially fund the acquisition of Sanne Private Clients (see note 31.2).

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. As at 31 December 2020, arrangement and legal fees amounting to £2.38m have been capitalised for amortisation over the term of the loan.

At 31 December 2020, the Group had available £44.4m of committed facilities currently undrawn (2019: £12.1m). All facilities are due to be repaid on or before the termination date of 8 March 2023.

18.2. Compliance with Loan Covenants

The Company has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting periods; see note 30.

18.3. Other Loans

Upon acquiring NESF, JTC inherited its existing bank revolving credit note with CIBC Bank USA, an Illinois banking corporation. The original note was executed on 25 January 2018 for a line up to $5m, of which $3.85m was drawn down on 1 February 2018 and was outstanding at the time of the merger. The interest rate on the drawn amount was the greater of (a) the Federal Funds Rate plus 0.5%, and (b) the Prime Rate. Repayment was made in full on the maturity date of 25 January 2021.

On 10 April 2017, the Group entered into a loan facility with Close Leasing Limited for £2.52m. The balance and loan arrangement fees were settled in 41 monthly instalments of £65k each; this was repaid in full in September 2020.

On 18 June 2020, the Company entered into an uncommitted loan facility with Close Leasing Limited for £1.29m; this was settled in six monthly instalments and was repaid in full in December 2020.

18.4. Fair Value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is close to current market rates or the borrowings are short term in nature.

Section 4 – Non-financial Assets and Non-financial Liabilities

19. Lease Liabilities

Where the Group is a lessee its lease contracts are for the rental of buildings for office space and also some office furniture and equipment.

From 1 January 2019, upon adopting IFRS 16 'Leases', the Group recognises right-of-use assets which are shown with property, plant and equipment (see note 20) and lease liabilities which are shown separately on the consolidated balance sheet.

	2020 £'000	2019 £'000
Non-current	39,154	28,616
Current	4,215	2,875
Total lease liabilities	**43,369**	31,491

20. 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:

Computer equipment – 4 years
Office furniture and equipment – 4 years
Leasehold improvements – over the period of the lease

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.

For right-of-use assets, upon inception of a contract, the Group assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- estimated restoration costs.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the useful life; this is considered to be the end of the lease term as assessed by Management. The lease asset is periodically adjusted for certain remeasurements of the lease liability and impairment losses (if any).

The movements of all tangible assets are as follows:

	Computer equipment £'000	Office furniture and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 January 2019	2,759	1,206	6,889	29,139	39,993
Additions	477	680	1,269	4,018	6,444
Additions through acquisitions	24	38	–	1,069	1,131
Disposals	(40)	(71)	(32)	(499)	(642)
Exchange differences	(45)	(32)	(66)	(261)	(404)
At 31 December 2019	3,175	1,821	8,060	33,466	46,522
Additions	**935**	**430**	**414**	**13,324**	**15,103**
Additions through acquisitions	**38**	**151**	**–**	**2,068**	**2,257**
Disposals	**(1)**	**(29)**	**(66)**	**(352)**	**(448)**
Exchange differences	**15**	**25**	**33**	**304**	**377**
At 31 December 2020	**4,162**	**2,398**	**8,441**	**48,810**	**63,811**
Accumulated depreciation					
At 1 January 2019	2,038	620	1,790	–	4,448
Charge for the year	430	237	513	3,415	4,595
Disposals	(41)	(69)	–	(141)	(251)
Exchange differences	(37)	(21)	(39)	(38)	(135)
At 31 December 2019	2,390	767	2,264	3,236	8,657
Charge for the year	**406**	**361**	**773**	**4,440**	**5,980**
Disposals	**(1)**	**(26)**	**(55)**	**–**	**(82)**
Exchange differences	**10**	**5**	**6**	**(14)**	**7**
At 31 December 2020	**2,805**	**1,107**	**2,988**	**7,662**	**14,562**
Carrying amount					
At 31 December 2020	**1,357**	**1,291**	**5,453**	**41,148**	**49,249**
At 31 December 2019	785	1,054	5,796	30,230	37,865

21. Intangible Assets

Goodwill
Goodwill that arises on the acquisition of subsidiaries is considered an intangible asset. See note 31 for the measurement of goodwill at initial recognition; subsequent to this, measurement is at cost less accumulated impairment losses.

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 relationships – 2 to 12 years
Software – 4 years
Brand – 5 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 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:

Customer relationships – 10 years
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.

Impairment of Non-Financial Assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The movements of the intangible assets and goodwill are as follows:

	Goodwill £'000	Customer relationships £'000	Regulatory licence £'000	Software £'000	Brands £'000	Total £'000
Cost						
At 1 January 2019	104,835	46,033	251	3,517	–	154,636
Additions	44	853	–	520	–	1,417
Additions through acquisitions	21,246	11,988	–	–	–	33,234
Impairment charge	–	(459)	–	–	–	(459)
Exchange differences	(1,245)	(635)	(13)	(3)	–	(1,896)
At 31 December 2019	124,880	57,780	238	4,034	–	186,932
Additions	**39**	**106**	**–**	**1,368**	**–**	**1,513**
Additions through acquisitions	**50,927**	**8,926**	**81**	**2,757**	**691**	**63,382**
Exchange differences	**(2,069)**	**539**	**19**	**(233)**	**(61)**	**(1,805)**
At 31 December 2020	**173,777**	**67,351**	**338**	**7,926**	**630**	**250,022**
Accumulated amortisation						
At 1 January 2019	–	5,630	52	2,284	–	7,966
Charge for the year	–	5,012	20	534	–	5,566
Exchange differences	–	487	(3)	(3)	–	481
At 31 December 2019	–	11,129	69	2,815	–	14,013
Charge for the year	**–**	**6,038**	**57**	**1,143**	**89**	**7,327**
Exchange differences	**–**	**(18)**	**5**	**(21)**	**(5)**	**(39)**
At 31 December 2020	**–**	**17,149**	**131**	**3,937**	**84**	**21,301**
Carrying amount						
At 31 December 2020	**173,777**	**50,202**	**207**	**3,989**	**546**	**228,721**
At 31 December 2019	124,880	46,651	169	1,219	–	172,919

21. Intangible Assets (continued)

21.1. Goodwill

GOODWILL IMPAIRMENT

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is monitored by Management at jurisdictional levels. Goodwill is allocated to CGUs for the purpose of impairment testing and this allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose. The aggregate carrying amounts of goodwill allocated to each CGU is as follows:

In the current year: **CGU**	Balance at 1 Jan 2020 £'000	Business combinations £'000	Post-acquisition adjustments £'000	Exchange differences £'000	Balance at 31 Dec 2020 £'000
Jersey	**63,987**	**2,582**	**–**	**–**	**66,569**
Guernsey	**10,598**	**163**	**–**	**–**	**10,761**
BVI	**752**	**–**	**–**	**–**	**752**
Switzerland	**2,328**	**–**	**–**	**72**	**2,400**
Cayman	**231**	**–**	**–**	**(9)**	**222**
Luxembourg	**28,240**	**–**	**39**	**1,442**	**29,721**
Netherlands	**14,482**	**–**	**–**	**810**	**15,292**
Dubai	**1,815**	**–**	**–**	**(69)**	**1,746**
Mauritius	**2,447**	**–**	**–**	**(90)**	**2,357**
US	**–**	**48,118**	**64**	**(4,225)**	**43,957**
Total	**124,880**	**50,863**	**103**	**(2,069)**	**173,777**

In the prior year: CGU	Balance at 1 Jan 2019 £'000	Business combinations £'000	Post-acquisition adjustments £'000	Exchange differences £'000	Balance at 31 Dec 2019 £'000
Jersey	64,006	–	(19)	–	63,987
Guernsey	10,598	–	–	–	10,598
BVI	752	–	–	–	752
Switzerland	2,349	–	–	(21)	2,328
Cayman	237	–	–	(6)	231
Luxembourg	7,273	21,246	–	(279)	28,240
Netherlands	15,281	–	–	(799)	14,482
Dubai	1,876	–	–	(61)	1,815
Mauritius	2,463	–	63	(79)	2,447
Total	104,835	21,246	44	(1,245)	124,880

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 prepare the budgets through an assessment of historical revenues from existing clients, the pipeline of new projects, historical 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 estimate 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

A summary of the values assigned to the key assumptions used in the value in use calculations are as follows:

- Revenue growth rate: up to 39.3% (the maximum annual growth rate excluding the US CGU was 16.2%)
- Terminal value growth rate: between 0% and 2%
- Discount rate: between 10.5% and 16.4%
- EBIT margin: between 13.2% and 64.8%

SENSITIVITY TO CHANGES IN ASSUMPTIONS

Management believe 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, except for the revenue growth rate in the US. For this CGU, should the revenue growth rate estimated by Management in their detailed outlook for years 1 to 5 be 9% lower, an impairment of £1.0m would be recognised which would be equal to an impairment of 2.3% of the US CGU carrying amount.

CONCLUSION

The recoverable amount of goodwill determined for each CGU as at 31 December 2020 was found to be higher than its carrying amount.

21.2. Customer Relationship Intangible Assets

The carrying amount of identifiable customer relationship intangible assets acquired separately and through business combinations are as follows:

			Carrying amount	
Acquisition	Note	Useful economic life ("UEL")	**2020 £'000**	2019 £'000
Signes(i)		10 years	**1,284**	1,486
KB Group(i)		12 years	**2,267**	2,616
S&GFA(i)		10 years	**1,747**	2,198
BAML(i)		10 years	**6,896**	7,987
NACT(i)(ii)		10 years	**1,544**	1,703
Van Doorn(i)		11.4 years	**6,182**	6,500
Minerva(i)		8.7 – 11.8 years	**11,003**	12,323
Exequtive(i)		10 years	**8,581**	9,111
Aufisco(i)		10 years	**1,821**	1,928
Sackville(i)		10 years	**790**	799
NESF	31.1	2 – 8 years	**1,987**	–
Sanne Private Clients	31.2	10 years	**6,072**	–
Anson Registrars	31.3	10 years	**28**	–
Total			**50,202**	46,651

(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"), Swiss & Global Fund Administration (Cayman) Ltd ("S&GFA"), International Trust and Wealth Structuring Business of Bank of America ("BAML"), New Amsterdam Cititrust B.V. ("NACT"), Minerva Holdings Limited and MHL Holdings S.A. ("Minerva"), Van Doorn B.V. ("Van Doorn"), Exequtive Partners S.A. ("Exequtive"), Aufisco B.V. ("Aufisco") and Sackville Bank and Trust Company Limited ("Sackville").

(ii) In the prior year, an in-depth review of the client relationships acquired from this business identified that some customer relationships would be terminated sooner than originally anticipated due to an increasingly stringent regulatory environment; this resulted in an impairment of £459k (see note 9).

21. Intangible Assets (continued)

21.2. Customer Relationship Intangible Assets (continued)

CUSTOMER RELATIONSHIPS 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. In 2020, the Group acquired NESF, Sanne Private Clients and Anson Registrars and recognised customer relationship intangible assets of £2.5m, £6.39m, and £0.03m respectively; their carrying amount at 31 December 2020 is shown above.

KEY ASSUMPTIONS IN DETERMINING FAIR VALUE

The fair value at acquisition was derived using the multi-period excess earnings method ("MEEM") financial valuation model. Management consider the key assumptions in this model to be:

- Year on year revenue growth
- The discount rate applied to free cash flow
- Year on year client attrition rate

SENSITIVITY ANALYSIS

Management carried out a sensitivity analysis on the key assumptions used in the valuation of new customer relationship intangible assets. For the Sanne Private Clients customer relationships, an increase of 2.5% in year on year client attrition rates would decrease fair value by £0.92m. Management estimate that any reasonable changes to the key assumptions for the other customer relationship intangible assets recognised in the year would not result in a significant change to fair value.

CUSTOMER RELATIONSHIP INTANGIBLES IMPAIRMENT

Management review customer relationship intangible assets for indicators of impairment at the reporting date. The only indicators identified that would impact the acquired customer relationships were that actual revenues generated by Signes and Exequtive were lower than forecast.

An impairment assessment was performed on those assets with impairment indicators and Management concluded that the recoverable amount was in excess of the carrying amount as at 31 December 2020. All other customer relationship intangible assets were deemed to have a recoverable amount in excess of the carrying amount as at 31 December 2020.

22. Other Non-financial Assets

Contract Assets

Incremental costs of obtaining a contract (i.e. costs that would not have been incurred if the contract had not been obtained) are recognised as a contract cost within financial assets 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 carrying amount of contract asset is tested for impairment in accordance with the policy described in note 21.

	2020 £'000	2019 £'000
Non-current		
Prepayments	**99**	342
Contract assets	**204**	623
Total non-current	**303**	965
Current		
Prepayments	**2,803**	2,112
Contract assets	**544**	554
Current tax receivables	**324**	326
Total current	**3,671**	2,992
Total other non-financial assets	**3,974**	3,957

23. Deferred Taxation

For the accounting policy on deferred income tax, see note 11.

The deferred taxation (assets) and liabilities recognised in the consolidated financial statements are set out below:

	Note	2020 £'000	2019 £'000
Intangible assets		**8,784**	7,528
Other origination and reversal of temporary differences		**14**	25
		8,798	7,553
Deferred tax assets		**(104)**	(103)
Deferred tax liabilities		**8,902**	7,656
		8,798	7,553

The movement in the year is analysed as follows:

Intangible assets		2020 £'000	2019 £'000
Balance at the beginning of the year		**7,528**	5,869
Recognised through business combinations		**2,247**	2,648
Recognised in the consolidated income statement	11	**(1,102)**	(787)
Foreign exchange (to other comprehensive income)		**111**	(202)
Balance at 31 December		**8,784**	7,528
Other origination and reversal of temporary differences			
Balance at the beginning of the year		**25**	6
Recognised in the consolidated income statement		**(11)**	19
Balance at 31 December		**14**	25

24. Other Non-financial Liabilities

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 consolidated balance sheet. As such liabilities are associated with future services, they do not give rise to a contractual obligation to pay cash or another financial asset.

Contract Liabilities
Commissions expected to be paid over the term of a customer contract are discounted and recognised at the net present value. The finance cost is charged to the consolidated income statement over the contract life so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

	2020 £'000	2019 £'000
Non-current		
Contract liabilities	**311**	518
Current		
Deferred income	**4,801**	6,930
Contract liabilities	**370**	606
Total current	**5,171**	7,536
Total other non-financial liabilities	**5,482**	8,054

25. 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. Provisions are not recognised for future operating losses.

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 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.

Dilapidations

The Group has entered into lease agreements for the rental of office space 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.

Onerous Contracts

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. From 1 January 2019, upon adoption of IFRS 16, any provisions for onerous leases were adjusted against the right-of-use assets recognised.

	Onerous lease provisions £'000	Dilapidation provisions £'000	Total £'000
At 1 January 2019	511	928	1,439
Release upon application of IFRS 16	(103)	–	(103)
Additions	–	516	516
Disposals	(178)	(132)	(310)
Unwind of discount	1	11	12
Amounts utilised	(229)	(118)	(347)
Impact of foreign exchange	(2)	(16)	(18)
At 31 December 2019	–	1,189	1,189
Additions	**–**	**528**	**528**
Disposals	**–**	**(73)**	**(73)**
Unwind of discount	**–**	**28**	**28**
Amounts utilised	**–**	**36**	**36**
Impact of foreign exchange	**–**	**(68)**	**(68)**
At 31 December 2020	**–**	**1,640**	**1,640**

Analysis of total provisions:	**2020 £'000**	2019 £'000
Amounts falling due within one year	**39**	73
Amounts falling due after more than one year	**1,601**	1,116
Total	**1,640**	1,189

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

In the prior year, the Group had identified onerous leases for premises in Jersey, Guernsey and Switzerland. Following transition to IFRS 16, these provisions were adjusted against the right-of-use assets recognised.

Section 5 – Equity

26. Share Capital and Reserves

26.1. Share Capital

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.

	2020 £'000	2019 £'000
Authorised		
300,000,000 Ordinary shares (2019: 300,000,000 Ordinary shares)	**3,000**	3,000
Called up, issued and fully paid		
122,521,974 Ordinary shares (2019: 114,068,353 Ordinary shares)	**1,225**	1,141

Ordinary shares have a par value of £0.01 each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of JTC PLC.

Movements in share capital	Note	No.	Par value £'000
At 1 January 2019		110,895,327	1,109
Acquisition of Exequtive	31.4	1,925,650	20
PLC EBT issue		1,128,210	11
Acquisition of Aufisco	31.5	119,166	1
Movement in the year		3,173,026	32
At 31 December 2019		114,068,353	1,141
Acquisition of Exequtive	31.4	**560,707**	**6**
PLC EBT issue		**1,146,291**	**11**
Acquisition of NESF	31.1	**6,746,623**	**67**
Movement in the year		**8,453,621**	**84**
At 31 December 2020		**122,521,974**	**1,225**

MOVEMENTS IN THE PRIOR YEAR

On 29 March 2019, the Company issued and admitted an additional 1,925,650 Ordinary shares at fair value to satisfy the share consideration payable for its acquisition of Exequtive; see note 31.4.

On 1 October 2019, the Company issued an additional 1,128,210 Ordinary shares in order for PLC EBT to satisfy future exercises of awards granted to beneficiaries.

On 26 November 2019, the Company issued an additional 119,166 Ordinary shares at fair value to satisfy the share consideration payable for its acquisition of Aufisco; see note 31.5.

MOVEMENTS IN THE CURRENT YEAR

On 8 April 2020, the Company issued and admitted an additional 560,707 Ordinary shares at fair value to satisfy the final earn-out consideration payable in equity for the acquisition of Exequtive; see note 31.4.

On 27 April 2020, the Company issued an additional 1,146,291 Ordinary shares in order for PLC EBT to satisfy future exercises of awards granted to beneficiaries.

On 4 May 2020, the Company issued and admitted an additional 6,746,623 Ordinary shares at fair value to satisfy the initial consideration payable for the acquisition of NESF; see note 31.1.

26. Share Capital and Reserves (continued)

26.2. Own Shares

Own shares represent the shares of the Company that are unallocated and currently held by the JTC PLC Employee Benefit Trust ("PLC EBT") and previously by share ownership trusts ("SOPs") and the Jersey Trust Company Employee Benefit Trust 2012 ("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 Trusts for the purchase or sale of the Company's own shares is shown as a movement in shareholders' equity.

	PLC EBT No.	PLC EBT £'000
At 1 January 2019	741,345	2,565
Acquisition of Exequtive	173,482	–
PLC EBT issue	1,128,210	11
Purchase of own shares	117,630	451
Movement in year	1,419,322	462
At 31 December 2019	2,160,667	3,027
PLC EBT issue	**1,146,291**	**12**
Purchase of own shares	**10,352**	**45**
Movement in year	**1,156,643**	**57**
At 31 December 2020	**3,317,310**	**3,084**

MOVEMENTS IN THE PRIOR YEAR

On 29 March 2019, as part of the acquisition of Exequtive, 173,482 Ordinary shares were contributed to PLC EBT.

On 1 October 2019, the Company issued an additional 1,128,210 Ordinary shares for PLC EBT.

MOVEMENTS IN THE CURRENT YEAR

On 27 April 2020, the Company issued an additional 1,146,291 Ordinary shares for PLC EBT.

PURCHASE OF OWN SHARES

During both the current and prior year, shares were purchased for PLC EBT using its surplus cash held as a result of dividend income and following capital appointments from EBT12 using its surplus cash from leavers who forfeited intended capital distributions following the IPO.

26.3. 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 from capital transactions by the Group's employee benefit trusts as well as any movements in share-based awards to employees.

TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

RETAINED EARNINGS

Retained earnings includes accumulated profits and losses.

27. 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.

The following dividends were declared and paid by the Company for the year:

	2020 £'000	2019 £'000
Final dividend for 2018 of 2.0p per qualifying Ordinary share	**–**	2,235
Interim dividend for 2019 of 1.7p per qualifying Ordinary share	**–**	1,899
Final dividend for 2019 of 3.6p per qualifying Ordinary share	**4,288**	–
Interim dividend for 2020 of 2.4p per qualifying Ordinary share	**2,858**	–
Total dividend declared and paid	**7,146**	4,134

Section 6 – Risk

28. Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, Management 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 regularly evaluated based on historical experience, current circumstances, expectation of future events and other factors that are considered to be relevant. Actual results may differ from these estimates. Management continue to be vigilant in monitoring for any potential effects whilst uncertainties relating to the Covid-19 pandemic remain.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

The following are the critical judgements and estimates that Management 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 consolidated financial statements.

28.1. Critical Judgements in Applying the Group's Accounting Policies

RECOGNITION OF SEPARATELY IDENTIFIABLE INTANGIBLES

In 2020, the Group acquired both NESF (see note 31.1) and Sanne Private Clients (see note 31.2). IFRS 3 'Business Combinations' requires Management to identify assets and liabilities purchased including intangible assets. Following their assessment, Management concluded that the intangible assets meeting the recognition criteria were customer relationships in both cases and also the NESF brand and its internally generated software (known as "eSTAC"). The intangible assets recognised through these acquisitions were £8.9m (Sanne Private Clients £6.4m and NESF £2.5m), £0.69m and £2.68m respectively.

EXTENSION OPTIONS ON LEASES

Many of the leases for office space contain extension options as these provide operational flexibility. The Group assesses at each reporting period if they are reasonably certain that an extension option will be exercised. Such assessment involves judgement and is based on the information available at the time the assessments are made. This includes the following factors: the length of time remaining before the option is exercisable, current trading, future trading forecasts and business plans for the jurisdiction taking into account any potential business combinations. As at the reporting date, Management have assessed the extension options available in their leases and have deemed they cannot be reasonably certain at this time that they would exercise the extension options.

28.2. Critical Accounting Estimates and Assumptions

RECOVERABILITY OF WORK IN PROGRESS ("WIP")

To assess the fair value of consideration received for services rendered, Management are 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: the ageing profile of the WIP, the agreed billing arrangements, value added and status of the client relationship. See note 13 for the sensitivity analysis.

GOODWILL IMPAIRMENT – KEY ASSUMPTIONS IN CALCULATING THE RECOVERABLE AMOUNT FOR EACH CGU

Goodwill is tested annually for impairment and the recoverable amount of CGUs is determined based on a value in use calculation using cash flow projections containing key assumptions. See note 21.1 for further detail on key assumptions and sensitivity analysis.

FAIR VALUE OF CUSTOMER RELATIONSHIP INTANGIBLES

The customer relationship intangible assets are valued using the MEEM financial valuation model. Cash flow forecasts and projections are produced by Management and form the basis of the valuation analysis. Other key estimates and assumptions used in the modelling to derive the fair values include: year on year growth rates, client attrition rates, EBIT margins and the discount rate applied to free cash flow. See note 21.2 for the sensitivity analysis.

FAIR VALUE OF INTERNALLY DEVELOPED SOFTWARE INTANGIBLES ACQUIRED ON ACQUISITION

To derive the fair value of the internally generated software (eSTAC) acquired as part of the NESF acquisition, a relief from royalty valuation methodology was used. Management consider the key assumptions in this model to be the projected revenue growth and the royalty rate applied. See note 31.1(A) for the sensitivity analysis.

FAIR VALUE OF EARN-OUT CONSIDERATION FOR NESF

To derive the fair value of the earn-out contingent consideration, Management allocated a probability weighting to cash flow forecast scenarios to determine the calculated number of shares and then applied an estimated share price. Management consider the estimated number of shares and forecast share price to be the key assumptions in the calculation of the fair value of the earn-out contingent consideration. See note 31.1(B) for the sensitivity analysis.

29. Financial Risk Management

The Group is exposed through its operations to the following financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group is exposed to risks that arise from the use of its financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal Financial Instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows. All are classified as measured at amortised cost:

	Note	2020 £'000	2019 £'000
Financial assets – measured at amortised cost			
Trade receivables	12	**17,230**	16,255
Work in progress	13	**11,431**	9,297
Accrued income	14	**13,382**	12,906
Other receivables	15	**4,432**	6,483
Cash and cash equivalents	16	**31,078**	26,317
Total		**77,553**	71,258
Financial liabilities – measured at amortised cost			
Trade and other payables	17	**11,366**	21,148
Loans and borrowings	18	**106,832**	87,189
Lease Liabilities	19	**43,369**	31,491
Total		**161,568**	139,828
Financial liabilities – measured at fair value			
Trade and other payables	17	**23,345**	–
Total		**23,345**	–

All financial assets and liabilities are measured at amortised cost which is deemed to be representative of fair value with the exception of the contingent consideration of £23.35m for NESF that is measured at fair value in line with IAS 32. For further detail on the transaction, see note 31.1.

Management have considered the following fair value hierarchy levels in line with IFRS 13.

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly or indirectly.

Level 3 – Inputs are unobservable inputs for the asset or liability.

Management have concluded that the contingent consideration is classified under the Level 3 inputs of the fair value hierarchy.

General Objectives, Policies and Processes

The Board has overall responsibility for determining the Group's financial risk management objectives and policies and, whilst retaining ultimate responsibility for them, it delegates the authority for designing and operating processes that ensure effective implementation of the objectives and policies to Management, in conjunction with the Group's finance department.

The financial risk management policies are considered on a regular basis to ensure that these are in line with the overall business strategies and the Board's risk management philosophy. The overall objective is to set policies to minimise risk as far as possible without adversely affecting the Group's financial performance, competitiveness and flexibility.

29.1. Market Risk

Market risk arises from the Group's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that changes in interest rates (interest rate risk) or foreign exchange rates (currency risk) will affect the Group's future cash flows or the fair value of the financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

FOREIGN CURRENCY RISK MANAGEMENT

Foreign currency risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in the currency will, where possible and ensuring that no adverse impact on local regulatory capital adequacy requirements (see note 30), be transferred from elsewhere in the Group.

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities when the revenue or expenses are denominated in a different currency from the Group's functional and presentation currency of pounds sterling ("£"). For trading entities that principally affect the profit or net assets of the Group, the exposure is mainly from the Euro, US dollar and South African rand. The Group's bank loans are denominated in £ and Euros.

As at 31 December 2020, the Group's exposure to the Group's material foreign currency denominated financial assets and liabilities are as follows:

	£		Euro		US dollar		South African rand	
Net foreign currency assets/(liabilities)	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000
Trade receivables	**9,966**	10,790	**2,936**	2,866	**3,949**	2,455	**10**	3
Work in progress	**8,760**	6,821	**1,530**	1,617	**907**	592	**–**	–
Accrued income	**7,158**	5,308	**454**	1,327	**5,523**	6,152	**–**	67
Other receivables	**561**	986	**416**	398	**3,285**	4,812	**–**	–
Cash and cash equivalents	**7,812**	7,673	**10,134**	8,514	**11,789**	9,088	**619**	608
Trade and other payables	**(28,324)**	(6,903)	**(1,720)**	(10,171)	**(2,134)**	(2,476)	**(990)**	(777)
Loans and borrowings	**(79,207)**	(63,353)	**(25,169)**	(23,836)	**(2,456)**	–	**–**	–
Lease Liabilities	**(26,440)**	(23,903)	**(11,401)**	(5,044)	**(4,243)**	(683)	**(139)**	(381)
Total net exposure	**(99,714)**	(62,581)	**(22,820)**	(24,329)	**16,620**	19,940	**(500)**	(480)

In order to implement and monitor this policy, Management receive a monthly analysis showing cash reserves by individual Group entities and in major currencies together with information on expected liabilities due for settlement. The effectiveness of this policy is measured by the number of resulting cash transfers made between entities and any necessary foreign exchange trades. Management consider this policy to be working effectively but continues to regularly assess if a foreign currency hedge is appropriate.

FOREIGN CURRENCY RISK SENSITIVITY

The following table illustrates the possible effect on comprehensive income for the year and net assets arising from potential changes in the Euro, US dollar and South African rand exchange rates. A strengthening or weakening of pounds sterling by 20% is considered an appropriate variable for the sensitivity analysis given the scale of foreign exchange fluctuations over the last three years.

		Effect on comprehensive income and net assets	
	Strengthening/ (weakening) of pound sterling[(i)]	**2020 £'000**	2019 £'000
Euro	+20%	**3,804**	4,055
US dollars	+20%	**(2,770)**	(3,323)
South African rand	+20%	**83**	80
Total		**1,117**	812
Euro	(20%)	**(5,705)**	(6,082)
US dollars	(20%)	**4,155**	4,985
South African rand	(20%)	**(125)**	(120)
Total		**(1,675)**	(1,217)

(i) holding all other variables constant

29. Financial Risk Management (continued)

29.1. Market Risk (continued)

INTEREST RATE RISK MANAGEMENT AND SENSITIVITY

(A) BANK LOANS

The Group is exposed to interest rate risk as it borrows all 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 Group is considering the proposed LIBOR reforms and it does not expect a material impact on the financial results.

The interest fluctuations are generally low which minimises the Group's exposure to interest rate fluctuations. As a result, no hedging instruments have been put in place.

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 profit for the year ended 31 December 2020 would decrease/increase by £528k (2019: £433k).

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(B) US PRICING MODEL

The Group's revenue is exposed where pricing is linked to interest rates. This exposure is limited to the US business (NESF) that was acquired in 2020 (see note 31.1), specifically from the revenues that are generated from depository agreements with US banking partners. As a result of Covid-19, the US Federal Reserve significantly reduced interest rates that in turn negatively impacted the US business revenues associated with deposit spread fee agreements, many tied directly to the published Federal Funds Rate. The future impact on revenue will be minimal due to the current rate being at its current low/near zero level. While rates are expected to remain low during the ongoing global pandemic, in the longer term, if US interest rates increased by 50 basis points and deposit levels as at 31 December 2020 remained constant for one year then Group revenue would increase by £1.6m.

29.2. Credit Risk Management

Credit risk is the risk of financial loss to the Group should a customer or counterparty to a financial instrument fail to meet its contractual obligations. The Group's principal exposure to credit risk arises from contracts with customers and therefore the following financial assets: trade receivables, work in progress and accrued income (together "customer receivables").

The Group manages credit risk for each new customer by giving consideration to the risk of insolvency or closure of the customer's business, current or forecast liquidity issues and general creditworthiness (including past default experience of the customer or customer type).

Subsequently, customer credit risk is managed by each of the Group entities subject to the Group's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are monitored and followed up continuously. Specific provisions incremental to ECL are made when there is objective forward-looking evidence that the Group will not be able to bill the customer in line with the contract or collect the debts arising from previous invoices. 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. This analysis is performed on a customer-by-customer basis. This process has highlighted that some clients have been affected by an uncertain trading environment due to Covid-19 and this has in some cases resulted in some delay to payment within contracted credit terms. For more commentary on this, the ageing of trade receivables and the provisions thereon at the year end, including the movement in the provision, see note 12.

Credit risk in relation to other receivables is considered for each separate contractual arrangement by Management. As these are primarily with related parties the risk of the counterparty defaulting is considered to be low.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Cash and cash equivalents 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.

The financial assets are subject to the impairment requirements of IFRS 9; for further detail of how this is assessed and measured, see notes 12 to 16.

CREDIT RISK EXPOSURE

Trade receivables, work in progress and accrued income result from the provision of services to a large number of customers (individuals and corporate), spread across different industries and geographies. The gross carrying amount of financial assets represents the maximum credit exposure and as at the reporting date this can be summarised as follows:

	Total 2020 £'000	Loss allowance 2020 £'000	Net 2020 £'000	Total 2019 £'000	Loss allowance 2019 £'000	Net 2019 £'000
Trade receivables	**22,122**	**(4,892)**	**17,230**	20,257	(4,002)	16,255
Work in progress	**11,491**	**(60)**	**11,431**	9,350	(53)	9,297
Accrued income	**13,400**	**(18)**	**13,382**	12,927	(21)	12,906
Other receivables	**4,432**	**–**	**4,432**	6,483	–	6,483
Cash and cash equivalents	**31,078**	**–**	**31,078**	26,317	–	26,317
	82,523	**(4,970)**	**77,553**	75,334	(4,076)	71,258

29.3. 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.

The Board is responsible for liquidity risk management and they have 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 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.

2020	**<3 months £'000**	**3 – 12 months £'000**	**1 – 5 years £'000**	**>5 years £'000**	**Total contractual cash flow £'000**
Loans and borrowings(i)	**2,814**	**1,786**	**108,273**	**–**	**112,873**
Trade payables and accruals	**10,680**	**–**	**311**	**–**	**10,991**
Contingent consideration for acquisitions	**–**	**153**	**–**	**–**	**153**
Lease liabilities	**1,295**	**3,885**	**19,477**	**27,345**	**52,002**
Total	**14,789**	**5,824**	**128,061**	**27,345**	**176,019**

2019	<3 months £'000	3 –12 months £'000	1 – 5 years £'000	>5 years £'000	Total contractual cash flow £'000
Loans and borrowings(i)	462	2,114	92,321	–	94,897
Trade payables and accruals	13,294	–	518	–	13,812
Contingent consideration for acquisitions	823	5,382	–	–	6,205
Lease liabilities	930	2,790	12,531	23,205	39,456
Total	15,509	10,286	105,370	23,205	154,370

(i) This includes the future interest payments not yet accrued and the repayment of capital upon maturity.

30. Capital Management

Risk Management

The Group's objective for managing capital is to safeguard the ability to continue as a going concern, while maximising the return to shareholders through the optimisation of the debt and equity balance and to ensure that capital adequacy requirements are met for local regulatory requirements at entity level.

The managed capital refers to the Group's debt and equity balances; for quantitative disclosures, see note 18 for loans and borrowings and note 26 for share capital.

Loan Covenants

The Group has bank loans which require 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.

Under the terms of the loan facility, the Group is required to comply with the following financial covenants:

– 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) must not be more than 3.25:1)
– Interest cover (being the ratio of EBITDA to net finance charges must not be less than 4:1)

* EBITDA has not been adjusted for IFRS 16 in this calculation.

The Group has complied with these covenants throughout the reporting period.

Capital Adequacy

Individual regulated entities within the Group are subject to regulatory requirements to ensure adequate capital and liquidity to meet local requirements in Jersey, Guernsey, Ireland, the Isle of Man, the UK, the US, Switzerland, the 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 reporting period.

Section 7 – Group Structure

31. Business Combinations

A business combination is defined as a transaction or other event in which an acquirer obtains control of one or more businesses. Where the business combination does not include the purchase of a legal entity but the transaction includes acquired inputs and processes applied to those inputs in order to generate outputs, the transaction is also considered a business combination.

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 consolidated 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 those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a gain on bargain purchase.

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 remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in the consolidated income statement.

31.1. NES Financial Corp ("NESF")

On 29 April 2020, JTC acquired 100% of NES Financial Corp and its subsidiaries (together known as "NESF"), a US based, technology-enabled, market-leading provider of specialist fund administration services. NESF was merged with, and into, JTC USA Holding Inc., a California corporation. This acquisition represents a key part of JTC's ongoing growth strategy, its focus on developing its ICS business in the US and a commitment to acquire and develop technology capabilities that drive future growth and operating efficiency.

The acquired business contributed revenues of £5.46m and an underlying loss before tax of £1.15m to the Group for the period from 1 May 2020 to 31 December 2020. If the business had been acquired on 1 January 2020, the consolidated revenue and underlying profit for the period for the Group would have been £117.8m and £20.8m respectively.

31. Business Combinations (continued)

31.1. NES Financial Corp ("NESF") (continued)

(A) IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED ON ACQUISITION

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	$'000	£'000
Property, plant and equipment	3,077	2,467
Intangible assets – Brand	859	689
Intangible assets – Internally developed software	3,345	2,682
Intangible assets – Customer relationships	3,114	2,497
Intangible assets – Software	91	73
Trade receivables	1,874	1,503
Other receivables	4,372	3,505
Cash and cash equivalents	205	165
Assets	**16,937**	**13,581**
Deferred income	174	139
Deferred tax liabilities	2,002	1,605
Trade and other payables	11,231	9,006
Lease liabilities	3,036	2,435
Liabilities	**16,443**	**13,185**
Total identifiable net assets	**494**	**396**

Deferred tax liabilities have been recognised in relation to identified intangible assets, the amortisation of which is non-deductible against US Corporation Taxes and therefore creates temporary differences between the accounting and taxable profits.

Between the acquisition date and 31 December 2020, the following fair value adjustments were made to identifiable assets acquired:

- Removal of rent free creditors and alignment of accounting policies to IFRS 16 for the lease of office space; trade and other payables were reduced by £0.48m ($0.61m) with an resulting increase to lease liabilities of £0.17m ($0.22m) and a reduction in goodwill of £0.31m ($0.39m)
- To align to IFRS 9 and provide for ECL; trade debtors were increased by £0.03m ($0.03m)
- To recognise provision for dilapidations; provisions and goodwill increased by £0.26m ($0.33m)

SENSITIVITY ANALYSIS ON FAIR VALUE OF INTERNALLY DEVELOPED SOFTWARE INTANGIBLES

The internally developed platform, known as eSTAC, leverages end-to-end integrated software to automate fund administration and is used to support all product lines. The fair value is derived using a relief from royalty method. This takes an estimated royalty rate as a percentage of the projected revenues generated to calculate anticipated royalty payments which are discounted to present value using an appropriate risk adjusted rate.

Management carried out a sensitivity analysis on the key assumptions used in the valuation of internally developed software intangible assets. An increase or decrease of 1% to the royalty rate used of 4% would increase or decrease the fair value by £0.86m. An increase to year on year revenue growth of 10% would increase the fair value by £0.74m, while a decrease to year on year revenue growth of 10% would decrease the fair value by £0.62m.

(B) CONSIDERATION

Total consideration is satisfied by the following:

	Note	$'000	£'000
Equity instruments (6,746,623 Ordinary shares issued at fair value)		34,732	27,931
Cash consideration		4,704	3,783
Contingent consideration – Indemnification holdback		2,212	1,779
Contingent consideration – Earn-out		18,760	15,087
Fair value of total consideration at acquisition		**60,408**	**48,580**
Adjustment to fair value at 31 December 2020			
Contingent consideration – Indemnification holdback		900	660
Contingent consideration – Earn-out		7,931	5,819
	9	**8,831**	**6,479**
Fair value of total consideration at 31 December 2020		**69,239**	**55,059**

FAIR VALUE OF CONTINGENT CONSIDERATION AT ACQUISITION

The indemnification holdback part of the initial consideration was 637,954 JTC PLC Ordinary shares and this was adjusted downwards for working capital and transaction expenses to 437,029 shares. Of these, 50% are payable 12 months following completion (30 April 2021) with the remaining balance payable six months later (31 October 2021). The simulated share prices at these dates using the Monte Carlo valuation method described below, were discounted using an appropriate risk free rate and applied to the number of shares to determine a fair value at acquisition of £1.78m ($2.21m).

The earn-out contingent consideration is subject to NESF meeting certain EBITDA thresholds across assessment periods, being 1 June 2020 to 31 May 2021 ("Earn-out AP1") and 1 June 2021 to 31 May 2022 ("Earn-out AP2"). The maximum potential earn-out consideration is capped at 14,253,070 shares, split into 7,348,771 shares for Earn-out AP1 and 6,904,299 shares for Earn-out AP2.

To calculate the anticipated earn-out at the acquisition date, Management applied a probability weighting to three forecast scenarios; a downside, upside and base case for the three financial years ended 31 December 2020 ("FY2020"), 31 December 2021 and 31 December 2022. The resulting number of shares was then multiplied by an estimated share price at the relevant date to determine a fair value for the earn-out contingent consideration.

In each of the scenarios, there was a negative EBITDA in Earn-out AP1 due to the loss forecast in FY2020 as a result of the impact of Covid-19, which was recovered in Earn-out AP2 in all instances. As the two most likely scenarios gave a negative EBITDA for Earn-out AP1, a probability weighted approach rather than a Monte Carlo simulation was used to determine the likely number of JTC PLC Ordinary shares attributed to the earn-out. This approach calculated that no shares were due for Earn-out AP1 and 3,765,269 shares were due for Earn-out AP2.

The estimated share price was calculated using a Monte Carlo simulation based on JTC's share price at acquisition and historical volatility, adjusted for any projected dividend payments and then discounted using an appropriate risk free rate. This derived a share price estimate of £4.01 that was applied to the number of shares to determine a fair value at acquisition of £15.08m ($18.76m).

FAIR VALUE OF CONTINGENT CONSIDERATION AT THE REPORTING DATE

As the earn-out and indemnification holdback are liability-classified contingent consideration, Management are required to update their fair value at each reporting date. Management therefore reassessed the forecast Earn-out and identified no evidence to indicate an adjustment was required to the number of shares calculated for Earn-out AP2, nor any change to the number of indemnification holdback shares. However, given a change in market conditions and significant growth in JTC's share price since acquisition (£5.58 at 31 December 2020), the Monte Carlo simulation was updated, increasing the share price applied to the number of shares.

As a result, the fair value of the contingent consideration for the earn-out increased by £5.82m ($7.93m) to £20.91m ($26.69m) and for the indemnification holdback by £0.66 ($0.90m) to £2.44m ($3.11m). The total increase in the fair value of the contingent consideration of £6.48m ($8.83m) is recognised in other gains and losses in the consolidated income statement.

SENSITIVITY ANALYSIS ON FAIR VALUE OF EARN-OUT CONSIDERATION

Management carried out a sensitivity analysis on the output of the key assumptions and estimates used to calculate the fair value of the earn-out consideration. Management consider the key assumptions and estimates to include the estimated share price and EBITDA across assessment periods. Assuming no change to the number of shares and a 10% increase or decrease to the share price, the fair value of the earn-out contingent consideration would be £2.21m higher/lower. Increasing or decreasing the EBITDA in Earn-out AP2 by 5% and applying the latest share price per the Monte Carlo simulation, the contingent consideration would increase/decrease by £3.10m.

31. Business Combinations (continued)

31.1. NES Financial Corp ("NESF") (continued)

(C) GOODWILL

Goodwill arising from the acquisition has been recognised as follows:

	$'000	£'000
Total consideration	60,408	48,580
Less: fair value of identifiable net assets	(494)	(396)
Goodwill	**59,914**	**48,184**

Goodwill is represented by assets that do not qualify for separate recognition or other factors. These include access to the US market, new business wins from new customers, effects of an assembled workforce and synergies from combining some resources and operations of the acquiree and the acquirer.

(D) IMPACT ON CASH FLOW

	$'000	£'000
Cash consideration[i]	4,704	3,750
Less: cash balances acquired	(205)	(165)
Net cash outflow from acquisition	**4,499**	**3,585**

(i) Included in the balance are contingent consideration payments of £1.2m ($1.5m).

(E) ACQUISITION-RELATED COSTS

The Group incurred acquisition-related costs of £2.48m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

31.2. Sanne Private Client Business ("Sanne Private Clients")

On 1 July 2020, JTC acquired 100% of Pen Private Clients Limited ("PPCL"), a newly incorporated 100% owned subsidiary of Sanne Private Clients Limited ("Sanne Private Clients"), the private client services division of Sanne Group ("Sanne"). Sanne Private Clients provides specialist expertise in fiduciary, administration and family office services.

The acquired business contributed revenues of £2.4m and a profit before tax of £1.6m to the Group for the period from 1 July 2020 to 31 December 2020. If the business had been acquired on 1 January 2020, the consolidated revenue and underlying profit for the period for the Group would have been £117.5m and £23.0m respectively.

(A) IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED ON ACQUISITION

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	£'000
Intangible assets – Customer relationships	6,392
Trade receivables	173
Other receivables	10
Accrued income	802
Assets	**7,377**
Deferred revenue	202
Deferred tax liabilities	639
Liabilities	**841**
Total identifiable net assets	**6,536**

Deferred tax liabilities have been recognised in relation to identified customer relationship intangible assets, the amortisation of which is non-deductible against Jersey Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

(B) CONSIDERATION

Total consideration is satisfied by the following:

	£'000
Maximum cash consideration	12,000
Purchase price adjustment	(2,883)
Fair value of total consideration	**9,117**

The consideration payable for the shares was a completion payment of £12m less a non-transferred client adjustment. Following an assessment of the actual transferring revenue at completion (including any subsequently transferred clients), the purchase price adjustment for non-transferring clients reduced the fair value of total consideration to £9.12m.

(C) GOODWILL

Goodwill arising from the acquisition has been recognised as follows:

	£'000
Total consideration	9,117
Less: fair value of identifiable net assets	(6,536)
Goodwill	**2,581**

(D) IMPACT ON CASH FLOW

	£'000
Cash consideration[(i)]	8,963
Less: cash balances acquired	–
Net cash flow from acquisition	**8,963**

(i) £0.15m remains payable to Sanne as at 31 December 2020 and is included within contingent consideration; see note 17.

(E) ACQUISITION-RELATED COSTS

The Group incurred acquisition-related costs of £0.16m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

31. Business Combinations (continued)

31.3. Other Acquisitions in 2020

On 23 January 2020, JTC acquired 100% of the share capital of both Cornerstone AIS Corporate Services Ireland Limited and Cornerstone AIS Corporate Trustees Ireland Limited, entities registered in Ireland with a regulatory licence to operate as a trust or company service provider. Consideration was £0.07m (€0.08m) for net assets acquired of the same amount. On 22 June 2020, the entities changed their names to JTC Corporate Services (Ireland) Limited and JTC Trustees (Ireland) Limited respectively.

On 27 February 2020, JTC acquired 100% of the share capital of Anson Registrars Limited and Anson Registrars (UK) Limited (together "Anson Registrars"), entities with registered offices in Guernsey, Channel Islands and the UK respectively. This acquisition enables JTC to provide CREST enabled registrar services, complementing the administration and accounting offering already being provided. Consideration was £0.22m for net assets acquired of £0.06m (including customer relationships of £0.03m), resulting in goodwill of £0.16m. In May 2020, the entities changed their names to JTC Registrars Limited and JTC Registrars (UK) Limited.

31.4. Exequtive Partners S.A. ("Exequtive")

On 25 March 2019, the Group acquired 100% of the share capital of Exequtive, a Luxembourg based provider of domiciliation and corporate administration services.

The fair value of consideration was £29.24m (€34.18m) for acquired identifiable net assets of £7.99m (€9.34m) resulting in goodwill of £21.25m (€24.84m). This included earn-out consideration of £7.6m (€8.88m) comprising 70% cash and 30% shares. As the business performed successfully, exceeding the revenue and underlying EBITDA targets set for 2019, this was paid in April 2020 and as a result 560,707 Ordinary shares were issued (see note 26.1).

Within the acquired identifiable net assets were customer relationship intangibles of £9.86m (€11.53m) with a UEL of 10 years. Deferred tax liabilities of £2.47m (€2.88m) were recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Luxembourg Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

31.5. Aufisco B.V. ("Aufisco")

On 1 April 2019, the Group entered into a facilitation and referral agreement with Aufisco B.V. and Oak Tree Management B.V. ("Aufisco") whereby its clients were referred, introduced and recommended to JTC as a replacement provider of the trust, custody and administration services, their staff were also offered employment contracts, as such Management accounted for the transaction as a business combination.

The fair value of consideration was £1.75m (€1.96m) for acquired identifiable net assets of £1.94m (€2.17m) resulting in negative goodwill of £0.19m (€0.214m). This included earn-out consideration of £0.59m (€0.66m), which was paid in March 2020.

Within the acquired identifiable net assets were customer relationship intangibles of £2.125m (€2.375m) with a UEL of 10 years. Deferred tax liabilities of £0.18m (€0.2m) 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.

32. Investments

The Group's interest in other entities includes an associate and an investment held at cost. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. The Group's interest in an equity-accounted investee solely comprises an interest in an associate.

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 the Group's share of post-acquisition profits or losses in the consolidated income statement within EBITDA, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. 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 carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 21.

Where the Group has an interest in an entity but does not have significant influence, the investment is held at cost.

Set out below are the associates of the Group as at 31 December 2020 which, in the opinion of the Directors, are material to the Group. The entities listed have share capital consisting solely of Ordinary 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.

				% of ownership interest		Carrying amount	
Name of entity	Country of incorporation	Nature of relationship	Measurement method	**2020 %**	2019 %	**2020 %**	2019 %
Kensington International Group Pte. Ltd	Singapore	Associate(i)	Equity method	**42**	42	**1,483**	1,124
Harmonate Corp.	United States	Investment(ii)	Cost Method	**16**	–	**791**	–
Total investments						**2,274**	1,124

(i) Kensington International Group Pte. Ltd ("KIG") provides corporate, fiduciary, trust and accounting services and is a strategic partner of the Group, providing access to new clients and markets in the Far East.
(ii) Harmonate Corp. ("Harmonate") provides fund operation and data management solutions to clients in the financial services industry. The Group acquired 24.2% of the share capital in Harmonate on 31 July 2020 for a total consideration of £0.8m ($1.0m). During November 2020, Harmonate undertook an equity raise which resulted in the dilution of the Group's equity holding; the resulting ownership interest for the Group was 16.3%

The summarised financial information for KIG, which is accounted for using the equity method, is as follows:

Summarised income statement	**2020 £'000**	2019 £'000
Revenue	**5,336**	4,695
Gross profit	**4,327**	3,673
Profit for the year	**947**	409

Summarised balance sheet	**2020 £'000**	2019 £'000
Total non-current assets	**667**	418
Total current assets	**5,134**	2,974
Total assets	**5,801**	3,392
Total current liabilities	**3,529**	1,969
Net assets less current liabilities	**2,272**	1,423

32. Investments (continued)

Reconciliation of summarised financial information	2020 £'000	2019 £'000
Opening net assets	**1,423**	1,077
Profit for the year	**947**	409
Foreign exchange differences	**(98)**	(63)
Closing net assets	**2,272**	1,423
Group's share of closing net assets	**961**	602
Goodwill	**522**	522
Carrying value of investment in associate	**1,483**	1,124

Impact on consolidated income statement	£'000
Balance at 1 January 2019	978
Share of profit of equity-accounted investee	**146**
Balance at 31 December 2019	1,124
Balance at 1 January 2020	1,124
Share of profit of equity-accounted investee	**359**
Balance at 31 December 2020	1,483

33. Subsidiaries

The Group's subsidiaries at 31 December 2020 which, in the opinion of Management, principally affect the profit or the net assets of the Group are listed below. Unless otherwise stated, the Company owns 100% of share capital consisting solely of Ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Where the shareholding and voting rights are equal to or less than 50%, Management have concluded that it is appropriate to include these entities as subsidiaries in the consolidation, in accordance with the basis of consolidation accounting policy described in note 3.3. The interests in subsidiaries not 100% owned are attributed to the Company and no minority interest is recognised.

Name of subsidiary	Country of incorporation and place of business	Activity	% holding
JTC Fund Solutions (Jersey) Limited	Jersey	Trading	100
JTC Group Holdings Limited	Jersey	Holding	100
JTC Group Limited	Jersey	Head office services	100
JTC (Jersey) Limited	Jersey	Trading	100
JTC Fund Services (UK) Limited	United Kingdom	Trading	100
JTC Group Holdings (UK) Limited	United Kingdom	Holding	100
JTC Trust Company (UK) Limited	United Kingdom	Trading	100
JTC UK (Amsterdam) Limited	United Kingdom	Holding	100
JTC (UK) Limited	United Kingdom	Trading	100
JTC Miami Corporation	United States	Trading	50
JTC Trustees (USA) Ltd	United States	Trading	100
JTC Fund Solutions (Guernsey) Limited	Guernsey	Trading	100
JTC Global AIFM Solutions Limited	Guernsey	Trading	100
JTC Fund Solutions RSA (Pty) Ltd	South Africa	Trading	100
JTC Fiduciary Services (Singapore) Pte Limited	Singapore	Trading	100
JTC (BVI) Limited	British Virgin Islands	Trading	100
Exequtive Management S.à r.l.	Luxembourg	Trading	49
Exequtive Partners S.A.	Luxembourg	Trading	100
Exequtive Services S.à r.l.	Luxembourg	Trading	100
JTC Global AIFM Solutions SA	Luxembourg	Trading	100
JTC Luxembourg Holdings S.à r.l.	Luxembourg	Holding	100
JTC (Luxembourg) S.A.	Luxembourg	Trading	100
JTC Signes S.à r.l.	Luxembourg	Trading	100
JTC Signes Services SA	Luxembourg	Trading	100
JTC (Suisse) SA	Switzerland	Trading	100
JTC Trustees (Suisse) Sàrl	Switzerland	Trading	100
JTC Trustees (IOM) Limited	Isle of Man	Trading	100
Global Tax Support B.V.(i)	Netherlands	Trading	–
JTC Holdings (Netherlands) B.V.	Netherlands	Holding	100
JTC Institutional Services Netherlands B.V.	Netherlands	Trading	100
JTC (Netherlands) B.V.	Netherlands	Trading	100
JTC Trust Company (New Zealand) Limited	New Zealand	Trading	100
JTC (Cayman) Limited	Cayman Islands	Trading	100
JTC Fund Services (Cayman) Ltd	Cayman Islands	Trading	100
JTC Fiduciary Services (Mauritius) Limited	Mauritius	Trading	100
JTC Corporate Services (DIFC) Limited	Dubai	Trading	100
JTC Corporate Services (Ireland) Limited	Ireland	Trading	100
JTC Registrars Limited	Guernsey	Trading	100
JTC Registrars (UK) Limited	United Kingdom	Trading	100
JTC USA Holdings, Inc.	United States	Trading	100

(i) As the parent company JTC Group Holding (UK) Limited has a call option to purchase Global Tax Support B.V. for €1 from its parent, Management consider that it has control of this entity and it has, therefore, been consolidated.

Section 8 – Other Disclosures

34. Earnings Per Share

Basic Earnings Per Share
The calculation of basic Earnings Per Share is based on the profit for the year divided by the weighted average number of Ordinary shares for the same year.

Diluted Earnings Per Share
The calculation of diluted Earnings Per Share is based on basic Earnings Per Share after adjusting for the potentially dilutive effect of Ordinary shares that have been granted.

Underlying Basic Earnings Per Share
The calculation of underlying basic Earnings Per Share is based on basic Earnings Per Share after adjusting profit for the year for non-underlying items and to remove the unwinding of net present value discounts, the amortisation of both customer relationship intangible assets and loan arrangement fees, and the temporary differences arising on the amortisation of customer relationships.

The Group calculates basic, diluted and underlying basic Earnings Per Share ("EPS"). The results can be summarised as follows:

	Note	2020 Pence	2019 Pence
Basic EPS	34.1	**9.02**	15.43
Diluted EPS	34.2	**8.96**	15.35
Underlying basic EPS	34.3	**22.49**	21.74

34.1. Basic Earnings Per Share

	2020 £'000	2019 £'000
Profit for the year	**10,533**	17,181

	No.	No.
Issued Ordinary shares at 1 January	**111,820,703**	110,153,982
Effect of shares issued to acquire business combinations	**4,946,720**	1,346,281
Effect of movement in treasury shares held	**(30,838)**	(147,395)
Weighted average number of Ordinary shares (basic):	**116,736,585**	111,352,868
Basic EPS	**9.02**	15.43

34.2. Diluted Earnings Per Share

	2020 £'000	2019 £'000
Profit for the year	**10,533**	17,181

	Note	No.	No.
Weighted average number of Ordinary shares (basic)	34.1	**116,736,585**	111,352,868
Effect of share-based payments issued		**857,841**	539,647
Weighted average number of Ordinary shares (diluted):		**117,594,426**	111,892,515
Diluted EPS		**8.96**	15.35

34.3. Underlying Basic Earnings Per Share

	Note	2020 £'000	2019 £'000
Profit for the year		**10,533**	17,181
Non-underlying items	7	**10,146**	2,106
Amortisation of customer relationship intangible assets	21	**6,038**	5,012
Amortisation of loan arrangement fees	10	**603**	376
Unwinding of net present value discounts		**38**	323
Temporary difference arising on amortisation of customer relationships	11	**(1,102)**	(787)
Adjusted underlying profit for the year		**26,256**	24,211

	Note	No.	No.
Weighted average number of Ordinary shares (basic)	34.1	**116,736,585**	111,352,868
Underlying basic EPS		**22.49**	21.74

Underlying basic EPS is an alternative performance measure used by Management to better reflect the underlying activities of the Group excluding specific non-recurring items.

35. Cash Flow Information

35.1. Operating Cash Flows

	2020 £'000	2019 £'000
Operating profit	**21,031**	22,961
Adjustments for:		
Depreciation of property, plant and equipment	**5,884**	4,588
Amortisation of intangible assets	**7,962**	6,164
Share-based payment expense	**1,082**	694
Share of profit of equity-accounted investee	**(359)**	(146)
Operating cash flows before movements in working capital	**35,600**	34,261

35.2. Non-underlying Items Within Net Cash from Operating Activities

	2020 £'000	2019 £'000
Net cash from operating activities	**28,997**	23,598
Non-underlying items:		
Capital distribution from EBT12	**2,641**	2,976
IPO costs	**–**	36
Acquisition and integration costs	**3,108**	2,138
Revision of ICS operating model	**401**	–
Other	**143**	–
Total non-underlying items within net cash from operating activities	**6,293**	5,150
Underlying net cash from operating activities	**35,290**	28,748

35. Cash Flow Information (continued)

35.3. Financing Activities

Changes in liabilities arising from financing activities:

	Lease liabilities due within one year £'000	Lease liabilities due after one year £'000	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 2019	–	–	5	30	678	72,002	72,715
Adjustment for change in accounting policy	2,631	26,543	–	–	–	–	29,174
Cash flows:							
Drawdowns	–	–	–	–	–	15,509	15,509
Repayments	(146)	(2,922)	(5)	(30)	(170)	(519)	(3,792)
Other non-cash movements[i]	390	4,995	–	–	–	(311)	5,074
At 31 December 2019	2,875	28,616	–	–	508	86,681	118,680
Cash flows:							
Acquired on acquisition	**743**	**2,293**	**–**	**–**	**3,070**	**–**	**6,106**
Drawdowns			**–**	**–**	**–**	**16,425**	**16,425**
Repayments	**(132)**	**(4,012)**	**–**	**–**	**(883)**	**–**	**(5,027)**
Other non-cash movements(i)	**729**	**12,258**	**–**	**–**	**(239)**	**1,270**	**14,018**
At 31 December 2020	**4,215**	**39,155**	**–**	**–**	**2,456**	**104,376**	**150,202**

(i) Other non-cash movements include the amortisation of loan arrangement fees, foreign exchange movement, additions and disposals of lease liabilities relating to right-of-use assets and the unwinding of net present value discounts.

35.4. Net Debt

	Note	2020 £'000	2019 £'000
Bank loans	18	**(104,376)**	(86,681)
Other loans	18	**(2,456)**	(508)
Trapped cash[i]		**(2,444)**	(3,007)
Committed capital distributions[ii]		**–**	(2,624)
Loans receivable from employees	15	**2,164**	–
Less: cash and cash equivalents		**31,078**	26,317
Total net debt		**(76,034)**	(66,503)

(i) Trapped cash represents the minimum cash balance to be held to meet regulatory capital.
(ii) Committed capital distribution from EBT12 to employees.

36. 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 Management's estimate of equity instruments that will eventually vest. At each balance sheet date, Management 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.

36.1. 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 and also made awards of its 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. 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 awards vested are as follows:

	No.	**2020 £'000**	No.	2019 £'000
Outstanding at the start of the year	**652,398**	**300**	652,398	300
Exercised	**(652,398)**	**(300)**	–	–
Outstanding at the end of the year	**–**	**–**	652,398	300

(B) POST-IPO

Following Admission to the London Stock Exchange, the Group implemented and made awards to eligible employees under two equity-settled share-based payment plans; it also continues to make awards when employees join the business, for the retention of key employees following acquisition and to incentivise key employees. Details of the share plans are as follows:

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% of annual base salary; however, the plan rules allow the Remuneration Committee the discretion to award up to 250% of annual base salary in exceptional circumstances. The Remuneration Committee determines the appropriate performance measures, weightings and targets prior to granting any awards. Performance conditions include Total Shareholder Return ("TSR") relative to a relevant comparator group and the Company's absolute underlying Earning Per Share performance.

On 18 September 2018, the Group granted 156,970 of the Company's shares to Executive Directors and senior management ("PSP1"); these awards have a set limit for Executive Directors of 75% of the annual base salary and have a fair value of £534k. Vesting of the PSP1 awards is subject to continued employment and achievement of performance conditions measured over a three year period from 14 March 2018, being the date of the IPO, to 14 March 2021. If conditions are met, the awards will vest on 14 March 2021.

On 3 April 2019, the Group granted 253,518 of the Company's shares to Executive Directors and senior management ("PSP2"); these awards have a set limit for Executive Directors of 75% of the annual base salary and have a fair value of £614k. Vesting of the PSP2 awards is subject to continued employment and achievement of performance conditions measured over a three year period from 1 January 2019 to 31 December 2021. If conditions are met, the awards will vest on 31 March 2022.

On 23 April 2020, the Group granted 213,420 of the Company's shares to Executive Directors and senior management ("PSP3"); these awards have a set limit for Executive Directors of 75% of the annual base salary and have a fair value of £825k. Vesting of the PSP3 awards is subject to continued employment and achievement of performance conditions measured over a three year period from 1 January 2020 to 31 December 2022. If conditions are met, the awards will vest on 31 March 2023.

36. Share-based Payments (continued)

36.1. Description of Share-based Payment Arrangements (continued)

(B) POST-IPO (CONTINUED)

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

	2020 No.	2020 £'000	2019 No.	2019 £'000
Outstanding at the beginning of the year	**410,488**	**1,148**	156,970	534
Awarded	**213,420**	**825**	253,518	614
Forfeited	**(16,667)**	**(43)**	–	–
Outstanding at the end of the year	**607,241**	**1,930**	410,488	1,148

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.

On 3 April 2019, the Group granted 49,756 of the Company's shares to eligible Directors as part of the annual bonus award for performance during the financial year ended 31 December 2018 ("DBSP1"). The DBSP1 awards vest on 3 April 2021 subject to continued employment up to this date. The fixed amount awarded being £149k will be expensed over the three year vesting period.

On 23 April 2020, the Group granted 72,717 of the Company's shares to eligible Directors as part of the annual bonus award for performance during the financial year ended 31 December 2019 ("DBSP2"). The DBSP2 awards vest on 23 April 2022 subject to continued employment up to this date. The fixed amount awarded being £313k will be expensed over the three year vesting period.

During March 2021, the Group will notify eligible Directors of their intention to grant shares as part of the annual bonus award for performance during the financial year ended 31 December 2020 ("DBSP3"). The number of shares awarded will be determined at the grant date in April 2021. The DBSP3 awards vest on 1 January 2023 subject to continued employment up to this date. The fixed amount awarded being £364k will be expensed over the three year vesting period.

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

	2020 No.	2020 £'000	2019 No.	2019 £'000
Outstanding at the beginning of the year	**45,809**	**137**	–	–
Awarded	**72,717**	**313**	49,756	149
Forfeited	**(10,184)**	**(39)**	(3,947)	(12)
Outstanding at the end of the year	**108,342**	**411**	45,809	137

OTHER AWARDS

The Group has continued to make awards to employees joining the business. The grant date of each award is the start date of employment with the fair value being a fixed amount stated in an employee's offer letter. The number of shares awarded is determined by the market value at the grant date. The awards will vest on the second anniversary of the grant date subject to continued employment.

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

	2020 No.	2020 £'000	2019 No.	2019 £'000
Outstanding at the beginning of the year	**25,913**	**95**	3,668	15
Awarded	**82,280**	**328**	22,245	80
Exercised	**(6,086)**	**(25)**	–	–
Outstanding at the end of the year	**102,107**	**398**	25,913	95

36.2. Expenses Recognised During the Year

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

	2020 £'000	2019 £'000
PSP awards	**630**	382
DBSP awards	**242**	146
Other awards	**210**	166
Total share-based payments expense	**1,082**	694

37. Contingencies

The Group operates in a number of jurisdictions and enjoys a close working relationship with all of its regulators. It is not unusual for the Group to find itself in discussion with regulators in relation to past events. With any such discussions there is inherent uncertainty in the ultimate outcome but the Board currently does not believe that any such current discussions are likely to result in an outcome that would have a material impact upon the Group.

38. 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.

39. 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.

39.1. 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:

	2020 £'000	2019 £'000
Salaries and other short-term employee benefits	**2,199**	2,371
Post-employment and other long-term benefits	**130**	124
Share-based payments	**625**	383
Total payments	**2,954**	2,878

39.2. Other Related Party Transactions

Loans receivable from employees, associates and other related undertakings are disclosed in note 15.

The Group's associate, KIG (see note 32), has provided £838k of services to Group entities during the year (2019: £712k). The Group has an interest in Harmonate (see note 32); the Group has provided £273k of services to it during the year (2019: £nil).

39.3. Ultimate Controlling Party

JTC PLC is the ultimate controlling party of the Group.

40. Events Occurring After the Reporting Period

There have been a number of subsequent events from 31 December 2020 to the date of issue of these consolidated financial statements. They are as follows:

(a) Acquisition of INDOS Financial Limited ("INDOS")

On 11 February 2021, JTC entered into an agreement with INDOS, a specialist provider of depositary and other high value services for alternative investment funds, to purchase 100% of its share capital for a maximum consideration of £12.5m. The initial consideration is £11m which will be settled in cash of £10m and JTC equity of £1m. A further £1.5m contingent consideration is available on the achievement of performance targets. This represents an important strategic acquisition, adding complementary capabilities and technical expertise to JTC's increasingly sophisticated fund services offering.

(b) Acquisition of RBC CEES Limited ("RBC CEES")

On 10 December 2020, the Group announced the acquisition of RBC CEES from RBC Holdings (Channel Islands), part of RBC Wealth Management. RBC CEES is a market leading employee benefits platform with an internationally diverse blue-chip corporate client base. The consideration comprised of £20m in cash funded from existing facilities and this was paid on 6 April 2021, following the grant of shareholder and regulatory approvals. The acquisition is complementary to JTC's existing corporate and trustee services and significantly enhances the Group's employee benefits offering.

For both acquisitions detailed in (a) and (b) above, at the date the consolidated financial statements were authorised for issue, it was impracticable to disclose the information required by IFRS 3 'Business Combinations' as some of the required information was not available.

COMPANY

INVESTOR RELATIONS
David Vieira
Chief Communications Officer
JTC House
28 Esplanade
St Helier
Jersey
JE4 2QP
Email david.vieira@jtcgroup.com
Call +44 1534 816 246

MEDIA RELATIONS
David Vieira
Chief Communications Officer
JTC House
28 Esplanade
St Helier
Jersey
JE4 2QP
Email david.vieira@jtcgroup.com
Call +44 1534 916 246

COMPANY SECRETARY
JTC (Jersey) Limited
JTC House
28 Esplanade
St Helier
Jersey
JE4 2QP
Email jtc@jtcgroup.com
Call +44 1534 700 000

REGISTRAR
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey
JE1 1ES
Call +44 370 707 4040

ADVISERS

FINANCIAL ADVISERS
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT
Email mail@numis.com
Call +44 20 7260 1000

Berenberg
60 Threadneedle Street
London
EC2R 8HP
Email JTC@berenberg.com
Call +44 20 3207 7800

AUDITOR
PricewaterhouseCoopers CI LLP
37 Esplanade
St Helier
Jersey
JE1 4XA
Call +44 1534 838200

FINANCIAL PUBLIC RELATIONS
Camarco
107 Cheapside
London
EC2V 6DN
United Kingdom
Email info@camarco.co.uk
Call +44 20 3757 4980

BANKERS
The Royal Bank of Scotland International Limited
71 Bath Street
St Helier
Jersey
JE4 8PJ
Call +44 1534 285200

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

A2B
Advance to Buy programme 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)

AGM
Annual General Meeting

AML
Anti-Money Laundering

APM
Alternative Performance Measures

ANSON REGISTRARS
Anson Registrars Limited and Anson Registrars (UK) Limited

AUA
Assets under Administration

AUFISCO
Aufisco B.V. and Oak Tree Management B.V.

AUM
Assets under Management

AVNBW
Annualised value of new business won

BCP
Business continuity planning

BOARD
The Board of JTC PLC

CASH CONVERSION
The ratio of net cash from operating activities compared with EBITDA

CCO
Chief Commercial Officer

CEO
Chief Executive Officer

CFO
Chief Financial Officer

CFT
Combating the Financing of Terrorism

CGU
Cash-generating unit

COMPANY
JTC PLC

COVID-19 or COVID
The global pandemic caused by Covid-19

CPD
Continuing Professional Development

CRO
Chief Risk Officer

CSR
Corporate Social Responsibility

DBSP
Deferred Bonus Share Plan

EBIT
Profit before interest and tax

EBITDA
Profit from operating activities before depreciation, amortisation, interest and tax

EBT
Employee Benefit Trust

EBT12
Jersey Trust Company Employee Benefit Trust 2012

ECL
Expected credit losses

EDGE
Internally developed client portal for private clients and part of the JTC Private Office proposition

E4A
'Equity for All' – JTC's programme to promote wide employee share ownership in the Company

EIP
JTC PLC Employee Incentive Plan

EPS
Earnings Per Share

ESG
Environmental, Social and Governance

ESTAC
Internally developed platform acquired from NESF which leverages end-to-end integrated software to automate fund administration

EU
The European Union

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

EXEQUTIVE
Exequtive Partners S.A.

FCA
Financial Conduct Authority

FRC
Financial Reporting Council

FTSE
Financial Times Stock Exchange

FVOCI
Fair value through other comprehensive income

FVTPL
Fair value through profit or loss

FX
Foreign exchange

GBP, £ or STERLING
The lawful currency of the United Kingdom

GDC
Group Development Committee

GDP
Gross domestic product

GDPR
The General Data Protection Regulation (2016/679) on data protection and privacy for all individuals within the European Union and the European Economic Area

GHB
Group Holdings Board

GROUP
The Company and its subsidiaries

HARMONATE
Harmonate Corp.

HNW or HNWI
High net worth or High net worth individual

IASB
International Accounting Standards Board

ICS
Institutional Client Services

IFRS
International Financial Reporting Standards as adopted by the European Union

INDOS
INDOS Financial Limited

IPO
Initial Public Offering

ISAE 3402
Assurance standard developed by the International Auditing and Assurance Standards Board and supported by the International Federation of Accountants

ISC
Issued share capital

KIG
Kensington International Group Pte. Ltd

LIBOR
The London Interbank 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

LION
'Leaders In Our Name' – JTC's in-house management development programme

LSE
London Stock Exchange

LTIP
Long-Term Incentive Plan

LTM
Last twelve months

LVW
Lifetime Value Won is 10 times annualised value of work won minus value of attrition in past year

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 S.A.

NACT
New Amsterdam Cititrust B.V.

NED
Non-Executive Director

NESF
NES Financial Corp

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 pro-forma contribution from acquisitions and synergies

NON-UNDERLYING ITEMS
These represent specific items of income or expenditure that are not of an operational nature and do not represent the underlying 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

NPV
Net present value

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

PCS
Private Client Services

PDMR
Person Discharging Managerial Responsibility

PII
Professional Indemnity Insurance

PLC EBT
JTC PLC Employee Benefit Trust

PRO-FORMA
Taking into account a full year's trading

PSP
Performance Share Plan

PWC
PricewaterhouseCoopers CI LLP

RBC CEES
RBC Cees Limited

RECOMMENDATION FOR SIGNING or RFS
A 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

RFP
Request for proposal

SANNE PRIVATE CLIENTS
Sanne's Private Client's business in Jersey

SASB
Sustainability Accounting Standards Board

SDGs
Sustainable Development Goals

S&GFA
Swiss & Global Fund Administration (Cayman) Ltd

SHARES
The Ordinary shares in the capital of the Company

SHAREHOLDER
Any holder of Ordinary shares at any time

SID
Senior Independent Director

SME
Small and medium sized enterprise

TA
Transfer agency

TCFD
Task Force on Climate-related Financial Disclosures

TSR
Total Shareholder Return

UHNW or UHNWI
Ultra high net worth or Ultra high net worth individual

UNDERLYING BASIC EARNINGS PER SHARE
Profit for the year is adjusted for non-underlying items, net present value discounts, the amortisation of both customer relationship intangible assets and loan arrangement fees and the temporary differences arising on the amortisation of customer relationships then divided by the weighted average number of Ordinary shares

UNDERLYING EBITDA
EBITDA excluding specific items of income or expenditure that are not of an operational nature and do not represent the underlying operating results

UNDERLYING EBITDA MARGIN
Underlying EBITDA divided by revenue, and expressed as a percentage

UNDERLYING GROSS PROFIT
Gross profit (being revenue less direct staff and other direct costs) excluding specific items of income or expenditure that are not of an operational nature and do not represent the underlying operating results

UNDERLYING GROSS PROFIT MARGIN
Underlying gross profit divided by revenue, and expressed as a percentage

UNDERLYING PROFIT FOR THE YEAR
Profit for the year excluding specific items of income or expenditure that are not of an operational nature and do not represent the underlying operating results

USD or $
The lawful currency of the United States

JTC PLC

JTC House
28 Esplanade
St Helier
Jersey
JE2 3QA

Channel Islands

jtcgroup.com