EQUINITI

15

ANNUAL REPORT 2015

Equiniti keeps things running smoothly for some of the UK's best known brands and public sector organisations.

CONTENTS

Highlights

£369.0m
REVENUE
2014: £292.3m

£86.2m
EBITDA PRE-EXCEPTIONAL ITEMS
2014: £70.0m

23.4%
EBITDA MARGIN PRE-EXCEPTIONAL ITEMS
2014: 23.9%

£10.2m
EARNINGS BEFORE INTEREST AND TAX
2014: £21.7m

£97.6m
FREE CASH FLOW[1]
2014: £72.5m

113%
FREE CASH CONVERSION[1]
2014: 104%

13.5p
NORMALISED[2] EPS
2014: 10.7p

2.8X
LEVERAGE
2014: 6.5x

1 For definition see financial review on page 39

2 Normalised profit is defined within the financial review on page 38

“

THIS HAS BEEN A STANDOUT YEAR FOR EQUINITI. OUR IPO HAS GIVEN US A NEW CAPITAL STRUCTURE AND NEW INVESTORS, AND LAUNCHES US INTO THE PUBLIC MARKETS WE SERVE ON THE SAME STANDING AS THE MANY LISTED CLIENTS WE SUPPORT YEAR AFTER YEAR.”

GUY WAKELEY, CHIEF EXECUTIVE OFFICER

FINANCIAL HIGHLIGHTS

- Revenue growth of 26%; underpinned by 7% organic revenue growth and growth across all divisions
- Pre-exceptional EBITDA growth of 23%, with margins of 23.4%, reflecting investment in growth offset by regulatory costs
- EBIT of £10.2m after the impact of exceptional costs primarily associated with our listing on the London Stock Exchange
- Free cash conversion of 113%; free cash flow increased by 35% to £97.6m
- Net debt/EBITDA significantly reduced to 2.8x following restructuring of the balance sheet, strong working capital management (reduction of £11m) and timing of the payment of some IPO fees paid in 2016 (£16m)
- Normalised earnings per share grew to 13.4p from 10.7p on a like-for-like basis. Basic and diluted loss per share was 93p
- Recommend dividend of 0.68p per share, pro-rated full year proforma dividend of 4.08p per share, in line with our stated policy

OPERATIONAL HIGHLIGHTS

- 12% revenue growth from cross-selling and up-selling to our top 24 accounts
- Key new client wins including 17 new share registration clients such as Virgin Money, Shawbrook, Aldermore and Worldpay
- Retained all FTSE 350 share registration clients during the year
- Completed the strategic acquisitions of Selftrade and TransGlobal Payment Solutions
- Developed new capabilities, including an estate administration and bereavement service, a loan book management solution, white label share dealing and foreign payments processing
- Launched technology products such as Compendia mobile for pensions, a Selftrade mobile app and technology to manage reputations on social media
- Improved operational efficiencies though the increased scale and resilience of our centre in Chennai and rationalising our property footprint
- Premium listed on the main market of the London Stock Exchange in October 2015

OUTLOOK

2016 will be our first full year as a public company and we will continue to implement our well defined strategy. We will remain focused on our core markets in the UK, providing specialist technology and services for clients facing the challenges of tightening compliance and regulation, and the need to find new service models to manage their customers in a digital age. We maintain our guidance set out at the time of the IPO. We aim to achieve annual organic revenue growth of 5%, supplemented by further acquisitions, while expanding our margins through our efficiency programme and de-leveraging the Group.

EQUINITI DELIVERED AN EXCEPTIONAL SERVICE. THEY LISTENED TO WHAT WE WANTED, UNDERSTOOD WHAT WAS IMPORTANT TO US THEN SET OUT HOW WE COULD ACHIEVE IT WITHIN TIGHT TIMESCALES. THEY HAVE DELIVERED A FANTASTIC SOLUTION WHICH MATCHES OUR GLOBAL ASPIRATION AND ALLOWS ALL OF OUR EMPLOYEES TO HOLD AND TRANSACT SHARES ELECTRONICALLY IN THE GLOBAL NOMINEE. I WOULD HIGHLY RECOMMEND THEM."

VICTORIA HAMES, INTERIM COMPANY SECRETARY. WORLDPAY

Making the future today for our financial services clients

01

Strategic Report

WHAT WE DO

Equiniti provides sophisticated administration, processing and payment services, as well as smart technology solutions, for increasingly complex and regulated markets.

Our activities are often mission-critical to our clients but not core to their organisations. By taking care of these services, we free our clients to focus on what matters most to them. The services we provide, alongside our systems and technology, mean we build deep and lasting relationships that allow us to continue to innovate and add value to our clients, who include 70% of the FTSE 100 and large public sector organisations.

We also provide services to millions of individuals, enabling them to manage their company benefits, such as employee share schemes and pension schemes, and to trade through our execution-only investment services platform. Our services and platforms are used by 27 million UK citizens, reaching half of the economically active population.

“

WE BUILD LASTING RELATIONSHIPS THAT ALLOW US TO CONTINUE TO INNOVATE AND ADD VALUE

OUR DIVISIONS

WE SERVE OUR CLIENTS THROUGH THREE DIVISIONS

INVESTMENT SOLUTIONS

32%

of 2015 revenues

Investment Solutions encompasses our Registration Services, Investment Services and Employee Services businesses. The division offers a broad range of business to business and retail services, including share registration for around half the FTSE 100, SAYE scheme administration and share incentive plan administration for 1.1 million employees, and bereavement services. Investment Services also provides sharedealing, wealth management and international payments to corporate clients, their employees and direct to around 350,000 retail customers.

INTELLIGENT SOLUTIONS

27%

of 2015 revenues

Intelligent Solutions targets complex or regulated activities to help manage customer, citizen and employee interactions. It offers enterprise workflow solutions that automate processes such as case, complaints, document and people management. It provides credit services, including credit origination and loan administration, as well as specialist resource for rectification and remediation and company secretarial support. The division also works with clients to ingest, cleanse and analyse large volumes of data, creating a single view of the customer and opening up opportunities to monetise data archives. Intelligent Solutions’ proprietary technology includes MADE for loan calculations and MMX for complaints management and social media triage.

PENSIONS SOLUTIONS

38%

of 2015 revenues

Pension Solutions offers administration and payment services to pension schemes, pension software, data solutions and life and pensions administration. The division is a scale provider of pension technology, with its proprietary Compendia platform securing six awards for technology in 2015, including FSTech’s “Tech provider of the year”, Gold winner at the 2015 App Design Awards and the prestigious “Best Fintech App” at the Appsters awards. Pension Solutions operates some of the largest pension schemes in the UK, including the National Health Service scheme with more than 2.6 million members and the Armed Forces Veterans, which we have continuously served since 1836.

The remaining 3% of 2015 revenues relate to the interest income we earn on balances we administer on our clients’ behalf.

BUSINESS OVERVIEW

KEY FACTS

1,700 CORPORATE CLIENTS

RELATIONSHIPS WITH **c70** OF THE **FTSE 100**

100% RETENTION OF FTSE 350 CLIENTS IN 2015

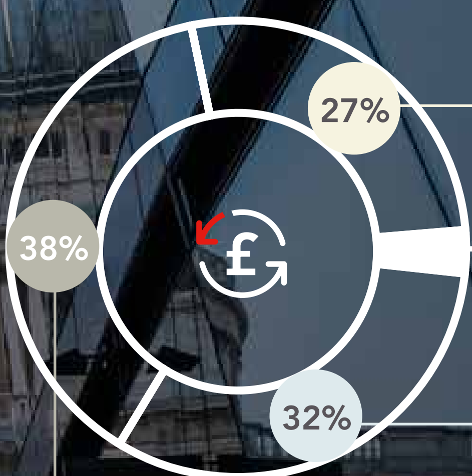
£90bn PAYMENTS MADE EACH YEAR

70m SHAREHOLDER RECORDS HELD

1.1m SHARE PLAN INVESTORS

c4,000 EMPLOYEES

INTERACTIONS WITH **27m** SHAREHOLDERS AND PENSIONERS



INTELLIGENT SOLUTIONS

INVESTMENT SOLUTIONS

PENSIONS SOLUTIONS

INTEREST INCOME

3%

of 2015 revenues

In addition to our three divisions, we earn interest income on balances we administer on our clients' behalf

BUSINESS OVERVIEW

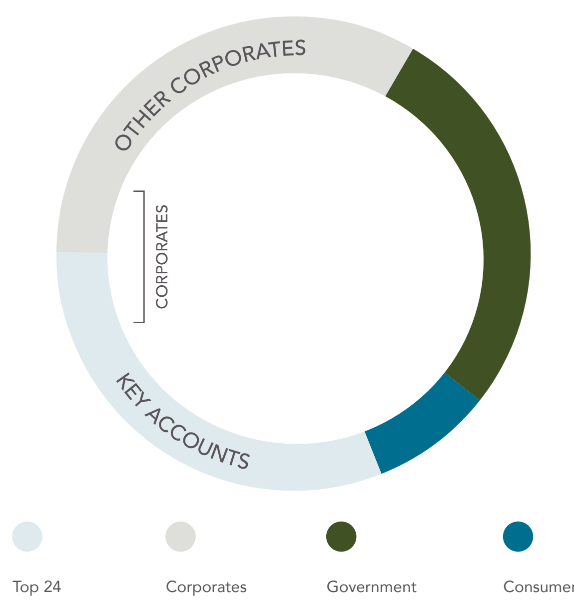
OUR CLIENTS

Our clients include many of the UK's best-known brands and public sector organisations. We have a broadly spread client base, combining long-standing relationships and new client wins. Our average relationship with FTSE 100 share registration clients is more than 20 years.

WORKING WITH BAE SYSTEMS FOR OVER **29** YEARS

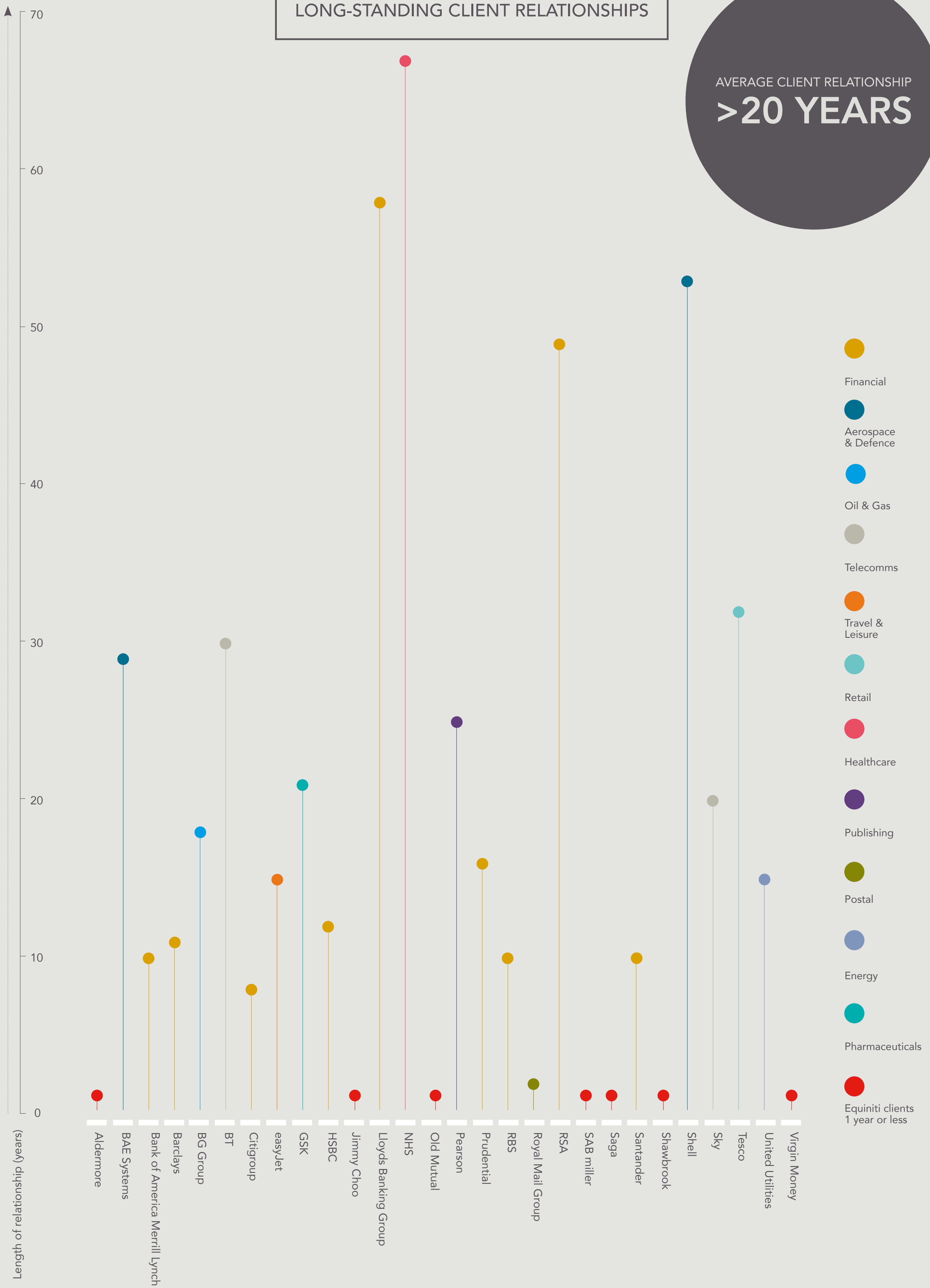
> “WHEN DEVELOPING BUSINESS ESSENTIALS, WE NEEDED A SOLUTION THAT COULD PROVIDE THE BEST CUSTOMER EXPERIENCE. WE WANTED TO ENSURE THAT THE PROCESS WAS USER-FRIENDLY FOR OUR CUSTOMER SERVICE TEAM AND NIMBLE ENOUGH FOR BUSINESS CUSTOMERS APPLYING ONLINE. EQUINITI PANCREDIT WAS THE PERFECT FIT.”
>
> PAUL LAWTON, GENERAL MANAGER OF SMB AT O2

DIVERSE CUSTOMER BASE – % OF TOTAL REVENUE BY CUSTOMER TYPE



LONG-STANDING CLIENT RELATIONSHIPS

AVERAGE CLIENT RELATIONSHIP
>20 YEARS



Proprietary technology is a key enabler for our business. It drives us forward, in a world increasingly focused on digital relationships, straight-through processing and using data strategically.

OUR TECHNOLOGY IS:

WELL INVESTED AND WHOLLY OWNED
Since 2007, we have invested more than £100m in strengthening our market-leading platforms.

SCALABLE
We have capacity across all our platforms, resulting in low marginal costs as growth accelerates.

FLEXIBLE
We have developed our proprietary platforms to meet specific client needs. We use these platforms to run our own operations and to provide software as a service and platform as a service for clients.

SECURE AND RESILIENT
Our infrastructure is on-shore and configured for security, resilience and scale.

CUSTODY AND SETTLEMENT, INVESTMENT AND WEALTH MANAGEMENT

EQ Xanite

Goodacre Systems In The City Award Winner 2015

BUSINESS OVERVIEW

OUR FOUR MAIN PLATFORMS

COMPENDIA PENSION ADMINISTRATION AND PAYROLL

EQ Compendia

SHARE REGISTRATION, DIVIDEND AND SHAREPLAN ADMINISTRATION

EQ Sirius

More information on our technology can be found on page 52.

ENTERPRISE WORKFLOW AND CASE & COMPLAINTS MANAGEMENT

EQ Charter

OUR INVESTMENT PROPOSITION

“

EQUINITI CHARTER GIVES US A CLEAR RECORD OF ANY COMPLAINTS THAT HAVE BEEN RAISED, WHAT THE ISSUE WAS, WHO THE CLIENT WAS, WHAT THE ROOT CAUSE WAS AND THE FINAL DECISION, AND WE HAVE SEEN A REAL TURNAROUND IN THE WAY WE HANDLE COMPLAINTS AS A RESULT OF THIS IMPLEMENTATION. ONE OF THE KEY REASONS WHY WE CHOSE EQUINITI CHARTER WAS BECAUSE THEIR PLATFORM IS HIGHLY INTUITIVE AND USER FRIENDLY. HOWEVER THE REAL VALUE IS THE RICHNESS OF THE DATA AND MANAGEMENT INFORMATION WE CAN MINE FROM IT. WE CAN EXTRAPOLATE ANY DATA WE WANT AT ANY GIVEN TIME TO SEE WHAT THE ISSUES ARE THAT WE ARE FACING.”

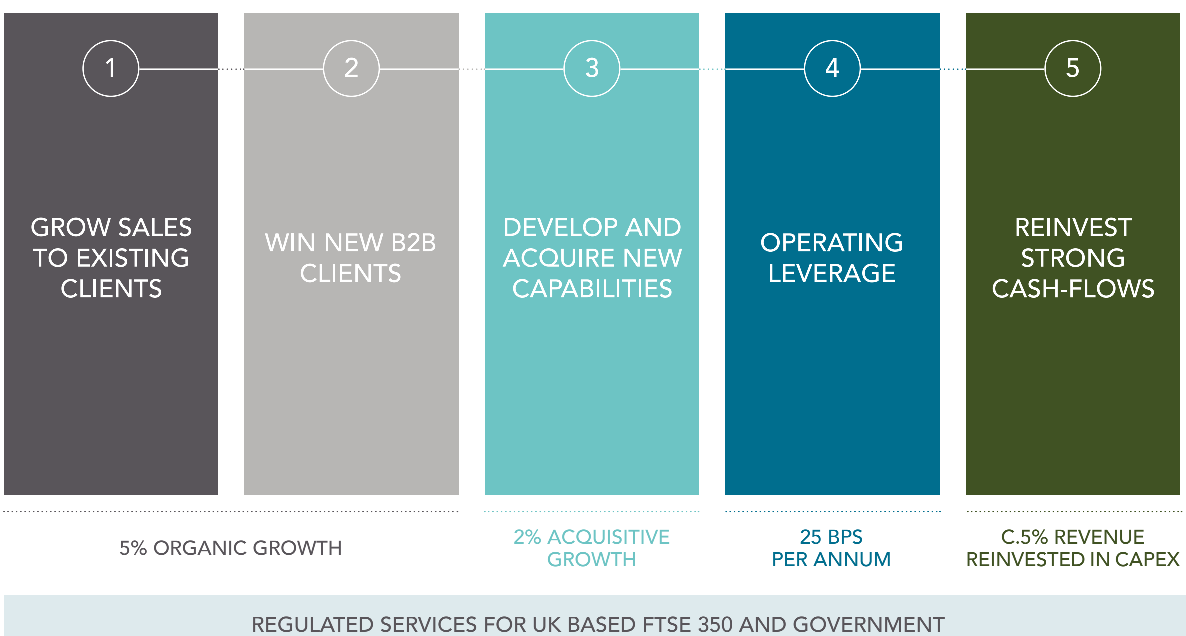
RICHARD FLORY, HEAD OF COMPLETE CUSTOMER CARE OF ACENDEN

Equiniti has a clear investment proposition, based on the following key strengths.

We have:

- Leadership positions in large and growing markets, giving us significant growth opportunities and strong momentum (see pages 16 to 17)
- Long-term contracts with high-fidelity, blue-chip clients, contributing to high revenue visibility and organic growth
- The opportunity to enhance our offerings to clients, increasing our revenue with them over time (see pages 48 to 59)
- Well-invested and scalable proprietary technology, which gives us a competitive advantage and supports our growth (see page 52)
- A strong M&A track record, adding capabilities to boost our growth
- Increasing profitability, through operational leverage and cost improvement
- Robust cash generation, providing the funds to invest whilst reducing debt and growing our dividend

DELIVERING THE GROUP STRATEGY



EQUINITI OPERATES IN LARGE AND GROWING MARKETS

We believe our addressable market in the UK is worth around £3.9bn. As we continue to develop our business and acquire new capabilities, our addressable market will expand further, particularly as we diversify our regulatory, payments and compliance propositions.

The main drivers of market growth are expected to be:

- Macro-economic recovery, rising interest rates and increased investor confidence, driving demand for investment-linked products and an increase in flotations, mergers and acquisitions, rights issues and buybacks.
- Long-term structural trends that result in greater cost and complexity for clients, in particular increasing regulation, technological advances and demand for high-quality and convenient services. These trends in turn are contributing to rising cost-consciousness among clients.

These long-term structural trends, which are described in more detail here, create compelling incentives for clients to outsource non-core services.

More information on developments in our markets during 2015 can be found in the operational review on **pages 30 to 35**

INCREASING REGULATION

There is ongoing pressure to protect consumers' interests through greater regulation and enhanced regulatory focus in the financial services sector on overseeing welfare reform, pensions and financial services products. The cost of compliance and the need to upgrade technology in response to new regulations encourages public and private sector organisations to outsource to third-party experts, such as Equiniti. Organisations who fail to meet their regulatory obligations also face more investigations, which accelerates demand for remediation services.

CONTINUING TECHNOLOGICAL ADVANCES

Innovation allows services that are traditionally people-based to be outsourced using technology. This expands the addressable market for service providers such as us, who have well-invested and scalable technology platforms and the experience of bringing in new technology through acquisition.

INCREASING DEMAND FOR QUALITY AND CONVENIENCE

Consumers increasingly expect to receive high-quality service and want to manage their affairs online. This requires extensive investment in websites, portals and mobile apps, which can be difficult and expensive for clients to do themselves. This drives demand for technology-based services and creates valuable digital relationships for us with our clients' employees and customers, opening up further opportunities for growth.

INCREASING COST-CONSCIOUSNESS AND FOCUS ON THE CORE

Companies and government agencies are increasingly aiming to do more with less, requiring them to focus on their core operations and to be more efficient. Outsourcing non-core functions allows them to simplify their operations and reduce their fixed costs, while technology-led solutions create further scope for operational efficiencies. Both of these enablers increase demand for our services.

OUR MARKETS

OUR MARKET-LEADING POSITIONS

WE ARE LEADERS IN MANY OF OUR MOST IMPORTANT MARKETS:

#1
CERTIFICATED TRADING

#1
SHARESAVE, SHARE INCENTIVE AND EXECUTIVE SHARE PLANS

#1
SHARE REGISTRATION AND CORPORATE ACTIONS

#2
PENSION ADMINISTRATION AND PENSION SOFTWARE

#4
EXECUTION-ONLY INVESTING

OUR COMPETITIVE ENVIRONMENT

The UK share registration market is primarily supported by three companies, Equiniti, Capita and Computershare. In registration services we have a market leading position, working with around 50% of the FTSE100.

Other markets we operate in are largely fragmented and we typically face a different set of competitors in each.

While we encounter competition in each market, we believe we are well placed to succeed. In markets where we have leadership positions, we benefit from our:

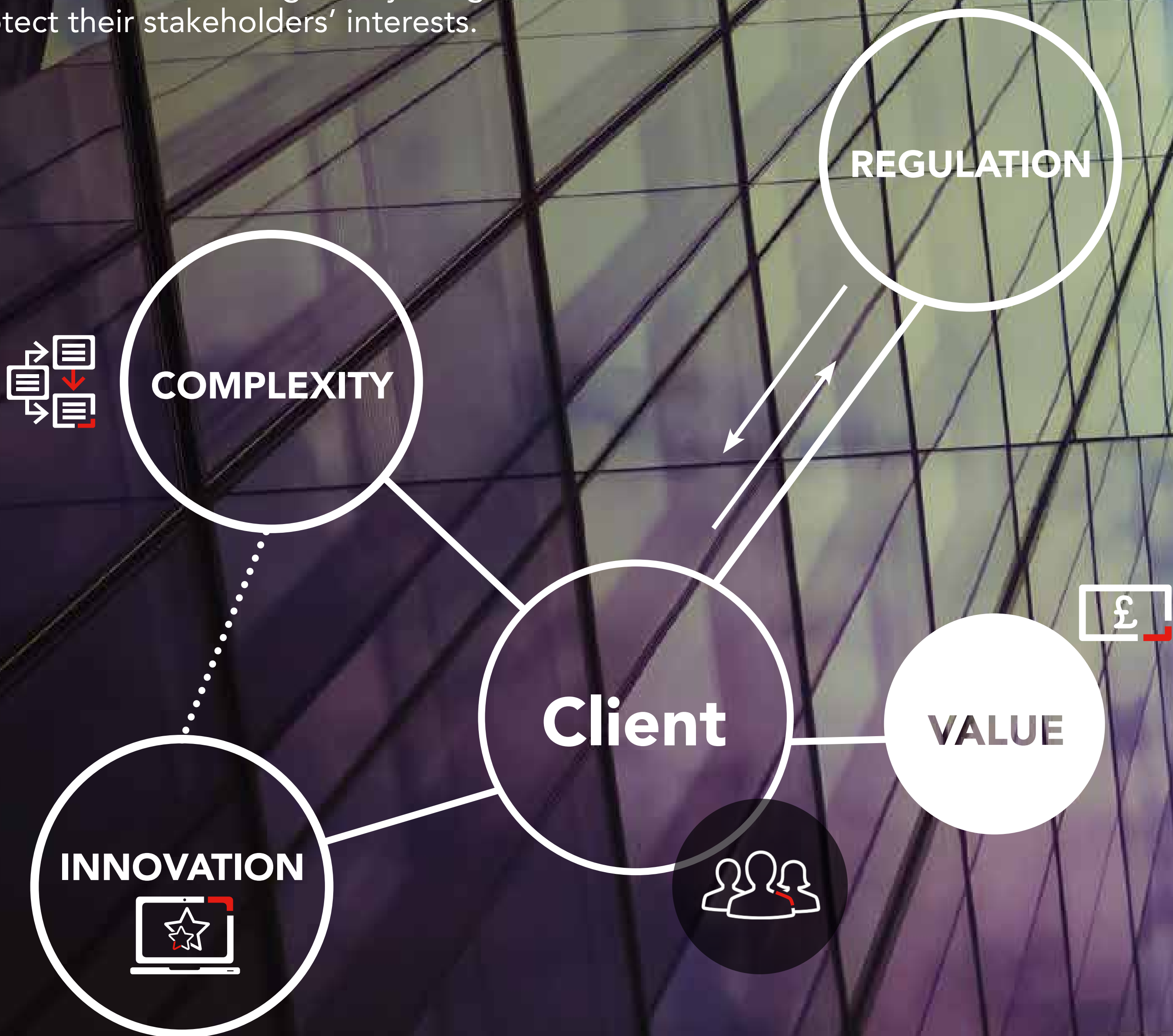
- customer loyalty, which leads to relationships lasting many years
- proprietary, and scalable technology
- expertise in handling high volumes of complex and sensitive data.

In markets where we have challenger positions, we are differentiated by our proven ability to process data and payments securely and accurately. Clients in many of our markets tend to be risk averse, given the critical nature of the services we supply, which means that operational excellence is critical for winning and retaining their business.

Business model

WHAT WE DO

Equiniti makes complex things simple.
By combining market-leading technology with experienced and specialist people, we assure delivery to our clients, and in turn to their customers, who are typically their employees, pensioners, shareholders and consumers. We also have significant experience of operating in regulated environments, helping our clients to meet their regulatory obligations and protect their stakeholders' interests.



THE VALUE WE ADD

Our activities are often non-core but mission-critical to our clients. They rely on us for highly accurate, flexible and effective services, helping them to manage increasing regulation and complexity, and to meet their stakeholders' evolving needs.

The quality of our delivery creates long-term relationships with our clients' senior decision makers. We then work with them to identify other issues or non-core activities, where we can deliver value and innovation by providing an improved outsourced solution. Our scale means we can make investments in technology and people that our clients could not make themselves. This allows us to deliver services more efficiently than clients could in-house, saving them money and giving them the flexibility to adjust the resources deployed throughout the year.

SUSTAINING OUR ADVANTAGE

Equiniti owns all of the technology, software and infrastructure required to run our core operations. Our technology platforms give us a distinct competitive advantage. They underpin our service delivery and form a barrier to entry, given the substantial experience, time and money required to build them. We continually invest in our platforms, to add functionality and ensure they keep pace with changing regulatory and fiscal requirements, and bring in innovative new platforms through acquisitions.

Our people are also vital. Their expertise enables us to provide sophisticated, high-margin services that are protected from commoditisation. We look to develop our people and offer career paths and interesting work, helping us achieve high retention rates. To ensure we are as efficient as possible, we have expanded our offshore capability in India, strengthening our technology development capabilities and providing testing and support facilities.

DELIVERING RETURNS

Extending the services we provide to existing clients is a key driver of our top line growth (see the Clients section of Resources and Relationships on page 54 for more information). Our market leadership positions also make us a natural choice for new clients. Multi-year contracts and long-term relationships give us high visibility of future revenues.

Our technology platforms provide significant operational leverage, which allows us to increase profits as we grow revenue. High free cash flow conversion provides funds to invest in growth and to further reduce our debt.

STRATEGY

OUR STRATEGY IS DESIGNED PRIMARILY TO DRIVE ORGANIC GROWTH, BY LEVERAGING OUR TECHNOLOGY PLATFORMS TO BROADEN THE RANGE OF SERVICES WE PROVIDE TO OUR CLIENTS. THE KEY COMPONENTS OF OUR STRATEGY ARE SET OUT BELOW.

STRATEGY	PROGRESS IN 2015

1 INCREASE PENETRATION OF EXISTING CLIENTS, THROUGH UP-SELLING AND CROSS-SELLING

Our long-term relationships with around 1,700 clients give us the opportunity to offer them additional services as we learn more about their requirements. This process is also stimulated by increasing regulation and clients' need to improve efficiency and manage complexity. Our entry point is often providing share registration services, with clients taking further services from us over time.

Progress in 2015

Our key accounts programme enabled us to deliver revenue growth of 12% through cross-selling and up-selling to our top 24 clients in 2015.

We have achieved an average 'X-factor' of five times for our key accounts, demonstrating our ability to up-sell and cross-sell. The 'X-factor' is the number of times we have grown the value of the original contract we signed with a client (see page 54 for more information).

Among many examples of successful up-selling and cross-selling during the year were:

- the migration of Santander's retail sharedealing service to our platform
- the provision of a complaints and remediation platform to Lloyds Banking Group
- the selling of share plan services to new share registration clients, such as Worldpay, Virgin Money, Shawbrook and Metro Bank

2 WIN NEW CLIENTS THROUGH SALE OF CORE PRODUCTS

We leverage our brand, domain expertise and reputation for high-quality service to win new clients.

Progress in 2015

Key new client wins in the year included:

- 17 share registration clients, including those noted above, as well as HSS, John Laing and DFS
- white label sharedealing services for Saga
- loan administration and credit origination for clients such as Telefonica
- international payments services for activpayroll, CloudPay and MarTrust

3 DEVELOP AND ACQUIRE NEW CAPABILITIES

We create new products in existing and adjacent markets, which allow us to leverage our technology platforms and specialist capabilities in complex outsourcing. We also make acquisitions that bring new services and technology platforms into the Group, reinforcing our organic growth platform.

Progress in 2015

During 2015, we successfully launched:

- an estate administration and bereavement service, aimed at executors or representatives of the deceased
- a new loan book management solution, for banks and financial institutions
- white label sharedealing services
- life validation and enhanced data analysis services

We also completed two strategic acquisitions, with the purchases of:

- Selftrade, which significantly increased the scale of our execution-only sharedealing platform
- TransGlobal Payment Solutions (TransGlobal), which gave us ownership of the technology underpinning Equiniti International Payments, strengthening our market offering

We delivered free cash flow of
£97.6m

Representing free cash conversion of
113%

Reducing working capital by
£11.4m

STRATEGY

STRATEGY	PROGRESS IN 2015

4 LEVERAGE THE BUSINESS TO BUSINESS TO CONSUMER (B2B2C) AND DIRECT TO CONSUMER (D2C) CHANNELS

We interact with millions of our clients' shareholders, pensioners and employees, as well as having around 350,000 direct retail customers for our sharedealing services. We see opportunities to provide additional services to these individuals, through existing channels.

We build relationships directly with consumers across a number of channels:

- 316,000 of our retail investors, who we connect with every month through our digital newsletter – an increase in circulation of 46% from the previous year
- 448,000 pensioners, via the pensioner affinity group Club Together, which has permissions to market financial, lifestyle, travel and insurance products
- the Selftrade mobile app, which we launched in 2015

5 FOCUS ON THE UK, FOCUS ON TECHNOLOGY

Equiniti has leading market positions in the UK in share registration, certified trading, share plan administration, pension administration and pension software. Our proprietary and scalable technology drives us forward, in a world increasingly focused on digital relationships, straight-through processing and using data strategically.

During the year, we retained our focus on the UK and continued to invest in the technology platforms that drive our business.

- regulatory change in the UK continues to drive our business with changes to pensions regulation, reform of the annuity market and increasing burden of regulation upon financial services
- since 2007, we have invested more than £100m in strengthening our market-leading platforms
- launched technology products such as Compendia mobile for pensions, the RetireMe app and technology to manage reputations on social media
- recognised with multiple awards for technology including the Best FinTech App at the 2015 Appsters Awards

6 IMPROVE AND MAXIMISE OPERATIONAL EFFICIENCIES, INCLUDING OFFSHORING

We invest in our people to maintain their skills and specialisms, and to continue to build the capacity and resilience of our operational centre in Chennai, India. In addition, we continually look to improve efficiency and reduce costs through improvement programmes across the Group.

During 2015, we:

- continued to invest in training our people, developing talent and managing performance

See the people section on **pages 48 to 51 for more information**

- further increased the scale and resilience of our centre in Chennai, which provides IT functions and back-office processing
- continued to deliver operational efficiencies, for example by replacing high-cost contractors with permanent staff
- rationalised our property footprint, closing seven properties during the year

7 USE STRONG CASH FLOW TO INVEST IN THE BUSINESS, REDUCE LEVERAGE & DRIVE SHAREHOLDER RETURNS

Our high-quality profits and focus on managing working capital enable us to deliver strong cash flows, which we use for capital expenditure, to reduce debt and support shareholder returns.

In 2015, we delivered free cash flow of £97.6m, representing a free cash conversion of 113%. We invested £18.4m in capital expenditure, equivalent to 5% of our revenue.

At the year end, we had net debt of £246m and a net debt to EBITDA ratio of 2.8 times. We aim to reduce our leverage over the medium term to 2-2.5 times.

We will also pay our maiden dividend in 2016. This will be on a proforma basis for our period of public ownership in 2015. The dividend has been declared at 0.68p per share, representing 4.08p per share on a full-year basis.

KEY PERFORMANCE INDICATORS

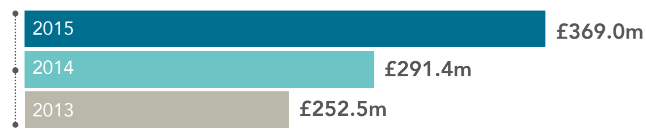
We use the following key performance indicators to track our progress, each of which links to one or more parts of our strategy, as described on pages 20 to 21. We have also set medium-term targets for our key financial metrics, which are described below:

KPI	RELEVANCE TO STRATEGY
REVENUE GROWTH Revenue is the invoiced value of services and software provided to clients in the year, plus interest income. Revenue and EBITDA prior to exceptional items has been adjusted in 2013-2014 to reflect the impact in fundamental changes to the business, as outlined in the Group's prospectus. No adjustments have been made to 2015 results.	Delivering organic revenue growth is at the heart of our strategy. We supplement this with growth from acquisitions. Links to the following strategy elements: 1 2 3 4 5
PRE-EXCEPTIONAL EBITDA MARGIN Earnings before interest, tax, depreciation, amortisation and exceptional items, as a percentage of revenue. Revenue and EBITDA prior to exceptional items has been adjusted in 2013-2014 to reflect the impact in fundamental changes to the business, as outlined in the Group's prospectus. No adjustments have been made to 2015 results.	The pre-exceptional EBITDA margin reflects the quality of the new business we win and our ability to improve our efficiency. Links to the following strategy elements: 1 2 3 4 5 6
FREE CASH FLOW CONVERSION Free cash flow (pre-exceptional) EBITDA less the change in working capital, adjusted for the impact of exceptional items) as a percentage of pre-exceptional EBITDA.	Our strategy requires us to generate cash to fund investment, reduce leverage and support shareholder returns. Links to the following strategy element: 7
LEVERAGE The ratio of net debt to (pre-exceptional) EBITDA.	A strong balance sheet is important for giving us the capacity to invest organically and in acquisitions. Links to the following strategy elements: 7
CLIENT SATISFACTION Three key measures: 1. Net Promoter Score (NPS), measured half yearly via on-line and paper surveys 2. Customer Effort Score (CES), measured via on-line, paper and interactive voice response surveys 3. Contact centre customer satisfaction score	Client satisfaction shows how well we are meeting their needs, which is essential for protecting our existing business and our ability to grow, both through selling more to existing clients and through attracting new clients. Links to the following strategy elements: 1 2 5

KEY PERFORMANCE INDICATORS

PERFORMANCE | TREND

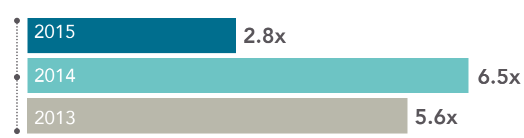
TARGETS: ANNUAL REVENUE GROWTH OF 5% ORGANIC AND 2% FROM ACQUISITIONS
Total revenue grew by 26.2% during the year. Organic revenue growth was at 6.8%, with growth from acquisitions of 19.4%.



TARGET: GRADUAL MARGIN IMPROVEMENT
Our pre-exceptional EBITDA margin was 23.4% (2014: 23.1%), reflecting investment in growth and regulatory costs.

TARGET: CASH CONVERSION OF MORE THAN 95%
In 2015, we again delivered a strong cash flow performance, with cash conversion of 113% (2014: 104%).

TARGET: LEVERAGE OF 2-2.5 TIMES IN THE MEDIUM TERM
At 31 December 2015, our leverage was 2.8 times, reflecting a substantial reduction over the last 12 months.



TARGET: NPS OF 40 IN THE MEDIUM TERM, CES 95%, CONTACT CENTRE CUSTOMER SATISFACTION 97%

1. NPS – 35
2. CES – 89% of customers find it very easy or easy deal with us*
3. Contact centre customer satisfaction – 93%**

* Industry bench-mark is 70% (Institute of Customer Services)
** Industry bench-mark is 77%

These KPI's were introduced in 2015

KEVIN BEESTON, CHAIRMAN

Delivering our strategy

I am pleased to report good results for Equiniti's first period since listing as a public company.

During the year, we grew revenue by 26.2%, pre-exceptional EBITDA by 23.1% and normalised[1] profit by 25.5%, benefiting from both organic growth and the impact of strategic acquisitions. Free cash conversion prior to exceptional items remained strong at 113%. Equiniti's consistently high cash generation gives us the funds to invest in the business while continuing to reduce leverage, which is an important focus for the Board, as well as to support shareholder returns.

The Board has proposed a dividend, subject to shareholder approval, of 0.68p per share for the period from admission on 30 October 2015 to the year end. This will be paid on 10 May 2016 to shareholders on the register at 1 April 2016. Going forward, we intend to adopt a progressive dividend policy, which will see us distribute around 30% of our normalised profit each year.

AN ATTRACTIVE BUSINESS

This annual report builds on the detailed disclosures in the prospectus we issued in October and which is available from our website. Together, these documents set out why we believe Equiniti is an attractive proposition for investors. In addition to our strong cash generation, we benefit from market leadership positions, well-invested proprietary technology, blue chip clients and high levels of recurring revenue. These recurring revenues are the result of long-standing contracts and relationships, together with the non-discretionary nature of many of our services.

We also know that our continued success depends on our ability to add value for all our stakeholders. This includes providing high-quality, dependable services to our clients and retail customers, offering satisfying careers, personal development and fair rewards to our people, and meeting our regulatory obligations by ensuring strong governance and effective management of both the Group and our regulated businesses. Ultimately, delivering for these stakeholders underpins our ability to create long-term value for our shareholders.

ROBUST GOVERNANCE

Equiniti has a high-quality Board, which we developed during our period of private ownership to ensure we started life as a public company with robust and experienced governance in place. The importance of managing risk in our business is reflected in our establishment of a separate Risk Committee, in addition to the Audit, Nominations and Remuneration Committees. Each committee is chaired by a different Director, with relevant experience.

The Board recognises that as well as the right governance structures, business success requires the right culture and values throughout the Group. Equiniti's culture is based on service excellence, innovation, transparency and doing the right thing. This supports working in regulated markets and providing mission-critical services for our clients, involving substantial volumes of payments and assets. We understand the significance of our culture and the need for the Board to set the tone from the top, and have developed our agenda to ensure the Board provides appropriate oversight.

1 Normalised profit is defined within the financial review on page 36.

CHAIRMAN'S STATEMENT

KEVIN BEESTON, CHAIRMAN

DURING THE YEAR WE GREW REVENUE BY

26.2%

PRE-EXCEPTIONAL EBITDA BY

23.1%

NORMALISED PROFIT BY

25.5%

LOOKING AHEAD

The growth drivers for our business remain compelling. Increasing regulation, our strategy of utilising our proprietary technology to cross-sell new and additional services to our excellent client base, winning new high-quality accounts and our ability to add to our offering through acquisition will all contribute to good top line growth. At the same time, we have the opportunity to enhance our margins, both by operating more efficiently and further offshoring. Taken together, we believe these factors give us strong prospects.

Finally, I would like to thank our clients for their continued relationship with Equiniti, our previous owners and current shareholders, Advent International, for their support over the past eight years, and the Board, our management and all of our employees for their efforts in achieving a successful listing and for giving us a solid foundation for the years ahead.

Kevin Beeston, Chairman

7 March 2016

CHIEF EXECUTIVE'S STATEMENT

GUY WAKELEY, CHIEF EXECUTIVE

A watershed year

This has been a standout year for Equiniti. Our IPO has given us a new capital structure and new investors, and launches us into the public markets we serve on the same standing as the many listed clients we support year after year.

Organic growth is at the heart of our strategy and our technology platforms are key, giving us the ability to cross-sell and up-sell our services. Throughout the year we have broadened our capabilities and deepened our specialisms, increasing our focus on regulated markets. As just one example, this year we provided a complaints and remediation platform to Lloyds Banking Group, which has been a client for nearly 60 years. At the same time, our key accounts programme is leading to deeper client relationships and increased client fidelity, with one or more services provided to 70 of the FTSE 100 companies and to the majority of UK retail banks. Retention of our FTSE 350 clients remained at 100% and in total, we had an order intake of £209.7m in 2015 (2014: £200.6m) excluding transactions and short term project income.

Technology also opens up multiple revenue channels with our clients, allowing us to reach through to their employees, pensioners and customers and build lasting digital relationships. With the addition of Selftrade in January 2015, we have substantially expanded our retail share-dealing platform and become one of the UK's largest retail stockbrokers. As well as providing new growth opportunities for us in the B2B2C and D2C spaces, we are increasingly able to white label these services for our clients. Notable wins during the year included white label share-dealing services for Saga and the migration to us of a number of legacy books from established clients including Santander.

WE INCREASED REVENUE BY

26.2% TO **£369.0m**
(2014:£292.3m)

CHIEF EXECUTIVE'S STATEMENT

GUY WAKELEY, CHIEF EXECUTIVE

In 2015, we saw the benefits of our strategy coming through in our financial performance. We increased revenue by 26.2% to £369.0m (2014: £292.3m), with diversification of our revenue streams leading to organic growth of 7% – around twice the rate of some of our larger competitors. Acquisitions contributed £56.0m to 2015 revenue, with a full year from our 2014 acquisitions and initial contributions from Selftrade and TransGlobal, which we bought in January and September respectively. EBITDA pre-exceptional items was £86.2m (2014: £70.0m), an increase of 23.1%, resulting in a pre-exceptional EBITDA margin of 23.4%, compared with 23.9% in 2014. EBIT declined to £10.2m (2014: £21.7m) primarily as a result of the costs relating to our IPO.

ADDING TO OUR TECHNOLOGY PLATFORMS

TransGlobal provides foreign exchange payments through a proprietary cloud-based platform, servicing a global portfolio of corporate clients. It follows a series of capability enhancing acquisitions for us, focused on technology.

We intend to continue adding to our offerings by acquiring niche technology companies, with a particular focus on compliance, regulation and customer service in the financial services sector. We have developed a healthy pipeline of potential targets, which we will transact if they meet our disciplined financial criteria.

We also continue to invest in our existing platforms, to add to their functionality and ensure we keep pace with the needs of our clients and the expectations of their customers, who increasingly want to self-serve and transact online. Our technology platforms are a major source of competitive advantage for us and an important strategic focus.

STRENGTHENED LEADERSHIP

Over the last two years we have substantially enhanced our senior management team, to give us the leadership we need to take advantage of the opportunities in front of us. We were delighted to appoint John Stier as Chief Financial Officer in 2015. John joined us after 12 years as CFO of Northgate Information Solutions, a global software and outsourcing business. We also recruited senior specialists in information security and pensions. Equiniti now has a fully established executive and leadership team, with each member having considerable talent and industry experience in their area.

"

THIS YEAR WE PROVIDED A COMPLAINTS AND REMEDIATION PLATFORM TO LLOYDS BANKING GROUP, WHICH HAS BEEN A CLIENT FOR NEARLY 60 YEARS.

The IPO gave us the opportunity to launch our own LTIP and SAYE schemes, to enable our people to benefit from our future success and to align their interests with those of our shareholders. We were thrilled by the take-up of the SAYE scheme, with more than 53% of our staff signing up.

Efficiency remains an important theme for us. We have worked hard to increase the resilience and scale of our offshore facilities in Chennai, India, where we now have capacity for c700 people. The resilience of the Equiniti operating model was demonstrated in December 2015, when the severe flooding in Chennai caused us to suspend operations at our principal offshore location. All offshore activities were rolled back to mainland UK locations, with no interruptions to delivery and with all service levels sustained. I am very grateful to our UK and Indian teams for their extraordinary efforts during this time of particular disruption.

We have also continued to invest in recruitment and training for our onshore centres, where customer satisfaction levels remain high at 90% and net promoter scores have increased to 35. This compares to an average in financial services of zero, supporting the quality of work we deliver to clients.

A CONFIDENT OUTLOOK

2016 will be our first full year as a public company and we will continue to implement our well defined strategy. We will remain focused on our core markets in the UK, providing specialist technology and services for clients facing the challenges of tightening compliance and regulation, and the need to find new service models to manage their customers in a digital age. We maintain our guidance set out at the time of the IPO. We aim to achieve annual organic revenue growth of 5%, supplemented by further acquisitions, while expanding our margins through our efficiency programme and de-leveraging the Group.

Guy Wakeley, Chief Executive Officer

7 March 2016

CASE STUDY

CITIGROUP

Citigroup and Equiniti began working together in 2006. In 2015 Citigroup adopted Equiniti as a technology vendor in EMEA to leverage our suite of smart technology solutions.

CITIGROUP

Citigroup, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citigroup provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

CASE STUDY

CITIGROUP

EQUINITI AND CITIGROUP

Building a partnership for success with Citigroup

The partnership covers a strategic proposition for international payments as well as the delivery of Equiniti's services to Citigroup for life validation, skilled complaint management resource and the management of legacy accounts. These solutions are provided by our Investment Solutions and Intelligent Solutions divisions.

The international payments proposition incorporates technology and administration processing from Equiniti, combined with Citigroup's unrivalled payments network. Equiniti makes around 800,000 international payments with a value of £1 billion each year, including the payment of pensions, salaries, share dividends and proceeds from corporate actions, to overseas residents as well as to organisations in the public and private sector overseas. In 2015 we have seen particular growth in the area of international remuneration payments.

We work with Citi in their provision of innovative value add services. Equiniti supports Citi's Life Validation solution using the Group's data management and business processing skills. We have developed a campaign management system to support this service and a pensioner portal. Equiniti and Citi continue to work together to enhance and digitise this proposition. Equiniti also runs a digital archive and retrieval service for divested and closed book accounts, covering 7.4 million UK account customers across ten banking products, including former Egg and Diners Club brands.

"

WE HAVE BUILT A STRONG RELATIONSHIP WITH EQUINITI OVER THE YEARS. WE KNOW THE BUSINESS, WE KNOW THE PEOPLE AND WE HAVE A GOOD UNDERSTANDING OF HOW TO SUPPORT THEIR GROWTH."

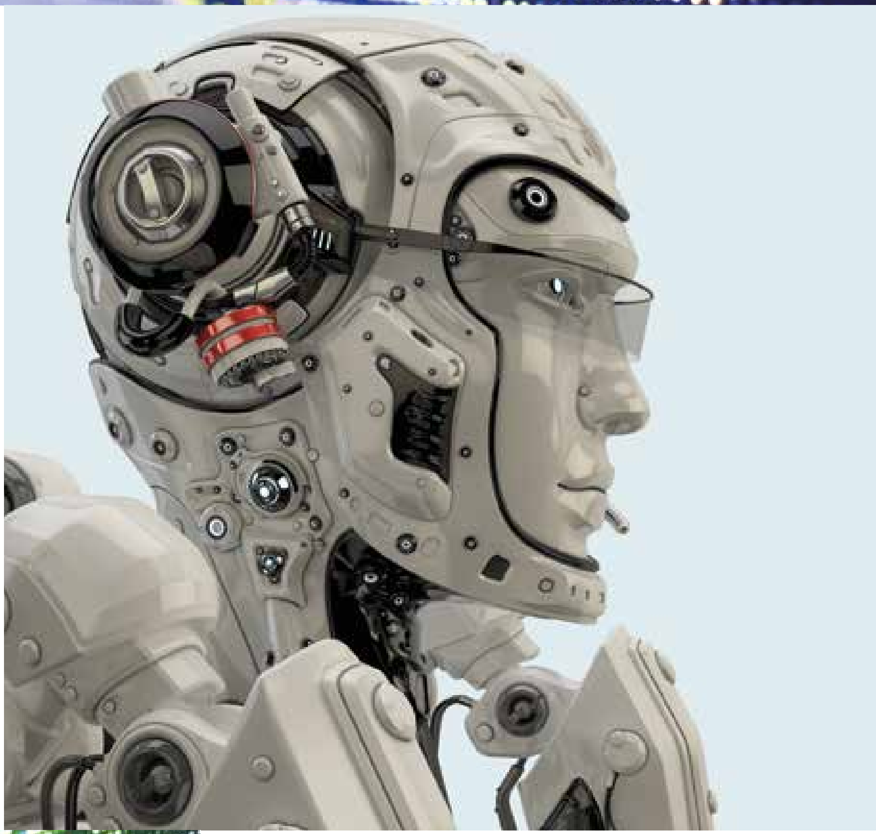
EMEA REGION HEAD, TREASURY AND TRADE SOLUTIONS, CITIGROUP

OPERATIONAL REVIEW

INVESTMENT SOLUTIONS

INVESTMENT SOLUTIONS INCREASED ITS REVENUE BY

24.7%



MARKET DEVELOPMENTS IN 2015

The listing of businesses on the main market continued to stimulate new business for Equiniti during the year, in particular in the financial services sector.

The timetable for dematerialisation of shareholder records was clarified, with the EU mandating that electronic records must by implemented by 2023 for new securities and 2025 for existing ones. The UK government must now implement the directive through legislation, which we expect will be in 2017 at the earliest. The Department for Business, Innovation & Skills intends to conduct a market consultation during 2016. Although a mid-term trend, this welcome news provides opportunity for future market efficiency and cost-reduction.

THE MAXIMUM SAVING INTO SHARESAVE SCHEMES HAS DOUBLED TO

£500 PER MONTH

Increased limits for sharesave schemes and share incentive plans (SIPs) has had a significant benefit in this market. The maximum saving into sharesave schemes has doubled to £500 per month, while the investment limit for SIPs has increased by £25 per month. This has the potential to materially increase the balances we administer on behalf of clients.

Although the execution-only brokerage market was affected by a general downturn in trading volumes in the second half of the year, we have taken the opportunity to diversify our product mix, in particular the provision of lower-case asset classes such as exchange traded funds.

OPERATIONAL REVIEW

INVESTMENT SOLUTIONS

PERFORMANCE

Investment Solutions increased its revenue by 24.7% to £118.3m (2014: £94.9m), benefiting from organic growth, a full year of the JP Morgan Corporate Dealing Service, which we acquired on 1 September 2014, and the acquisitions of Selftrade, which completed on 23 January 2015, and TransGlobal, which completed on 3 September 2015. Excluding the impact of acquisitions, organic growth was 9.8%. Pre-exceptional EBITDA rose by 21.2% to £35.5m (2014: £29.3m). This represented a margin of 30.0%, compared with 30.9% in 2014, with the decline due to product mix, the impact of the Selftrade acquisition and ongoing investment to support further growth and meet our regulatory obligations.

Registration Services

Revenue in Registration Services increased by 16.5% to £47.4m (2014: £40.7m). The business had a good year, continuing to win more than its market share of registration contracts for main-market IPOs. We were delighted to build on our strength in the financial services sector with new mandates from Shawbrook, Aldermore, Virgin Money, Metro Bank, One Savings Bank, Worldpay and TSB. As a result, Registration Services ended the year with a 50% share of the FTSE 100 and retained all of its FTSE 350 share registration clients.

Registration Services supported a number of clients undertaking corporate actions during the year, including Royal Dutch Shell's acquisition of BG Group, which will create the largest listed company on the London Stock Exchange by market capitalisation.

The business also benefited from a number of major clients carrying out dividend-related projects. Most significantly, one of the largest share registers in the UK, Lloyds Banking Group, returned to paying dividends in 2015. Registration Services also launched an innovative dividend scheme for Marks & Spencer, enabling retail investors to receive an enhanced dividend in the form of vouchers or payment to their card, rather than cash.

Following a pilot in 2014, Equiniti launched its new bereavement service, to help families obtain probate on their relatives' estates. Since the end of the financial year, the business has won its first client to provide white-label bereavement services to their customers.

Other initiatives in 2015 included further investment in the Shareview platform, to add mobile capability and a new app for launch in 2016.

Registration Services continued to receive industry recognition for the quality of its service. In 2015, it won Best Registrar at the Shares Awards, for the fourth consecutive year. It also won Best Registrar in the Investors Chronicle & Financial Times Investment Management & Wealth Management awards.

Investment Services

Revenue in Investment Services increased by 52.5% to £40.1m (2014: £26.3m). The division benefited from the acquisitions of Selftrade and TransGlobal. Selftrade is now fully integrated and has retained the number of customer accounts and volume of trading it had at the time of acquisition.

Investment Services added a number of new corporate accounts in the year, including white label sharedealing services for Saga and the migration of Santander's sharedealing service. The business also increased its presence in the IPO market, completing the retail offering for more than ten IPOs including Equiniti.

The growth in Investment Services' client numbers required it to invest in its governance and controls, to ensure it continued to meet regulatory requirements impacting margin in 2015. It has also continued to invest in its technology platforms to support its growth ambitions including relaunching its direct to consumer website and introducing its first shareholder app.

Investment Services' international payments business grew substantially, winning new contracts and commencing the sizeable Martrust contract it won in 2014. The acquisition of TransGlobal further increases its offering in the international payments market, giving it ownership of the technology that already underpinned its service.

Investment Services' Wealth Solutions business provides administration and technology services to wealth managers and stockbrokers. It won Best Outsourcing Service 2015 at the Systems in the City Awards, which honours leading suppliers to the regulated financial community.

Employee Services

Revenue in Employee Services increased by 10.4% to £30.8m (2014: £27.9m). Employee Services benefited from the doubling of the amount employees can pay into SAYE schemes, as well as a number of one-off projects in corporate actions and flexible benefits. However, the low interest rate environment continued to weigh on sharesave fees and difficult equity markets reduced sharetrading activity in the second half.

Major wins included share plans for Worldpay, which utilised Employee Services' new global nominee product. Other new clients included Virgin Money, Shawbrook and Metro Bank, as the business benefitted from cross-selling with Registration Services. Employee Services also undertook international sharesave roll-outs for clients including BT, Pearson and Smith & Nephew, which included the use of its newly introduced multilingual website capability. The business also supported Equiniti's own flotation and shareplan, which saw employee demand well ahead of expectations.

Equiniti Premier, which is Employee Services' executive and discretionary shareplan business, won significant amounts of work during 2015, again benefiting from cross-selling with other parts of the division. The business has invested in its senior leadership, including a new managing director and head of client relationship management, to support growth.

Clients including BT, British Land and DS Smith all won industry awards for their share plans administered by Employee Services. In addition, Equiniti won Best Flexible Benefits Strategy at the 2015 VIB awards, for its approach to enhancing flexible benefits for its own employees.

INTELLIGENT SOLUTIONS

MARKET DEVELOPMENTS IN 2015

The trend for greater regulation and compliance was an important driver of Intelligent Solutions' markets in 2015. Notable changes included greater FCA oversight of providers of high-cost, short-term credit, who are seeking support from outsourcers to help them meet their need to lend responsibly. More generally, consumer lending in the UK is seeing the emergence of new models such as peer-to-peer, with lenders requiring platforms, people, advice and data management services, in response to regulation and changing consumer behaviours. Banks are also under pressure to demonstrate that they are dealing with the right people and that they are successfully preventing activities such as money laundering, which has led to increasing demand for services that prove identity.

The rectification and remediation market is seeing growth, with credit cards, packaged bank accounts and pensions mis-selling stimulating demand for outsourced services, specialist resource and technology. Mis-sold payment protection insurance (PPI) remains a significant driver of activity. The FCA is consulting on a two-year time bar for PPI cases, which could result in a short-term increase in cases, and is also consulting on rules and guidance for the fair handling of PPI complaints, which could increase remediation activity over the next two years.

Pension reform is driving further demand for specialist resource. From April 2016, pension schemes will no longer be able to contract out of SERPS or the state second pension. This will result in work for schemes, who will have to reconcile data to ensure their calculations were based on accurate information by 2018.

Other significant changes affecting our markets include the Consumer Rights Act 2015, which updated existing laws and introduced some new rights for consumers. This creates the potential for increased work in customer service and complaints management. In addition, the FCA's Policy Statement PS15/19 sets out new rules for complaints handling by financial services firms.

Another important trend is the rise of social media, which is both an opportunity and a threat for clients. While businesses can use social media to communicate effectively to large audiences, they also need to manage their online reputations. This is creating demand for our Charter platform, which monitors activity within the social sphere and enables operators to review trends and respond to queries, comments and complaints in real time.

Looking further ahead, the FCA is conducting a review of the annuity market, which could lead to an industry-wide review of annuities mis-selling. This in turn could create new demand for customer service, rectification and remediation services.

PERFORMANCE

Revenue in Intelligent Solutions increased by 10.4% to £98.9m (2014: £89.6m). This was the result of organic growth of 1.3%, driven by demand for our software solutions in complaints management and credit solutions, offset by the rest of the division's businesses seeing a slight decline. The full year impact of Pancredit Systems and Invigia, which were acquired on 18 March 2014 and 1 September 2014 respectively, contributed to reported growth.

EBITDA prior to exceptional items increased by 39.3% through strong revenue growth, an increasing proportion of sales coming from software licences and the benefit of focusing on our cost base, which is driving efficiency across the divisions.

Intelligent Solutions won a broad range of work with different types of clients during the year. Among the many examples were a PPI rework project for a major bank; the provision of software to help police forces manage their highly sensitive, confidential information; a contract to improve collaboration between police forces; the provision of a hosted software lending platform for Telefonica; and a deal with ATOS to support the extension of its service to National Savings & Investments.

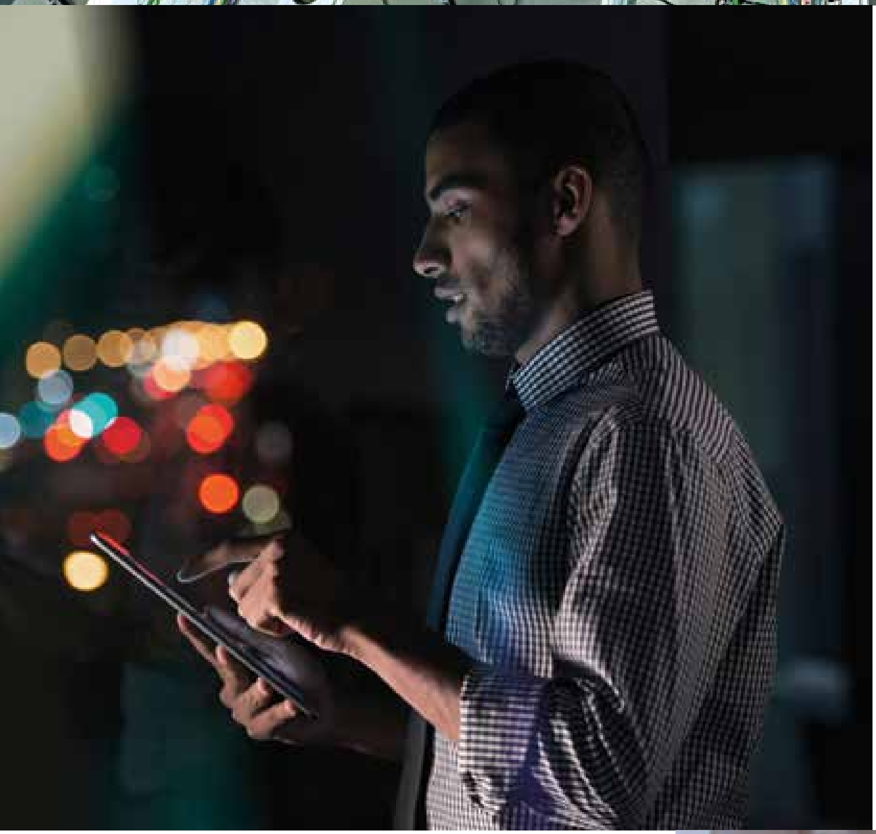
“

INTELLIGENT SOLUTIONS WON A BROAD RANGE OF WORK WITH DIFFERENT TYPES OF CLIENTS DURING THE YEAR. AMONG THE MANY EXAMPLES WERE A PPI REWORK PROJECT FOR A MAJOR BANK…

Intelligent Solutions continued to evolve its organisational structure during 2015. Having started the year with five business units focused on specific markets, the business has created three areas of capability which are in place from 2016. These are enterprise workflow solutions, for the automation of business processes such as case, complaints, document and people management; credit services, which includes credit origination and loan administration; and specialist resource for rectification and remediation and company secretarial support. This will enable the business to apply these capabilities for the benefit of all its clients, rather than in particular sectors. Intelligent Solutions also strengthened its leadership, adding new heads of technology and transformation and change.

OPERATIONAL REVIEW

INTELLIGENT SOLUTIONS

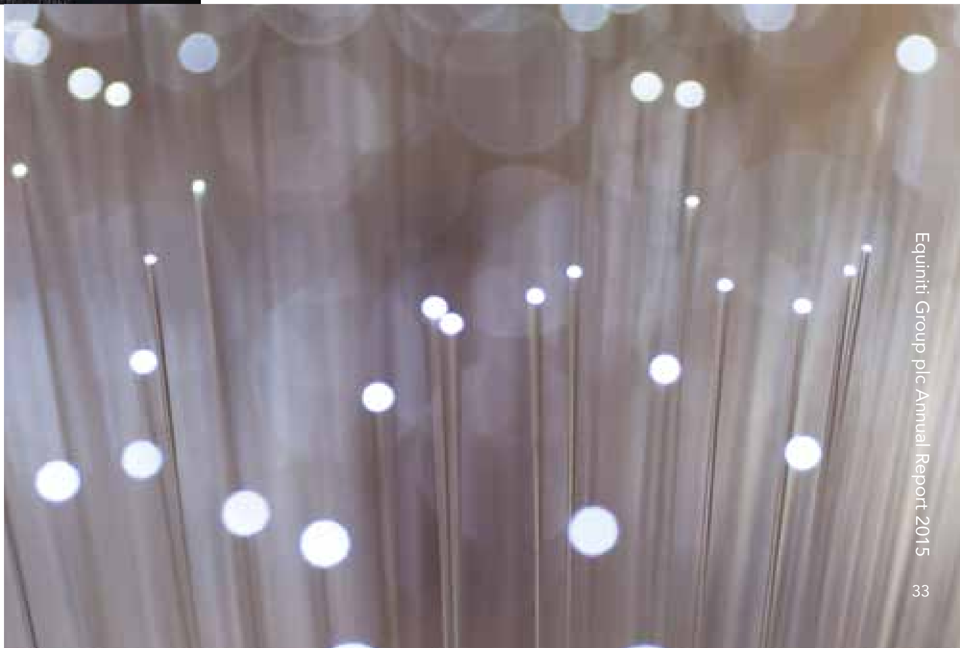


Among a number of important initiatives in 2015, Intelligent Solutions launched MMX, an enterprise workflow system based on the Charter platform to help companies manage workflow through their businesses. Clients are currently using the platform for complaints management, customer service and customer feedback.

During the year, Intelligent Solutions launched a rapid deployment tool for Sharepoint. This allows users to create an intranet portal quickly and cost effectively and is proving popular with clients.

REVENUE IN INTELLIGENT SOLUTIONS INCREASED BY

10.4% TO **£98.9m**



OPERATIONAL REVIEW

PENSION SOLUTIONS

MARKET DEVELOPMENTS IN 2015

A number of changes affected the Pension Solutions' market during the year. Notably, the impending cessation of contracting out has led to growing demand for Guaranteed Minimum Pension (GMP) reconciliation work, which will extend through to 2018.

The trend to outsource continues, with the downturn in annuity sales leading to further outsourcing opportunities as annuity providers look to reduce their cost base. Fewer major companies are administering their pension schemes in-house and instead are either outsourcing their administration or 'co-sourcing', which involves outsourcing some aspects such as pensioner payroll services. There has also been an increase in companies transferring their pension liabilities to life companies, through the bulk-purchase annuity market. This leads to opportunities for Equiniti to work with the insurers on the transfers and ongoing administration.

> "THE SERVICE WE RECEIVE FROM EQUINITI SHOWS AN EXCELLENT UNDERSTANDING OF OUR NEEDS AND GOING THAT EXTRA MILE MAKES A DIFFERENCE FOR THE BAA PENSION SCHEME AND ITS MEMBERS. PROMPT WEBSITE UPDATES DEMONSTRATE THEIR AWARENESS AND COMMITMENT TO MAKING APPROPRIATE USE OF TECHNOLOGY TO ENGAGE WITH MEMBERS EFFECTIVELY."
>
> ALASTAIR KNOWLES, SCHEME SECRETARY, BAA PENSION TRUST LTD

OPERATIONAL REVIEW

PENSION SOLUTIONS

The introduction of pension freedoms in April 2015, which allow savers significantly more flexibility in relation to how they use their pension pots, has led to product innovation from fund providers and life insurance companies, as they look to attract savers with funds that provide retirement income. As a result, products that these providers previously considered core are becoming 'legacy' products, creating opportunities for service providers such as Equiniti to administer them.

From 2016, Solvency II requirements will apply to both UK and European annuity providers, while insurance companies from outside the EU are showing interest in entering the market and in partnering with companies like Equiniti to provide their administration capability.

PERFORMANCE

Revenue in Pension Solutions increased by 40.7% to £142.5m (2014: £101.3m). This was the result of organic growth of 8.0% and the full year effect of consolidating MyCSP, following the acquisition of a further holding on 30 September 2014 taking our investment to 51%. We spent £8m acquiring this additional 11% interest in MyCSP.

EBITDA prior to exceptional items increased by 23.5% to £26.8m as a result of revenue growth. Margins declined due to a higher proportion of revenue coming from MyCSP which is lower margin than the rest of our pension operations, coupled with continued investment in the MyCSP intellectual property.

Pension Solutions saw strong growth in clients taking GMP reconciliation services, as a result of the cessation of contracting out at the end of 2016. The business is working with schemes with more than 4 million members, representing around 20% of the market. Pension Solutions also successfully retained a number of clients who renewed contracts during the year, and generally did so on improved terms.

Key achievements in 2015 included successfully delivering major transformation projects for public sector clients. Pension Solutions simultaneously implemented a new pension administration platform for the NHS and supported the introduction of the Hutton reforms, which base members' pensions on a career average rather than final salary. The NHS pension scheme is the largest in Europe, with more than 2.6 million members, making this a significant and complex task. MyCSP also delivered the alpha scheme, which is the equivalent scheme for civil servants.

During the year, Pension Solutions continued to invest to enhance the capability and reach of its award-winning Compendia platform. The outstanding quality of this technology was recognised with numerous awards, including Pension Technology Provider of the Year at the European Pensions Awards; Best Fintech App at the 2015 Appsters Awards; Best Pensions Administration Software at the FT's Pensions and Investment Provider Awards; the Pensions Age award for Pensions Technology Firm of the Year; and FSTech Magazine's award for Technology Provider of the Year.

Pension Solutions strengthened its leadership in 2015, adding senior industry people to the team. These included a new director of pension administration and strategy, recruited from Capita, and a new managing director recruited from AON Hewitt to lead Data Solutions, which provides data analytics and rectification services. Pension Solutions also opened its training academy, which provides a mix of face-to-face and online learning. The academy is used for induction training and specific courses to enhance the skills and capabilities of Pension Solutions' employees.

"

PENSION SOLUTIONS CONTINUED TO INVEST TO ENHANCE THE CAPABILITY AND REACH OF ITS AWARD-WINNING COMPENDIA PLATFORM. THE OUTSTANDING QUALITY OF THIS TECHNOLOGY WAS RECOGNISED WITH NUMEROUS AWARDS…

Financial Review

OVERVIEW

The Group made good progress against its strategic objectives during the year, including listing on the London Stock Exchange, reducing net debt, upselling to strategic clients and progressing the offshoring of activities and resources to Chennai. During 2015 our FTE headcount in Chennai grew 33% to 402 people. The centre continues to grow and work towards 25% of our staff being offshore over the medium term. Equiniti also concluded two acquisitions in 2015, namely the assets of Selftrade and the share capital of TransGlobal, for a total consideration of £23.0m.

Reported revenue grew by 26.2% to £369.0m (2014: £292.3m) during the year, with organic revenue growth of 6.8%. EBITDA prior to exceptional items increased by 23.1% to £86.2m (2014: £70.0m). EBITDA post exceptional items for the year was £53.4m (2014: £57.4m).

The Group's free cash flow was £97.6m, resulting in an free cash flow conversion of 113% before capital expenditure. We continued to focus on working capital management, which along with strong trading and restructuring our balance sheet has helped our net debt to reduce to £246.0m at year end (2014: £458.2m).

This represented a ratio of 2.8 times net debt to EBITDA at 31 December 2015 (2014: 6.5 times) which is the lowest level of debt held by the Group since its formation in 2007. This level of debt was also helped by the timing of some of our IPO fees, with £16.0m being paid out after the year end.

INCOME STATEMENT

The key lines of the income statement for the year are summarised below and include analysis of revenue, EBITDA prior to exceptional items, exceptional items, EBIT and profit before tax. Proforma adjustments have been made to remove IPO, related exceptional costs and record finance costs in relation to the new debt structure, to enable us to compare like for like performance. An adjustment to income tax has been made to reflect the Group's expected ongoing effective tax rate of 15%.

PROFORMA INCOME STATEMENT

	2015 Reported £m	Adjustment* £m	2015* Proforma £m	2014 Reported £m	Adjustment* £m	2014* Proforma £m
Revenue	369.0	–	369.0	292.3	–	292.3
EBITDA prior to exceptional items	86.2	–	86.2	70.0	–	70.0
Depreciation	(4.4)	–	(4.4)	(3.8)	–	(3.8)
Amortisation – software	(15.8)	–	(15.8)	(11.0)	–	(11.0)
Amortisation – acquired intangibles	(23.0)	–	(23.0)	(20.9)	–	(20.9)
EBIT prior to exceptional items	43.0	–	43.0	34.3	–	34.3
Exceptional items excluding IPO costs	(10.3)	–	(10.3)	(12.6)	–	(12.6)
Reported EBIT prior to IPO costs	32.7	–	32.7	21.7	–	21.7
IPO-related exceptional operating costs	(22.5)	22.5	–	0.0	–	–
Reported EBIT	**10.2**	**22.5**	**32.7**	**21.7**	**–**	**21.7**
IPO-related exceptional finance costs	(21.2)	21.2	–	0.0	–	–
Net finance costs[1]	(60.7)	47.7	(13.0)	(71.8)	56.9	(14.9)
Gain on disposal of associate	–	–	–	9.8	–	9.8
Share of profit in associate	–	–	–	1.7	–	1.7
Profit before tax	(71.7)	91.4	19.7	(38.6)	56.9	18.3
Taxation[2]	25.9	(28.9)	(3.0)	1.7	(4.4)	(2.7)
Profit/(loss) from continuing activities	(45.8)	62.5	16.7	(36.9)	52.5	15.6
Non-controlling interest	(4.6)	–	(4.6)	(2.1)	–	(2.1)
Profit attributable to ordinary shareholders	(50.4)	62.5	12.1	(39.0)	52.5	13.5

* unaudited

FINANCIAL REVIEW

REVENUE

Revenue for the year was £369.0m, with growth across all segments of the business. Investment Solutions saw growth organically through corporate actions and project work with existing customers, supplemented by acquisitive growth from the purchases of Selftrade and TransGlobal. There was growth in Pensions Solutions through an increase in project work and the full year impact of the acquisition of MyCSP. Intelligent Solutions also saw revenue grow, benefitting from the acquisitions of Pancredit and Invigia in 2014 and organic growth. Interest revenue increased due to higher interest earning balances and improved treasury management.

EBITDA PRIOR TO EXCEPTIONAL ITEMS

EBITDA prior to exceptional items is a key measure of the Group's performance. It reflects profit before finance costs, taxation, depreciation and amortisation and exceptional items. EBITDA prior to exceptional items of £86.2m increased by 23.1% in 2015, reflecting the impact of acquisitions made in the current and prior year, organic growth, and improved cost management.

REPORTABLE SEGMENTS

The Group reports its results in four segments: Investment Solutions, Intelligent Solutions, Pension Solutions and Interest Income, supported by central functions. The Board monitors the performance of the four segments through revenue and pre-exceptional EBITDA. The results of these segments were as follows:

Reportable segments	2015 £m	2014 £m	Reported Growth %	Organic Growth %
Revenue				
Investment Solutions	118.3	94.9	24.7%	9.8%
Intelligent Solutions	98.9	89.6	10.4%	1.3%
Pensions Solutions	142.5	101.3	40.7%	8.0%
Interest Income	9.3	6.5	43.1%	13.4%
Total revenue	369.0	292.3	26.2%	6.8%

EBITDA pre exceptional			
Investment Solutions	35.5	29.3	21.2%
Intelligent Solutions	22.7	16.3	39.3%
Pensions Solutions	26.8	21.7	23.5%
Interest Income	9.3	6.5	43.1%
Central costs	(8.1)	(3.8)	113.2%
Total EBITDA pre exceptional	86.2	70.0	23.1%

Investment Solutions

Revenues increased by 24.7% to £118.3m, compared to 2014, with strong organic growth including corporate action activity (2015: £6.2m, 2014: £3.2m) and the contribution of acquisitions. Revenue grew organically by 9.8%.

EBITDA prior to exceptional items grew by 21.2%, driven by the increase in revenue but at a slightly lower margin due to the change in the product mix. Within Investment Solutions, the Investment Services business grew strongly, supported by the acquisition of Selftrade.

Intelligent Solutions

Revenues increased by 10.4% to £98.9m, compared to 2014, driven by full year contributions from the Pancredit and Invigia acquisitions we made in 2014, which created sales of complaints management contracts to financial services clients, and strong demand for our credit administration software. Organic revenue growth was 1.3%, with strong organic growth from Invigia and Pancredit being offset by a small decline in other revenue.

EBITDA prior to exceptional items increased by 39.3% through strong revenue growth, an increasing proportion of sales coming from software licences and the benefit of focusing on our cost base, driving efficiency across the division.

Pension Solutions

Revenues increased by 40.7% to £142.5m, compared to 2014, due to the full year impact of the increased shareholding in MyCSP plus an increase in long term project income from existing customers. Revenue grew organically by 8.0%, with clients spending more on projects caused by the constant change to UK pension rules.

EBITDA prior to exceptional items increased by 23.5% to £26.8m as a result of revenue growth. Margins declined due to a higher proportion of revenue coming from MyCSP, which is a lower margin business than the majority of our pension operations. The latter owns a lot more intellectual property that we continue to invest in.

Interest

Revenue from interest was 43.1% higher than the prior year, due to higher average client cash balances of £1,296m (2014: £835m), and includes the benefit that the Group has secured through entering into three-year interest rate swaps at a blended rate of 1.03%, relating to £650.0m of cash balances which expire in July and August 2018.

1 Proforma net finance costs has been presented to better reflect the cost that would have been incurred had the Group's current debt structure been in place throughout the current and prior year including the associated swap agreements.

2 Proforma taxation has been presented to better reflect the tax charge that would have been incurred had the Group's current debt structure been in place throughout the current and prior year at an estimated effective tax rate for the Group of 15%.

EARNINGS BEFORE INTEREST AND TAX

EBIT	2015 £m	2014 £m	%
EBITDA prior to exceptional items	86.2	70.0	23.1%
Depreciation	(4.4)	(3.8)	15.8%
Amortisation – software	(15.8)	(11.0)	43.6%
Amortisation – acquired intangibles	(23.0)	(20.9)	10.0%
EBIT prior to exceptional items	43.0	34.3	25.4%
Exceptional items – non-IPO related	(10.3)	(12.6)	-18.3%
EBIT prior to IPO costs	32.7	21.7	50.7%

EBIT remains an important measure of the Group's performance, reflecting profit before finance costs and taxation. In 2015, reported EBIT prior to IPO related exceptional costs was £32.7m, an increase of £11.0m (50.7%) compared with the prior year (£21.7m). Reported EBIT growth was partially offset by an increase in amortisation of acquired intangibles, which rose through our acquisition programme.

Exceptional items	2015 £m	2014 £m
Operating costs		
Acquisition related expenses	2.2	2.6
Restructuring and other costs	8.1	8.1
Property costs	–	1.9
	10.3	12.6
IPO-related costs	22.5	–
Operating costs – exceptional items	32.8	12.6

Finance costs		
Write off of unamortised fees of previous finance arrangement	12.3	–
Other financing fees	8.9	–
Finance costs – exceptional items	21.2	–

Exceptional operating costs of £32.8m (2013: £12.6m) include legal, advisory, banking and other costs incurred in respect of the change of control of the Group that resulted in our listing on the London Stock Exchange. In addition, exceptional costs include costs of moving work offshore and costs related to our acquisitions in the year. These relate primarily to the integration of Selftrade in the first half of the year.

Exceptional finance costs of £21.2m include the write down of the remaining unamortised fees that were capitalised following the arrangement of the Group's finance facilities in 2013 and other financing fees incurred as a result of the new debt facility.

NET FINANCE COSTS

Group net finance costs before exceptional items fell by £11.1m to £60.7m (2013: £71.8m) reflecting the benefits of the Group's new capital structure and loan agreements. On an unaudited proforma basis, which reflects interest on a like for like basis under the new loan arrangements, net finance costs fell to £13.0m from £14.9m in 2014.

LOSS BEFORE TAX

The Group made a loss for the year from continuing operations of £71.7m, compared to £38.6m in 2014. On an unaudited proforma basis, the Group's profit before tax increased from £18.3m in 2014 to £19.7m in 2015.

EARNINGS PER SHARE

Earnings per share	2015 £m	2014 £m
Basic loss per share		
Loss attributable to shareholders (£m)	(50.4)	(39.0)
Weighted average shares (million)	54.3	5.0
Basic loss per share (£)	(0.93)	(7.80)

The Group made a basic loss per share of £0.93 (2014: £7.80) which is based on weighted average shares of 54.3 million (2014: 5.0 million).

NORMALISED EARNINGS PER SHARE (UNAUDITED)

Normalised earnings per share	2015 £m	2014 £m	
EBITDA prior to exceptional items	86.2	70.0	
Depreciation	(4.4)	(3.8)	
Amortisation – software	(15.8)	(11.0)	
Net finance expense – proforma	(13.0)	(14.9)	
Normalised PBT	53.0	40.3	
Cash tax	(8.0)	(6.0)	
Normalised PAT	45.0	34.3	
Non-controlling interest	(4.6)	(2.1)	
Normalised profit attributable to ordinary shareholders	40.4	32.2	25.5%
Number of shares (million)	300.0	300.0	
Normalised earnings per share (p)	13.5	10.7	

FINANCIAL REVIEW

As defined in the price range prospectus, the Group's stated dividend policy is a payout of around 30% of normalised profit. Normalised profit excludes exceptional items and amortisation of acquisition related intangible assets and includes finance expenses on a proforma basis. Tax is deducted at 15%, to reflect the Group's estimated effective tax rate. This better allows the assessment of operational performance, the analysis of trends over time, the comparison of different businesses and the projection of future performance.

Normalised earnings per share was 13.5p compared to the prior year adjusted earnings per share of 10.7p, based on the number of shares in issue at 31 December 2015.

DIVIDEND

The recommended dividend payable in respect of the year ended 31 December 2015 is £2.0m or 0.68p per share (2014: £nil). This is in line with the Group's stated policy. The amount payable has been pro-rated for the timing of the Group's admission to the market in October 2015. This equates to £12m or 4.08p per share on a full year basis.

CASH FLOW

The Group generated a free cash flow of £97.6m (2014: £72.5m) representing a conversion of EBITDA prior to exceptional items to free cash flow of 113% (2014: 104%). The main movements in cash flow are summarised below:

Cash flow summary	2015 £m	2014 £m
EBITDA prior to exceptional items	86.2	70.0
Working capital movement	11.4	2.5
Free cash flow	97.6	72.5
Cash flow conversion	**113%**	**104%**
Capital expenditure	(18.4)	(20.8)
Net interest costs	(29.4)	(31.0)
Proceeds from issue of share capital	495.0	–
Net increase in borrowings	274.5	45.2
Repayment of loans	(706.9)	–
Exceptional items – refinancing	(14.8)	–
Exceptional items	(24.2)	(18.7)
Investment in acquisitions	(19.9)	(30.3)
Taxes paid	(1.5)	(2.6)
Other cash flows	(5.6)	0.4
Net cash movement	46.4	14.7

Free cash flow

Free cash flow is EBITDA plus the change in working capital, both prior to exceptional items, and is a key performance indicator. The movement in working capital of £11.4m excludes cash flows relating to exceptional items and is indicative of the Group's commitment to improve its working capital position through automating invoice generation and improving payment terms.

Capital expenditure

Net expenditure on tangible and intangible assets was £18.4m (2014: £20.8m). This represents 5.0% of revenue (2014: 7.1%) reflecting the Group's commitment to developing industry leading software.

Net interest costs

Net interest paid decreased by £1.6m to £29.4m (2014: £31.0m) as we started to see savings from the change in capital structure in October 2015. Total interest bearing loans decreased from £485.5m to £320.0m, at a lower rate of interest.

Exceptional items

Exceptional items relate to costs associated with the business listing on the London Stock Exchange, offshoring work and acquisitions. £16.0m of IPO fees were also paid after the year end.

Net increase in borrowings

The Group raised £250.0m by way of a new bank loan and increased its revolving credit facility by £25.4m to £150.0m of which £70.0m has been drawn down at the year end.

Net refinancing cash flows

On listing on the London Stock Exchange, the Group repaid its bond loan notes, PIK loans, preferences shares and other loans to related parties.

Investment in current year acquisitions

Net cash outflow on current year acquisitions was £19.9m (2014: £30.3m). Details of acquisitions are given later in this financial review.

Tax paid

MyCSP and our Indian operation pay tax on their activities. No tax is payable by the rest of the Group in 2015 or 2014.

BANK BORROWINGS AND FINANCIAL COVENANTS

At the end of December 2015, net debt was £246.0m (2014: £458.2m).

Net debt	2015 £m	2014 £m
Cash and cash equivalents	(76.5)	(30.1)
Senior debt	250.0	440.0
Revolving credit facility	70.0	45.5
Other	2.5	2.8
	246.0	458.2

Debt reduced in the year by £212.2m to £246.0m, through strong cash flow and the conclusion of our Initial Public Offering, which included a refinancing and resulted in the business's admission to the London Stock Exchange in October 2015. This refinancing has reduced the Group's weighted cost of debt from 7.6% at the end of 2014 to 3.1% at the end of 2015, a rate that is fixed under swap contracts to October 2018.

The fully drawn senior term debt facility and the revolving credit facility are available for a five year term to October 2020. £80m of the £150m revolving credit facility was undrawn at the year end. The Group has substantial liquidity to support its growth ambitions and ongoing working capital needs.

ACQUISITIONS

During the year the Group completed two acquisitions. On 23 January 2015, the Group completed the acquisition of the assets and customer portfolio of Selftrade, an online execution-only stockbroker, for total consideration of £17.6m, paid on completion. Selftrade has approximately 104,000 stockbroking clients holding £3.9 billion in assets. This business sits within the Investment Solutions segment.

On 3 September 2015, the Group purchased the entire issued share capital of TransGlobal Payment Solutions Limited for total consideration of £5.2m. £2.9m was paid on completion of the deal with up to £3.0m payable (discounted to £2.3m) as contingent consideration. TransGlobal is the technology company that powers the platform for the Group's foreign exchange payments business, Equiniti International Payments. This company sits within the Investment Solutions segment.

Both acquisitions will widen our product set allowing us to cross sell in to our client base to drive organic growth.

RETIREMENT BENEFITS

The Group operates three defined benefit pension schemes, which are all closed to new members. These are the Paymaster Pension Scheme, the ICS Pension Scheme and the MyCSP Limited Pension Scheme.

The aggregate deficit across all three schemes is £13.5m (2014: £15.5m) The Group is currently exploring its ability to close all schemes to future accrual, as well as consolidating its defined contribution pension plans into a single provider.

Both the ICS and Paymaster pension schemes are undergoing their triannual valuations, which will result in a funding plan being agreed to clear the pension deficits over a number of years.

TAXATION

Equiniti Group plc is a UK based group, with some support services based in India.

Under its pre IPO finance structure, the Group only paid tax on its Indian and MyCSP operations, due to losses being available to offset most of the Group's trading profits. £1.2m was paid in 2015 and £2.6m in 2014

Post IPO, interest payable has reduced by c£13m pa which will increase the pre-tax profit in the Group. Equiniti still has the following tax assets to utilise, however:

- Schedule D1 trading losses of £224m (2014: £194m)
- Intangible and tangible tax assets of £400m (2014: £395m)
- Other tax assets of £33m (2014: £44m)

This will allow the Group to benefit from a low effective tax rate for the foreseeable future. For 2016, this is estimated at approximately 15% of pre-tax profit.

A deferred tax asset of £20.0m has been recognised as at 31 December 2015 as a result of the group refinancing in October 2015 which reduced the forecast group annual interest charge, with the result that previously unrecognised losses have now been recognised as it is reasonably probable that they will be utilised by the Group over the next five years. The losses have been valued at 19%, the forecast rate for them to be used over the next five years.

ACCOUNTING POLICIES

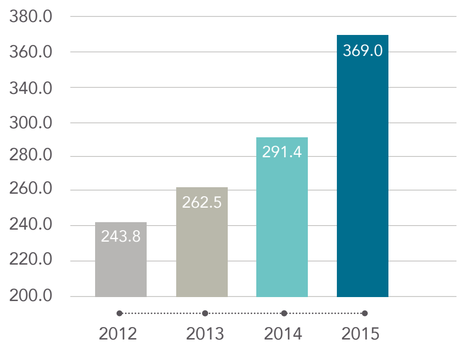
During the year the Group reviewed its accounting policies. This has led to the period intangible assets are amortised over being standardised at five years. The effect of this is explained in note 2.1 of the accounts. No other accounting policies were changed in the financial year.

John Stier,
Chief Financial Officer

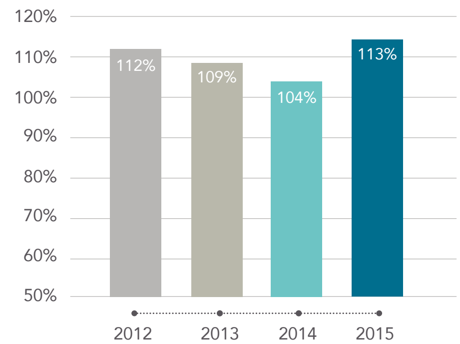
7 March 2016

FINANCIAL REVIEW

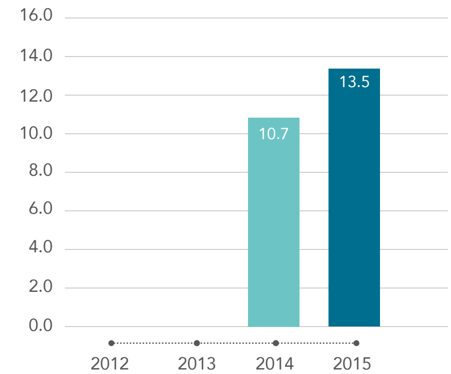
ADJUSTED* REVENUE (£M)



FREE CASH CONVERSION

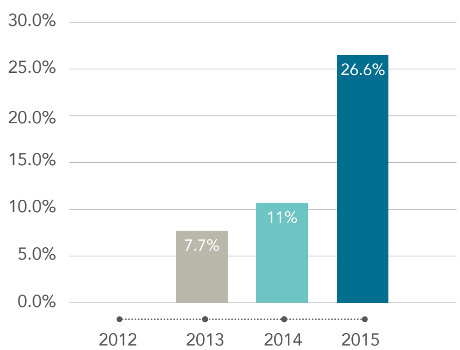


NORMALISED EPS (UNAUDITED)

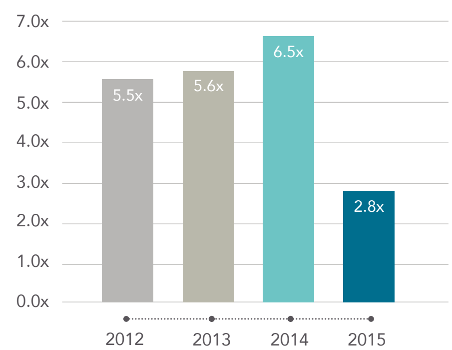


*Normalised EPS has not been stated before 2014 with the business operating under a fundamentally different capital structure before then, making comparisons meaningless

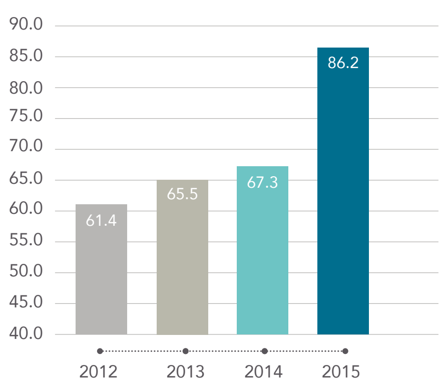
ADJUSTED* REVENUE GROWTH



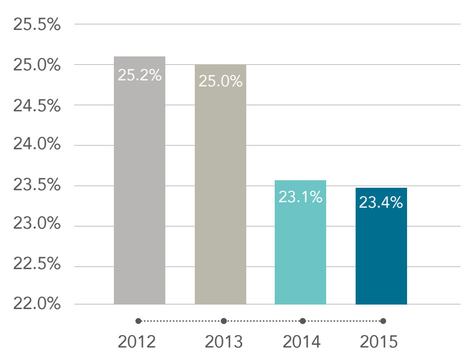
LEVERAGE – NET DEBT: EBITDA



ADJUSTED* EBITDA PRIOR TO EXCEPTIONAL ITEMS (£M)



ADJUSTED* EBITDA MARGIN



Financial history has been provided for the financial years from 2012, where the metric is available, to correspond with the financial history presented in the Equiniti Group plc prospectus for the Initial Public Offering in 2015. This will expand to a five year history in future reporting periods.

* Revenue and EBITDA have been adjusted in 2012-2014 to reflect the impact of fundamental changes to the business, as outlined in the Group's prospectus. No adjustments have been made to 2015 revenue and EBITDA.

Principal Risks and Uncertainties

Equiniti has a particular focus on identifying, managing and mitigating risk. The complex administration and payment services we provide, and the trust placed in us by our clients to deliver them accurately and effectively, mean that we face wider and more complex risk management challenges than many businesses.

This position of trust sits on top of the risks commonly faced by businesses that depend on their software and technology platforms, and provides an extra dimension to defining and managing our risk appetite and control systems.

OUR RISK MANAGEMENT FRAMEWORK

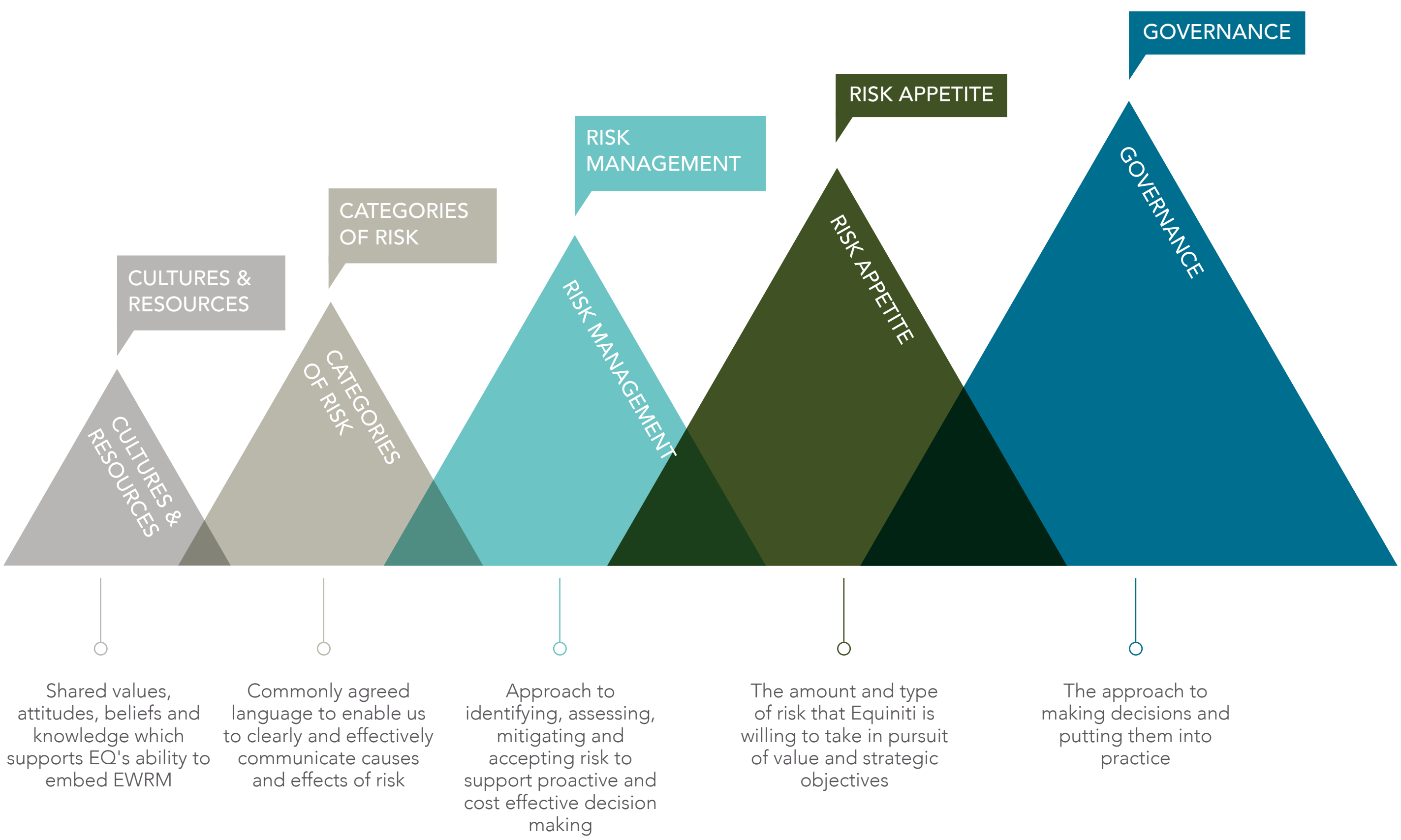
We have an enterprise-wide risk management (EWRM) framework, which is defined by our Group Risk Management Policy and summarised in the diagram below. At each stage of the risk management framework, we look to establish clear accountability and responsibility for risk, to drive a culture of transparency and openness.

The Board has ultimate responsibility for our system of risk management and internal control. It delegates responsibility for oversight and directing development of the EWRM to the Risk Committee and then to our risk owners, who are the managing directors (MDs) of our businesses, operations and information technology. Each MD has two senior risk leaders, who oversee the risk process in their area. The Group Chief Risk Officer oversees the risk management system as a whole, while the Head of Operational Risk oversees the group-wide risk process.

The Board approves our risk appetite, which is the amount and type of risk we are willing to take in pursuing our strategic objectives and value creation.

The Board risk appetite directs our businesses to apply resources wherever we deem that risk is above our appetite, enabling us to bring risk within our appetite. The statement articulates the aggregate level and types of risk we are willing to assume and includes qualitative statements as well as quantitative measures of impact, for example in relation to our profits.

Our MDs are required to establish appropriate and explicit mechanisms for identifying, assessing and managing risks in their area, in accordance with the EWRM. They identify and define the risks they face, plot the risks' impact against the probability of them arising, and log them in a divisional risk register.



PRINCIPAL RISKS AND UNCERTAINTIES

The EWRM framework sets out common language for describing risk, enabling us to consistently categorise and communicate risk across the Group.

The Risk Committee reviews and challenges all risk logs each quarter and undertakes detailed reviews of specific areas. For example, where risk exposure is expected to increase due to external events and where the Committee requires further understanding of mitigations in place to manage a material risk.

Risk is also considered as part of our monthly Group Performance Review sessions, which are led by the Chief Executive and Chief Financial Officer (CFO) and involve all divisional MDs and finance directors.

We also have an Internal Audit function that reports directly to the Chair of the Audit Committee. Its role is to oversee the ongoing challenge of the design and operation of our risk framework to provide comfort that the framework is effective, and to raise any necessary remediating actions.

We recognise that every employee has a role to play in managing risk. Policies and risk appetite statements are communicated throughout the Group, encouraging employees at all levels to consider risk in their decision making and to be personally accountable for the risks they take. This encourages the early escalation of risks and the creation of mitigation plans as appropriate.

RISK MANAGEMENT AND GOVERNANCE OF REGULATED ENTITIES

Equiniti Financial Services Limited (EFSL) is the Group's most significant FCA-regulated entity. It must ensure that it can meet its regulatory capital requirements and has sufficient liquidity to meet its liabilities as they fall due. It must also comply with a range of other regulatory obligations, such as the FCA's conduct of business rules and the need for periodic regulatory supervisory visits.

To help it meet these requirements, EFSL has implemented its own governance structure. This includes a Board with an independent chair, who also chairs EFSL's Audit Committee. One of the Group's independent non-executive Directors, Dr Tim Miller, is also a non-executive Director of EFSL and chairs its Risk Committee.

EFSL has monthly Board meetings and quarterly Risk and Audit Committee meetings, with its Remuneration and Nominations Committees meeting periodically. EFSL's Risk Committee reviews and challenges the Company's risk assessment and log, which flow up from its executive management and risk processes. This is reviewed by the Chief Risk Officer to ensure risk management is consolidated across all of Equiniti.

A detailed description of EFSL's risk management approach, risk governance and risk appetite can be found in its Pillar 3 disclosures, which are available on our website at https://equiniti.com/about/statutory-and-regulatory-reports/2015/04/capital-requirements-directive-2015

PRINCIPAL RISKS AND UNCERTAINTIES

The tables on pages 44 to 45 set out the principal risks and uncertainties facing the Group. These are divided into 'annual cycle' risks, which are risks that could materialise within the next 12 months, and a number of risks that could affect our business in the longer term.

PRINCIPAL RISKS AND UNCERTAINTIES

ANNUAL CYCLE RISKS

RISK	IMPACT	MITIGATION
Corporate actions We earn revenue from our clients' corporate actions, such as initial public offerings, mergers, acquisitions and share buybacks. The level of corporate actions in any given year is hard to predict, as corporate actions vary in size and frequency, and fluctuate according to factors such as macroeconomic conditions.	The level of corporate actions is both an opportunity and a risk for us, and means that a proportion of our revenue is likely to remain cyclical. Links to the following strategy elements: 1 2	This is less than 2.5% of our overall revenue. We have sufficient growth opportunities to offset any short-term cyclical downside in this area.
IT security breach We rely on our systems to process a large number of complicated transactions each day. These systems contain confidential information about our clients and their employees, shareholders, pensioners and customers. Breaches of our IT security could lead to unauthorised access to or loss of this information, or prevent us from using our systems to provide services to clients.	An IT security breach could result in loss of business, damage to our reputation, litigation and regulatory investigation and penalties. Links to the following strategy elements: 1 2 4 5 6	The Group's data centres have been specifically configured to be both secure and resilient, with data replicated between the live and secondary data centres on a real-time basis. Continued investment in information security personnel, tools and services is strengthening our approach to information security, in line with the technological changes and the requirements of the marketplaces in which we operate. In an ever-changing risk landscape, this serves to protect the information that we are entrusted with and the services we provide. This is crucial in maintaining the trust of clients and our ability to attract and retain business.
Loss of key clients While our business is spread across 1,700 clients, we have a small number of clients that are material to our business. Our largest single client provided 7.5% of our 2015 revenues and our top ten clients made up 35.5% of our 2015 revenues between them. We could lose a key client when its contract with us comes up for renewal or if a client is acquired by a company that we do not serve.	Loss of a key client could significantly affect our results from operations. Links to the following strategy elements: 1 4	Our client relationships are very deep and longstanding, leading to high cost of change for clients should they move to an alternative service provider. In addition, clients often take a number of services, spread across a number of contracts, reducing our reliance to any one service line with a client.
Increased regulatory burden There is an ongoing trend for greater regulation in our markets. For example, the EU Directive on Markets in Financial Instruments and its accompanying regulation (MiFID II) introduces a number of changes, including more extensive supervisory powers for regulators, greater market infrastructure and transaction reporting requirements, and more robust investor protection.	Increasing regulation is both a risk and an opportunity for Equiniti. For example, MiFID II has the potential to increase our compliance costs and introduces the possibility of higher fines for infringements. Conversely, the growing regulatory burden on our clients encourages them to outsource to providers such as us. Links to the following strategy elements: 1 2 3 6	We are able to offset the costs of regulation with client pricing and upselling new services, driven by the growing UK regulatory environment.
Attraction and retention of high-calibre employees We depend on the knowledge, expertise and efforts of our people, including our senior executives and other senior management, Key Account relationship managers and key IT personnel. These individuals are instrumental in setting our strategic direction, operating our business, identifying, recruiting and training other key personnel and identifying business opportunities.	The loss of one or more key individuals could impair our business and its development, until we find qualified replacements. Failure to attract and retain motivated people with the right skills could limit our ability to grow and to provide clients with high-quality and competitive services, with a corresponding impact on our business, financial condition and results of operations. Links to the following strategy elements: 1 2 3 4 5 6	Equiniti is protected by the service contracts in place with key executives. We also offer competitive packages to recruit the right talent, including an LTIP programme to align management and shareholder interests.

PRINCIPAL RISKS AND UNCERTAINTIES

RISK	IMPACT	MITIGATION
Change and transformation We have an ongoing change and transformation programme to improve our efficiency and reduce our costs, including increasing the volume of back-office processing and IT functions carried out in our centre in Chennai, India.	While we are undergoing this change, there is always a risk to service delivery. Links to the following strategy elements: 6	We carefully manage our change and transformation programme, to minimise the risk to the service delivery. We undertake detailed planning and dual running before we fully transfer any services to India. If this shows any impact on service delivery, we address the issues before the service goes live.
Change in regulatory trends Our business has benefited in recent years from FCA action requiring remediation by clients, and in particular the remediation of mis-sold PPI. Any reduction of the FCA's remediation requirements could lower demand for our services.	Loss of remediation business, affecting our results from operations. Links to the following strategy elements: 1 2	Regulation and remediation to protect consumers is a growing trend in the UK. As one area such as PPI declines, others such as current account or pensions mis-selling emerge, causing the overall market to grow.

LONGER-TERM RISKS

RISK	IMPACT	MITIGATION
Outsourcing trends A number of trends are driving demand for our services, as described in the markets section on pages 16 to 17 of this report. Any reversal of these trends, leading to less outsourcing or a reduction in spending on outsourcing, could correspondingly affect demand for our services.	Reduction in growth or loss of revenues, affecting our results of operations. Links to the following strategy elements: 1 2 3 5	These are long-term trends that show no sign of abating. Many clients continue to perform services in-house that can be performed more efficiently with an outsourcing partner like Equiniti. We therefore expect this to support growth for the foreseeable future.
Client interest We earn interest on some balances we hold on clients' behalf. In 2015, this accounted for 10% of our EBITDA. A change in regulation could require us to pass through interest received to our clients.	Loss of revenue and profits from interest income. Links to the following strategy elements: 1 2	Our charging mechanisms are clear to all clients in the contracts we sign and this is part of our pricing structure. If regulation affected our ability to continue with this, we would price our services in a different way so we can continue investing in the technology and services needed to support clients.
Dematerialisation of share certificates Equiniti is the UK's largest broker for certificated trades. The UK government intends to implement the European Directive on dematerialisation of paper share certificates. As a result, shareholder records currently held by UK registrars in paper form will be replaced by an electronic format.	Dematerialisation will result in an opportunity to create an electronic relationship with shareholders. However, dematerialisation could also affect our sharedealing volumes and revenues, as we would be unable to charge fees for services relating to lost share certificates. Links to the following strategy elements: 1	This is not due to take effect until 2023 for new securities and 2025 for existing ones, as per EU regulation. Implementation will reduce our costs of delivering this service. We also believe that setting an electronic relationship with paper-driven clients will lead to revenue opportunities afforded by digital relationships with shareholders, which will increase our D2C customer base and overall be positive for the Group.

Viability Statement

1. ASSESSMENT OF PROSPECTS

Equiniti conducts a significant portion of its business through recurring revenue secured through long term contracts. It has recently arranged long term financing facilities as a result of the IPO and has a stated modest growth strategy, evidenced both by its past performance and resilience and the position it occupies in the market. As such, a three year period sits within these parameters and has been deemed to be a suitable timeframe for the viability statement.

The Group's strategy is well documented: a leading provider of technology and solutions for complex and regulated administration, serving blue-chip enterprises and public sector organisations. As such, the key factors affecting the Group's prospects are:

- The underlying mix and quality of our client base: we serve 70% of the companies in the FTSE 100, and our revenues are distributed: c.40% derived from our top 25 private clients, a further 39% from other private clients and another c.21% from our public sector clients. As such, we have a resilient underlying portfolio of clients. We normally provide multiple services under many contracts to each client which diversifies our risk further
- Market position: the Group is the leading provider of share registration and corporate action services, and the number two provider by the number of pension scheme members. The underlying tenure of FTSE100 clients for share registration extends beyond 20 years
- Platforms and technology: the Group has invested continuously in developing and acquiring platform technology that is both proprietary and well recognised in the Industry and by its clients
- Modest but realistic growth aspirations: the Group operates in a market that has expected growth of c.5-6% p.a. In 2015 we have delivered c7% organic growth

2. THE ASSESSMENT PROCESS AND KEY ASSUMPTIONS

The Group's prospects are assessed primarily through its strategic and financial planning process. This includes a detailed annual review of the ongoing plan, led by the Group Chief Executive and CFO in conjunction with divisional and functional management teams. The Board participates fully in the annual process by means of an extended Board meeting.

The output of the annual review process is a set of objectives, detailed financial forecasts and a clear explanation of the key assumptions and risks to be considered when agreeing the plan. The latest updates to the plan were finalised in December 2015. This considered the Group's current position and its prospects over the next five years, and reaffirmed the Group's stated strategy.

The detailed financial forecasts are prepared for the five year period to 2020, so that four years and ten months remain at the time of approval of this year's annual report. The first year of the financial forecasts form the Group's operating budget and is subject to a rolling forecast process throughout the year. Year two to five of the forecasts are extrapolated from the first year, based on the overall content of the strategic plan. Progress against financial budgets and key objectives are reviewed in detail on a monthly basis by both the Group's executive team and Board. Mitigating actions are taken whether identified through actual trading performance or the rolling forecast process.

The key assumptions within the Group's financial forecasts include:

- 5% per annum revenue growth, supported by market trends and increased cross selling into our customer base
- Modest margin improvement driven by operating leverage, offshoring, automation and property rationalisation
- No change in the stated dividend policy
- No change in capital structure given the Group has secured term debt and an RCF facility out to October 2020

3. ASSESSMENT OF VIABILITY

Although the output of the Group's strategic and financial planning process reflects the Directors' best estimate of the future prospects of the business, the Group has also assessed the financial impact of a number of alternative scenarios. These represent stresses which include the following potential scenarios:

- Depressed market activity leading to a prolonged reduction in Corporate Action revenue
- Reduction in revenue growth to only 1% p.a. for a prolonged period of time, with a lag in cost reduction action of up to nine months
- Significant change programmes (offshoring/automation/property rationalisation) only deliver 50% of anticipated benefits
- 20% reduction in planned EBITDA across a three year period

The results of the stress testing, including a combination of the individual scenarios, demonstrated that due to the Group's high cash generation and access to additional funds that it would be able to withstand the impact in each case. Mitigants considered as part of this stress testing included cost reduction programmes, dividend cuts and a reduction in capital expenditure.

4. VIABILITY STATEMENT

Based on the results of the analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the 3 year period of their assessment.

"

HAVING A TEAM AS PROFESSIONAL AS EQUINITI (AND VERY MUCH PART OF OUR TEAM) SUPPORTING OUR AGM ALLOWS COLLEAGUES AND MYSELF TO DEAL WITH ALL THE OTHER MATTERS THAT ARISE."

TIM GEORGE, DEPUTY COMPANY SECRETARY, CARILLION PLC

This section describes the resources and relationships that underpin our business success. It sets out how we develop our people and technology platforms, how we manage our relationships with clients, suppliers, communities and charities, and how we work to reduce our environmental impact.

People

People are at the heart of the sophisticated services we offer to clients. This means that our business success depends on attracting the best people and enabling them to reach their potential. We therefore need to effectively manage talent, succession and performance, drive engagement and ensure we share common values that inform our behaviour.

OUR PEOPLE STRATEGY
In 2015, we continued to implement our people strategy, which supports our overall business strategy. It has the following elements:

BECOMING A HIGH-PERFORMANCE ORGANISATION

ASSURING EXCELLENCE

BUILDING CAPABILITY

LEVERAGING TALENT

PEOPLE ARE AT THE HEART OF THE SOPHISTICATED SERVICES WE OFFER TO CLIENTS.

Pictured above: Lydia Ambrose

RESOURCES AND RELATIONSHIPS

PEOPLE

BECOMING A HIGH-PERFORMANCE ORGANISATION

This requires us to employ robust performance management techniques, so we can help all our people to perform to their potential.

Our performance management framework assesses both what our people do and how they do it. This means measuring performance against our business objectives and ensuring behaviours align to our values (see page 51). Issues identified during performance management are linked to the individual's development needs. Our approach strengthens the link between performance and reward, so we appropriately recognise good performance.

In 2015, we once again moderated the performance of our top three levels of management, as well as other people eligible for the management bonus or sales incentive schemes.

High performance also requires engaged people, who understand our strategy and their part in achieving our goals. A key focus in 2015 was to improve internal communications. We have established a site champion community, to help us communicate our transformation programmes.

As Equiniti has been through a significant amount of change in 2015, we did not conduct our planned employee engagement survey. We now intend to run this during 2016, to enhance our understanding of what our employees value about working for us and where we can improve.

ASSURING EXCELLENCE

Assuring excellence means effectively managing costs and reward, and ensuring strong governance around HR. A major focus of 2015 was investing in and transforming our HR function. The HR team also spent considerable time supporting our wider business transformation and efficiency improvements.

We have continued to invest in growing our footprint and capability offshore, with an increase in HR, IT and operational roles conducted from our centre in Chennai.

Our HR function has moved its back-office recruitment, payroll and end-to-end employee lifecycle administration offshore. Having established a payroll services division to support Equiniti, we are now also offering this as a service to clients, through our Intelligent Solutions division.

As planned, we moved our HR function onto our new Microsoft Dynamics platform during 2015. The transition went smoothly and was completed on time and to budget. The new platform ensures we have consistent HR processes throughout the business and provides much better management information, helping us to manage our people and the related costs more effectively.

Another key initiative in the year was building a new UK HR team and establishing four centres of excellence around reward, learning and development, resourcing, and internal communications and engagement. This gives us an HR function that can help drive business performance and support talent and learning and development through cost-effective in-house teams.

Operational efficiency has been an important theme across the Group in 2015. As part of this, HR led a project to ensure the business was appropriately resourced, with the right balance of permanent staff and contractors. Using contractors gives us flexibility but it can result in knowledge ultimately leaving the business. Long- term reliance on contractors is also more expensive than using permanent staff. We have therefore reviewed our use of contractors and where roles are required on a long-term basis have either converted contractors to employees or replaced contractors with permanent recruits. We now track this monthly as part of our headcount forecasting, to ensure we maintain the best use of our resources. In addition, we enter 2016 with a cap on our onshore headcount and a focus on offshoring to ensure we leverage the efficiencies we can deliver through using less expensive resources.

BUILDING CAPABILITY

We aim to enhance our capability through effective resourcing, learning and development.

In 2015, we placed significant focus on hiring talent, looking at our leadership and management teams and ensuring we have the capability to deliver our strategy and business plans. This recruitment has taken account of where and how we want to grow the business and the capabilities we need to do so. Increases in headcount have been concentrated in sales, our business units and in technology.

We also enhance our capability through training. During the year we invested in our core regulatory training programmes, which cover key areas such as anti-money laundering and data protection. These programmes are available online and have been rolled out to all employees in the UK and India, to ensure we meet our regulatory and governance requirements. 16,459 online compliance training modules have been completed by all UK employees, with a further 2,000 online compliance modules completed by employees in our Chennai office.

LEVERAGING TALENT

To reach our growth targets, we need to make the most of our talent. This means moving talent through the business, having the right leadership development and learning culture, and putting in place mentoring and coaching programmes.

In 2015, we continued to work on our talent pipelines, identifying the talent we have in the business and developing pilot programmes which we will launch in the first quarter of 2016.

We have also focused on putting in place excellent leadership development training, which can be accessed by staff at all levels but is particularly useful for more junior staff and talent at the early stage of their careers. We have done this in conjunction with Skillsoft, creating learning portals covering leadership, our sales academy and our people manager academy.

RESOURCES AND RELATIONSHIPS

PEOPLE

DIVERSITY

We recognise the value of a diverse workforce and look to offer equal opportunities to everyone. Equiniti has an excellent gender balance, with 50% of our employees being females and c50% male.

The diagram below shows our gender diversity at the year end.

2014

	Male	Female
BOARD	8	1
SENIOR MANAGEMENT	21	6
OTHER EMPLOYEES	1666	1693
TOTAL	**1695**	**1701**

2015

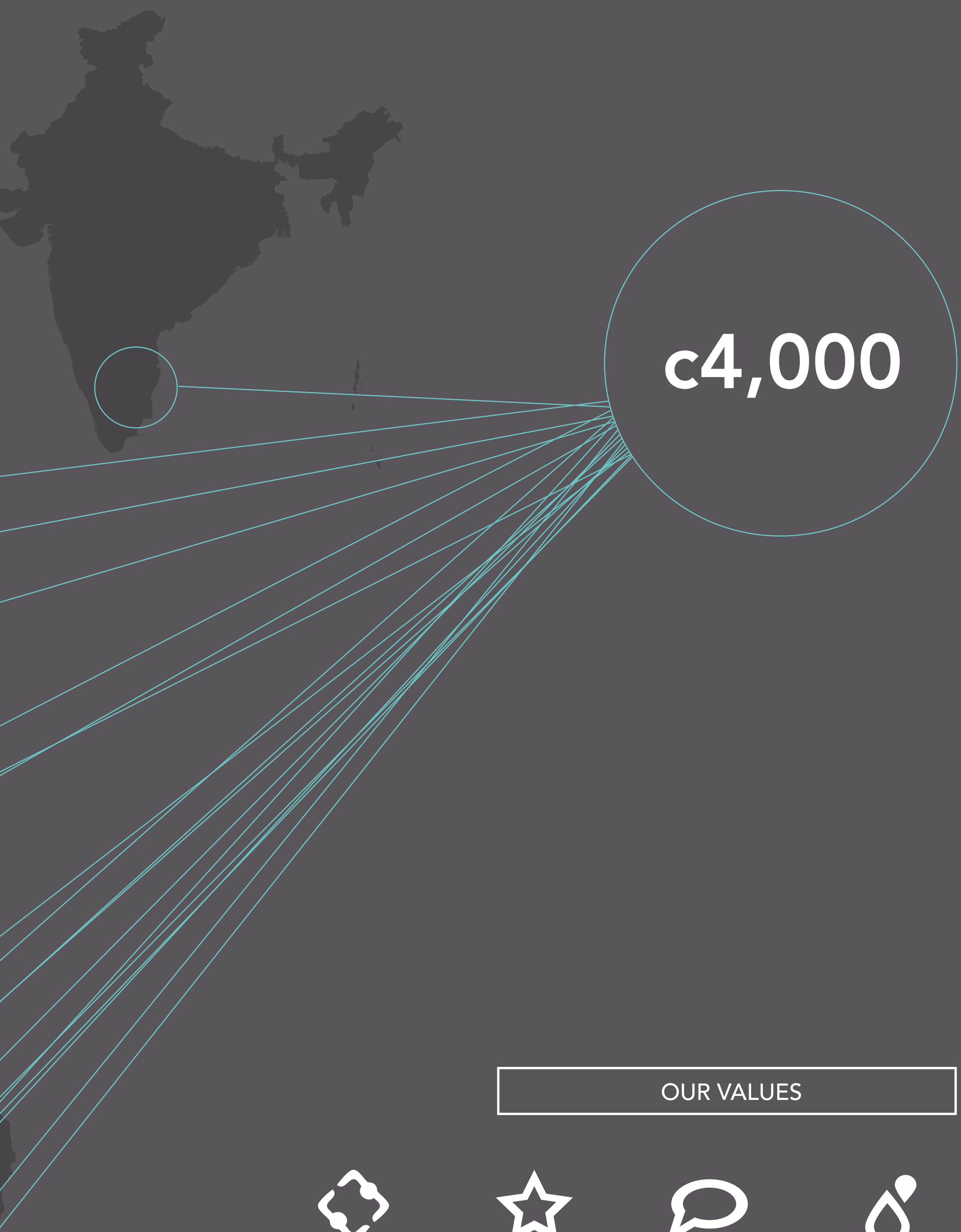
	Male	Female
BOARD	7	1
SENIOR MANAGEMENT	31	7
OTHER EMPLOYEES	2061	2099
TOTAL	**2099**	**2107**

HUMAN RIGHTS

Protecting human rights is important but we do not believe it is a significant issue for our business. We ensure we protect the rights of our people by adopting suitable employment practices, as described in the Employees section of the Directors' report. We also aim to act ethically in all our business dealings.

RESOURCES AND RELATIONSHIPS

PEOPLE



OUR VALUES

TRUST
We act with integrity and openness in our dealings with others

EXCELLENCE
We work hard to get it right first time and keep our promises and commitments to others

CLIENT FOCUS
We add value and build true partnerships

BELIEF
We have passion and belief in what we do and who we are

PEOPLE
We are positive, enthusiastic and supportive of one another

Technology platforms

We deliver our services and solutions through a suite of proprietary platforms, which provide state-of-the art technology and functionality to our clients and give us a significant competitive advantage.

Our platforms are well-invested, with no major software rewrites required over the next five years. Their flexibility underpins our strategy of expanding our service offering, while adapting to changing client and regulatory requirements. Because they are proprietary, we can use them to provide white label services to clients.

The platforms' scalability supports our business growth, with significant capacity to process increasingly large volumes of data and transactions. We also have a track record of making targeted acquisitions of companies with exciting technology, which open up new growth areas for us.

OUR FOUR PRIMARY PLATFORMS ARE SIRIUS, XANITE, COMPENDIA AND CHARTER

EQ Sirius

Sirius is our core register management platform, supporting our registration, dividend payment and share plan administration services. It can handle vast processing volumes, managing over 70 million data records on behalf of 18.7 million shareholders and making payments of £39 billion each year. Sirius receives approximately 1 million internal website hits each day and delivers an average response time of less than 0.5 seconds.

EQ Xanite

Xanite is our custody and settlement wealth management platform. Through its interface with SWIFT and CREST, it supports sharedealing for both retail investors and corporate clients, as well as our outsourcing services for wealth managers. The platform also enables us to provide asset custody services and supports our growing D2C business, which we deliver through the Selftrade web and mobile offering.

EQ Compendia

Compendia is our award-winning pension administration and payroll platform. It is used to manage records and payments for over 7 million UK pension scheme members. As well as using Compendia in our own Pension Solutions business, we also provide the platform as a software solution to in-house pension teams, either as an on-premise installation or hosted in our data centre.

Compendia offers self-service functionality to scheme members, through our mobile app and responsive web design. This improves members' experience, helps them to plan their retirements, increases their engagement with the scheme and improves efficiency for the schemes themselves.

EQ Charter

Charter is our case and complaints management platform. It supports Intelligent Solutions' offering, processing more than 4.5 million complaints on behalf of clients. It is a highly customisable solution, which supports automated FCA reporting, root cause analysis and secure data management. It gives our employees a wide variety of business-critical data in a single view, enabling swift and efficient processes.

OTHER KEY TECHNOLOGY PLATFORMS

Our other key technology platforms include Centive, our executive share plans platform, and Pancredit, which supports our loan administration services.

RESOURCES AND RELATIONSHIPS

TECHNOLOGY PLATFORMS

“

THE PLATFORMS’ SCALABILITY SUPPORTS OUR BUSINESS GROWTH, WITH SIGNIFICANT CAPACITY TO PROCESS INCREASINGLY LARGE VOLUMES OF DATA AND TRANSACTIONS.

Clients

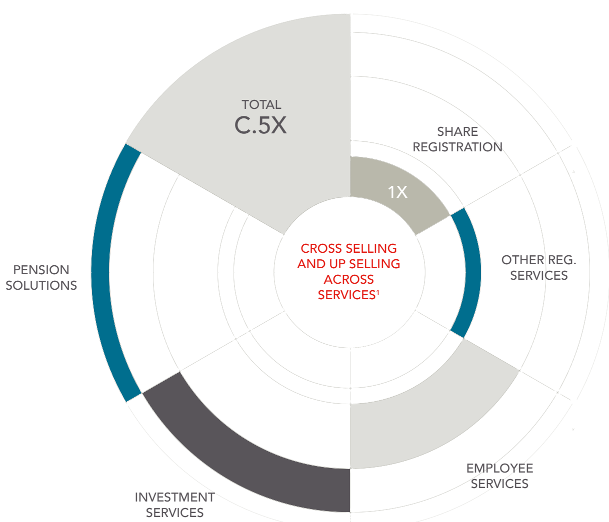
Our strategy is focused on organic growth, driven by cross-selling and up-selling services to existing clients and bringing new clients into the Group. To do this, we need to develop and maintain strong relationships with our clients.

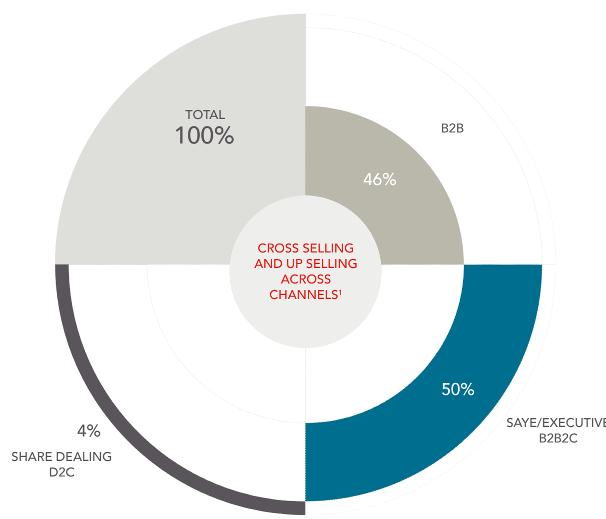
We continue to benefit from the key accounts programme we introduced in 2014. It focuses on growing revenue from our top 24 clients, by identifying opportunities to up-sell and cross-sell other solutions. This programme is closely managed by two of our executive Directors, David Beresford and Paul Matthews, who have a cross-business view of our clients' activity. In 2015, this enabled us to deliver revenue growth of 12% from the top 24.

The importance of cross-selling and up-selling is shown by what we call our 'X-factor'. Many clients join us initially for share registration services. Through cross-selling and up-selling we have been able to increase the average revenue for FTSE 100 clients to more than 5 times the revenue of the original service.

THE 'X-FACTOR'

AVERAGE REVENUE PER FTSE 100 CLIENT WAS APPROXIMATELY 5X SHARE REGISTRATION REVENUES[1]





Beyond our key accounts programme, each of our divisions has specialist sales teams who work with our clients and potential clients to win new business. We also have a bid support team, which helps us to prepare tenders and to price our contracts.

Source: Management information
1. Based on 2014 sales

Suppliers

We have a small number of key suppliers. These include:

- Lloyds Banking Group, which provides savings carrier services and execution and processing services
- Experian, which provides bankers' automatic clearing gateway services for payments
- CREST, which provides settlement services for our sharedealing services
- Citigroup, which provides overseas payment services

We have multi-year contracts with our key suppliers. While they provide services that are important to our delivery to clients, the loss of any one supplier would not have a material effect on our business and we could replace our suppliers without materially disrupting our business.

Industry and trade bodies

Equiniti employs c4,000 people and provides services that are important to millions of people across the country. We therefore look to take an active role in protecting and shaping the direction of our industry and the sustainable development of our markets, and to give our senior leaders a voice in key industry forums.

We joined the CBI in 2014 and have committed to maintain our relationship in 2016. We are full members of CSIT, the Centre for Secure Information Technologies at the Queen's University of Belfast, where we sit alongside some of the world's largest technology companies including IBM, Infosys and McAfee.

Markets where we are actively involved with trade bodies include:

- Wealth management: the Wealth Management Association, Securities Industry Management Association, Tax Incentivised Savings Association and the London Stock Exchange
- Employee Services: IfsProshare, FEAS and the Global Equity Organization
- Pension Solutions: Pension Management Institute, Pension & Lifetime Savings Association, International Longevity Centre
- Information technology insight and advisory: Gartner
- Information industry: Information and Records Management Society

Communities

We believe we have a duty of care to the communities in which we operate. In particular, we focus on supporting youth and education, helping to identify the next generation of talent in our industry and giving young people the opportunity to experience the world of work.

We offer work shadowing to young people, along with graduate placements and apprenticeship schemes. Our Belfast office's innovative IT internship programme is in its fourth year. It offers students, at an earlier stage of their education, the opportunity to obtain practical experience alongside the BTEC level 3 qualification. The programme helps to promote IT awareness, identify IT talent among young people and generate jobs for the unemployed. Each year we offer three to four internship opportunities, with the aim of placing graduates into suitable permanent roles within Equiniti or preparing them for alternative employment.

Our Worthing IT Apprenticeship scheme is also in its fourth year and has seen all apprentices move into permanent roles within Equiniti, with a number of staff progressing to roles of higher seniority or responsibility.

We are delighted to have been invited to participate in the Movement to Work scheme. Spearheaded by Equiniti client Marks and Spencer, the scheme is an employer led initiative providing work experience to unemployed young people and giving support to help get young people back into the workplace. Working with The Prince's Trust, we will pilot the scheme in 2016.

Our Fintech Centre in Cardiff has long been a supporter of Cardiff University and has an ongoing graduate recruitment programme for young developers. In 2015, we started a four-year research programme in partnership with the University, looking at the future of investment decision tools. In 2016, we are working towards the roll out of a Group wide graduate programme.

CHARITIES

Providing the infrastructure to support local charitable activity across our locations benefits the communities in which we operate and empowers our staff to make contributions that are meaningful and rewarding for them.

Equiniti's national charity in 2015, as selected by staff, was Winston's Wish. Across our offices staff have been raising funds through a range of locally run activities, such as quiz nights, competitions, dress down days and cake sales.

In addition, individuals, teams and offices across the Group chose a number of charities throughout the year, with fundraising activity often reaching in excess of £150 per week. Many staff also give valuable time to charities and we have long-standing relationships with Chestnut Tree House and Queen Alexandra Hospital Home.

SOME OF THE CHARITIES WE SUPPORTED IN 2015:

Winston's Wish – the charity for bereaved children

BBC Children in Need

Chestnut Tree House

The Queen Alexandra Hospital Home

CLIC Sargent – children with cancer

Red Nose Day

EQUINITI STAFF HAVE RAISED MORE THAN

£12,000

FOR CHARITY IN 2015

In 2016, we will continue to support local and staff led initiatives which enhance the communities in which we operate, the personal fulfilment of our staff and the development of our team.

Environment

We believe in the need for businesses to contribute to reducing the global carbon footprint, for the long-term benefit of the environment. We take this responsibility seriously and look for areas of opportunity beyond meeting our minimum obligations.

Equiniti is committed to positively managing energy use and to meeting the reporting requirements for its Carbon Reduction Commitment. Over the last reported year, from April 2014 to March 2015, our consumption of electricity and gas reduced by 3%.

As an eligible participant for the Energy Savings Opportunity Scheme, we have begun a review of our energy use, with a view to further reducing our carbon footprint and energy cost. As part of this, we are considering installing solar panelling at suitable premises across the UK.

We await the outcome of a government review of the solar panelling scheme to inform our decision. Our recently launched car scheme only includes vehicles with CO2 emissions below 130g/km.

Through better management, we have been able to divert 99% of the waste we generate away from landfill.

OUR CONSUMPTION OF ELECTRICITY AND GAS REDUCED BY

3%

GHG EMMISSION

	2015	2014	CHANGE %
VEHICLES (BUSINESS TRAVEL)	324	292	11%
TOTAL BUILDINGS	5,719	5,889	(3%)
AIR TRAVEL	325	310	5%

CARBON INTENSITY

	2015	2014	CHANGE %
TONNES CO_2 PER £M TURNOVER	17.3	22.2	(22)
TURNOVER £M	369	292	26%

Vehicle business travel has been based on the use of a medium sized car of average value, from the financial records each year ending 31 December. Overall business travel by car has increased by 11%, total miles covered 1,072k, up from 966k in 2014. MyCSP is an estimate based on the yearly cost.

Buildings emissions are based on data for the years ended 31 March 2014/15. Overall the emissions from our buildings usage has shown a 3% reduction year on year. Electricity emissions are down by 2% from 5,262 tonnes in 2014. Gas emissions have reduced by 7% from 627 tonnes in 2014.

Air Travel has increased by 5% from 2014, up from 1,515k miles. Long distance number of flights have increased by 5%, distance covered on these flights is up by 9%. When calculating the emissions it has been assumed that all flights are at economy class. MyCSP is an estimate based on the yearly cost.

Our approach to corporate social responsibility (CSR)

We believe we have a duty of care to the communities and environment in which we operate. There are also commercial benefits to adopting an active and integrated CSR policy. It helps to provide a prosperous economic environment for us to work in, increases staff loyalty, protects and enhances our brand, and helps us to win business.

The four cornerstones of our CSR policy are people, environment, charity and community. In managing our corporate responsibilities, we aim to ensure that we:

- comply with, and where practicable exceed, all applicable legislation, regulations and codes of practice
- integrate corporate responsibility considerations into every business decision, where possible
- make all staff fully aware of our corporate responsibility approach and our commitment to implementing and improving it
- minimise the impact of our office activities and transport use
- make clients and suppliers aware of our policies and encourage them to adopt sound and sustainable management practices
- review our performance, so we can continually improve

During 2015, we began a review of our CSR policy, which we will conclude in 2016. The review is considering how we can best deliver our CSR ambitions in a sustainable and meaningful way, for the benefit of our business and our wider stakeholder community.

The strategic report was approved by order of the Board

Guy Wakeley
Chief Executive

7 March 2016

Registered Number: 7090427

"JIMMY CHOO HAS WORKED WITH A VARIETY OF DIFFERENT TEAMS AND PEOPLE AT EQUINITI SINCE OUR LAUNCH ON THE LONDON STOCK EXCHANGE IN 2014. EQUINITI ARE VERY RESPONSIVE AND WORK CLOSELY WITH US TO ENSURE THEY ADAPT TO OUR NEEDS AS THEY EVOLVE."

JIMMY CHOO PLC

Making the future today for our retail clients

02 Governance

CORPORATE GOVERNANCE REPORT

Dear Shareholder

In our first annual report as a Listed Public Company, I am pleased to take the opportunity to make a statement on Equiniti's approach to Corporate Governance.

Prior to the IPO, funds controlled by Advent International had a controlling interest in Equiniti. Equiniti was considered a portfolio company as defined in the Walker Report (Guidelines for Disclosure and Transparency in Private Equity) with which Equiniti was fully compliant. As a result, Equiniti had robust governance structures in place in accordance with UK Corporate Governance Code ("the Code") compliance. The Board had well established formal Board Committees comprising the Audit, Risk, Remuneration and Nominations Committees whose members were either entirely or largely comprised non-executive Directors.

The Board recognises that good Corporate Governance is critical in building a successful business that is sustainable for the longer term. This is especially true because of the highly regulated markets in which we operate.

2015 was a progressive year for Equiniti in terms of its governance structures as we transitioned from private equity to public ownership. The IPO allowed the Board, together with our professional advisers, to review and build on our existing governance arrangements. This process ensured they were in line with established best practice for Listed Companies set out in the Code. These changes included:

- Appointment of a further new independent non-executive Director, Dr Tim Miller, in February 2015
- Retirement of James Brocklebank and Oliver Niedermaier as Directors of the Board at the IPO
- Ensuring that the Audit, Risk, Nominations and Remuneration Committees comprised only independent non-executive Directors and disbanding the Operating Committee in favour of additional Board meetings
- Appointment of Victoria Jarman as Senior Independent non-executive Director in addition to her role as chair of the Audit Committee
- Reviewing Equiniti's governance policies and formalising arrangements for the division of responsibilities between Guy Wakeley as Chief Executive Officer and myself as Chairman
- Refreshing matters reserved for the decision of the Board and adopting additional governance policies such as dealing restrictions for Directors, senior executives and staff with price sensitive information
- Reviewing, in conjunction with our remuneration consultants, the remuneration of our Directors and moving the remuneration packages of our executive Directors to typical practice for a listed company (additional details are contained in the Directors' Remuneration Report on pages 82 to 96
- Further strengthening the governance of our principal regulated subsidiary, Equiniti Financial Services Limited, with the appointment of Mark Lund as independent non-executive Chairman and Dr Tim Miller as an independent non-executive Director

These changes and policy reviews are part of an ongoing process and proactive commitment to manage Equiniti's governance, diversity and effectiveness so that it continues to reflect best practice and meets the changing requirements of the business.

The report on Corporate Governance sets out the processes, which ensure that we comply with all applicable laws and regulations. It also outlines how we will create the necessary internal culture to enable us to meet the requirements of our shareholders and wider stakeholders, deliver long-term sustainable growth and increasing investor returns.

The Board believes the culture within which all of our businesses operate is as equally important as the effective operation of the Board and is the bedrock that underpins our governance structures.

Conclusion

It has been an evolutionary year and we have made excellent progress enhancing Equiniti's governance to provide a solid platform from which to manage the three trading divisions. I am sure this will help continue to drive performance and enable us to stay aligned with best practice over the coming years.

Throughout the past year, I have greatly valued the diverse and complementary range of skills and experience of my fellow Board members. All of our discussion and debate has taken place within an environment of openness, mutual trust and respect. I would like to extend thanks to all Board members, past and present, for their exceptionally valuable support and commitment during the course of 2015.

I look forward to reporting to you next year on how our governance arrangements have continued to evolve. This will include a review of Board effectiveness in the first year since our IPO and any actions we undertake in response to this.

Kevin Beeston
Chairman

7 March 2016

CORPORATE GOVERNANCE OVERVIEW

The UK Corporate Governance Code

"Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the Board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The board's actions are subject to laws, regulations and the shareholders in general meeting." – Introduction to the 1992 UK Corporate Governance Code.

The Code is the distillation of the key components and consensus of best practice that are the hallmark of an efficient board. The Code operates at two levels. At the first level are the main and supporting principles of good governance being: accountability, transparency, probity and focus on the sustainable success of the company over the longer term. At the second level there are Code provisions, which are specific requirements, that companies are expected to comply with.

All Listed companies are required by the Listing Rules of the Financial Conduct Authority (FCA) to describe how they apply the principles of the Code and to specifically state in their annual report whether the company complies with the Code provisions. The Code recognises that the principles and provisions contained in the Code will not be suitable for every company or every situation and where any Code provisions are not complied with an explanation of the reasons for non-compliance must be set out in the annual report compliance statement.

Our compliance statement is:

THE UK CORPORATE GOVERNANCE CODE – COMPLIANCE STATEMENT

The Corporate Governance Report sets out how Equiniti has applied the main principles of the Code for the period from its admission to the Main Market to 31 December 2015.

The Board considers that Equiniti has been compliant with the Code provisions except as noted below.

We have not complied with Code provision A.3.1 as our Chairman did not meet the independence criteria set out in the Code at the time of his appointment. The explanation for this non-compliance is explained below.

Our Chairman, Kevin Beeston, is not considered independent due to his role as an Operating Partner at Advent International.

At the time of his appointment, Advent International managed the funds that ultimately owned Equiniti and following Admission, Advent International together with those funds, other Advent companies and Kevin Beeston, became our controlling shareholders.

Kevin Beeston does not act on behalf of Advent International in respect of its investment in Equiniti and receives no remuneration from Advent International in respect of its investment in the business or his role with us.

We were not subject to the Code at the time of Kevin's appointment as Chairman and the Board is unanimously of the view that Kevin Beeston is an extremely valuable asset to Equiniti. He brings with him a wealth of experience in publicly listed companies, an understanding of technology and service businesses as well as being independent in character and judgement.

A copy of the UK Corporate Governance Code may be downloaded from the corporate governance pages of the Financial Reporting Council website (https://www.frc.org.uk/Our-Work/Codes-Standards/Corporate-governance.aspx)

Board of Directors

BOARD LEADERSHIP AND EFFECTIVENESS

The Board has six non-executive and two executive Directors assisted by an executive committee. The members of the Board, the executive committee and the Company Secretary are:

KEVIN BEESTON
CHAIRMAN (53)

Kevin joined the Board as non-executive Chairman in September 2011. He is also Chairman of FTSE 100 developer and homebuilder Taylor Wimpey plc, a non-executive Director of FA Premier League Limited and an Operating Partner of Advent International. Prior to this Kevin was Chairman of Serco Group plc, having held the roles of Chief Executive and Finance Director during a 25-year career with the company. He has been a non-executive Director of engineering group IMI plc, Chairman of Domestic and General Group Limited and Partnerships in Care Group Limited as well as a Director of Ipswich Town Football Club. Kevin's other previous roles include Chairman of the CBI's Public Services Strategy Board and commissioner for the TUC's Commission on Vulnerable Employment. Kevin is an accountant by background. He is the Chairman of Equiniti's Nominations Committee.

N

GUY WAKELEY
CHIEF EXECUTIVE OFFICER (45)

Guy joined the Board as Chief Executive Officer in January 2014. Prior to that, he was Chief Executive of Morrison plc for five years. He is a member of the CBI's Public Services Strategy Board and is an FCA Approved Person. Previously Guy has held divisional leadership positions with Amey, The Berkeley Group, General Electric and Rolls-Royce. He holds an MA in Engineering Science from the University of Cambridge and a PhD in applications of artificial intelligence to engineering design. He is a Chartered Engineer, a Fellow of the Royal Institution of Chartered Surveyors, a commercial pilot and flight instructor and examiner.

E

JOHN STIER
CHIEF FINANCIAL OFFICER (49)

John joined Equiniti in June 2015 from Northgate Information Solutions Ltd ("NIS") where he was the Chief Financial Officer for over ten years. NIS was a FTSE 250 organisation until 2007 when the business was acquired by KKR, the US private equity firm. Prior to this, he was the Chief Financial Officer of Subterra Ltd; a subsidiary of Thames Water Plc. John is a fellow of the Institute of Chartered Accountants and has a background in corporate finance.

E

VICTORIA JARMAN
SENIOR INDEPENDENT DIRECTOR (43)

Victoria joined the Board as a non-executive Director in May 2014 and became the Senior Independent non-executive Director on 8 October 2015. Victoria is a qualified chartered accountant with an early career at KPMG and latterly eleven years in corporate finance at Lazard where she was Chief Operating Officer. During her time at Lazard she successfully led the restructuring of UK operations, sat on the Lazard London Board and European Management Committee and opened Lazard's Dubai office. She holds non-executive Directorships at De La Rue plc and Hays plc where she chairs their Audit Committee. Victoria holds a Mechanical Engineering degree from Leicester University. She is Chairman of Equiniti's Audit Committee and a member of the Risk, Remuneration and Nominations Committees.

A R Rm N

BOARD OF DIRECTORS

A Audit Commitee

R Risk Commitee

Rm Remuneration Commitee

N Nominations Commitee

E Executive Commitee

SIR ROD ALDRIDGE
NON-EXECUTIVE DIRECTOR (68)

Sir Rod joined Equiniti in 2007 following his retirement from the Capita Group as Chairman in July 2007, a company that he was founder of and led from a start-up in 1984 to becoming a member of the FTSE 100 index. Prior to Capita, Sir Rod was Technical Director of the Chartered Institute of Public Finance and Accountancy (CIPFA) which he joined in 1974 having worked in local government for ten years, where he qualified as a chartered public accountant. In July 2006, Sir Rod established the Aldridge Foundation and he was awarded a knighthood in 2012 for services to young people. Sir Rod is a Patron of the Prince's Trust and Founder Chair of Vinspired, a charity launched in May 2006. He is also chairman of The Lowry, a Director of Cornerstone and a Director of Constellation Healthcare Technologies. Sir Rod was chairman of the CBI's Public Services Strategy Board from its inception in 2003 until July 2006. He is a member of Equiniti's Audit, Nominations and Remuneration Committees.

A Rm

HARIS KYRIAKOPOULOS
NON-EXECUTIVE DIRECTOR (38)

Haris joined the Board as a non-executive Director in August 2013. He is a Director at Advent International plc ("Advent"), where he has worked since 2008. Prior to joining Advent, Haris worked in investment banking with Goldman Sachs' UK Mergers and Acquisitions team, in strategy consulting in New York with First Manhattan Consulting Group, and at a telecommunications start-up in Athens with Tellas. Haris has participated in several Advent investments including KMD, The Priory Group, Towergate and DFS as well as Equiniti. Haris holds a BSc with honours in Electrical Engineering from the University of Pennsylvania, and an MBA with honours from the Wharton School.

DR TIM MILLER
NON-EXECUTIVE DIRECTOR (58)

Tim joined the Board as an independent non-executive Director in February 2015. Tim has extensive experience as a board level executive across a range of sectors. During his fourteen years at Standard Chartered Bank, he held a number of director level positions with global responsibility for areas including human resources, compliance, audit, assurance, financial crime and legal. He is currently non-executive Director of Otis Gold Corporation, a Toronto Stock Exchange Listed company. Recently he held non-executive Director roles including acting as non-executive Chairman of the Girls Day School Trust and Chairman of the Governing Body of the School of Oriental and African Studies. Tim is Chairman of Equiniti's Remuneration Committee, a member of the Audit, Risk and Nominations Committees and a non-executive Director of EFSL.

A R Rm N

JOHN PARKER
NON-EXECUTIVE DIRECTOR (60)

John joined the board in January 2014 following his retirement as managing director of the registration services division. John was with Lloyds TSB Group for 30 years, holding a range of management roles in retail, commercial and corporate banking. He joined Equiniti in 1997 (when it was Lloyds TSB Registrars) and held a number of senior management roles. John is Chairman of Equiniti's Risk Committee, a member of the Audit and Nominations Committees and Chairman of the Global Share Alliance (GSA).

Although a former employee of Equiniti, the Board is unanimously of the view that John is an extremely valuable asset bringing with him a wealth of experience in share registration as well as long standing relationships with many of our larger corporate share registration clients. John also brings with him an understanding of the wealth management industry and business development as well as being independent in character and judgement.

A R N

Executive Committee

DAVID BERESFORD
DIRECTOR OF STRATEGY AND BUSINESS DEVELOPMENT (49)

David joined Equiniti in 2014 and is responsible for our growth strategy: to deliver specialist-outsourcing services, underpinned by leading proprietary technology, to meet the needs of Financial Services & FTSE 350 companies and Government. During his career, David has worked on various plc and executive boards focussing on strategy, M&A and business development in the UK, Europe and Asia. He started his career with Andersen Consulting, working in both the London and Paris offices, and was global head of Serco's consulting business until 2013. He holds a first class degree in French and Economics from Loughborough University.

E

ADAM GREEN
CHIEF RISK OFFICER (37)

Adam joined Equiniti as the Chief Risk Officer in 2015, working as part of the executive leadership team. He has a wide range of experience in financial services, risk management, regulation and business change. Adam was previously interim head of UK Compliance for BUPA and prior to that managed a core transition work stream at the Financial Services Authority as they established the Financial Conduct Authority and Prudential Regulatory Authority. He has also worked at PricewaterhouseCoopers helping boards, management teams and change programmes to deliver complex risk and regulatory requirements, which followed his time as a major group's regulator at the Financial Services Authority.

E

PAUL MATTHEWS
EXECUTIVE DIRECTOR, CORPORATE MARKETS (54)

Paul joined Equiniti in 2011 as Managing Director, Corporate Markets. Paul is responsible for working with the UK's leading businesses to deliver successful transactions including IPOs and corporate actions for a client base covering 50% of the FTSE 100 and circa 40% of the FTSE 250. Paul's stock market experience spans 30 years and he currently leads Equiniti's partnership with the Global Share Alliance. Prior to joining Equiniti, Paul was a Managing Director at the investment bank JPMorgan Cazenove, where he had a successful career spanning over 25 years.

E

Company Secretary

DOUG ARMOUR
COMPANY SECRETARY (53)

Doug was appointed as Company Secretary in January 2015. Prior to this Doug was a Director of Equiniti David Venus, which was acquired by Equiniti in 2009. With more than 30 years at Equiniti David Venus he has experience in all aspects of company secretarial and corporate governance compliance for companies of all sizes, from owner managed private organisations to FTSE100 companies. Doug continues to write company secretarial practice reference works including The ICSA Company Secretary's Handbook and The ICSA Company Secretary's Checklists.

THE BOARD

As Chairman, Kevin Beeston is responsible for ensuring that the Board has an appropriate balance of skills, independence and knowledge and that Board meetings are effective and efficient.

The role of the independent non-executive Directors is to offer guidance and advice to the Board as a whole and the executive Directors in particular, drawing on their wide experience across many industries. They also provide scrutiny, challenge and oversight, in particular through the operation of the Board committees, to the executive Directors and senior management.

The Chairman has implemented a process, supervised by the Company Secretary, to ensure that sufficiently detailed papers support matters being brought to the Board for decision. These provide the Directors with relevant background information, the action being requested from the Board, the benefit and risks of the proposed action or in action and any relevant financial information to allow a constructive discussion of the matter at hand and to reach an informed decision.

The Company Secretary acts as secretary to the Board and its Committees and attends all meetings as well as board meetings of EFSL, its regulated subsidiary.

The Board receives and reviews regular reports on overall, division and individual business unit performance, financial position, health & safety, regulatory compliance, HR, corporate compliance and governance issues, legal matters and investor relations.

Whilst routine business decisions are delegated to the executive management team, there is a schedule of matters reserved for the Board decision together with a delegated authority framework to ensure that unusual or material transactions are brought to the board for approval. Decisions reserved for the Board include approval of strategic plans and annual budgets, acquisitions, audited accounts and the appointment of additional Directors. The delegated authority schedule sets out primarily financial parameters for the delegation of authority, covering all areas of the Group's activities below Board level to the executive Directors, divisional MDs and business unit managers. Certain authorities such as approval of capital expenditure have different delegated authority limits depending on whether the particular expenditure was included in the annual budget or is an additional item of expenditure where a higher degree of oversight and approval is appropriate.

The Board agrees an annual budget together with corporate goals to underpin that budget. The corporate goals form the basis of the Chief Executive's and CFO's personal objectives and these goals and objectives are cascaded down to the senior management team informing divisional and business unit goals and management objectives.

The Board is responsible for setting Equiniti's culture and for determining our values and standards. The cascade of goals and objectives is used by the Board as the framework to establish and guide a unified culture throughout Equiniti. The Board has adopted and reviews on a regular basis a number of policies and codes of conduct, to ensure that Equiniti's obligations to its investors and other stakeholders are clear, understood and observed.

During 2015, the Board remained focused on ensuring that Equiniti's risk management and internal control systems are effective. In 2016, the Board will continue to monitor how this culture is embedded throughout Equiniti to support effective risk management and internal control, including through our operating model and business plan. Effective risk management and internal controls are particularly relevant to our regulated activities and supports the development and implementation of significant changes required to meet enhanced regulatory supervision and reporting being introduced by MiFID II and MAR among other regulatory changes.

DIVISION OF RESPONSIBILITIES

During the year the Board reviewed and amended the structure for the delegation of financial, commercial and operational authorities reflecting our move from private equity to public ownership. The extent of the roles and authorities of the Chairman, Chief Executive Officer, CFO and senior executive management were also reviewed and clearly defined.

CONFLICTS OF INTEREST

The Board has an established framework for the identification, approval and recording of actual or potential conflicts of interest of its Directors and subsidiary company Directors. All conflicts of interest must be declared to the Board and are recorded in Equiniti's register of Directors' interests. The Companies Act 2006 and Equiniti's articles of association contain detailed provisions for the proper management of conflicts of interest. The circumstances in which the Board can approve the ongoing participation by a conflicted Director in any discussions or decisions of the Board, where the Director is or may have a conflict, are clearly defined.

The Board maintains oversight of each Directors' external interests to ensure that they continue to be able to devote sufficient time to discharge their duties and responsibilities effectively and efficiently. Where there are external commitments, the Board is satisfied that they do not have any adverse effect on Equiniti or the ability of any particular Director to discharge their duties fully.

BOARD & COMMITTEE STRUCTURE

BOARD AND EXECUTIVE COMMITTEES

The Board has established four Board committees, comprising only non–executive Directors. These committees assist with the following:

- the detailed oversight of Equiniti's internal and external audit work
- identification and management of risk
- establishing the remuneration policy and overseeing implementation for Equiniti as a whole and the Directors and senior managers in particular
- establishing appropriate succession and contingency plans for the Directors and senior managers and undertaking appropriate searches for new Directors as required

In preparation for the IPO, the composition of the Board and the structure of the committees was reviewed. This led to the Board Operating Committee being disbanded and replaced by additional Board meetings.

In addition to the oversight provided by the Board and Board Committees noted above the executive Directors are supported by a number of executive management committees that help them discharge their duties. These include monthly reviews with the senior and divisional management teams covering areas such as business performance and development, financial management, risk management, HR, IT and operational performance.

The Board and executive management committee structure is set out below and more information about the Executive and Operating Committee is available on page 71.

BOARD

Audit Commitee

Reviews the integrity, adequacy and effectiveness of Equiniti's system of internal control and risk management and the integrity of Equiniti's financial reporting, whistleblowing and anti-bribery and corruption obligations.

Risk Commitee

Reviews and assesses risks facing Equiniti and recommends mitigating actions and tests the robustness of operating processes through a programme of review.

Remuneration Commitee

Sets, reviews and recommends Equiniti's overall remuneration policy and strategy and monitors their implementation.

Nominations Commitee

Evaluates and makes recommendations regarding Board and Committee composition, succession planning and Directors' potential conflicts of interest.

Executive Commitee

Weekly reviews of performance, allocation of resources and directs activity to deliver business plan.

Sales & Bid Committee

Monthly review of all sales submissions, tenders and renewals.

Investment & Projects Committee

Monthly review of all capital expenditure and acquisitions.

Compliance & Risk Committee

Assure performance of business in accordance with policies, relevant legislation and risk appetite.

Operating Committee

Challenge and review of P&L performance, business planning and resourcing, budgeting, central costs and overhead.

BOARD & COMMITTEE STRUCTURE

During 2015, six routine Board meetings were held. Partly due to the disbanding of the Board Operating Committee ten Board meetings are scheduled to be held in 2016. Details of meetings and meeting attendance in 2015 are set out on page 70.

The following documents are available to review on our website http://investors.equiniti.com/investors/shareholder-services/corporate-governance

- Schedule of matters reserved for the decision of the Board
- Terms of reference of the committees of the Board that set out their objectives, responsibilities and any delegated authority

As part of the IPO process a formal Insider Dealing Code was adopted setting out dealing restrictions and procedures to ensure persons discharging management responsibilities ("PDMRs") and Company Insiders seek clearance for dealing in Equiniti shares. This new policy works in conjunction with the pre-existing Personal Account Dealing Policy, which sets out restrictions and procedures to obtain clearance to deal in client company shares.

BOARD & COMMITTEE BALANCE

It is a core feature of good corporate governance that Board and Committee membership have an appropriate balance of skills, experience, independence and knowledge to enable the effective discharge of their duties and responsibilities whether individual or collective. Part of the role of the Chairman and the Nominations Committee is to keep the balance of skills and expertise on the Board and its Committees under review and make recommendations to the Board where changes are appropriate to maintain that balance. The Board considers that the range of skills, experience and background of each of the Directors is sufficiently relevant and complimentary to allow appropriate oversight, challenge and review of Equiniti's progress in achieving its corporate goals. The individual experience and background of each Director is set out on pages 64 and 65.

It is Equiniti's policy, in line with the Code, that proposed appointments to the Board follow an open and transparent recruitment process and that candidates are assessed on merit against an objective criteria.

DIVERSITY

The Board notes and supports the aims of the Davies Report and the aspiration to achieve at least 25% representation of women on its Board where appropriate. The Board, supported by the Nominations Committee, values diversity in its broadest sense and when considering new non-executive Director appointments will, in addition to considering gender, age, disability, ethnicity or experience, look to maintain within the boardroom the appropriate balance of skills, experience, independence and knowledge of Equiniti and the industry as a whole. Further details on Equiniti's gender diversity statistics as at 31 December 2015 are set out on page 50.

The work of the Board Committees is set out in detail on pages 75 to 96.

BOARD ACTIVITIES – 2015 AND PRIORITIES FOR 2016

Board achievements in 2015

- Delivered successful IPO
- Delivered revenue and earnings growth
- Completed the integration of recently acquired businesses to accelerate growth
- 100% of key clients retained
- Strengthened governance, risk management, compliance and internal audit

Board Priorities in 2016

- Deliver or exceed 2016 business plan delivering sustainable earnings growth
- Expand the Group's addressable markets and service capabilities
- Develop and enhance the digitisation and automation of back office systems
- Optimise operating efficiencies through better alignment of employees, technologies and locations
- Develop employee learning and development, skills, and succession planning and improving employee engagement

BOARD DEVELOPMENT, SUPPORT AND EVALUATION

Newly appointed Equiniti Directors, including non-executive Directors, receive a formal induction from the Company Secretary. This includes formal training on their rights and duties as Directors under the Companies Act 2006, Listing Rules and FCA requirements (where appropriate) together with familiarisation with Equiniti's businesses, strategy, operations and systems.

During 2015, the Board received specific training on regulatory compliance matters, rights and duties of Directors and responsibilities of Directors of listed companies. In addition, the Company Secretary provides an overview of changes to relevant legislation and best practice guidance as a regular agenda.

Our independent advisers provide additional briefings where appropriate. All Directors have access to the advice of the Company Secretary and procedures are in place whereby Directors may take relevant independent professional advice at Equiniti's expense in order to discharge their duties as Directors.

During 2015, the Board took advice from Weil, Gotshal & Manges, Norton Rose, N M Rothschild & Sons Limited, Deloitte, New Bridge Street and PwC in connection with its IPO and Admission to the Main Market. The Audit Committee took advice from PwC on a number of accounting issues and a review of the effectiveness of Equiniti's internal audit, compliance and risk functions.

BOARD & COMMITTEE STRUCTURE

The Remuneration Committee took advice from New Bridge Street on the design of Equiniti's remuneration policy as a Listed Company and the appropriate level of remuneration for the executive Directors.

The Board receives regular briefings on the activities of its principal subsidiaries, EFSL and MyCSP, through the monthly reporting process, and through the relevant Audit and Risk Committees, allowing the Board to ensure that sufficient resources are available to EFSL and MyCSP to meet obligations.

BOARD & COMMITTEE ATTENDANCE DURING 2015

Director	Committee appointments	Board	Audit	Risk	Remuneration	Nominations
Scheduled Meetings in 2015		6	4	5	4	2
Sir Rod Aldridge[1]	Audit, Remuneration, Nominations	6/6	4/4			
Kevin Beeston[2]	Nominations	6/6	4/4		3/3	2/2
James Brocklebank[3]		4/4			1/1	2/2
Lucy Dimes[4]		3/3				
Martyn Hindley[5]		1/1				
Victoria Jarman[6]	Audit, Risk, Remuneration, Nominations	6/6	4/4	3/5	1/1	2/2
Haris Kyriakopoulos		6/6			2/2	
Dr Tim Miller[7]	Remuneration, Risk, Audit, Nominations	4/5	3/3	4/4	3/3	
Oliver Niedermaier[8]		3/4			2/2	
John Parker	Risk, Audit, Nominations	6/6		5/5		
John Stier[9]		4/4				
Guy Wakeley		6/6				

1 Sir Rod Aldridge was appointed to the Remuneration Committee on 2 October 2015.

2 Kevin Beeston resigned from the Remuneration Committee on 8 October 2016.

3 James Brocklebank resigned from the remuneration committee on 18 February 2015 and resigned as a Director on 21 September 2015.

4 Lucy Dimes was appointed as a Director on 1 February 2015 and resigned as a Director on 31 July 2015.

5 Martyn Hindley resigned as a Director on 20 February 2015.

6 Victoria Jarman was appointed to the Remuneration Committee on 8 October 2015, Victoria Jarman was unable to attend two Risk Committee meetings due to a meeting conflict.

7 Dr Tim Miller was appointed as a Director on 1 February 2015, Dr Tim Miller was unable to attend one meeting due to ill health.

8 Oliver Niedermaier resigned as a Director on 21 September 2015, Oliver Niedermaier was unable to attend one meeting due to a conflict.

9 John Stier was appointed as a Director on 19 June 2015.

ANNUAL RE-ELECTION OF THE BOARD

In compliance with the Code, all Directors will retire and offer themselves for re-election or re-appointment as appropriate at each year's Annual General Meeting. At our first Annual General Meeting to be held on 26 April 2016 all the Directors, regardless of their date of appointment or length of service, will offer themselves for re-election as a Director.

Full details of the resolutions, together with explanatory notes and supporting biographies, are set out in the notice of the Annual General Meeting on pages 176 to 182.

As part of the IPO and Admission process the Board reviewed and re-affirmed that it considers each of the independent non-executive Directors to be independent in character and judgement and that there are no relationships that might prejudice this independence.

EXECUTIVE MANAGEMENT COMMITTEES

Executive Committee

The Chief Executive Officer leads Equiniti's operational management, supported by an Executive Committee. The Executive Committee is the most senior executive management committee and consists:

Guy Wakeley – Chief Executive Officer

John Stier – Chief Financial Officer

David Beresford – Director of Strategy and Business Development

Adam Green – Chief Risk Officer

Paul Matthews – Executive Director, Corporate Markets

(Biographies of this senior management team are set on page 66).

The Executive Committee meets weekly to review performance, allocation of resources and directs activity to deliver the business plan.

The Executive Committee is supported by four management committees.

The Operating and Sales & Bid Committees, chaired by the Chief Executive, are held monthly and review performance against P&L budgets and forecast, planning, resourcing and costs, reviews of sales submissions, tenders and contract renewals.

The Investment and Projects Committee chaired by the CFO also meets monthly and reviews capital expenditure requests and acquisition targets.

The Compliance and Risk Committee is also chaired by the CFO and meets at least quarterly to ensure performance of the business is in accordance with policies, legislation and agreed risk appetite.

BUSINESS MANAGEMENT

The Chief Executive is responsible for delivering Equiniti's agreed strategy and prepares the annual budget, which is subject to formal scrutiny and approval by the Board. Progress in meeting this annual budget is reported on at each Board meeting.

Monthly business forecasts are prepared by the operating divisions to identify variances against the annual budget at the earliest opportunity, reflecting changes in expectations and market conditions. Negative variances to budget are subject to rigorous challenge at Operating Committee meetings.

There are clear policies outlining delegated authority limits for all types of business transaction and associated authorised signatories. These policies are reviewed at least annually to ensure they continue to be set at appropriate levels. The authority limits and processes are verified by reviews undertaken by compliance and internal audit. Additional detail on the work of the compliance and internal audit functions is set out on pages 79 to 81.

All employees undergo an objective based personal appraisal process with individual objectives derived from corporate strategy and objectives of their line managers and set within the context of Equiniti's corporate goals and annual budget.

ACCOUNTABILITY

During 2015, internal controls were reviewed and enhancements made in a number of areas including revision of the risk management framework and the process for evaluating risks. The Internal Audit function was restructured and a co-sourcing arrangement with Grant Thornton introduced to boost resources and bring best practice to the function. Details of the changes to the Internal Audit function are set out in the Audit Committee report on pages 76 to 78.

The introduction of new processes have improved the timeliness and quality of financial information and analysis tools provide automated real time management reporting. Equiniti's Accounting Manual has been reviewed, updated and expanded ensuring compliance with agreed Equiniti standards.

DISCLOSURE STATEMENTS

Financial Statements and Accounting Records

The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable IFRSs as adopted by the European Union 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 company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. A copy of the financial statements is available on Equiniti's website.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Rule 4.1.12 of the Disclosure and Transparency Rules each of the Directors, the names and functions of whom are set out on pages 64 and 65, confirm that to the best of his or her knowledge:

The Groups' financial statements, which have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

The strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

The Directors have concluded that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy in accordance with the UK Corporate Governance Code.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

As required by Sections 418 and 419 of the Act, each Director has approved this report and confirmed that, so far as they are aware, there is no relevant audit information (being information needed by the auditors in connection with preparing their audit report) of which the Company's auditors are unaware. They have also confirmed that they have taken all the steps they ought to as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

GOING CONCERN

Equiniti's business activities, together with factors likely to affect its future development, performance and position, are set out in the Strategic report on pages 8 to 59. The financial position of the Company, its cash flows, liquidity position and borrowing facilities, as well as the Company's objectives, policies and processes for managing capital, are described on pages 134 to 139. Financial risk management objectives, details of financial instruments and hedging activities, and exposures to credit risk and liquidity risk are described in notes 6.9 to 6.12, pages 141 to 145. The Directors consider that the Company's business activities and financial resources ensure that it is well placed to manage its business risks successfully.

The Directors are satisfied that:

- The Company's activities are sustainable for the foreseeable future, and that the business is a going concern
- It is appropriate to continue to adopt a going concern basis in the preparation of the financial statements

THE BOARD'S REVIEW OF THE SYSTEM OF INTERNAL CONTROL

The Board has responsibility for Equiniti's overall approach to risk management and internal control and considers their effectiveness fundamental to the achievement of Equiniti's strategic objectives. During 2015, the Board reviewed with management the process for identifying, evaluating and managing the principal risks faced by Equiniti.

The Board, with the input of the of the Audit Committee, has reviewed Equiniti's risk management and internal controls systems for the period 1 January 2015 to the date of this report, and is satisfied that they are effective and that Equiniti complies in this respect with the Financial Reporting Councils (FRC) guide 'Risk Management, Internal Control and Related Financial and Business Reporting'.

Continued focus on our control enhancement programme will be provided by the Audit Committee in 2016, which is designed to refresh accountabilities with respect to financial controls assurance and testing.

DIRECTORS' REMUNERATION

Full details of Equiniti's remuneration policy and the implementation of that policy together with details of the remuneration of the Directors is set out on pages 82 to 96.

RELATIONS WITH SHAREHOLDERS

The Board has launched a program to promote engagement with its major institutional shareholders. It supports the aims of the Code and the UK Stewardship Code to promote engagement and interaction between listed companies and their major shareholders.

The Board welcomes the opportunity for investors and shareholders to engage directly with the Chairman and Senior Independent Director in addition to the Chief Executive and CFO. We intend to establish an appropriate range of investor relations events around the publication of the full year and half year results. An experienced head of investor relations has been appointed to establish and manage this process, including regular updates to the Board.

The Annual General Meeting will be held on 26 April 2016 and is an opportunity for shareholders to vote on aspects of the business in person. The Board values the Annual General Meeting as an opportunity to meet with shareholders and to take their questions. Full details of the resolutions to be proposed at the Annual General Meeting, shareholders' rights with respect to attendance, participation in the meeting and the process for submission of proxy votes in advance of the meeting are set out in the notice of meeting on pages 176 to 182.

Additional information for shareholders is contained on our website http://investors.equiniti.com/investors

CONTROLLING SHAREHOLDERS AND RELATIONSHIP AGREEMENT

Any person who exercises or controls 30% or more of the votes able to be cast on all or substantially all matters at our general meetings, whether on their own or together with any person with whom they are acting in concert, are known as 'controlling shareholders'. The Listing Rules require companies with controlling shareholders to enter into a written and legally binding agreement intended to ensure that the controlling shareholder complies with certain independence provisions.

On 14 October 2015, Equiniti, Equiniti (Luxembourg) S.a.r.l. and the Chairman entered into a Relationship Agreement, which took effect from Admission.

The Relationship Agreement regulates the continuing relationship between Equiniti (Luxembourg) S.a.r.l., the Chairman, Advent International plc, various other Advent Companies, the Advent Funds (and its and their respective associates) (the "Controlling Shareholders") and Equiniti following Admission. The Relationship Agreement also imposes obligations on Equiniti (Luxembourg) S.a.r.l. to procure compliance by the Advent Companies and the Advent Funds, who are controlling shareholders of Equiniti for the purpose of the Listing Rules, with the independence obligations contained in the Relationship Agreement.

The Chairman is subject to the same terms and has given an undertaking to procure that his associates comply with those terms.

The Controlling Shareholders have a combined total holding of approximately 31% of Equiniti's voting rights.

The Board confirms that, since the entry into the Relationship Agreement on 30 October 2015 until 7 March 2016 (being the latest practicable date prior to the publication of this annual report and accounts)

- Equiniti has complied with the independence provisions included in the Relationship Agreement
- So far as Equiniti is aware, the independence provisions included in the Relationship Agreement have been complied with by the Controlling Shareholders
- So far as Equiniti is aware, the procurement obligation included in the Relationship Agreement has been complied with by the Controlling Shareholders

BOARD COMMITTEES

To allow the Board to operate effectively, a number of Board Committees have been established. The Audit Committee, chaired by Victoria Jarman, and the Risk Committee, chaired by John Parker, replaced the Audit & Risk Committee during 2014. Summaries of each Board Committee's terms of reference are set out below.

Nominations Committee

The Committee reviews the structure, size and composition of the Board and Board Committees including their balance of skills, knowledge, experience and diversity and makes recommendations to the Board with regard to any changes. The Committee is also responsible for establishing and reviewing plans and policies covering succession plans for Directors and other senior executives, Board diversity and staff vetting policies.

Audit Committee

The Committee monitors the integrity of Equiniti's financial statements, including its annual and half-yearly reports, and any other formal announcement relating to its financial performance. It also reviews and reports to the Board on significant financial reporting issues and judgements, regarding matters communicated by the external auditor.

The Committee recommends to the Board any appointment, re-appointment or removal of an external auditor. If the external auditor were to resign, the Committee would investigate the issues leading to this and take action where required.

The Committee reviews the adequacy and effectiveness of our internal financial controls and internal control and risk management systems. This includes the manner in which management ensures and monitors the adequacy of the extent, effectiveness and nature of our internal controls.

The Committee reviews Equiniti's whistleblowing and anti-bribery and corruption policies and the adequacy of arrangements to allow proportionate and independent investigation and follow up of any matters reported.

Risk Committee

The Committee establishes, implements and maintains effective, comprehensive and proportionate policies and processes to identify, manage, monitor and report the risks to which Equiniti is or might be exposed. The Committee exercises competent and independent judgement when making recommendations to the Board.

Remuneration Committee

The Committee reviews Equiniti's remuneration policy and makes recommendations to the Board, including the remuneration of the executive Directors and the Chairman. It also sets and monitors performance criteria for all incentive schemes. The non-executive Directors' remuneration is reserved to the Board as a whole. In addition to remuneration, the Committee oversees any major changes in Equiniti's employee benefit structures.

The Committee reports set out the responsibilities and activities of the Committees. The terms of reference of each Committee are documented and agreed by the Board and are available in the governance section of our website: http://investors.equiniti.com/investors

The Chair of each Board Committee formally reports to the Board on each Committee meeting.

Details of Directors' attendance at Board and Board Committee meetings is set out on page 70.

REPORT OF THE NOMINATIONS COMMITTEE

Dear Shareholder

I am pleased to take this opportunity as Chairman of the Nominations Committee to outline the objectives and responsibilities of the Committee and the work that has been carried out during 2015 together with its plans for the coming year.

The role of the Committee is to develop and maintain a formal, rigorous and transparent procedure for making recommendations on appointments and re-appointments to the Board. In addition, it is responsible for reviewing the succession plans and contingency plans for the executive Directors and the non-executive Directors.

During the year, we undertook searches and made recommendations for the appointment of an additional independent non-executive Director and a new Chief Financial Officer, reviewed the make-up of the Board Committees in preparation for the IPO and admission to the London Stock Exchange, and undertook a review of short-term contingency succession plans within the Board and the Executive Management Team. Following the review of Board Committees, a number of changes were made to ensure the Committees met the requirements of the Code.

For the coming year the Committee will monitor the balance of the Board to ensure that there remains an appropriate range of skills, experience and diversity and will continue its work to ensure succession plans for Directors and senior executives are relevant and up to date.

Kevin Beeston
Chairman of the Nominations Committee

7 March 2016

DUTIES & ACTIVITIES

The role of the Nominations Committee is to develop and maintain a formal, rigorous and transparent procedure for making recommendations on appointments and re-appointments to the Board. In addition, it is responsible for reviewing the succession plans for the executive Directors and the non-executive Directors.

MEMBERSHIP AND MEETINGS

The Committee comprises the non-executive Directors. Biographies of the Committee' members are set out on pages 64 to 65. The Chairman of the Committee is Kevin Beeston.

The Committee discharges its responsibilities through a series of scheduled meetings during the year.

During the year, Dr Tim Miller was appointed as an additional independent non-executive Director and John Stier was appointed as CFO. Both appointments were made following an external search process against formal role specifications and interviews with the Chairman and Chief Executive.

Details of the Board's diversity policy are set out on page 69.

Kevin Beeston is also chairman of Taylor Wimpey plc and a non-executive director of FA Premier League Limited. The Board has considered these appointments and do not consider that they impose any restriction on his ability to perform his duties to Equiniti.

For 2016, the Committee will continue to review succession planning, with an emphasis on long-term succession planning, and establishing a diversity policy.

REPORT OF THE AUDIT COMMITTEE

Dear Shareholder

I am pleased to present the report of the Audit Committee for the period ended 31 December 2015. This report describes the Committee's ongoing responsibilities and key activities over the year.

In advance of the IPO, the Committee reviewed the appropriateness of the accounting policies and the additional disclosure requirements required to be made by a Listed Company. The Board has been supported by the Committee in ensuring the annual report is fair, balanced and understandable and in confirming that the viability statement is appropriate.

During the year the Committee has devoted significant time to reviewing the Company's system of internal audit. The recent growth experienced by the Company, both organic and by acquisition, has required a fundamental review of the Company's Internal Audit function. As a result, we took the opportunity to re-define our audit universe and our resourcing. This will allow us to more effectively manage the Internal Audit plan, improving Equiniti's overall risk management. A co-sourced arrangement with Grant Thornton has been implemented to provide assistance.

The Committee provides oversight of the risk management processes and continues to be satisfied that the Board maintains sound risk management and internal controls. The Committee is assisted in this oversight role by the Risk Committee.

Our priorities for 2016 include the implementation of the internal audit plan and the conclusion of a process to review the level of audit and non-audit fees with the aim of identifying those services that should no longer be undertaken by the auditors and to reduce the ratio of audit to non-audit fees initially to 1:1 and ultimately 1:0.7. I look forward to reporting on the improvements made to Equiniti's systems and controls in next year's report.

Victoria Jarman
Chairman of the Audit Committee

7 March 2016

MEMBERSHIP AND MEETINGS

The Committee comprises independent non-executive Directors. The Chairman of the Committee and its financial expert, Victoria Jarman, is a Chartered Accountant, who also chairs the Audit Committee of De La Rue plc and of Hays Group PLC. Sir Rod Aldridge is qualified as a chartered public accountant and prior to establishing Capita Group was Technical Director of the Chartered Institute of Public Finance and Accountancy (CIPFA). Dr Tim Miller has held a number of Director level positions at Standard Chartered Bank with global responsibility for compliance, audit, assurance and financial crime. John Parker is a fellow of the Chartered Institute of Bankers and held a range of management roles in retail, commercial and corporate banking while at Lloyds TSB Group. All Committee members are financially literate.

The Committee discharges its responsibilities through a series of scheduled meetings during the year, the agenda of which is linked to events in the financial calendar of the Company.

The Committee commissions reports, from external advisers, the Head of Internal Audit, or executive management to enable it to discharge its duties. The CFO and the Group Financial Controller attend its meetings, The Chairman is also invited to, and regularly attends, Committee meetings.

The internal and external auditors each meet the Committee without executive Directors or employees being present.

ROLE OF THE COMMITTEE

The Committee's terms of reference are available on the investor section of the Equiniti website.
http://investors.equiniti.com/investors/shareholder-services/corporate-governance

The Audit Committee provides an independent overview of the effectiveness of the internal financial control systems and financial reporting processes. Its principal responsibilities are:

- Monitor Equiniti's financial statements, including annual and half year results and announcements and reporting to the Board on significant financial reporting issues and judgments
- Monitor and Review and, where appropriate, make recommendations to the Board on the adequacy and effectiveness of Equiniti's internal control and risk management systems
- Review the content of the annual report and advise the Board whether it is fair, balanced and understandable
- Recommend to the Board for approval by shareholders, the appointment, reappointment or removal of the external Auditor; including the agreement of the terms of engagement at the start of each audit, the audit scope and the external audit fee
- Review the effectiveness and objectivity of the external audit and the Auditor's independence; including consideration of fees, audit scope and terms of engagement and the provision of non-audit services and monitor compliance
- Monitor the effectiveness of Equiniti's whistleblowing, anti-bribery and corruption procedures

ACTIVITIES

During the period, the Audit Committee met on four occasions and dealt with the following matters:

- Group financial results for publication
- Principal judgemental accounting matters affecting the Group
- External audit plans and reports
- Progress of the annual audit and the audit required in connection with the IPO
- Commissioning and reviewing an Internal Audit Effectiveness Review
- Proposals to enhance regulatory systems and controls within EFSL, the Company's principal regulated entity
- The revised Internal audit plan and reviewed the work of the internal audit team
- Revisions to the Company's Internal Audit Charter
- Non-audit services provided by the external auditor
- External auditor effectiveness, independence, re-appointment and fees
- Group disclosure and whistleblowing policy

In carrying out these activities, the Committee places reliance on regular reports from executive management, internal audit and from the Company's external auditors.

EXTERNAL AUDITOR

Re-appointment

PwC has been Equiniti's auditor since 2010. The Audit Committee will assess annually the qualification, expertise, resources and independence of the external auditors and the effectiveness of the audit process. Their performance is kept under regular review by the Board and the Audit Committee and during the year the Committee undertook a formal assessment of the performance of the external auditor in the form of a questionnaire issued to Directors and executives involved in the audit process. The Committee recommended to the Board, which in turn is recommending to shareholders, that PwC be re-appointed as the Company's auditors at the 2016 Annual General Meeting.

Tender

Under EU audit regulations, the Company must put its audit arrangements out to tender no later than 2023. The Committee presently intends to keep the matter under regular review, taking into account the annual performance review conducted by the Committee. There are no contractual restrictions on the Company's selection of its external auditor.

Independence and objectivity of external auditors

The Audit Committee has a formal policy in line with the Code on whether the Company's external auditor should be employed to provide services other than audit services. In this, the first period following the Company's admission to the London Stock Exchange, the Committee intends to undertake a thorough review of all non-audit services provided by PwC with the intention of reducing the ratio of audit to non-audit fees in line with Financial Reporting Council recommendations.

During 2015, PwC undertook work carried out in connection with the Company's IPO. The Committee is satisfied that the carrying out of that work did not impair their independence.

As a result, the value of non-audit services work was £2.4m in 2015 as set out in Note 7.4 to the Accounts on page 148. It should be noted that due to the work undertaken in anticipation of and in connection with the IPO fees for non-audit services provided by the auditor were considerably higher in 2015 than in previous years. During 2014, fees for non-audit services were £455k representing 108% of the audit fee in that year.

INTERNAL AUDIT

The Audit Committee is responsible for overseeing the work of the internal audit function. It reviews and approves the scope of the internal audit annual plan and assesses the quality of internal audit reports, along with management's actions relating to findings and the closure of recommended actions.

During the year, the Audit Committee recommended a review of the internal audit function, the review was initiated following a sustained period of growth, in particular within its regulated business. As a result of the review, the structure of the Internal Audit function has been changed with a co-sourced model adopted. After a competitive tender process, Grant Thornton was appointed as the co-source partner. A new position of Group Chief Audit Executive was created and appointed in January 2016.

RISK MANAGEMENT & INTERNAL CONTROLS

The Board supported by the Audit and Risk Committee members, consider the nature and extent of the Company's risk management framework and that the risk appetite is appropriate. Further details on the Company's principal risks and uncertainties are in the Strategic Report on pages 42 to 45.

The Committee has oversight of the Company's system of internal controls, including its design, implementation and effectiveness. Further details of risk management and internal control are set out on pages 80 to 81.

During the year, the Committee considered the review and reassessment of Equiniti's major risks and risk appetite, reports from the compliance function of reviews of controls relating to external payments and internal expenses payments, outsourced print management and client money bank accounts.

WHISTLEBLOWING AND ANTI-BRIBERY

The Audit Committee has reviewed the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. During the year, no such concerns were raised.

ACCOUNTING POLICIES

The Audit Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. In assessing the exercise of management judgements, the Audit Committee reviews accounting papers prepared by management and the external auditors.

FAIR, BALANCED AND UNDERSTANDABLE

In line with provision C.1 of the Code, the Audit Committee has been requested by the Board to consider whether they support the view that the Company's annual report and Accounts, when taken as a whole, is fair, balanced and understandable and, further, that it provides shareholders the information necessary to assess the company's position and performance, business model and strategy.

In forming their view, the Audit Committee has considered the processes undertaken to prepare for, and produce, the annual report and how consideration was given for each of the fair, balanced and understandable criteria in the compilation of the narrative and presentation of the numbers, themes and highlights. To support this, the Audit Committee received a detailed briefing note as an integral part of the annual report sign off process, which set out how this had been achieved by the internal teams who prepared the report. Further, the Audit Committee received briefings and updates during the course of the year, appraising them of the process, Code requirements and business performance. The Audit Committee was presented with a draft of the annual report with sufficient time to review, challenge and provide feedback. The briefing note:

- Explained how the process of preparing and compiling the report was collaborated across the business' internal teams (Investor Relations, Finance and Company Secretary) and also involved specialist advisors with the requisite skills to structure and review the report
- Allowed the Committee to ensure a fair picture was presented by drawing out the key judgements formed in preparing the accounts and where any challenges lay
- Demonstrated that the report was put together in a balanced manner, with the narrative aligning to the business model, strategy and financial performance. This was achieved through our business leaders reviewing and signing off on the report content
- Explained how the report was designed to be understandable, with consistent presentation of key messages throughout the report

In arriving at their conclusion, the Audit Committee also noted that internal reporting aligned to the KPIs, key financial measures and narrative themes as presented in the annual report.

The Audit Committee therefore concluded that the annual report and Accounts are presented in a fair, balanced and understandable manner, allowing shareholders to assess the Group's performance, strategy, risk and business as a whole.

SIGNIFICANT ISSUES

The items noted below reflect those issues which were considered most significant in preparing the annual report. These items are also consistent with the reference in the fair, balanced and understandable section.

- Revenue recognition was carefully assessed to ensure it met our accounting policies and accorded with international accounting standards. Where major projects spanned the year end, such as corporate actions, we ensured the accounting policy used to arrive at our judgement of revenue recognition was documented and reviewed
- Presentation of Exceptional Items. The Group incurred significant costs through our IPO process and also from integrating Selftrade, closing properties and driving our efficiency agenda. These have been shown separately in the financial statements to allow an appropriate understanding of our underlying results
- The values recorded against the Groups intangible assets are reviewed to ensure they align to accounting policies and are appropriately stated. Specifically: the Group capitalises its own software development costs to the extent they meet the criteria set out in IAS38; intangible assets arising from acquisitions are determined by applying consistent and recognised valuation methodologies to the future expected earnings; goodwill is tested annually for impairment and all other intangibles are assessed for any impairment indicators, none of which were identified

GREENHOUSE GAS EMISSION DATA.

The Committee is satisfied that the judgements made by management are reasonable, and that appropriate disclosures have been included in the accounts.

REPORT OF THE RISK COMMITTEE

Dear Shareholder

I am pleased to be able to take this opportunity as Chairman of the Risk Committee to outline the objectives and responsibilities of the Committee and the work that has been carried out during 2015 together with its plans for the coming year.

The role of the Committee is to advise the Board and the Audit Committee on the establishment and appropriate risk management framework and provide oversight on its operation in the light of the Board's established risk appetite, tolerance and strategy. In doing this, the Committee takes account of the current and forecast macroeconomic and financial environment. The Committee, in conjunction with EFSL's risk committee, advises the Board on the amount of regulatory capital that should be held commensurate with Equiniti's risk profile, business needs, working capital requirements and regulatory obligations. The Committee will recommend periodically, for approval, the strategies and policies for taking up, managing, monitoring and mitigating the risks Equiniti is or might be exposed to within the defined risk tolerances.

An appropriate risk framework has been implemented to ensure that Equiniti's risk exposure is dynamically measured against the risk appetite approved by the Board, and that the efficiency of risk mitigation strategies can be kept under continued and regular review. In 2015, particular attention has been paid to business certainty and disaster recovery and the combined threats posed by cyber security and financial crime.

The Committee meetings are routinely attended by the Chief Executive, CFO, and the Chief Risk Officer by invitation.

The key agenda items that the Committee considered in 2015 included:

- Review of routine updates of Equiniti's policies relating to competition and high level business principles and conduct
- Review of the 2016 compliance testing plans
- Review of reports and follow up actions on the effectiveness of external payment and expenses payments controls, outsourced print management and the risk control framework and Enterprise Wide Risk Management (EWRM) structure
- Review of reports from the compliance function and following up actions into controls around external supplier payments, internal expenses payment, outsourced print management systems and client money bank accounts
- Receiving reports relating to cyber risk exposure, 4th Anti Money Laundering Directive, and future changes to Market Abuse Regulations (MAR) and Markets in Financial Instruments and Derivatives (MiFID II) which are likely to impact Equiniti's activities and in particular its transaction reporting responsibilities

Key areas for 2016 are to:

- Follow up actions from the implementation of the revised EWRM framework and re-assessment of risks and additional actions identified to mitigate risks
- Monitor progress in implementing changes being brought in by the MAR and MiFID II, as well as other relevant regulatory and legislative changes
- Give oversight, in conjunction with EFSL's Risk Committee, on progress to develop and improve its regulatory processes and controls

I look forward to reporting on developments to Equiniti's systems and controls in next year's Committee report.

John Parker
Chairman of the Risk Committee

7 March 2016

MEMBERSHIP AND MEETINGS

The Committee comprises independent non-executive Directors. Biographies of the Committee's members are set out on page 64 and 65. The Chairman of the Committee is John Parker.

The Committee discharges its responsibilities through a series of scheduled meetings during the year.

RISK MANAGEMENT AND INTERNAL CONTROL

Equiniti has established risk management policies and the Audit and Risk Committees oversee how management monitors compliance with these. With these policies and procedures, we review the adequacy of our risk management framework in relation to the risks Equiniti faces.

The Chief Executive and CFO form part of Equiniti's first line of defence and attend Risk Committee meetings by invitation, to respond to any matters that arise. The Chief Risk Officer also attends Committee meetings by invitation, as part of our second line of defence. They are responsible for taking forward actions that the Committee delegates to them. The Chief Risk Officer oversees the closure of these actions. The Risk Committee is assisted in its oversight role by the compliance monitoring function that undertakes themed regulatory reviews and reports the results to the Risk Committee.

Various aspects of Equiniti's activities are regulated, either directly or indirectly. As such, Equiniti's risk management systems are longstanding, standardised and robust. We have a strong risk management framework, which uses a "three lines of defence" model, namely:

- Line 1: Operational management's proactive risk identification and application of systems and controls in line with policy
- Line 2: Risk and Compliance oversight and challenge, including independent compliance monitoring and escalation (the second line owns the development and maintenance of Equiniti's policies, which are approved by the Risk Committee)
- Line 3: Independent assessment of the completeness and effectiveness of line 1 and line 2 by our independent internal audit function

Equiniti assesses its risk and risk profile using its EWRM model, which covers financial soundness, liquidity, market and credit exposure, legal and regulatory compliance, fraud exposure, business continuity, financial crime, reputation, change management, major projects and operational risks within its business units.

During 2015, a comprehensive review of Equiniti's risk management framework was undertaken together with a bottom up review and re-assessment of risks at business unit and central support service level. These risks were assessed, consolidated and combined to inform an updated risk log and risk heat map.

During the year, EFSL, Equiniti's principal regulated subsidiary, established its own Risk Committee to oversee its regulatory compliance. At the same time, EFSL established a new compliance function in the form of a CASS Oversight office specifically tasked with the oversight of all regulated client assets held by EFSL.

In addition, we have a well-established business continuity management ("BCM") framework, which determines criticality of each activity to clients and customers, our clients' customers, other external stakeholders and us. Once assessed and independently challenged, we require each business unit to apply a range of business continuity tests, which increase in line with the level of critical activity undertaken. We actively track our compliance with this BCM testing programme.

During 2015, we undertook a successful Equiniti wide BCM test scenario relating to a cyber security event combined with a major corporate action.

Our principal risks and mitigations are discussed in the Strategic Report on pages 44 and 45. Our approach to financial risk management is discussed below.

FINANCIAL RISK MANAGEMENT

Our operations expose us to a variety of financial risks, including credit risk, liquidity risk and the effects of changes in interest rates on debt and cash balances. We have a risk management programme that seeks to limit the adverse effects on our financial performance, by monitoring levels of cash and debt finance and the related financial impact.

Our principal financial instruments comprise sterling cash and bank deposits, a bank term loan and revolving credit facility, together with trade debtors and trade creditors that arise directly from our operations.

CASH FLOW INTEREST RATE RISK

We are exposed to interest rate risk in three main respects and protected against this as outlined below:

- Floating rates are generally earned on client and corporate balances, which are partially mitigated by interest rate derivatives and run to July and August 2018
- Expense relating to the UK Sharesave (SAYE) product, and ultimately payable to savers at fixed rates, is protected by notional fixed rate interest rate swap agreements
- Expense relating to our bank debt term loan. The variable rate on our £250m term facility is fixed by an interest rate swap, which expires in October 2018. We have not hedged the revolving credit facility as this is a flexible instrument and the drawn proportion of the facility is offset by cash we hold for day to day trading matters

CREDIT RISK

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations to us. Our principal financial assets are bank balances, cash and trade debtors. These represent our maximum exposure to credit risk in relation to financial assets.

We have strict controls around, and regularly monitor, the credit ratings of institutions with which we enter transactions, either on our own behalf or for clients. Although our credit risk arises mainly from our receivables from clients, this risk is not significant because it is spread across a large and diverse client base and the majority of our trade receivables are with FTSE 350 companies and public sector organisations. The amounts presented in the consolidated financial statements of financial position are net of allowances for doubtful debts, which are estimated by management based on prior experience and an assessment of the current economic environment. Losses have only occurred infrequently in previous years and have never been material with the business mainly trading with FTSE 350 organisations and UK Government.

FOREIGN CURRENCY RISK

We are not exposed to material foreign currency risk, but we monitor foreign currency denominated costs, particularly in relation to our Indian based operations.

PRICE RISK

Price risks result from changes in market prices such as interest rates, foreign exchange rates and equity dealing prices, which influence our income or the value of its financial instruments.

Our financial instruments are mainly in sterling; therefore foreign exchange movements do not have a material effect on our performance. We do not hold positions in traded securities and are only involved in receiving and transmitting transactions on behalf of clients.

Equiniti earns income in relation to client and investor deposits, as well as interest on its own deposits. We are therefore exposed to movements in the interest rate in both our intermediary fee revenue and net finance costs. Intermediary fee revenue is linked to bank base rate, while both our term facility and revolving credit facility are linked to Libor. As noted above interest swaps are used to manage medium term exposure to movements in interest rates.

As detailed above, in 2015 Equiniti entered into interest rate swaps for a total of £650m, agreeing to receive fixed rate income in exchange for variable rates for a period of 3 years to July and August 2018.

We continually review these risks and identify suitable instruments where applicable.

CAPITAL RISK MANAGEMENT

During the IPO, funds were raised to reduce the overall level of debt. Our objectives when managing capital are to maximise shareholder value while safeguarding our ability to continue as a going concern. We will continue to proactively manage our capital structure, while maintaining flexibility to take advantage of opportunities to grow our business. One element of our strategy is to make targeted, value-enhancing acquisitions. The availability of suitable acquisitions, at acceptable prices is, however, unpredictable.

PRUDENTIAL CAPITAL RISK

Two subsidiaries are subject to FCA regulatory capital requirements where, as set against its regulated trading permissions, they must maintain minimum levels of capital in order to manage their affairs. EFSL is categorised as a P2 prudentially significant firm, which means that its disorderly failure would have a significant impact on the functioning of the market in which it operates. Paymaster (1836) Limited ("P1836L") is categorised as a P3 prudentially non-significant firm, which means that its failure, even if disorderly, would be unlikely to have a significant impact.

As an IFPRU MiFID qualifying firm, EFSL must comply with the Capital Requirements Directive. It does so under the FCA framework consisting of its three "Pillars" approach, where EFSL assesses its minimum capital requirement for its credit, market and operational risk and whether its minimum capital is adequate to meet its risks, and discloses specific information relating to underlying risk management controls, capital position and remuneration at equiniti.com.

As a MiFID exempt firm, EFSL must comply with the Capital Requirements Directive. P1836L does, however, assess its capital requirements and is subject to Equiniti's EWRM and three lines of defence risk management model.

LIQUIDITY RISK AND GOING CONCERN

Liquidity risk is the risk that Equiniti will be unable to meet its financial obligations as they fall due. Our approach to managing liquidity is to ensure, as far as is possible, Equiniti will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

We have used our business plan as the basis for projecting cash flows and measured the resulting outcomes on cash availability and bank covenant test points for the next three years. Equiniti has a very high level of client retention, which gives us a high degree of comfort about the certainty of our revenue income.

Our principal uncertainties about our income relate to activities that are more difficult to predict, such as corporate action income. These depend on the specific activities of corporate clients which may, in turn, be influenced by underlying market conditions.

During the planned period we expect to remain compliant with all covenants. As such, the Board are satisfied that Equiniti has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in the preparation of these accounts.

ANNUAL STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholder

On behalf of the Board of Directors, I am pleased to present you with our first Directors' Remuneration Report, for the year ended 31 December, 2015.

The report is comprised of three parts:

1. This annual statement which summarises the key decisions made by the Committee during the year and forms part of the annual report on Remuneration
2. The Directors' Remuneration Policy on pages 83 to 91 which describes the key principles of our approach and which will be subject to a binding shareholder vote at the Annual General Meeting being held on 26 April 2016
3. The annual report on Remuneration on pages 91 to 96 which sets out the details of key payments to executive and non-executive Directors in respect of the 2015 year, and which will be subject to an advisory vote at the AGM

The strategic context

Equiniti listed on the London Stock Exchange in October 2015. Our IPO has resulted in a new capital structure and new investors, with the company now listed on the same public markets as the clients we support year after year.

At the same time, performance of the business has been strong, with revenue growth of 26% and pre-exceptional EBITDA growth of 23%. This has been driven by a combination of organic growth, strategic acquisitions and a number of new client wins. We have launched new services and invested in our technology, platforms and people.

In preparation for our listing on the Stock Exchange in October 2015, a detailed review of remuneration for executive and non-executive Directors took place, to reflect the size and complexity of Equiniti after flotation. The remuneration arrangements established for the Directors were outlined in Equiniti's listing prospectus dated 14 October, 2015 and are explained in detail in the Policy Report that shareholders will be asked to approve at our AGM in April.

Key pay outcomes during the 2015 year

The post-IPO remuneration arrangements for executives were reviewed at the time of IPO and consist of:

- Salaries set at a broadly mid-market level against comparable sized companies
- Competitive and cost-effective pension and benefits provision
- An annual bonus with bonus deferral in shares for three years (for bonuses in respect of 2016 and subsequent years) subject to recovery and withholding
- A Performance Share Plan (PSP) with a two year post-vesting holding requirement
- The opportunity to participate in all-employee share plans
- Share ownership guidelines
- Directors contracts that are in-line with current best practice

The first awards under the PSP were granted shortly after IPO, with a face value of approximately 450% of salary for both the Chief Executive and Chief Financial Officer (CFO). Vesting of these awards is subject to achievement of Normalised Earnings Per Share ("EPS") growth (50% of the award) and relative total shareholder return ("TSR") (50% of the award) performance conditions, measured at the end of the 2017 financial year and third anniversary of the date of Admission, respectively.

Bonuses of 98.1% and 57.5% of salary were awarded to the Chief Executive and CFO respectively for the 2015 financial year in accordance with the arrangements in place prior to the IPO and will therefore all be paid in cash. This reflected performance against the financial targets that were delivered in line with market consensus, individual performance objectives that were achieved and IPO objectives that were exceeded.

An overview of objectives, performance indicators and the resultant bonuses paid to the executive Directors can be found on page 92.

Remuneration policy for 2016

No structural changes to the policy outlined on pages 83 to 91 are proposed for the coming year.

Salaries for the executive Directors will remain unchanged for 2016.

Conclusion

This has been a year of significant change for Equiniti which is likely to continue well into 2016. We are committed to ensuring that remuneration practices attract and retain the best people, and reward performance that is aligned with outcomes for shareholders.

Dr Tim Miller
Chairman of the Remuneration Committee

7 March 2016

WHAT IS IN THE DIRECTORS' REMUNERATION REPORT?

This report describes the details of the remuneration policy for our executive Directors and non-executive Directors, sets out how this new policy will be used in the year ahead and the amounts paid under the previous policy for the year ended 31 December, 2015.

The report has been prepared in accordance with the provisions of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The report has also been prepared in line with the recommendations of the UK Corporate Governance Code (the Code).

DIRECTORS' REMUNERATION POLICY

This part of the Remuneration Report sets out Equiniti's remuneration policy for its executive and non-executive Directors. The policy has been developed taking into account the principles of the Code, guidelines from major investors and guidance from the PRA and FCA on best practice. The Directors' Remuneration Policy will be put to a binding shareholder vote at the AGM on 26 April, 2016 and, subject to shareholder approval, will take formal effect from that date.

WHAT IS THE ROLE OF THE REMUNERATION COMMITTEE?

The Remuneration Committee (the "Committee") has responsibility for determining Equiniti's overall pay policy.

In particular, the Committee is responsible for:

- Approving the framework or broad policy for the remuneration of the Chairman, the executive Directors, and certain other senior executives
- Approving their remuneration packages and service contracts
- Reviewing and approving decisions made in relation to Code Staff by the Remuneration Committee of EFSL
- Reviewing the ongoing appropriateness and relevance of the remuneration policy
- Approving the design of, and determining targets for, all performance related pay schemes operated by Equiniti and approving the total annual payments made under such schemes
- Reviewing the design of all share incentive plans for approval by the Board and shareholders. For any such plans, the Committee determines each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive Directors and other senior management, and the performance targets to be used

The Committee's terms of reference are available on our website, (http://investors.equiniti.com/investors/shareholder-services/corporate-governance) or are available in hard copy on request from the Company Secretary.

WHAT IS THE COMMITTEE'S REMUNERATION POLICY?

When setting the policy for Directors' remuneration, the Committee takes into account the overall business strategy and risk tolerance, considering the long term interests of Equiniti with a view to adequately attracting, retaining and rewarding skilled individuals, as well as delivering rewards to shareholders.

Consistent with these principles, the Committee has agreed a remuneration policy for senior management, including executive Directors, which will:

- Promote the long-term success of the business
- Attract, retain and motivate executives and senior management, in order to deliver Equiniti's strategic goals and business objectives
- Provide an appropriate balance between fixed and performance related pay, supporting a high-performance culture
- Provide a simple remuneration structure which is easily understood by all stakeholders
- Adhere to the principles of good corporate governance and appropriate risk management
- Align senior managers with the interests of shareholders and other external stakeholders
- Consider the wider pay environment both internally and externally
- Encourage widespread equity ownership across Equiniti

In line with the Investment Association's Guidelines on Responsible Investment Disclosure, the Committee will ensure that the incentive structure for executive Directors and senior management will not raise environmental, social or governance ("ESG") risks by inadvertently motivating irresponsible behaviour.

More generally, with regard to the overall remuneration structure, there is no restriction on the Committee that prevents it from taking into account corporate governance on ESG matters.

In addition, the Committee will regularly review the remuneration packages for Equiniti's executive Directors and senior management, via liaison with the Risk and Audit Committees and Equiniti's risk function, to ensure that they do not encourage inappropriate risk-taking.

WHAT DOES THE COMMITTEE TAKE INTO ACCOUNT WHEN SETTING REMUNERATION?

A review of remuneration is undertaken annually to ensure reward levels are competitive with the external market, taking account of the duties and responsibilities of the roles.

In line with Equiniti's broader remuneration framework, which is intended to ensure consistency and common practice across Equiniti, and in determining the overall levels of remuneration of the executive Directors, the Committee also pays due regard to pay and conditions elsewhere in the organisation.

The Committee seeks to ensure that the underlying principles which form the basis for decisions on executive Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken. For example, the Committee takes into account the general salary increase for the broader employee population when conducting the salary review for the executive Directors.

However, there are some structural differences in the executive Directors' Remuneration Policy (as set out opposite) compared to that for the broader employee base, which the Committee believes are necessary to reflect the differing levels of seniority and responsibility. A greater weight is placed on performance-based pay through the quantum and participation levels in incentive schemes. This ensures the remuneration of the executive Directors is aligned with the performance of Equiniti and therefore the interests of shareholders.

ARE THE VIEWS OF SHAREHOLDERS TAKEN INTO ACCOUNT?

Equiniti values and is committed to dialogue with its shareholders. The Committee will consider investor feedback and the voting results received in relation to relevant AGM resolutions each year. In addition, the Committee will engage pro-actively with shareholders and will ensure that shareholders are consulted in advance, where any material changes to the Directors' Remuneration Policy are proposed.

WHAT ARE THE ELEMENTS OF THE EXECUTIVE DIRECTORS' PAY?

Element	Purpose and link to policy	Operation (including framework used to assess performance)	Opportunity
Base Salary	Provides a competitive and appropriate level of basic fixed pay to help attract and retain Directors with the skills and experience required to deliver Equiniti's strategic goals and business objectives. Reflects an individual's experience, performance and responsibilities within Equiniti.	Set at a level which provides a fair reward for the role and which is competitive amongst relevant peers. Normally reviewed annually with any changes taking effect from 1 April each year. Set taking into consideration individual and Equiniti performance, the responsibilities and accountabilities of each role, the experience of each individual, his or her marketability and Equiniti's key dependencies on the individual. Reference is also made to salary levels amongst relevant peers and other companies of equivalent size and complexity. The Committee considers the impact of any basic salary increase on the total remuneration package.	There is no formal maximum, however, increases will normally be in line with the general increase for the broader employee population. More significant increases may be awarded from time to time to recognise, for example, development in role and change in position or responsibility. Current salary levels are disclosed in the annual report on Remuneration.
Benefits	Provides a competitive, appropriate and cost effective benefits package.	The main benefits provided currently include a company car allowance, private medical insurance and life assurance. The benefits provided may be subject to minor amendment from time to time by the Committee within this policy. In addition, executive Directors are eligible for other benefits which are introduced for the wider workforce on broadly similar terms. Equiniti may also reimburse any reasonable business related expenses (including tax thereon) incurred in connection with their role, if these are determined to be taxable benefits.	A car allowance of £15,000 is provided. The cost of the provision of other benefits varies from year to year depending on the cost to Equiniti and there is no prescribed maximum limit. However, the Committee monitors annually the overall cost of the benefits provided to ensure that it remains appropriate.
Pension	Provides a competitive, appropriate and cost effective pension package.	Each executive Director has the right to participate in one of Equiniti's defined contribution pension plans or elect to be paid some or all of their contributions in cash.	Pension contributions and/or cash allowances in lieu of pension contributions are capped at 15% of salary.
Annual Bonus	Incentivises the execution of key annual goals by driving and rewarding performance against individual and corporate targets. Compulsory deferral of a proportion into Equiniti shares provides alignment with shareholders.	Paid annually the bonus is subject to achievement of a combination of stretching corporate financial and personal performance measures. Financial measures determine the majority of the annual bonus opportunity. From the 2016 Financial Year, 30% of bonus earned will be deferred into awards over shares under the Deferred Annual Bonus Plan ("DABP"), with awards normally vesting after a three-year period. The Committee has the discretion to increase the deferral percentage if required. In respect of the annual bonus for Financial Year 2016 and future years, in the case of gross misconduct, fraud, material misstatement of Equiniti's results or accounts or error made in assessing the satisfaction of any bonus conditions, recovery and withholding mechanisms apply for a period of three years from the date of grant.	The on-target bonus payable to executive Directors is 100% of base salary with 150% of base salary the maximum payable. The bonus payable at the minimum level of performance varies from year-to-year and is dependent on the degree of stretch. Dividends may accrue on DABP share awards over the vesting period and be paid out either as cash or as shares on vesting in respect of the number of shares that have vested.

Element	Purpose and link to policy	Operation (including framework used to assess performance)	Opportunity
Performance Share Plan ("PSP")	Rewards the achievement of sustained long-term financial performance and shareholder returns and is therefore aligned with the delivery of value to shareholders. Facilitates share ownership to provide further alignment with shareholders. Granting of annual awards aids retention.	Annual awards of performance shares[1], normally vest after three years, subject to performance conditions and continued service. Performance is normally tested over a period of at least three financial years but, in the case of the initial PSP awards, tested over the periods described below. Awards are subject to a financial growth measure and total shareholder return ("TSR") relative to the constituents of a relevant comparator index or peer group. The measures for the Initial PSP Awards are based on average normalised earnings per share ("EPS") growth over the Financial Years 2016 and 2017 (50%) and TSR vs. the FTSE 250 index (excluding investment trusts but including Equiniti) on the date of Admission over a three year period to the third anniversary of the date of Admission (50%). 25% vests at threshold under the EPS condition and 25% vests at median for the relative TSR condition. There is straight-line vesting for performance between threshold and maximum. Following vesting, a further two-year holding period will apply to the awards whereby executive Directors will be restricted from selling the net of tax shares which vest. In the case of gross misconduct, fraud, material misstatement of Equiniti's results or accounts or error made in assessing the satisfaction of a performance condition, recovery and withholding mechanisms apply for at least three years from the date on which an award vests.	Other than the Initial PSP Awards, under which awards over shares worth up to 450% of the executives' basic annual salary could be granted, the maximum opportunity is 150% of base salary. In exceptional circumstances, this may be increased to 300%. Dividends may accrue on PSP awards over the vesting period and be paid out either as cash or as shares on vesting, in respect of the number of shares that have vested.
All-employee share plans	Encourages employee share ownership and therefore increases alignment with shareholders.	Equiniti may from time to time operate tax-approved share plans (such as HMRC-approved Save As You Earn Option Plan and Share Incentive Plan) for which executive Directors are eligible.	The schemes are subject to the limits set by HMRC from time-to-time.
Shareholding guideline	Encourages executive Directors to build a meaningful shareholding in Equiniti, so as to further align interests with shareholders.	Each executive Director must build up and maintain a shareholding in Equiniti equivalent to 200% of base salary within five years of their appointment to the Board.	Not applicable.

[1] Awards may be structured as nil-cost options which will be exercisable until the tenth anniversary of the grant date or as conditional awards.

WHAT DISCRETIONS DOES THE COMMITTEE RETAIN IN OPERATING THE INCENTIVE PLANS?

The Committee operates various incentive plans according to their respective rules. To ensure the efficient operation and administration of these plans, the Committee retains discretion in relation to a number of areas. Consistent with market practice, these include (but are not limited to) the following:

- Selecting the participants
- The timing of grant and/or payment
- The size of grants and/or payments (within the limits set out in the policy table overleaf)
- The extent of vesting based on the assessment of performance
- Determination of a good leaver and where relevant the extent of vesting in the case of the share based plans
- Treatment in exceptional circumstances such as a change of control, in which the Committee would act in the best interests of Equiniti and its shareholders
- Making the appropriate adjustments required in certain circumstances (such as rights issues, corporate restructuring events, variation of capital and special dividends)
- Cash settling awards
- The annual review of performance measures, weightings and setting targets for the discretionary incentive plans from year to year

Any performance conditions may be amended or substituted if one or more events occur which cause the Committee to reasonably consider that the performance conditions would not without alteration achieve its original purpose. Any varied performance condition would not be materially less difficult to satisfy in the circumstances.

HOW DOES THE COMMITTEE CHOOSE PERFORMANCE MEASURES AND SET TARGETS?

The Annual Bonus is based on performance against a combination of stretching financial and non-financial performance measures. The financial measures are set taking account of Equiniti's key operational objectives but will typically include measures of revenue, profitability and a cash flow metric as these are KPIs aligned with Equiniti's strategy. In addition, executive Directors and members of the senior management team are assessed on personal objectives as agreed by the Committee at the beginning of the year. The Committee reviews the focus each year and varies them as appropriate to reflect the priorities for the business in the year ahead.

A sliding scale of targets is set for each financial measure to encourage continuous improvement and challenge the delivery of stretch performance and budgeted performance against the financial metrics. Overall pay-outs may then be subject to scale-back to ensure bonuses are self funding.

The performance conditions for the initial and 2016 PSP award are based on a financial growth measure and TSR performance. Relative TSR has been selected as it reflects comparative performance against a broad index of companies. It also aligns the rewards received by executives with the returns received by shareholders. For the Initial PSP awards, average growth in normalised EPS has been used as a performance measure as it rewards improvement in Equiniti's underlying financial performance and is a measure of Equiniti's overall financial success.

A sliding scale of challenging performance targets is set for both of these measures and further details of the targets to be applied are set out in the annual report on Remuneration.

The Committee will review the choice of performance measures and the appropriateness of the performance targets and TSR peer group prior to each PSP grant.

Different performance measures and/or weightings may be applied for future awards as appropriate. However, the Committee will consult in advance with major shareholders prior to any significant changes being made.

WHAT ABOUT PRE-EXISTING ARRANGEMENTS?

In approving this Directors' Remuneration Policy, authority is given to Equiniti to honour any commitments entered into with current or former Directors that pre-date the approval of the policy. Details of any payments to former Directors will be set out in the annual report on Remuneration as they arise.

WHAT WOULD A NEW EXECUTIVE DIRECTOR BE PAID?

Can their pay package on appointment differ to the policy?

The ongoing remuneration package for a new executive Director would be set in accordance with the terms of the approved remuneration policy at the time of appointment and the maximum limits set out therein.

Salaries may be set below market level initially with a view to increasing them to the market rate subject to individual performance and developing into the role by making phased above inflation increases.

Benefits will be provided in line with those offered to other executive Directors, although these may be varied for an overseas appointment taking account of local market practice.

What would the incentive arrangements be for a newly appointed Director?

Currently, for an executive Director, Annual Bonus payments will not exceed 150% of base salary and PSP payments will not normally exceed 150% of base salary (not including any arrangements to replace forfeited entitlements).

Where necessary, specific Annual Bonus and PSP targets and different vesting and/or holding periods may be used for an individual for the first year of appointment if it is appropriate to do so to reflect the individual's responsibilities and the point in the year in which they joined the Board. A PSP award can be made shortly following an appointment (assuming Equiniti is not in a close period).

What payments could an executive Director receive beyond the policy?

The Committee retains flexibility to offer additional cash and/or share based awards on appointment, to take account of remuneration or benefit arrangements forfeited by an executive on leaving a previous employer. If shares are used, such awards may be made under the terms of the PSP or as permitted under the Listing Rules.

Such payments would take into account the nature of awards forfeited and would reflect (as far as possible) performance conditions, the expected value foregone and the time over which they would have vested or been paid. Awards may be made in cash if Equiniti is in a prohibited period at the time an executive joins.

The Committee may agree that Equiniti will meet certain relocation, legal, tax equalisation and any other incidental expenses as appropriate so as to enable the recruitment of the best people including those who need to relocate.

What about an internal appointment?

In the case of an internal executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, and adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

WHAT ARE THE EXECUTIVE DIRECTORS' TERMS OF EMPLOYMENT?

What are their notice periods?

The executive Directors have entered into service agreements with an indefinite term that may be terminated by either party on 12 months' written notice. Contracts for new appointments will be terminable by either party on a maximum of 12 months' written notice.

An executive Director's service contract may be terminated summarily without notice and without any further payment or compensation, except for sums accrued up to the date of termination, if they are deemed to be guilty of gross misconduct or for any other material breach of the obligations under their employment contract.

The executive Directors may be suspended or put on a period of garden leave, during which they will be entitled to salary, benefits and pension.

What payments will an executive Director receive when they leave Equiniti?

If the employment of an executive Director is terminated in other circumstances, compensation may include base salary due for any unexpired notice period, pro-rata bonus (subject to the performance conditions having been achieved) in respect of the proportion of the financial year worked and any amount assessed by the Committee as representing the value of other contractual benefits and pension which would have been received during the period. Any bonus paid to a departing executive would normally be paid in cash, at the normal payment date, and reduced pro-rata to reflect the actual period worked. Equiniti may choose to continue providing some benefits instead of paying a cash sum representing their cost.

Any statutory entitlements or sums to settle or compromise claims in connection with a termination (including, at the discretion of the Committee, reimbursement for legal advice and provision of outplacement services) would be paid as necessary.

Executive Directors' service contracts are available for inspection at Equiniti's registered office during normal business hours and will be available for inspection at the AGM.

How are outstanding share awards treated when an executive Director leaves Equiniti?

Any share-based entitlements granted to an executive Director under Equiniti's share plans will be treated in accordance with the relevant plan rules. Usually, any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, injury, disability, retirement with the consent of the Committee, the sale of the entity that employs him/her by Equiniti or any other circumstances at the discretion of the Committee, 'good leaver' status may be applied.

For good leavers under the PSP, outstanding awards will normally vest at the original vesting date to the extent that the performance condition has been satisfied, and would normally be reduced on a pro-rata basis to reflect the period of time which has elapsed between the grant date and the date on which the participant ceases to be employed by Equiniti. The Committee retains the discretion to vest awards (and measure performance accordingly) on cessation and/or to disapply time pro-rating. However, it is envisaged that this would only be applied in exceptional circumstances. For good leavers under the DABP, unvested awards will vest at the original vesting date unless the Committee exercises its discretion and allows the award to vest in full on or shortly following the date of cessation.

In determining whether a departing executive Director should be treated as a 'good leaver', the Committee will take into account the performance of the individual and the reasons for their departure.

What happens to their outstanding share awards if there is a takeover or other corporate event?

Outstanding awards on a takeover, winding up or other corporate event will vest early to the extent that the performance condition has been satisfied, and would normally be reduced on a pro-rata basis to reflect the period of time which has elapsed between the grant date and the date on which the participant ceases to be employed by Equiniti. The Committee would retain discretion to waive time pro-rating if it felt it was in the interests of shareholders to do so.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the Committee decides that awards should vest on a basis which would apply in the case of a takeover.

ARE THE EXECUTIVE DIRECTORS ALLOWED TO HOLD EXTERNAL APPOINTMENTS?

Executive Directors are permitted to accept one external appointment with the prior approval of the Chairman and where there is no impact on their role with Equiniti. The Board will determine on a case-by-case basis whether the executive Directors will be permitted to retain any fees arising from such appointments, details of which will be provided in the annual report on Remuneration.

HOW MUCH COULD AN EXECUTIVE DIRECTOR EARN UNDER THE REMUNERATION POLICY?

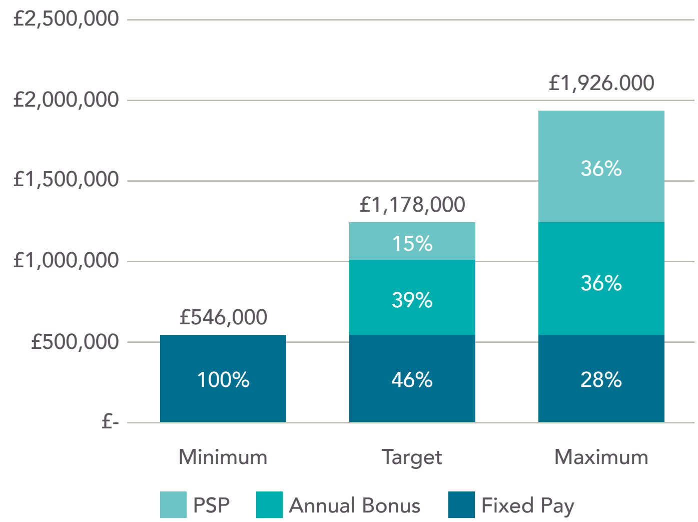
Under the Directors' Remuneration Policy, a significant proportion of total remuneration is linked to Equiniti performance. The following charts illustrate how the executive Directors' total pay package varies under three different performance scenarios: fixed pay only, on-target and at maximum. These charts are indicative as share price movement and dividend accrual have been excluded. All assumptions made are noted below the chart.

Assumptions:

- Minimum = fixed pay only (2016 salary + estimated value of ongoing benefits + pension of 15% of salary)
- On-target = fixed pay plus two thirds payout of the maximum Annual Bonus opportunity (100% of base salary) + 25% of maximum PSP award (37.5% of salary)
- Maximum = fixed pay plus 100% payout of the Annual Bonus (150% of base salary) + PSP awards (150% of base salary)

The executive Directors can participate in all-employee share schemes on the same basis as other employees. The value that may be received under these schemes is subject to tax approved limits. For simplicity, the value that may be received from participating in these schemes has been excluded from the above charts and in accordance with the Regulations, no assumption is made as to future share price movements.

CHIEF EXECUTIVE



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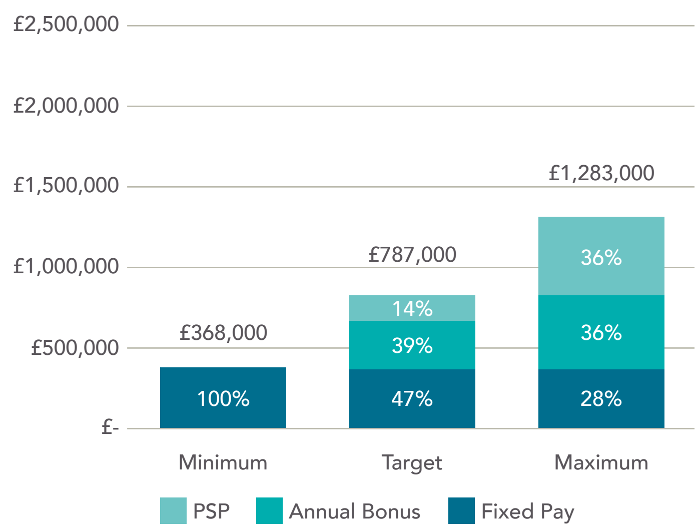


HOW ARE THE NON-EXECUTIVE DIRECTORS PAID?

Element	Purpose and link to policy	Operation (including framework used to assess performance)	Opportunity
Non-executive Director fees	To attract and retain a high-calibre Chairman and non-executive Directors by offering market competitive fee levels.	The Chairman is paid a single consolidated fee. The non-executives are paid a basic fee with the Chairmen of the main board committees and the Senior Independent Director paid additional fees to reflect their extra responsibilities and time commitments. If there is a temporary yet material increase in the time commitments for non-executive Directors, the Board may pay extra fees on a pro-rata basis to recognise the additional workload. The level of fees is reviewed periodically by the Committee and Chief Executive for the Chairman and by the Chairman and executive Directors for the non-executive Directors and set taking into consideration market levels in comparably sized FTSE companies, the time commitment and responsibilities of the role and to reflect the experience and expertise required. The Chairman and the non-executive Directors are not eligible to participate in incentive arrangements or to receive benefits save that they are entitled to reimbursement of reasonable business expenses and tax thereon and the Chairman is provided with private medical insurance benefits. They may also receive limited travel or accommodation related benefits in connection with their role as a Director.	The fees are subject to maximum aggregate limits as set out in Equiniti's Articles of Association (£2m). The Committee is guided by the general increase for the broader employee population, but on occasions may need to recognise, for example, changes in responsibility, and/or time commitments. Current fee levels are disclosed in the annual report on Remuneration.

WHAT WOULD A NEW CHAIRMAN OR NON-EXECUTIVE DIRECTOR BE PAID?

For a new Chairman or non-executive Director, the fee arrangement would be set in accordance with the approved remuneration policy in force at that time.

WHAT ARE THE TERMS OF APPOINTMENT FOR THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS?

All non-executive Directors have letters of appointment with Equiniti for an initial period of three years (save for Sir Rod Aldridge who has been appointed for a one-year term) subject to annual re-election at the annual general meeting.

The appointment of each non-executive Director may be terminated at any time with immediate effect if he/she is removed as a Director by resolution at a general meeting or pursuant to the Articles. At other times three months' notice is required from either party. The non-executive Directors are not entitled to receive any compensation on termination of their appointment.

Directors' letters of appointment are available for inspection at Equiniti's registered office during normal business hours and will be available for inspection at the AGM.

DATES OF DIRECTORS' SERVICE CONTRACTS/ LETTERS OF APPOINTMENT

Executive Directors	Date of service contract/appointment	Unexpired term of contract at 31 December 2015
Guy Wakeley	7 September 2015	Rolling contract
John Stier	11 September 2015	Rolling contract
Non-executive Directors		
Kevin Beeston	27 October 2015	2 years 10 months
Sir Rod Aldridge	27 October 2015	10 months
Victoria Jarman	27 October 2015	2 years 10 months
Haris Kyriakopoulos	27 October 2015	2 years 10 months
Dr Tim Miller	27 October 2015	2 years 10 months
John Parker	27 October 2015	2 years 10 months

ANNUAL REPORT ON REMUNERATION

This part of the Directors' Remuneration Report sets out a summary of how the Directors' Remuneration Policy was applied over the financial year ending 31 December 2015 and will be subject to an advisory vote at the AGM. Details of the remuneration earned by executive and non-executive Directors and the outcomes of the incentive schemes, together with the link to Equiniti's performance, are provided in this section.

Various disclosures about the Directors' remuneration set out below have been audited by Equiniti's independent auditors, PricewaterhouseCoopers LLP. Where information has been audited, this has been clearly indicated.

What did the Directors earn in relation to the 2015 financial year and the previous year? (Audited)

The following tables report the total remuneration receivable by each Director during the year and previous year:

£'000		Salary and fees	Benefits[1]	Annual Bonus[2]	PSP[3]	SAYE	SIP	Employer Pension Contribution[4]	Other[9]	Total
Executive										
Guy Wakeley	2015	368	19	343	–	–	–	38	1,975	2,743
	2014	318	18	168	–	–	–	25	–	528
John Stier[5]	2015	181	10	179	–	–	–	8	1,385	1,763
Marytn Hindley[6]	2015	73	4	–	–	–	–	6	–	83
	2014	275	14	105	–	–	–	25		419
Lucy Dimes[7]	2015	183	12	–	–	–	–	19	–	214
	2014	–	–	–	–	–	–	–	–	–
Non-Executive										
Kevin Beeston	2015	168	1	–	–	–	–	–	1,444	1,613
	2014	165	0	–	–	–	–	–	–	165
Sir Rod Aldridge	2015	100	–	–	–	–	–	–	–	100
	2014	100	–	–	–	–	–	–	–	100
Victoria Jarman	2015	67	–	–	–	–	–	–	99	165
	2014	43	–	–	–	–	–	–	–	43
Haris Kyriakopoulos	2015	–	–	–	–	–	–	–	–	–
	2014	–	–	–	–	–	–	–	–	–
Dr Tim Miller[8]	2015	73	–	–	–	–	–	–	–	73
John Parker	2015	151[10]								151
	2014	65	–	–	–	–	–	–	–	65
Oliver Neidermaier	2015	74	–	–	–	–	–	–	–	74
	2014	100	–	–	–	–	–	–	–	100

[1] Benefits include car allowance, private medical insurance, life assurance and directors' and officers' liability

[2] For 2015, annual bonus is paid in cash and not deferred

[3] The first awards under the PSP were made in the year and therefore no awards vested during the year.

[4] Prior to IPO Guy Wakeley received a cash allowance of 11% of salary and John Stier received no pension. After IPO, both received 15% of salary.

[5] John Stier joined Equiniti on 1 June 2015 and as part of the terms of his joining agreement received a payment of £150k. He was appointed to the Equiniti Board on 19 June 2015

[6] Martyn Hindley's remuneration in 2015 is for the period he was in post as CFO

[7] 2015 remuneration for Lucy Dimes is from 1 February 2015 when she was appointed to the Equiniti Board

[8] Dr Tim Miller joined Equiniti on 1 February 2015

[9] Other remuneration includes the value of shares transferred to certain directors of the Group by Advent on IPO in recognition of their contribution and management of the IPO process. The shares were immediately vested but are subject to lock-up. As previously disclosed in the Prospectus and later in this report, interest free loans were granted to the Directors to fund their tax and national insurance liabilities arising from the transaction. The loans are to be repaid within three years or on their departure from Equiniti. As defined by current accounting standards and policies, if the loans are held for a period of greater than nine months, they will be treated as a benefit in kind for income tax purposes with the benefit in kind value included in the single figure in future years.

[10] Prior to the IPO John's Parker's fee consisted of an annual retainer of £50,000 plus an additional per diem fee if his time commitment exceeded an agreed level. During 2015, his time commitment significantly exceeded that level and as a result his total fees amounted to £151,000. On IPO his fee arrangements were brought in line with those of the other NEDs

How was the Annual Bonus payment determined? (Audited)

The bonus arrangements for 2015 were put in place when the Company was in private ownership. As such the majority of targets that were set reflect its then unlisted status.

Since that time, the Company has undergone very considerable change and new bonus arrangements have been put in place for 2016 and future years that are appropriate for a its listed status. For 2015, however, the annual bonus for the executive Directors was subject to a target opportunity of 100% of salary and no bonus payable unless a threshold level of financial performance was achieved. Payment of the 2015 bonus is entirely in cash.

Performance targets included corporate financial, personal and IPO metrics. The corporate financial targets comprised a scorecard of EBITDA, Free Cash Flow and Order Book targets; personal targets included a mix of financial and non-financial measures; and the IPO element was conditional on successful completion of the IPO or a sale of the business. The outturn against these targets is largely the result of performance over the 10 months before the Company listed and, as noted above, they were set by a previous Remuneration Committee at a time when the Company was privately owned. As a result, corporate financial and IPO targets are commercially sensitive and therefore only a qualitative summary of performance against each of the three elements of the bonus is provided below, with detailed disclosure of the targets provided only for the personal objectives. Going forward annual bonus targets and performance against them will be disclosed in full (subject exceptionally to commercial sensitivity) following the financial year.

Following the end of the financial year, the Committee assessed performance against each of the objectives. Financial performance for the year was in-line with consensus and the financial targets were determined to have been partially achieved. Performance against the personal objectives was in line with target and the IPO objectives were exceeded as management was instrumental in delivering an IPO in challenging market conditions.

	Target Opportunity % salary	Corporate objectives	Personal objectives	IPO objectives	Actual % of Target	Total awarded
Guy Wakeley	100%	Partially achieved	Achieved	Exceeded	98.1%	£343,340
John Stier[1]	100%	Partially achieved	Achieved	Exceeded	98%	£179,360

[1] John Stier's bonus is based on his pro rata salary from 1 June 2015 to 31 December 2015

Guy Wakeley

Objective	Evidenced by	Score
Deliver the 2015 financial plan	• Monthly operating EBITDA and cash budgets • Improve monthly reforecasting • Consistent divisional performance • Performance in bond reporting and trading and investor relations	Achieved
Sales and earnings growth	• Quarterly revenue progression • Organic growth • New client wins • Sales cover	Achieved
Cost reduction and operations transformation	• Increased use of offshore capability • Net promoter scores	Exceeded
Equity free cash-flow	• Monthly operating cash targets • Capital programme delivered on budget • Budgeted exceptional costs • Growth delivered within working capital headroom	Achieved
Regulatory development	• Strengthen Internal Audit, Compliance and Risk • Develop governance structure to improve regulatory oversight • Regulatory compliance • Improve regulatory resilience in regulated businesses	Achieved
Strengthen finance function	• Appointment of CFO and new Treasurer • Development of data warehouse solution • Strengthen Group financial reporting	Exceeded
Strengthen HR function	• Offshoring of group HR support function • Replatform HR systems • Succession planning • Creation of a learning & development function	Achieved

John Stier

Objective	Evidenced by	Score
Balance sheet	• Reduction in net debt / EBITDA leverage by the end of 2015 • Reduce work in progress and debtors	Achieved
Treasury	• Deliver the interest income budget improving yield where possible • Appointment of new treasurer • Develop and implement an interest rate hedging strategy for deposit balances and debt facilities	Exceeded
Management information and reporting	• Create an integrated suite of financial MI to support operations, business development and account management • Create a data warehouse to enable real-time analytics and reporting	Achieved
Finance team	• Business case for offshoring of finance functions to Chennai created • New treasurer and FP&A team recruited	Achieved
Cash generation	• Operating cash targets consistently achieved month-on-month • Capital programme delivered within budget within £18m • Continuing growth supported without additional absorption of working capital • Cash reporting provided for IT and operations function	Achieved

What equity awards have been granted since IPO?

On 3 November 2015, the following PSP awards were granted to executive Directors:

	Type of award	Number of shares[2]	Face value[3]	Face value as a % of salary[1]	Threshold vesting as % of maximum[2]	End of performance period[2]
Guy Wakeley	PSP	1,254,545	£2,069,999	450%	25%	27 October 2018
	SAYE	2,834	£5,016	2%	n/a	n/a
John Stier	PSP	831,818	£1,372,500	450%	25%	27 October 2018
	SAYE	2,834	£5,016	3%	n/a	n/a

[1] PSP awards were granted at a share price of 165p being the share price at IPO. The maximum permitted face value for initial PSP awards was 450% of salary. The normal maximum for future awards is 150% of salary. SAYE awards were granted at a share price of 127p being the three day average closing price of the shares for the first three trading days less a discount of 20%.

[2] Half of the initial PSP awards will be subject to average annual growth in Equiniti's fully diluted normalised earnings per share ("EPS") for financial years 2016 and 2017 measured from a proforma EPS for the financial year ending December 2015 of 13.0p. If average growth in EPS over the two financial years is 6% or more, 25% of the award will vest. The award will vest in full for average growth of 12% with payment on a sliding scale in between these points. No award would be made if growth is below 6%. Half of the initial PSP awards will be subject to TSR performance over three years from the date of Admission relative to the constituent companies of the FTSE 250 Index (excluding investment trusts) on the date of Admission. Vesting of 25% of the award will occur for median ranking and the award will vest in full for upper quartile or above ranking, with straight line vesting in between these points based on ranking. No awards will vest if TSR ranks below the median.

What pension payments were made in 2015? (Audited)

The table below provides details of the executive Directors' pension benefits:

	Total contributions to DC-type pension plan £'000	Cash in lieu of contributions to DC-type pension plan £'000
Guy Wakeley	n/a	38
John Stier	n/a	8

Each executive Director has the right to participate in one of Equiniti's defined contribution pension plans or elect to be paid some or all of their contributions in cash. Pension contributions and/or cash allowances are capped at 15% of salary.

Were any payments made to past Directors during 2015? (Audited)

There were no payments made to any past Directors during the year.

Were any payments for loss of office made during 2015? (Audited)

Martyn Hindley ceased to be a Director of Equiniti Holdings Ltd on 20 February 2015. On termination he received a payment of £388,500 as full settlement of his legal and contractual rights.

Lucy Dimes ceased to be a Director of Equiniti Holdings Ltd on 31 July 2015. On termination she received a payment of £275,000 as full settlement of her legal and contractual rights.

What are the Directors' shareholdings and is there a guideline? (Audited)

To align the interests of the executive Directors with shareholders, each executive Director must build up and maintain a shareholding in Equiniti equivalent to 200% of base salary. Executives must meet the guideline shareholding requirement within five years of appointment to the Board.

Details of the Directors' interests in shares are shown in the table below.

Director	Beneficially owned shares at 31 December 2015	Beneficially owned shares at 7 March 2016	Shareholding guideline achieved	Outstanding awards			
				PSP	DABP	SAYE	SIP
Guy Wakeley	1,260,003	1,260,003	Yes	1,254,545	–	2,834	
John Stier	747,945	747,945	Yes	831,818	–	2,834	
Kevin Beeston	875,218	875,218	n/a				
Sir Rod Aldridge	1,525,749	1,525,749	n/a				
Victoria Jarman	31,713	31,713	n/a				
Haris Kyriakopoulos	–	–	n/a				
Dr Tim Miller	63,291	63,291	n/a				
John Parker	57,020	57,020	n/a				
Total	**4,587,566**	**4,587,566**		**2,086,363**	**–**	**5,668**	

What are the Directors' outstanding incentive scheme interests? (Audited)

The tables below summarises the outstanding awards made to the executive Directors:

Guy Wakeley

Scheme	Interests at 31 December 2014	Granted in year	Lapsed in year	Exercised in year	Interests at 31 December 2015	Date of grant[1]	Exercise price (£)	Vesting date	Expiry Date
PSP	–	1,254,545	–	–	**1,254,545**	3 Nov 2015	nil	27 Oct 2018	2 Nov 2025
DSBP	–	–	–	–	**–**	–	–	–	–
SAYE	–	2,834	–	–	**2,834**	4 Dec 2015	£1.27	1 Jan 2019	30 Jun 2019
SIP	–		–	–			nil		–

John Stier

Scheme	Interests at 31 December 2014	Granted in year	Lapsed in year	Exercised in year	Interests at 31 December 2015	Date of grant[1]	Exercise price (£)	Vesting date	Expiry Date
PSP	–	831,818	–	–	**831,818**	3 Nov 2015	nil	27 Oct 2018	2 Nov 2025
DSBP	–	–	–	–	**–**	–	–	–	–
SAYE	–	2,834	–	–	**2,834**	4 Dec 2015	£1.27	1 Jan 2019	30 Jun 2019
SIP	–		–	–			nil		–

[1] Vesting of the PSP awards made in November 2015, is based half on fully diluted normalised earnings per share growth and half on relative TSR performance as described earlier in this report.

The closing share price of Equiniti's ordinary shares at 31 December, 2015, was 182p and the closing price range from admission to the year end was 157p to 186.5p.

Assuming that all awards made under Equiniti's share plans vest in full, Equiniti will have utilised 3.58% of the 10% in 10 years dilution limits for all schemes and 2.05% of the 5% in 10 years dilution limits for discretionary schemes.

Have there been any loans made to Directors?

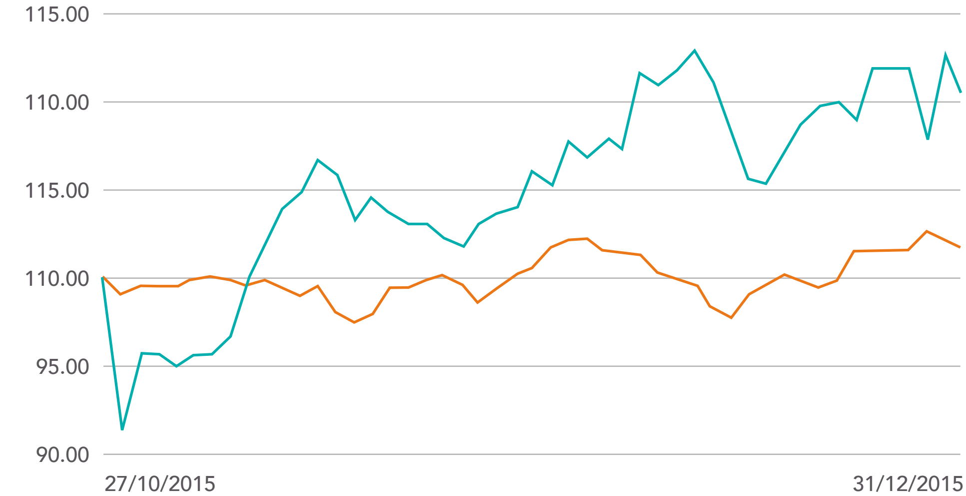
As previously disclosed Advent transferred shares to certain Directors of the Group on IPO in recognition of their contribution and management of the IPO process. The shares are subject to lock up arrangements, as disclosed in the price range prospectus. As the shares vested immediately and were therefore taxable at the point of grant, the Group lent three of those Directors who received the shares monies to cover their PAYE and NI liabilities. These loans were all subject to relevant approvals through the IPO process and are treated as a benefit in kind to the receiving individuals if not settled within nine months of issuance; all benefiting individuals have entered into a loan agreement with the Group. These loans must be repaid no later than October 2018. Loans were made to three of the directors for the following amounts: £928,050, £678,732 and £580,031. All of the loans remain outstanding as at 31 December 2015.

How does Equiniti’s share performance compare to the FTSE 250 index?

This graph shows a comparison of Equiniti’s total shareholder return (share price growth plus dividends paid) with that of the FTSE 250 Index (excluding investment trusts) since admission. Equiniti has selected this index as it comprises companies of a comparable size and complexity and provides a good indication of Equiniti’s relative performance.

Total Shareholder Return

Source: Thomson Reuters



How does the Chief Executive's pay compare to past performance?

The total remuneration of the Chief Executive's over the last two years is shown in the table below.

	Year Ending 31 December	
	2014	2015
Total remuneration (£000)	528	2,743
Annual Bonus (as a % of target opportunity)	56%	98.1%
PSP vesting (as a % of maximum opportunity)	n/a	n/a

How does the change in the Chief Executive's pay compare to that for Equiniti employees?

The table below shows the percentage change in each of the Chief Executive's salary, taxable benefits and Annual Bonus earned in 2014 and 2015, compared to that for the average employee of Equiniti (on a per capita basis). The Chief Executive’s salary was increased on IPO (along with those of a number of other employees) to reflect the increased responsibilities of the role following listing.

	Guy Wakeley, Chief Executive	Average Employee
	% change	% change
Salary	16%	4%
Benefits	8%	-15%[1]
Annual Bonus	105%	5%

[1] Total benefits across the group have increased year on year and individual benefits have not been reduced. The reduction reflects the increase in the number of employees in the Group with a different set of benefits, including those in India and in acquisitions.

How much does Equiniti spend on pay?

Equiniti’s actual spend on pay for all employees in 2014 was £114.6m, and in 2015 was £147.4m, a change of 29%, driven by growth in Equiniti. There were no dividends or ordinary share buy backs in the period.

Who are the members of the Remuneration Committee?

The Committee is made up exclusively of independent non-executive Directors. The Committee is chaired by Dr Tim Miller and its other members are Sir Rod Aldridge and Victoria Jarman.

What advice did the Committee receive?

New Bridge Street, (“NBS”), part of Aon plc, is retained as the independent adviser to the Remuneration Committee. NBS has also been appointed as advisor to the Remuneration Committee of Equiniti Financial Services Limited.

NBS have been appointed by the Committee to provide advice and information. NBS is a signatory to the Remuneration Consultants’ Code of Conduct which requires that its advice be objective and impartial. The Committee will review annually the performance and independence of its advisors.

The total fees paid to NBS for providing advice and information related to remuneration and employee share plans to the Committee during the year were £141,733. The fees charged are predominantly charged on the basis of hourly rates.

The Chairman normally attends meetings except when his own remuneration is being discussed.

The Chief Executive and other senior management were invited to attend meetings as the Committee considered appropriate, but did not take part in discussions directly regarding their own remuneration.

The Committee’s terms of reference are available on our website or are available in hard copy on request from the Company Secretary.

HOW WILL THE DIRECTOR'S REMUNERATION POLICY BE OPERATED IN THE 2016 FINANCIAL YEAR?

What are the current base salaries?

Salaries were adjusted on IPO from £350,000 to £460,000 for Guy Wakeley to take account of the change in the scope of his role and from £313,000 to £305,000 for John Stier, with part of his previous salary replaced by the introduction of a cash allowance in lieu of pension. The average increase for all employees will be 1.5% with effect from 1 April 2016, however, salaries for executive Directors will not be increased until April 2017.

	1 April 2016 Base salary	27 October 2015 Base salary
Guy Wakeley	£460,000	£460,000
John Stier	£305,000	£305,000

How will the Annual Bonus operate in 2016?

As in 2015, annual bonuses for executive Directors will be determined based on a scorecard of corporate financial and personal objectives related to their role. For 2016 a bonus of up to 150% of salary may be earned with 30% of any award deferred in shares for three years. The corporate financial metrics will be Profit before Tax, Revenue and Cash Flow with equal weightings. The personal metrics are commercially sensitive but will be disclosed following the year end.

The Committee has chosen not to disclose, in advance, the performance targets for the forthcoming year as these include items which the Committee considers commercially sensitive. A detailed explanation of bonus pay-outs and performance achieved will be provided in next year's annual report on Remuneration.

Outcome of performance against individual non-financial metrics will act as a multiplier with annual bonus calculated using the following formula:

Annual Bonus = Salary x On Target Bonus Opportunity x Corporate Financial Outcome x Individual Multiplier

Where:

1. Individual Multiplier ranges from 0 to 1.5 determined through Remuneration Committees' review of performance against personal objectives, with a multiplier of 1.0 for on-target performance
2. Assuming target performance against both the corporate and personal elements, 75% of the on-target bonus opportunity will be payable

A cap on the overall bonus pool will apply to ensure that bonus payments which are above target do not exceed 40% of incremental profit in excess of budget.

How will the PSP operate in 2016?

The award levels under the PSP for the 2016 financial year will be a maximum of 150% of base salary for both executives.

The awards made in 2016 will be subject to the following performance conditions, measured over the three financial years to 31 December 2018:

1. Half of the 2016 PSP awards will be subject to average annual growth in Equiniti's fully diluted normalised earnings per share ("EPS") for financial years 2016, 2017 and 2018 measured from a proforma EPS for the financial year ending December 2015 of 13.0p. If average growth in EPS over the three financial years is 6% or more, 25% of the award will vest. The award will vest in full for average growth of 12% with payment on a sliding scale in between these points. No award would be made if growth is below 6%.
2. Half of the 2016 PSP awards will be subject to TSR performance relative to the constituent companies of the FTSE 250 Index (excluding investment trusts) on the date of grant. Vesting of 25% of the award will occur for median ranking and the award will vest in full for upper quartile or above ranking, with straight line vesting in between these points based on ranking. No awards will vest if TSR ranks below the median.

What are the current non-executive Board fees?

	2016	2015	% Change
Board Chairman	£210,000	£210,000	0%
Basic fee	£55,000	£55,000	0%
Additional fee for Senior Independent Director	£10,000	£10,000	0%
Additional fee for Committee Chairman	£10,000	£10,000	0%

APPROVAL

This report was approved by the Board of Directors on 7 March 2016 and signed on its behalf by:

Dr Tim Miller
Chairman of the Remuneration Committee

7 March 2016

DIRECTORS' REPORT

The Directors have pleasure in presenting the Directors' report, together with the audited accounts of the Company the year ended 31 December 2015.

The Directors' report comprises pages 97 to 99, and incorporates by reference those sections of the annual report set out below:

Section	Pages
Financial instruments and financial risk management	80, 81
Greenhouse gas emissions	59
Corporate governance report	63
Employee equality and diversity	50
Employee involvement	48, 49
Relationship Agreement	73
Directors responsibility statements	72, 73
Going concern statement	72
Viability statement	46

In accordance with Listing Rule LR 9.8.4C, the information to be included in the annual report, where applicable, under LR 9.8.4, is set out in this Directors' report, with the exception of details of transactions with controlling shareholders which is set out in note 7.4 to the accounts on page 148.

The annual report have been drawn up and presented in accordance with UK company law and the liabilities of the Directors in connection with the report shall be subject to the limitations and restrictions provided by such law.

Equiniti Group plc, formerly Equiniti Group Limited, incorporated is incorporated as a public limited company and is registered in England with the registered number 7090427. Equiniti Group plc's registered office is Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH. Our registrars are Equiniti Limited who are situated at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Charitable donations

Equiniti supports our national charity partner, Winston's Wish. In addition our employees raise money for organisations that have a personal relevance to them or their communities, ranging from primary schools to Children in Need.

Equiniti aims to promote economic and social wellbeing around all of our locations and is active in supporting local community projects and initiatives, including supporting a number of local schools and investing in young talent.

Political donations

Equiniti does not make any political donations and does not incur any political expenditure. As a precautionary measure authority is to be sought at the Annual General Meeting to make limited political donations or incur political expenditure and there is a full explanation in note 18 to the Notice of Meeting on page 182.

Dividend

The Board is recommending an ordinary dividend of 0.68p per share totalling £2.0m representing a pay-out ratio of 30% of normalised profit after tax for the period from admission to 31 December 2015. The ordinary dividend, which is subject to shareholder approval at the Annual General Meeting to be held on 26 April 2016, will be paid on 10 May 2016.

The Board has adopted a progressive dividend policy reflecting Equiniti's long-term earnings and cash flow potential with a target pay-out ratio of 30% of normalised profit attributable to ordinary shareholders and split approximately one-third and two-thirds between interim and final dividends respectively.

Directors in year

Sir Rod Aldridge	
Kevin Beeston	
James Brocklebank	Resigned: 21/09/2015
Lucy Dimes	Appointed: 1/02/2015 Resigned: 31/07/2015
Martyn Hindley	Resigned: 20/02/2015
Victoria Jarman	
Haris Kyriakopoulos	
Dr Tim Miller	Appointed: 1/02/2015
Oliver Niedermaier	Resigned: 21/09/2015
John Parker	
John Stier	Appointed: 19/06/2015
Guy Wakeley	

Biographical details of the Directors are set out on pages 64 and 65.

Directors' share interests

The interests of the Directors at 31 December 2015 and at 7 March 2016 were:

	Unvested	Vested but not exercised	Exercised during the year	Total of all options held[1]	Number of shares held	Total
Sir Rod Aldridge	-	-	-	-	1,525,749	1,525,749
Kevin Beeston	-	-	-	-	875,218	875,218
Victoria Jarman	-	-	-	-	31,713	31,713
Haris Kyriakopoulos	-	-	-	-	-	-
Dr Tim Miller	-	-	-	-	63,291	63,291
John Parker	-	-	-	-	57,020	57,020
John Stier	834,652	-	-	834,652	747,945	1,582,597
Guy Wakeley	1,257,379	-	-	1,257,379	1,260,003	2,517,382

[1] Includes both unexercised vested interests and unvested interests at 7 March 2016.

Retirement, re-election & removal of Directors

All the Directors will retire and offer themselves for re-election at the Annual General Meeting to be held on 26 April 2016.

Equiniti's Articles of Association regulate the appointment and removal of Directors, as does the Companies Act 2006 and related legislation. In general the Directors may fill any casual vacancy in the number of Directors subject to re-appointment by shareholders at the next Annual General Meeting.

The Articles of Association contain authority for shareholders by ordinary resolution to remove any Director from office regardless of the terms of their appointment. The Articles of Association may only be amended by special resolution of the shareholders. The powers of the Directors are described in the Corporate Governance Report on page 67.

3rd party indemnity

Equiniti has made qualifying third party indemnity provisions for its Directors in relation to certain losses and liabilities they may incur in the course of acting as Directors, its subsidiaries or associates, which remain in force at the date of this report.

Auditor

PricewaterhouseCoopers LLP, Equiniti's auditors, have indicated their willingness to continue in office and, on the recommendation of the Audit Committee and in accordance with section 489 of the Companies Act 2006, a resolution to re-appoint them will be put to shareholders at the Annual General Meeting to be held on 26 April 2016.

AGM

An explanation of the resolutions to be put to shareholders at the 2016 Annual General Meeting, and the recommendation of the Directors is relation to them, is set out on pages 180 to 182

Equiniti's first Annual General Meeting will be held at the offices of Weil, Gotshal & Manges LLP, 110 Fetter Lane, London, EC4A 1AY at 11.00a.m. on 26 April 2016. The notice of Meeting is set out on pages 176 to 182.

Share Capital

Equiniti's share capital at 31 December 2015 comprised ordinary shares of £0.001 each which rank equally in all respects.

The rights attaching to the ordinary shares are set out in Equiniti's Articles of Association.

There are no restrictions on the transfer of shares or on the exercise of voting rights, except in circumstances where:

i. Equiniti has exercised its right to suspend the voting rights or to prohibit the transfer of shares as a result of the failure by the shareholder to provide us with information requested by us in accordance with part 22 of the Companies Act 2006; or

ii. The shareholder is prohibited from exercising voting rights by the Listing Rules or the City Code on Takeovers and Mergers

As set out in the Report of the Remuneration Committee on pages 82 to 96 Equiniti operates a share incentive scheme. Any shares held by the Employee Benefit Trust trustees abstain from voting.

Except as noted above any shares acquired through a share incentive scheme rank equally with existing ordinary shares and have no additional or special rights.

At the year-end, the Directors had authority to allot up to 100,000,000 additional ordinary shares subject to certain restrictions. In addition, the Directors have authority to allot up to 15,000,000 of those additional ordinary shares on a non pre-emptive basis subject to certain restrictions. Resolutions to renew these authorities will be put to shareholders at the 2016 Annual General Meeting and further explanation of the resolutions is set out on page 181.

Except as set out in the Relationship Agreement described on page 73 the Directors are not aware of any agreements or rights between shareholders that place restrictions on the transfer of shares or exercise of voting rights.

Changes to Share Capital

Equiniti undertook a reorganisation of its issued share capital immediately prior to Admission. It consisted of the following steps:

a) the existing issued A ordinary, B ordinary, C ordinary, D ordinary and E ordinary shares of £0.05 each were converted into deferred shares of £0.05 each;

b) new ordinary shares of £0.001 were issued to Equiniti (Luxembourg) S.a.r.l. and certain other third parties in consideration for:

(i) 4,506,718 new ordinary shares as repayment of a loan of a principal amount of £9,901,000 (plus accrued interest thereon) owed by Equiniti PIK Cleanco Limited (an indirect subsidiary) to Equiniti (Luxembourg) S.a.r.l.;

(ii) 37,785,165 new ordinary shares as repayment of all outstanding loan notes comprising £39,999,999 of loan notes (plus interest accrued thereon) issued by Equiniti X2 Mezz Cleanco Limited (an indirect subsidiary) to Equiniti (Luxembourg) S.a.r.l. and certain other third parties; and

(iii) 21,344,482 new ordinary shares in consideration of the purchase of all preference shares issued by Equiniti X2 Enterprises Limited (a direct subsidiary) to Equiniti (Luxembourg) S.a.r.l. and certain other third parties

(c) The deferred shares were bought back at nil consideration and cancelled.

Following Admission Equiniti carried out a court approved capital reduction by cancelling its share premium account to create distributable reserves to support Equiniti's dividend policy.

Substantial shareholdings

At 7 March 2016, Equiniti had been notified in accordance with the Disclosure and Transparency Regulations, or was otherwise aware, that the following held, or were beneficially interested in, 3% or more of Equiniti's issued ordinary shares at that date:

	Number of ordinary shares	% of voting rights
Equiniti (Luxembourg) S.a.r.l.	92,982,821	30.99
Citadel Advisers LLC	17,653,382	5.88
Odey Asset Management	14,108,850	4.70
River & Mercantile Asset Management	12,196,260	4.07
Newton Investment Management Limited	11,246,807	3.75
Standard Life Investments	10,588,237	3.53
Schroder Investment Management	10,560,840	3.52
Pelham Capital Management	9,400,000	3.13
Sanlam Four Investments UK	9,215,373	3.07

Research & Development

Equiniti continues to commit resources to the development of new and improved technologies and capabilities, in order to derive new solutions and to enhance our client and customer experiences, improve our services and products and meet the ever-changing regulatory requirements for the services we provide. Expenses incurred are capitalised when it is probable that future economic benefits will be attributable to the asset and that costs can be measured reliably.

Change of control

In the event of a takeover, a scheme of arrangement (other than a scheme of arrangement for the purposes of creating a new holding company) or certain other events, unvested executive Director and employee share awards may in certain circumstances become exercisable. Such circumstances may but do not necessarily depend on the achievement of performance conditions or the discretion of the Remuneration Committee. Equiniti does not have any agreements with any Director or officer that provide for compensation for loss of office or employment resulting from a takeover.

Equiniti has facility arrangements with its bank lenders which contain provisions giving those lenders certain rights on a change of control.

Save as otherwise disclosed above, there are no other significant agreements to which Equiniti is a party that take effect, alter or terminate upon a change of control following a takeover bid.

Post balance sheet events

In the first quarter of 2016, the Group completed two acquisitions in Financial Services technology for a total consideration of c£16m, with a further earnout payment of up to c.£10m in 2019, dependent on growth.

On 3 March 2016, the Group acquired the entire share capital of KYCnet BV. KYCnet provides cutting edge workflow technology for on-boarding and monitoring of commercial and retail clients and has broad applicability across financial services as well as retail, travel and legal services.

On 4 March 2016, the Group acquired RiskFactor, a UK based provider of credit decisioning and risk profiling software for commercial lending, with deep client relationships and broad applicability across lending products. RiskFactor complements the Group's other 'control risk' capabilities within the Intelligent Solutions division. RiskFactor was acquired by purchasing the entire share capital of its holding company, Information Software Solutions Limited.

On behalf of the Board

Doug Armour
Company Secretary

7 March 2016

“

WE HAVE WORKED WITH EQUINITI FOR EIGHT YEARS DELIVERING AN OUTSTANDING SERVICE TO OUR TRUSTEES AND MEMBERS. EQUINITI ARE A TRUSTED PARTNER PROVIDING BOTH A TIMELY AND FAST CHANGING ENVIRONMENT. WE HAVE HAD A NUMBER OF KEY PROJECTS OVER THE YEARS WHERE OUR PARTNERSHIP WITH EQUINITI HAS MEANT WE COULD DELIVER ON TIME AND TO BUDGET.”

PETER HARRIS, PENSIONS DIRECTOR, TELENT

Making the future today for our technology clients

03

Financial Statements

REPORT ON THE GROUP FINANCIAL STATEMENTS

OUR OPINION

In our opinion:

- Equiniti Group plc's group financial statements (the "financial statements") give a true and fair view of the state of the group's affairs as at 31 December 2015 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

WHAT WE HAVE AUDITED

The financial statements, included within the annual report, comprise:

- the consolidated statement of financial position as at 31 December 2015;
- the consolidated income statement and the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

OUR AUDIT APPROACH

Overview

- Overall group materiality: £2.1m which represents 2.5% of EBITDA prior to exceptional items.

- Of the Group's 26 trading entities, we performed full scope audit procedures on five statutory entities.
- Specific audit procedures on certain balances were performed at a further four statutory entities.
- Overall, this accounted for 84% of Group revenue and 68% of Group EBITDA prior to exceptional items.

- Determination of purchase price allocation for acquisitions.
- Risk of impairment on goodwill.
- Revenue recognition for corporate actions.
- Classification of non-IPO exceptional costs.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUINITI GROUP PLC

REPORT ON THE GROUP FINANCIAL STATEMENTS

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at 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 evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

AREA OF FOCUS	HOW OUR AUDIT ADDRESSED THE AREA OF FOCUS
Determination of purchase price allocation for acquisitions During the year the Group made two acquisitions comprising; the trade and assets of Selftrade and the share capital of TransGlobal Payment Solutions Limited. (see note 4.1) Accounting for the purchase price allocation is complex and judgemental with a number of assumptions involved in allocating the consideration to specific assets such as customer relationships and software.	For each of the acquisitions: • we identified and assessed the methodologies used by the Group to identify the acquired identifiable tangible assets and liabilities, and identify previously unrecognised intangible assets, which we considered reasonable. • we tested the valuations of identified acquired intangible assets prepared by the Group by assessing the appropriateness of the valuation method used, and by comparing the assumptions used, for example, attrition rates, customer income, asset lives and contingent considerations, to market data, empirical data from the business acquired and our experience of similar transactions, with support from PwC specialists and found no material differences. • we challenged management's assumption whether other intangible assets should be recognised, such as brands, and determined based on the nature of the acquisitions that there were no other material intangible assets to recognise.
Risk of impairment on acquired goodwill IAS 36 requires management to prepare annual impairment reviews for any indefinite lived intangible assets. Equiniti has one such intangible asset, goodwill, amounting to a book value of £407.6m at 31 December 2015. The calculations require a number of judgements and assumptions to be made by management which can have a material effect on the results of the Group. (see note 4.3)	We obtained the Group's future cash flow forecasts and evaluated the process by which they were prepared. We checked that the forecasts were consistent with the latest Board approved budgets. We tested a number of key assumptions including: • growth rates for revenue and costs by comparing them to historical results, existing contracts and sales pipeline as well as external market data and long term forecasts of GDP growth; • the discount rate used by assessing the cost of capital for the Group, using our knowledge of the Group's businesses, external market data and PwC specialists; and • working capital, capital expenditure, interest cost and tax cost assumptions by considering historical trends of the business, and the funding and tax position of the Group. We found each of the key assumptions to have been assessed on a supportable basis by management. We tested management's sensitivity analysis on these assumptions by assessing whether a reasonable range of sensitivities had been used. In addition we performed a number of our own sensitivities to understand the level of changes to key assumptions needed to cause an impairment to arise. We found that the level of changes to management's assumptions that would be required for an impairment to arise is extensive and as a result we assessed that management's conclusion that there was no impairment at 31 December 2015 was appropriate.

REPORT ON THE GROUP FINANCIAL STATEMENTS

AREA OF FOCUS	HOW OUR AUDIT ADDRESSED THE AREA OF FOCUS
Revenue Recognition for corporate actions Corporate actions are significant projects where Equiniti execute large shareholder related tasks, which can include complex dividend payment arrangements and the support required by corporates with shareholders in merger situations over an extended period. The revenue associated with an individual corporate action can be material and where it is ongoing at the year end management make a judgement about the amount of revenue to recognise.	We assessed the Group's disclosed accounting policy as well as the detailed methods used to apply those policies to confirm compliance with both the accounting policy and the requirements of accounting standards. We performed testing to determine whether revenue for ongoing corporate actions at the year end has been recognised appropriately, reflecting amongst other things the amount of worked performed as a proportion of the total work required and the extent of the customers payments and whether they are non – refundable. We sensitised assumptions over future costs to complete the project to assess whether a reasonable change in these costs would materially affect the revenue recognised to date. We found that the assumptions and the amount of revenue recognised for the corporate actions ongoing at the year end were appropriate
Classification of non- IPO exceptional costs – note 3.3 Costs of £10.3m have been classified as exceptional items (excluding those associated with the IPO) in the current year financial statements. One of the Groups financial reporting KPIs is EBITDA pre-exceptional costs. There is a risk that could some of the recurring costs have been incorrectly included as exceptional costs, it might make a key performance indicator misleading.	We assessed the disclosed accounting policy for compliance with accounting standards and for consistency of application. We tested whether exceptional items were non-recurring in nature and recognised and presented in accordance with the disclosed accounting policy by gaining an understanding as to why the amounts have been treated as exceptional. We tested a sample of items to confirm amounts and the nature of the cost to supporting evidence. In areas where similar costs had occurred in the previous year we considered whether it was appropriate to continue to classify such costs as exceptional costs. We scanned the listing of costs for any items that appeared unusual to us in the context of the exceptional items accounting policy and tested whether such items were appropriately treated. We considered whether the disclosures included within the financial statements provided sufficient detail to enable an understanding of the nature of the exceptional costs. Our testing did not identify any material misstatements in the amounts or classification of exceptional costs.

REPORT ON THE GROUP FINANCIAL STATEMENTS

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 financial statements as a whole, taking into account the organisational structure of the group, the accounting processes and controls, and the industry in which the group operates.

The Group is organised into three operating divisions (Investment Solutions, Pension Solutions and Intelligent Solutions), each of which is made up of a different numbers of statutory entities, and our Group audit approach was aligned with this structure.

Within these divisions operate 26 trading entities and 20 holding entities. All but two of these are based in the UK and Northern Ireland, both of which are immaterial to the Group. We performed full scope audit procedures on five statutory entities which accounted for 84% of Group revenue and 68% of Group EBITDA pre-exceptional items.

Specified audit procedures in relation to external debt, cash and deferred income were performed at a further four statutory entities. Desktop reviews were performed for all entities which were not in full scope.

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 on the financial statements as a whole.

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

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £150,000 (2014: £90,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overall group materiality	£2.1m (2014: £1.8m) based on application of a consistent benchmark where the Group performance has increased in the current year.
How we determined it	2.5% of EBITDA prior to exceptional items.
Rationale for benchmark applied	We considered that EBITDA prior to exceptional items to be the most appropriate measure in assessing the performance of the Group given the transition of the business from a highly geared Private Equity owned business to a UK Listed plc during the latter part of the year.

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on page 72, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the group has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the group's ability to continue as a going concern.

OTHER REQUIRED REPORTING

CONSISTENCY OF OTHER INFORMATION

Companies Act 2006 opinion

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

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:	
Information in the annual report is: • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or • otherwise misleading.	We have no exceptions to report.
the statement given by the directors on page 72, in accordance with provision C.1.1 of the UK Corporate Governance Code (the "Code"), that they consider the annual report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's position and performance, business model and strategy is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit.	We have no exceptions to report.
the section of the annual report on page 77, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.

OTHER REQUIRED REPORTING

THE DIRECTORS' ASSESSMENT OF THE PROSPECTS OF THE GROUP AND OF THE PRINCIPAL RISKS THAT WOULD THREATEN THE SOLVENCY OR LIQUIDITY OF THE GROUP

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:	
the directors' confirmation on page 42 of the annual report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
the directors' explanation on page 46 of the annual report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether 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 period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. We have nothing to report having performed our review.	We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the Group and the directors' statement in relation to the longer-term viability of the Group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit.

ADEQUACY OF INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from these responsibilities.

CORPORATE GOVERNANCE STATEMENT

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to ten further provisions of the Code. We have nothing to report having performed our review.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 72, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTER

We have reported separately on the Company financial statements of Equiniti Group plc for the year ended 31 December 2015 and on the information in the Directors' Remuneration Report that is described as having been audited.

Graham Lambert (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Gatwick

7 March 2016

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

CONTINUING OPERATIONS	Note	2015 £m	2014 (Restated) £m
Revenue	3.1,3.4	**369.0**	**292.3**
Operating costs before exceptional costs, depreciation and amortisation	3.2	(282.8)	(222.3)
EBITDA* prior to exceptional items	3.4	**86.2**	**70.0**
Operating costs – exceptional items	3.3	(32.8)	(12.6)
EBITDA*		**53.4**	**57.4**
Depreciation of property, plant and equipment	4.2	(4.4)	(3.8)
Amortisation of software	4.3	(15.8)	(11.0)
Amortisation of acquisition related intangible assets	4.3	(23.0)	(20.9)
Total operating costs	3.2	(358.8)	(270.6)
Earnings before interest and tax (EBIT)		**10.2**	**21.7**
Finance income	6.1	0.7	0.6
Finance costs before exceptional items	6.1	(61.4)	(72.4)
Finance costs – exceptional items	6.1	(21.2)	–
Net finance costs		**(81.9)**	**(71.8)**
Gain on disposal of associate		–	9.8
Share of profit of associate	4.5	–	1.7
Loss before income tax		**(71.7)**	**(38.6)**
Income tax credit	8.1	25.9	1.7
Loss for the year		**(45.8)**	**(36.9)**
Loss for the year attributable to:			
– Owners of the parent		(50.4)	(39.0)
– Non-controlling interests		4.6	2.1
Loss for the year		**(45.8)**	**(36.9)**
Basic and diluted loss per share (in £) attributable to owners of the parent:			
Basic and diluted loss per share (in £)	6.4	**(0.93)**	**(7.80)**

*Earnings before interest, tax, depreciation, amortisation and the impact of associate undertakings

The notes on pages 117 to 160 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £m	2014 (Restated) £m
Loss for the year		**(45.8)**	**(36.9)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Fair value movement through hedging reserve		2.0	1.5
Change in value of available-for-sale financial assets		–	4.9
		2.0	**6.4**
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gain/(loss)	9.3	2.6	(5.8)
Deferred tax (charge)/credit on other comprehensive income	8.2	(0.4)	1.0
		2.2	**(4.8)**
Total comprehensive (loss)/profit for the year		**(41.6)**	**(35.3)**
Total comprehensive (loss)/profit attributable to:			
– Owners of the parent		(46.4)	(37.4)
– Non-controlling interests		4.8	2.1
Total comprehensive loss for the year		**(41.6)**	**(35.3)**

The notes on pages 117 to 160 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £m	2014 (Restated)* £m	1 Jan 2014 (Restated)* £m
ASSETS				
Non-current assets				
Property, plant and equipment	4.2	11.4	12.6	10.7
Intangible assets	4.3	637.2	638.2	557.5
Investments in associates	4.5	–	–	14.3
Other financial assets	9.1	1.8	11.2	7.7
Deferred income tax assets	8.2	20.0	–	–
		670.4	**662.0**	**590.2**
Current assets				
Trade and other receivables	5.1	70.5	64.7	56.7
Agency broker receivables		15.9	19.5	8.2
Cash and cash equivalents	6.8	76.5	30.1	15.4
		162.9	**114.3**	**80.3**
Total assets		**833.3**	**776.3**	**670.5**
LIABILITIES				
Non-current liabilities				
External loans and borrowings	6.6	314.3	623.7	559.1
Preference shares and loans due to ultimate controlling party	6.7	–	277.8	257.2
Deferred consideration		–	4.0	–
Employee benefits	9.3	13.5	15.5	10.1
Provisions for other liabilities and charges	5.3	4.5	5.8	7.0
Other financial liabilities	9.2	0.5	0.7	3.9
Deferred income tax liabilities	8.2	–	7.7	3.5
		332.8	**935.2**	**840.8**
Current liabilities				
Trade and other payables	5.2	97.8	68.5	49.0
Agency broker payables		15.9	19.5	8.2
Employee benefits	9.3	–	0.4	0.4
Income tax payable		1.8	0.8	–
Provisions for other liabilities and charges	5.3	4.1	3.4	3.9
Other financial liabilities	9.2	0.4	0.4	0.4
		120.0	**93.0**	**61.9**
Total liabilities		**452.8**	**1,028.2**	**902.7**
Net assets/(liabilities)		**380.5**	**(251.9)**	**(232.2)**

The notes on pages 117 to 160 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £m	2014 (Restated)* £m	1 Jan 2014 (Restated)* £m
EQUITY				
Equity attributable to owners of the parent				
Share capital	6.2	0.3	5.0	5.0
Share premium	6.2	–	3.5	3.5
Capital contribution reserve	6.3	181.5	–	–
Hedging reserve	6.3	1.8	(0.2)	(1.7)
Share-based payments reserve	7.2	0.2	–	–
Accumulated retained earnings/(losses)		176.7	(277.9)	(239.0)
		360.9	**(269.6)**	**(232.2)**
Non-controlling interest		20.0	17.7	–
Total equity		**380.5**	**(251.9)**	**(232.2)**

*Comparative years have been restated due to a change in accounting policy to align the useful life of software to five years (see note 2.1).

The notes on pages 117 to 160 form part of these financial statements.

The financial statements on pages 110 to 160 were approved by the Board of directors on 7 March 2016 and were signed on its behalf by:

J Stier
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital	Share premium	Capital contribution reserve	Hedging reserve	Share-based payments reserve	Accumulated retained losses	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 31 December 2013 (as previously reported)	**5.0**	**3.5**	**–**	**(1.7)**	**–**	**(190.8)**	**–**	**(184.0)**
Effect of change in accounting policy (see note 2.1)	–	–	–	–	–	(48.2)	–	(48.2)
Balance at 1 January 2014 (Restated)	**5.0**	**3.5**	**–**	**(1.7)**	**–**	**(239.0)**	**–**	**(232.2)**
Comprehensive (loss)/income								
(Loss)/profit for the year per the statement of comprehensive income	–	–	–	–	–	(39.0)	2.1	(36.9)
Other comprehensive income/(expense)								
Changes in fair value of cash flow hedges	–	–	–	1.5	–	–	–	1.5
Change in value of available-for-sale financial assets	–	–	–	–	–	4.9	–	4.9
Actuarial losses on defined benefit pension plans	–	–	–	–	–	(5.8)	–	(5.8)
Deferred tax on defined benefit pension plans	–	–	–	–	–	1.0	–	1.0
Total other comprehensive income/(loss)	–	–	–	1.5	–	0.1	–	1.6
Total comprehensive income/(expense)	–	**–**	**–**	**1.5**	**–**	**(38.9)**	**2.1**	**(35.3)**
Non-controlling interest arising on business combination	–	–	–	–	–	–	16.3	16.3
Transactions with non-controlling interests	–	–	–	–	–	–	(0.7)	(0.7)
Transaction with owners recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**–**	**15.6**	**15.6**
Balance at 31 December 2014 (Restated)	**5.0**	**3.5**	**–**	**(0.2)**	**–**	**(277.9)**	**17.7**	**(251.9)**

The notes on pages 117 to 160 form part of these financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £m	Share premium £m	Capital contribution reserve £m	Hedging reserve £m	Share-based payments reserve £m	Accumulated retained (losses)/ earnings £m	Non-controlling interest £m	Total equity £m
Balance at 1 January 2015	**5.0**	**3.5**	**–**	**(0.2)**	**–**	**(277.9)**	**17.7**	**(251.9)**
Comprehensive (loss)/income								
(Loss)/profit for the year per the statement of comprehensive income	–	–	–	–	–	(50.4)	4.6	(45.8)
Other comprehensive income/(expense)								
Changes in fair value of cash flow hedges	–	–	–	2.0	–	–	–	2.0
Actuarial gains on defined benefit pension plans	–	–	–	–	–	2.4	0.2	2.6
Deferred tax on defined benefit pension plans	–	–	–	–	–	(0.4)	–	(0.4)
Total other comprehensive income/(loss)	–	–	–	2.0	–	2.0	0.2	4.2
Total comprehensive income/(expense)	**–**	**–**	**–**	**2.0**	**–**	**(48.4)**	**4.8**	**(41.6)**
Issue of share capital	0.3	494.7	–	–	–	–	–	495.0
Capital reduction	(4.8)	(498.2)	–	–	–	503.0	–	–
Buy back of own shares	(0.2)	–	0.2	–	–	–	–	–
Capital contribution	–	–	181.3	–	–	–	–	181.3
Dividends	–	–	–	–	–	–	(1.1)	(1.1)
Transactions with non-controlling interests	–	–	–	–	–	–	(1.4)	(1.4)
Share-based payments expense	–	–	–	–	0.2	–	–	0.2
Transaction with owners recognised directly in equity	(4.7)	**(3.5)**	**181.5**	**–**	**0.2**	**503.0**	**(2.5)**	**674.0**
Balance at 31 December 2015	**0.3**	**–**	**181.5**	**1.8**	**0.2**	**176.7**	**20.0**	**380.5**

The notes on pages 117 to 160 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £m	2014 £m
Cash flows from operating activities			
Cash generated from operations	9.5	72.2	51.2
Net cash inflow from operating activities		**72.2**	**51.2**
Cash flows from investing activities			
Interest received	6.1	0.4	0.2
Dividends from investment	6.1	0.3	0.4
Dividends from associate	4.5	–	1.7
Business acquisitions net of cash acquired	4.1	(19.9)	(30.3)
Proceeds from disposal of a business		–	1.5
Investment in an associate	4.5	–	(2.5)
Payment relating to prior year acquisition		(3.9)	(0.7)
Acquisition of property, plant and equipment		(2.9)	(3.8)
Acquisition of intangible assets		(15.5)	(17.0)
Net cash outflow from investing activities		**(41.5)**	**(50.5)**
Cash flows from financing activities			
Proceeds from issue of share capital		495.0	–
Proceeds from new bank loans	6.6	250.0	–
Increase in RCF facility	6.6	24.5	45.5
Repayment of loan notes	6.6	(440.0)	–
Repayment of PIK loans		(161.9)	–
Repayment of preference shares		(105.0)	–
Payment of finance lease liabilities		(0.3)	(0.3)
Interest paid		(30.1)	(29.3)
Dividends paid to non-controlling interests		(1.1)	–
Transactions with non-controlling interests		(1.2)	–
Loan fees paid and other finance costs		–	(1.9)
Refinancing fees paid		(14.2)	–
Net cash inflow from financing activities		**15.7**	**14.0**
Net increase in cash and cash equivalents		46.4	14.7
Cash and cash equivalents at 1 January		30.1	15.4
Cash and cash equivalents at 31 December		**76.5**	**30.1**

The notes on pages 117 to 160 form part of these financial statements.

1 GENERAL INFORMATION

Equiniti Group plc, formerly Equiniti Group Limited, (the "Company") is a public limited company which is listed on the London Stock Exchange, incorporated and domiciled in the United Kingdom. The Company and its subsidiaries (collectively, the "Group") provide complex administration and payment services supported by technology platforms to a wide range of organisations. The registered office is Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH. The group financial statements consolidates those of the Company and its subsidiaries.

2 BASIS OF PREPARATION

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRS Interpretation Committee ("IFRS IC") interpretations as adopted by the European Union (the "EU") and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The Groups functional and presentational currency is the British Pound ("£").

During the current year the Directors reconsidered the estimated useful lives of some of the Group's software platforms and concluded that the lives over which the assets are being amortised should be shorter than previously estimated. For this reason the amortisation charge has been recalculated for prior years and the changes have been retrospectively applied to the financial statements. The effect of the restatement has been a credit to the amortisation charge in the year ended 31 December 2014 of £5.0m. The carrying values of the intangible assets in the statement of financial position have consequently been reduced by £48.2m as at 1 January 2014 and £43.2m as at 31 December 2014.

In the prior year, the Group's investment in shares of Euroclear plc were revalued based on the trade price of recent transactions and a gain of £4.9m was recognised and booked to exceptional items in the income statement. In the current year financial statements, the gain has been reclassified to other comprehensive income. The reclassification did not impact the statement of financial position.

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred and included within exceptional items.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

Going Concern

The Group meets its day-to-day working capital and financing requirements through its cash generated from operations and its bank facilities. The Directors, after making enquiries and on the basis of current financial projections and the facilities available at the reporting date believe that the Group has adequate financial resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the historical financial information.

Investments in subsidiaries

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

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. For items acquired as part of a business combination, cost comprises the deemed fair value of those items at the date of acquisition. Depreciation on those items is charged over their estimated remaining useful lives from that date.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements 2 – 50 years
- Office equipment 2 – 10 years
- Fixtures and fittings 3 – 20 years

Intangible assets and goodwill

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Customer relationships are valued based on the net present value of the excess earnings generated by the revenue streams over their estimated useful lives.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Order books are valued based on expected revenue generation and Brand valuation is based on net present value of estimated royalty returns.

Software

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

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

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

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

- Software development 3 – 5 years
- Other intangible assets 1 – 20 years

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents 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. If the total of consideration transfered, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs") that is expected to benefit from the synergies of the combination. Each unit to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready for use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Classification of financial instruments issued by the Group

The Group classifies its financial assets in the following categories; at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired and management determine the classification of its financial assets on initial recognition.

Other financial assets include loans and receivables, derivatives and investment in shares. Derivatives are explained below. Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment and are included in non-current assets as their maturity is greater than 12 months after the end of the reporting period. Investment in shares are non-derivative available for sale financial assets recognised initially at fair value with any subsequent changes in fair value being recognised through other comprehensive income. They are included in non-current assets as management do not intend to dispose of them within 12 months of the end of the reporting date.

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

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

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

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

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are treated as distributions and are recorded directly in equity.

Derivative financial instruments and hedging activities

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see cash flow hedges below).

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the instruments at the statement of financial position date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Third party valuations are used to fair value the Group derivatives. The valuation techniques use inputs such as interest rate yield curves and currency prices/yields, volatilities of underlying instruments and correlations between inputs.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and a current liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within finance costs.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the statement of comprehensive income within finance costs. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the hedged item occurs.

Trade receivables

Trade receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest method less provisions for impairment. Provisions for impairment are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The impairment recorded is the difference between the carrying value of the receivable and the estimated future cash flows discounted where appropriate. Any impairment is recognised in the statement of comprehensive income within operating costs.

Agency broker balances

Where the Group acts as an agency broker for retail investors, balances owed by or to the retail investor and the market maker are recognised within other receivables and other payables until the settlement date when these balances are eliminated.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of financial position and the statement of cash flows.

Interest-bearing borrowings

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

Trade payables

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

Assets and liabilities held for sale

Assets and liabilities (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. On classification as held for sale, they are stated at the lower of carrying amount and fair value less costs to sell. Impairment losses are included in the income statement, as are any gains and losses on subsequent re-measurement.

Employee benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separately administered fund. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the statement of comprehensive income as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the statement of financial position date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Current service costs reflect the increase in the defined benefit obligation resulting from employee service in the current year, benefit curtailments and settlements. Payments are recognised as employee benefit expense in the statement of comprehensive income.

Past-service costs, which arise as a result of current changes to plan arrangements affecting the obligation for prior periods, are recognised immediately as employee benefit expense in the statement of comprehensive income.

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 the plan assets. The net cost is included within finance costs in the statement of comprehensive income.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

Share-based payment transactions

Equity settled:

The Group operates a number of equity-settled, share based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

– including any market performance conditions (for example, an entity's share price);

– excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee over a specified period of time); and

– including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

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

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate.

Dilapidations provisions relate to estimated costs to revert leased premises back to a required condition expected under the terms of the lease. These include provisions for wear and tear along with provisions where leasehold improvements have been made that would require reinstatement back to original status on exit. These are uncertain in timing as leases may be terminated early or extended. To the extent that exits of premises are expected within 12 months of the end of the year they are shown as current.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Foreign currency translation

The results and financial position of all Group entities having a different functional currency from the presentational currency are translated into the presentational currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

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

Revenue

Revenue, which excludes value added tax, represents the invoiced value of services and software supplied and is almost entirely attributable to the United Kingdom. The Group is one of the largest providers of outsourced financial services in the UK, covering pension administration, pensions payroll, annuity services, complaints handling and resourcing services. Professional services revenue is recognised as the services are performed.

Hardware sales and software licences are recognised when goods and perpetual licences are delivered. Technical support revenues and periodic revenues are recognised rateably over the term of the maintenance agreement.

Amounts recognised as revenue but not yet billed are reflected in the statement of financial position as accrued income. Amounts billed in advance of work performed are deferred in the statement of financial position as deferred income.

Revenue with respect to long term contracts, where delivery of a service spans more than one accounting period, is recognised using the 'percentage of completion' method. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of the total estimated cost for the contract. Total costs incurred under contracts in progress net of amounts transferred to the statement of comprehensive income, are stated less foreseeable losses and payments on account. This approach also applies to corporate actions.

Revenues also comprise fixed periodic administration fees, transaction processing fees, fees for managing corporate actions, fees for professional and IT services and fees earned on the administration of client funds and are stated net of value added tax.

Periodic administration fees are recognised evenly over the contract period. Transaction based fees are recognised at the time of processing the related transactions. Revenues from corporate actions are recognised in line with the stage of completion and fees in relation to administration of client funds are recognised as they accrue.

Revenue includes variable margin intermediary fee income earned on funds under administration of the Group.

Out of pocket expenses recharged to clients are recognised in revenue when they are recoverable from the client, net of the related expense.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss in the statement of comprehensive income in the same periods in which the expenses are recognised. Grants relating to employment are recognised in profit and loss in the statement of comprehensive income as they are earned. Grants relating to intangible assets are netted against the related expenditure prior to capitalisation and amortisation over the useful life of the asset.

Expenses

Operating lease payments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense.

Exceptional items

Exceptional items are items which due to their size, incidence or non-recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements and, in management's judgement, to show more accurately the underlying profits of the Group. Such items are included within the statement of comprehensive income caption to which they relate, and are separately disclosed either in the notes to the consolidated financial statements or on the face of the consolidated statement of comprehensive income.

Net finance costs

Net finance costs comprise interest payable, interest receivable on own funds, dividend income and foreign exchange gains and losses that are recognised in the statement of comprehensive income and the interest cost of defined pension scheme liabilities net of the expected return on plan assets.

Interest income and interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payment is established.

Taxation

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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

2.2 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following new and amended standards have been adopted by the Group in all periods of the consolidated financial statements:

- IAS 32 (amendment) Financial instruments: presentation
- IAS 36 (amendment) Impairment of assets
- IAS 39 (amendment) Financial instruments: Recognition and measurement

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Group, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted subject to EU endorsement. The Group is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement. The Group is assessing the impact of IFRS 15.

There are no other IFRSs or IFRS - Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future, the results of which may affect the carrying values of amounts in the financial statements. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are described overleaf.

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Accounting estimates and assumptions

Fair value of intangible assets

Fair values of intangible assets recognised on acquisitions have been calculated by estimating the net present value of future revenues generated by the assets over their estimated useful lives.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.1 above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates which are disclosed in note 4.3.

Fair value of derivative financial instruments

Third party valuations are used to fair value the Group's derivatives. The valuation techniques use inputs such as interest rate yield curves and currency prices/yields, volatilities of underlying instruments and correlations between inputs.

Deferred tax assets

Under IAS 12 "Income taxes" deferred tax assets are recognised to the extent that taxable profits will be available against which the deductible temporary differences can be utilised. As at the year end the directors consider that the IAS 12 recognition criteria are satisfied.

The Group has provided for a deferred tax liability on consolidated intangible fixed assets that exclude goodwill of £10.9m (2014: £14.4m). The group has provided for a deferred tax asset in respect of losses within Equiniti Limited of £8.5m (2014: £10.3m) to the extent that possible deferred tax liabilities may arise from the impairment of intangible fixed assets within Equiniti Limited. As a result of the Group refinancing in October 2015 the Group has provided for a deferred tax asset in respect of losses of £24.4m (2014: £nil) as they are expected to be used against forecast future profits within the Group over the next 5 years. The forecast rate for the utilisation of the losses over the next 5 years is 19%. The Group restatement of intangible fixed assets will generate further tax losses that are not provided within these accounts as it is not certain the Group will use them over the next 5 years (losses £32.2m, deferred tax asset at 18% £5.8m). The Group has not recognised a further £20.8m of losses that are not forecast to be used over the next 5 years (losses £20.8m, deferred tax asset at 18% £3.7m).

Pension assumptions

The present value of the net defined benefit pension obligation is dependent on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions which are set out in note 9.3 Employee benefits include salary rate increases, interest rates, inflation rates, the discount rate and mortality assumptions. Any changes in these assumptions will impact the carrying value of the pension obligation and a sensitivity analysis is disclosed in note 9.3.

The discount rate used for calculating the present value of future pension liability cash flows is based on interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation.

Provisions

Dilapidations provisions have been made for properties which the Group currently lease based upon the cost to make good the property in accordance with lease terms where applicable, if we were to vacate at the period end as assessed by a chartered surveyor with reference to current market rates.

Provisions for deferred consideration have been made in relation to acquisitions the Group has made. There are various criteria that need to be satisfied in order for a payment to be made. The Group have made provisions as appropriate based on the relevant accounting standards and management's best estimate of the criteria for settlement being fulfilled.

Provisions for contract costs have been made for the exceptional irrecoverable costs associated with a complex long-term contract that has been terminated by mutual agreement.

Provisions for onerous leases have been made for unused property space on operating leases for the period up until the space is estimated to become used or the break clause in the lease, whichever comes earlier.

Revenue recognition

The Group uses the percentage of completion method in accounting for its fixed-price contracts to deliver services, including corporate actions. Use of the percentage of completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Judgements in applying the entity's accounting policies

Exceptional items

Exceptional items are recognised to the extent that they meet the definition outlined in the accounting policy above. This requires a certain amount of judgement that is applied consistently by the Directors. Exceptional items includes costs in relation to business integration and reorganisation as well as potential and aborted acquisitions, costs incurred against investigated and completed acquisitions, onerous contract provision expenses and any income related to reversal of onerous contract and contingent consideration provisions.

FOR THE YEAR ENDED 31 DECEMBER 2015

3 OPERATING PROFIT

3.1 REVENUE

Revenue from continuing operations:	2015 £m	2014 £m
Rendering of services	359.7	285.8
Interest income	9.3	6.5
Total revenue	**369.0**	**292.3**

3.2 OPERATING COSTS

Expenses by nature:	2015 £m	2014 (Restated) £m
Employee benefit expense (note 3.5)	147.4	114.6
Direct costs	66.3	54.6
Bought in services	18.0	7.7
Premises costs	5.8	8.6
Operating lease costs	6.3	5.6
Other general business costs	39.0	31.2
Operating costs before exceptional costs, depreciation and amortisation	282.8	222.3
Exceptional items (note 3.3)	32.8	12.6
Depreciation of tangible assets and amortisation of software (notes 4.2 and 4.3)	20.2	14.8
Amortisation of acquisition related intangible assets (note 4.3)	23.0	20.9
Total operating costs for continuing operations	**358.8**	**270.6**

3.3 OPERATING COSTS – EXCEPTIONAL ITEMS

Included in the profit for the year are the following:	2015 £m	2014 (Restated) £m
Acquisition related expenses	2.2	2.6
Change of control costs	22.5	–
Property costs	–	1.9
Restructuring and other costs	8.1	8.1
Total exceptional items	**32.8**	**12.6**

Acquisition related expenses represent fees paid to third party advisors and transaction fees in respect of acquisitions completed in the period, as well as costs incurred on further potential acquisitions and disposals not completed. This is presented net of income recognised on reversal of a contingent consideration provision on an historic acquisition.

Change of control costs relate to legal, advisory, banking and other fees in relation to the Group's change in ownership which resulted in the Group's listing on the London Stock Exchange.

Property costs relate to the provision for rent and related expenses on onerous leases.

Restructuring and other costs primarily relate to costs associated with building an offshore centre in Chennai and driving the Group's efficiency agenda.

3.4 OPERATING SEGMENTS

In accordance with IFRS 8 'Operating Segments', an operating segment is defined as a business activity whose operating results are reviewed by the chief operating decision maker ('CODM') and for which discrete information is available. The Group's CODM is the Board of Directors.

The Group's operating segments have been identified as Investment Solutions, Intelligent Solutions, Pension Solutions and Interest in line with how the Group runs and structures its business.

Revenue	Total revenue	Inter–segment	Reported revenue
Year ended 31 December 2015	**£m**	**£m**	**£m**
Investment Solutions	126.2	(7.9)	118.3
Intelligent Solutions	112.2	(13.3)	98.9
Pension Solutions	157.2	(14.7)	142.5
Interest	9.3	–	9.3
Total revenue	**404.9**	**(35.9)**	**369.0**

Revenue	Total revenue	Inter–segment	Reported revenue
Year ended 31 December 2014	**£m**	**£m**	**£m**
Investment Solutions	99.8	(4.9)	94.9
Intelligent Solutions	101.6	(12.0)	89.6
Pension Solutions	112.0	(10.7)	101.3
Interest	6.5	–	6.5
Total revenue	**319.9**	**(27.6)**	**292.3**

	2015	2014
EBITDA prior to exceptional items	**£m**	**£m**
Investment Solutions	35.5	29.3
Intelligent Solutions	22.7	16.3
Pension Solutions	26.8	21.7
Interest	9.3	6.5
Total segments	94.3	73.8
Central costs	(8.1)	(3.8)
EBITDA prior to exceptional items	**86.2**	**70.0**

Central costs principally include corporate overheads. The EBITDA prior to exceptional items of each segment is reported after charging certain central costs based on the business segments' usage of central facilities and services.

FOR THE YEAR ENDED 31 DECEMBER 2015

Reconciliation to loss before tax	2015 £m	2014 (Restated) £m
EBITDA prior to exceptional items	86.2	70.0
Exceptional items	(32.8)	(12.6)
EBITDA	53.4	57.4
Depreciation of property, plant and equipment	(4.4)	(3.8)
Amortisation of software	(15.8)	(11.0)
Amortisation of acquisition related intangible assets	(23.0)	(20.9)
Finance costs – net	(81.9)	(71.8)
Gain on disposal of associate	–	9.8
Share of profit of associate	–	1.7
Loss before tax	**(71.7)**	**(38.6)**

Other segmental disclosures	Depreciation and amortisation	Exceptional items	Share of profit on associates	Capital expenditure
Year ended 31 December 2015	£m	£m	£m	£m
Investment Solutions	(19.0)	(4.3)	–	(6.9)
Intelligent Solutions	(1.8)	(2.7)	–	(3.0)
Pension Solutions	(5.1)	(1.8)	–	(3.5)
Total segments	(25.9)	(8.8)	–	(13.4)
Central	(17.3)	(24.0)	–	(5.4)
Total	**(43.2)**	**(32.8)**	**–**	**(18.8)**

Other segmental disclosures	Depreciation and amortisation (Restated)	Exceptional items	Share of profit on associates	Capital expenditure
Year ended 31 December 2014	£m	£m	£m	£m
Investment Solutions	(16.5)	(8.6)	–	(3.2)
Intelligent Solutions	(1.5)	(0.1)	–	(2.5)
Pension Solutions	(5.8)	(2.5)	1.7	(6.9)
Total segments	(23.8)	(11.2)	1.7	(12.6)
Central	(11.9)	(1.4)	–	(9.4)
Total	**(35.7)**	**(12.6)**	**1.7**	**(22.0)**

Capital expenditure consists of additions to property, plant, equipment and software.

3.5 STAFF NUMBERS AND COSTS

The average monthly number of persons employed by the Group (including directors) during the year was as follows:

Number of employees – by function:	2015 Number	2014 Number
Operations	3,829	3,022
Support functions	212	185
Sales and marketing	108	82
Total employees	**4,149**	**3,289**

Number of employees – by operating segment:	2015 Number	2014 Number
Investment Solutions	1,278	1,186
Intelligent Solutions	479	388
Pensions Solutions	1,721	1,163
Central	671	552
Total employees	**4,149**	**3,289**

Number of employees – by geography:	2015 Number	2014 Number
United Kingdom	3,788	2,986
India	361	303
Total employees	**4,149**	**3,289**

At the year end date, the total number of employees based in India was 402 (2014: 301).

The aggregate payroll costs of these persons were as follows:

	2015 £m	2014 £m
Wages and salaries	129.1	98.9
Social security costs	11.2	9.1
Pension costs	6.9	6.6
Share-based payment expense	0.2	–
Total employee benefit expense	**147.4**	**114.6**

4 INVESTMENTS

4.1 ACQUISITIONS OF BUSINESSES

Selftrade

On 23 January 2015, the Group completed the acquisition of the assets and customer portfolio of Selftrade, an online execution-only stockbroker. Selftrade has approximately 104,000 stockbroking clients holding £3.9 billion in assets.

Since the date of acquisition the business contributed £7.9m of revenue and £2.2m of net profit. If the business had been acquired on 1 January 2015 it would have contributed an additional £1.0m of revenue to the Group results. As this was a trade and assets acquisition, it is impracticable to calculate the impact on net profit from this acquisition prior to the date it was acquired.

On acquisition intangible assets have been recognised relating to customer contracts and related relationships with a combined attributable value of £14.0m. The amounts relating to the intangible assets and goodwill are provisional and subject to further evaluation and adjustment, in accordance with accounting standards. The value of goodwill reflects amounts in relation to the expected benefit of the ability to generate new streams of revenue and expected synergies of combining the operations of Selftrade and the Group.

Recognised amounts of identifiable assets acquired and liabilities assumed	£m
Intangible assets	14.0
Net identifiable assets and liabilities	**14.0**
Goodwill on acquisition	3.6
Total consideration and cash outflow in the year	**17.6**

Costs of acquiring and integrating the business, which include legal and due diligence fees, amounted to £2.1m and these are reflected within exceptional items in the income statement.

TransGlobal Payment Solutions Limited

On 3 September 2015, the Group purchased the entire issued share capital of TransGlobal Payment Solutions Limited ("TPS") for £5.2m, consisting of £2.9m cash on completion and up to £3.0m of contingent consideration, discounted to £2.3m. The business had net assets on that date of £3.2m including a cash balance of £0.6m. TPS is the technology company that powers the platform for the Group's foreign exchange payments business, Equiniti International Payments.

Since the date of acquisition the company contributed £0.6m of revenue and £0.3m of net profit. If it had been acquired on 1 January 2015 it would have contributed an additional £0.8m of revenue and £0.2m net profit to the Group's reported results for the year ended 31 December 2015.

On acquisition intangible assets have been recognised relating to customer contracts and related relationships with a combined attributable value of £0.3m. The amounts relating to the intangible assets and goodwill are provisional and subject to further evaluation and adjustment, in accordance with accounting standards. The value of goodwill reflects expected synergies from combining the operations and expertise of TPS and the Group and to enable future market development.

Recognised amounts of identifiable assets acquired and liabilities assumed	£m
Software	2.3
Other intangible assets	0.3
Trade and other receivables	3.9
Cash	0.6
Trade and other payables	(3.8)
Deferred tax	(0.1)
Net identifiable assets and liabilities	**3.2**
Goodwill on acquisition	2.0
Total consideration	**5.2**
Cash acquired	(0.6)
Contingent consideration	(2.3)
Net cash outflow in the period	**2.3**

4.1 ACQUISITIONS OF BUSINESSES (CONTINUED)

As at 31 December 2015, the minimum amount of contingent consideration payable is £nil and the maximum amount is £3.0m. The final amount to be paid will be determined based on the acquiree's financial performance over the qualifying period and is only payable if the business grows in line with its business plan.

Costs of acquiring and integrating the business amounted to £0.3m in the year ended 31 December 2015 and these are reflected within exceptional items in the income statement.

Prior year acquisitions

At 31 December 2014, the fair value adjustments made against net assets acquired during 2014 were provisional. The accounting in respect of these acquisitions has since been finalised. The adjustments to net assets acquired and goodwill of all acquisitions made during 2014 are as follows:

Fair value of 2014 acquisitions	**£m**
Software	(0.1)
Net identifiable assets and liabilities	**(0.1)**
Goodwill on acquisition	0.1
Total consideration	**–**

4.2 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £m	Office equipment £m	Fixtures & fittings £m	Total £m
Cost				
Balance at 1 January 2014	5.4	21.4	4.5	31.3
Acquisition of business	0.2	0.2	0.5	0.9
Additions	0.5	4.1	0.2	4.8
Disposals	–	(3.6)	(0.4)	(4.0)
Balance at 31 December 2014	**6.1**	**22.1**	**4.8**	**33.0**
Balance at 1 January 2015	6.1	22.1	4.8	33.0
Additions	0.8	2.3	0.1	3.2
Reclassification	0.3	(0.3)	–	–
Balance at 31 December 2015	**7.2**	**24.1**	**4.9**	**36.2**
Accumulated depreciation				
Balance at 1 January 2014	2.9	15.3	2.4	20.6
Depreciation charge for the period	0.8	2.6	0.4	3.8
Disposals	–	(3.6)	(0.4)	(4.0)
Balance at 31 December 2014	**3.7**	**14.3**	**2.4**	**20.4**
Balance at 1 January 2015	3.7	14.3	2.4	20.4
Depreciation charge for the period	1.0	2.7	0.7	4.4
Balance at 31 December 2015	**4.7**	**17.0**	**3.1**	**24.8**
Net book value				
Balance at 31 December 2014	**2.4**	**7.8**	**2.4**	**12.6**
Balance at 31 December 2015	**2.5**	**7.1**	**1.8**	**11.4**

Included within office equipment are assets held under finance lease with a cost of £2.6m as of 31 December 2015 (2014: £1.8m). As at the 31 December 2015 year end these assets had a net book value of £0.8m (2014: £0.7m).

4.3 INTANGIBLE ASSETS

	Goodwill £m	Software development £m	Acquisition related intangible assets £m	Total £m
Cost				
Balance at 1 January 2014	363.0	143.3	255.8	762.1
Acquisition of business	38.9	16.1	40.4	95.4
Additions	–	17.2	–	17.2
Balance at 31 December 2014	**401.9**	**176.6**	**296.2**	**874.7**
Balance at 1 January 2015	401.9	176.6	296.2	874.7
Acquisition of business	5.7	2.2	14.3	22.2
Additions	–	15.6	–	15.6
Reclassification	–	(0.8)	0.8	–
Disposals	–	(0.3)	–	(0.3)
Balance at 31 December 2015	**407.6**	**193.3**	**311.3**	**912.2**
Accumulated amortisation				
Balance at 1 January 2014 (restated)	–	112.6	92.0	204.6
Amortisation for the year (restated)	–	11.0	20.9	31.9
Balance at 31 December 2014 (restated)	**–**	**123.6**	**112.9**	**236.5**
Balance at 1 January 2015	–	123.6	112.9	236.5
Amortisation for the year	–	15.8	23.0	38.8
Disposals	–	(0.3)	–	(0.3)
Balance at 31 December 2015	**–**	**139.1**	**135.9**	**275.0**
Net book value				
Balance at 31 December 2014 (restated)	**401.9**	**53.0**	**183.3**	**638.2**
Balance at 31 December 2015	**407.6**	**54.2**	**175.4**	**637.2**

Software development predominately relates to the Group's main operating platforms.

Acquisition related intangible assets consist primarily of customer lists arising from business combinations.

Goodwill is the only intangible asset with an indefinite life.

The prior year amortisation of software has been restated in these financial statements. See note 2.1 for further details.

4.3 INTANGIBLE ASSETS (CONTINUED)

Goodwill

Goodwill arose initially on the acquisition of the Lloyds TSB Registrars business and subsequently through equity and trade and asset acquisitions. For goodwill on current year acquisitions see note 4.1. Goodwill is monitored by management in line with the Group's operating segments; Investment Solutions, Intelligent Solutions, Pensions Solutions and Interest.

	Opening balance	Acquisitions	Closing balance
Year ended 31 December 2015	**£m**	**£m**	**£m**
Investment Solutions	283.2	5.7	288.9
Intelligent Solutions	31.5	–	31.5
Pension Solutions	87.2	–	87.2
Total goodwill	**401.9**	**5.7**	**407.6**

	Opening balance	Acquisitions	Closing balance
Year ended 31 December 2014	**£m**	**£m**	**£m**
Investment Solutions	277.5	5.7	283.2
Intelligent Solutions	16.1	15.4	31.5
Pension Solutions	69.4	17.8	87.2
Total goodwill	**363.0**	**38.9**	**401.9**

Impairment testing

Goodwill is tested annually for impairment, the recoverable amount of cash-generating units for the above periods has been determined in accordance with IAS 36 "Intangible assets". This is determined by assessing the present value of net cash flows generated by the business over the period over which the management expects to benefit from the acquired business.

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

The outcome of the impairment assessment has been that the directors do not consider that the goodwill has been impaired, given that the value in use is greater than the carrying value of goodwill.

	2015	2014
	£m	£m
Period on which management approved forecasts are based	3 years	3 years
Revenue growth rate applied beyond approved forecast period	2.0%	2.0%
Discount rate pre tax	10.2%	13.0%

The discount rate used for impairment testing fell during the year due to the Group restructuring its balance sheet that in turn reduced its cost of capital. The revenue growth rate applied beyond the approved forecast period is in line with underlying UK macro economic forecasts.

In the opinion of the Directors there are no reasonable possible changes to key assumptions which would cause the carrying value to exceed the recoverable amounts.

4.4 INVESTMENTS IN SUBSIDIARIES

The directors consider the value of the investments to be supported by their underlying assets. The Group has the following investments in subsidiaries:

Name of controlled entity	Country of incorporation and principal place of business	Class of shares held	Principal activities	Ownership 31 Dec 2015	Ownership 31 Dec 2014
Direct Investments					
Equiniti Enterprises Limited	UK	Ordinary	Holding company	100	100
Equiniti X2 Enterprises Limited	UK	Ordinary	Holding company	100	100
Equiniti Holdings Limited	UK	Ordinary	Holding company	100	100
Indirect Investments					
Charter Systems Limited	UK	Ordinary	Software service provider	100	100
Charter UK Limited	UK	Ordinary	Software service provider	100	100
Claybrook Computing Limited	UK	Ordinary	Computer software consultancy	100	100
Connaught Secretaries Limited	UK	Ordinary	Dormant	100	100
Custodian Nominees Limited	UK	Ordinary	Holding company	100	100
David Venus (Health & Safety) Limited	UK	Ordinary	Dormant	100	100
Equiniti 360 Clinical Limited	UK	Ordinary	Business process outsourcing	100	100
Equiniti Cleanco Limited	UK	Ordinary	Holding company	100	100
Equiniti Corporate Nominees Limited	UK	Ordinary	Non trading	100	100
Equiniti David Venus Limited	UK	Ordinary	Company secretarial	100	100
Equiniti Debtco Limited	UK	Ordinary	Holding company	100	100
Equiniti Financial Services Limited	UK	Ordinary	Financial services	100	100
Equiniti ICS India (Private) Limited	India	Ordinary	Technology enabled services	100	100
Equiniti ICS Limited	UK	Ordinary	Business process outsourcing	100	100
Equiniti ISA Nominees Limited	UK	Ordinary	Non trading	100	100
Equiniti Jersey Limited	Channel Islands	Ordinary	Registrars	100	100
Equiniti Limited	UK	Ordinary	Registrars	100	100
Equiniti NewCo 2 Plc	UK	Ordinary	Holding company	100	100
Equiniti Nominees Limited	UK	Ordinary	Non trading	100	100
Equiniti PIK Cleanco Limited	UK	Ordinary	Holding company	100	100
Equiniti PIKco Limited	UK	Ordinary	Holding company	100	100
Equiniti Registrars Nominees Limited	UK	Ordinary	Non trading	100	100
Equiniti Savings Nominees Limited	UK	Ordinary	Non trading	100	100
Equiniti Services Limited	UK	Ordinary	Holding company	100	100
Equiniti Share Plan Trustees Limited	UK	Ordinary	Trustee company	100	100
Equiniti Shareview Limited	UK	Ordinary	Non trading	100	100
Equiniti Solutions Limited	UK	Ordinary	Pensions administration	100	100
Equiniti X2 Cap Limited	UK	Ordinary	Holding company	Dissolved Jan 2015	100
Equiniti X2 Cleanco Limited	UK	Ordinary	Holding company	Dissolved Jan 2015	100
Equiniti X2 Holdings Limited	UK	Ordinary	Holding company	Dissolved Jan 2015	100
Equiniti X2 Inv Limited	UK	Ordinary	Holding company	Dissolved Jan 2015	100
Equiniti X2 Limited	UK	Ordinary	Holding company	Dissolved Jan 2015	100
Equiniti X2 Mezz Cleanco Limited	UK	Ordinary	Holding company	100	100
Equiniti X2 Mezzco Limited	UK	Ordinary	Holding company	Dissolved Jan 2015	100
Equiniti X2 Services Limited	UK	Ordinary	Holding company	Dissolved Jan 2015	100
Equiniti X2 Solutions Limited	UK	Ordinary	Holding company	Dissolved Jan 2015	100

4.4 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of controlled entity	Country of incorporation and principal place of business	Class of shares held	Principal activities	Ownership 31 Dec 2015	Ownership 31 Dec 2014
Invigia Limited	UK	Ordinary	Software service provider	100	100
Killik Employee Services (PTY) Limited	South Africa	Ordinary	Computer software development	100	100
LR Nominees Limited	UK	Ordinary	Non trading	100	100
MyCSP Limited	UK	Ordinary	Pensions administration	51	51
MyCustomerFeedback.com Limited	UK	Ordinary	Software service provider	100	100
Pancredit Systems Limited	UK	Ordinary	Business process outsourcing	100	100
Paymaster (1836) Limited	UK	Ordinary	Pensions administration	100	100
Peter Evans & Associates Limited	UK	Ordinary	Business process outsourcing	100	100
Peter Evans Limited	UK	Ordinary	Holding company	Dissolved Feb 2015	100
Prism Communications & Management Limited	UK	Ordinary	Company secretarial	100	100
Prism Cosec Limited	UK	Ordinary	Non trading	100	100
Prosearch Asset Solutions Limited	UK	Ordinary	Asset recovery	100	100
SLC Corporate Services Limited	UK	Ordinary	Dormant	100	100
SLC Registrars Limited	UK	Ordinary	Dormant	100	100
TransGlobal Payment Solutions Limited	UK	Ordinary	International payment services	100	–
Trust Research Services Limited	UK	Ordinary	Non trading	100	100
Wealth Nominees Limited	UK	Ordinary	Non trading	100	100

4.5 INVESTMENTS IN ASSOCIATES

	2015 £m	2014 £m
Balance at 1 January	–	14.3
Additions	–	2.5
Share of profit	–	1.7
Other comprehensive income	–	–
Dividend received	–	(1.7)
Deemed disposal of associate	–	(16.8)
Balance at 31 December	**–**	**–**

The Group acquired its 40% interest in MyCSP Limited in May 2012 by way of a cash contribution and the provision of executive management and project implementation services including development of a core operating platform.

On 29 September 2014, the Group increased its investment in MyCSP Limited from 40% to 51% for an additional £8.0m consideration. £4.0m of this has been paid with the balance due in 2016. In accordance with IFRS10, MyCSP Limited became consolidated as a subsidiary and the investment in associate was treated as a disposal. There has been no change in 2015.

5 WORKING CAPITAL

5.1 TRADE AND OTHER RECEIVABLES

	2015 £m	2014 £m
Trade receivables	29.0	36.1
Other receivables	33.0	23.4
Prepayments	8.5	5.2
Total trade and other receivables	**70.5**	**64.7**

At the year end trade receivables are shown net of an allowance for doubtful debts of £0.3m (2014: £0.1m). The impairment loss recognised in the period was £nil (2014: £nil).

Excluding trade receivables, none of these financial assets are either past due or impaired.

Credit risk

The ageing of trade receivables at the reporting date was:

	2015 £m	2014 £m
Not past due	22.0	26.0
Past due 0-30 days	5.3	7.2
Past due 31-90 days	1.1	1.9
Past due more than 90 days	0.6	1.0
Total trade receivables	**29.0**	**36.1**

Trade receivables not past due of £22.0m (2014: £26.0m) are all existing customers with no defaults in the past.

Based on historic performance of these contracts, the Group has made an impairment allowance of £0.3m (2014: £0.1m) in respect of trade receivables. Where impairment allowances are made these are for the full value of the impaired debt.

Movement in the year on the Group provision for impairment on trade receivables is as follows:

	2015 £m	2014 £m
Balance at 1 January	0.1	0.3
New provisions made in year	0.2	0.1
Release against receivables written off	–	(0.3)
Balance at 31 December	**0.3**	**0.1**

5.2 TRADE AND OTHER PAYABLES

	2015 £m	2014 £m
Trade payables	18.8	9.1
Accruals	52.8	37.2
Deferred income	14.6	13.7
Other payables	11.6	8.5
Total trade and other payables	**97.8**	**68.5**

The Group is subject to regulatory supervision by the Financial Conduct Authority, and in the ordinary course of business is subject to regulatory reviews with its regulator. All matters arising from these discussions are evaluated on a regular basis. At the date of these accounts the Directors do not believe there are any matters in progress which would have a material impact on the Group's financial position or operations.

5.3 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Contingent consideration £m	Property provisions £m	Other provisions £m	Total provisions £m
Balance at 1 January 2015	5.0	3.9	0.3	9.2
Provisions made during the year	2.4	–	–	2.4
Provisions used during the year	(1.3)	(1.4)	(0.3)	(3.0)
Provisions reversed during the year	(0.4)	–	–	(0.4)
Unwinding of discounted amount	0.3	0.1	–	0.4
Balance at 31 December 2015	**6.0**	**2.6**	**–**	**8.6**
Non-current	2.4	2.1	–	4.5
Current	3.6	0.5	–	4.1
Total provisions	**6.0**	**2.6**	**–**	**8.6**

Contingent consideration

A provision for contingent consideration as at 31 December 2015 of £6.0m (2014: £5.0m) relates to various requirements to be met following the Group's acquisitions. This is management's best estimate of the amount likely to be paid. The minimum value of these provisions could be £nil up to a maximum of £6.8m. These were discounted at an appropriate post-tax discount rate at the time of the acquisitions, 9%, and are provided within provisions due to their uncertainty. Management regularly reconsiders the appropriateness of the discount rate used and updates when appropriate. The remaining balance is expected to be utilised over periods between 2016 and 2018.

Property provisions

Property provisions includes a provision for onerous leases for unused property space on an operating lease as at 31 December 2015 of £0.6m (2014: £1.9m), of which £1.0m was utilised during the year (2014: £0.5m). In the year to 31 December 2014, an onerous lease provision of £0.4m was acquired with the acquisition of MyCSP. This provision has been fully utilised during 2015.

Also included in property provisions is a provision in respect of dilapidations as at 31 December 2015 of £2.0m (2014: £2.0m).

Other provisions

Provisions held in relation to exceptional irrecoverable costs incurred on complex long term contracts as at 31 December 2015 are nil (2014: £0.3m).

6 CAPITAL STRUCTURE

6.1 FINANCE INCOME AND COSTS

Finance income	2015 £m	2014 £m
Interest income	0.4	0.2
Dividend income	0.3	0.4
Total finance income	**0.7**	**0.6**

Finance costs – ordinary	2015 £m	2014 £m
Interest cost on senior secured loan notes	24.9	29.9
Interest on senior secured borrowings	1.2	–
Interest cost on revolving credit facility	2.3	0.8
Interest cost on payment in kind ("PIK") loan	10.8	15.4
Interest on preference shares classified as liabilities	12.2	15.1
Interest cost on loans from related parties	5.0	5.6
Amortised fees	2.8	2.9
Net finance cost relating to pension scheme	0.6	0.5
Unwinding of discounted amount in provisions	0.4	0.4
Cost of interest rate swap against financial liabilities	0.5	0.7
Other fees and interest	0.7	1.1
Total finance costs – ordinary	**61.4**	**72.4**

Finance costs – exceptional	2015 £m	2014 £m
Write off of unamortised fees of previous finance arrangement	12.3	–
Early termination of bond notes	8.9	–
Total finance costs – exceptional	**21.2**	**–**

Exceptional finance costs relate to costs incurred by putting new financing arrangements into place during 2015. These costs include the write off of unamortised arrangement fees that related to the refinancing exercise that took place in 2013 and the break costs for the early termination of the Group's senior secured notes.

6.2 SHARE CAPITAL AND SHARE PREMIUM

	2015 £m	2014 £m
Share capital		
Allotted, called up and fully paid		
Shares of £0.001 each (2014: £1 each)	0.3	5.0
Share premium	–	3.5
Total share capital and share premium	**0.3**	**8.5**

Share capital	2015 Number	2014 Number
Ordinary shares of £0.001 each (2014: £1 each) – in millions of shares		
On issue – fully paid	300.0	5.0

On 24 September 2015, the Company undertook a share capital reduction by reducing the nominal value of its Ordinary A, B, C, D and E shares to £0.05 each. On 30 October 2015, the Company undertook a share consolidation, sub-division, reclassification and buyback of shares resulting in only one class of Ordinary shares of £0.01 each.

Prior to the reorganisation the share capital comprised A, B, C, D and E ordinary shares of £1 each. The A ordinary shares were primarily held by the holding company. The B, C, D and E shares were primarily held by senior management. The B, C, D and E shares were entitled to share in the proceeds of a sale or a listing of the Group.

On 27 October 2015, the Group issued 63.6m ordinary shares to its immediate parent, Equiniti (Luxembourg) Sarl, and to other shareholders for the settlement of various debts including preference shares and loan notes as stated in notes 6.6 and 6.7. The excess of the share capital issued and the value of the settled debts has been recorded in the share premium account.

On 27 October 2015, the Group admitted its shares on the London Stock Exchange for primary proceeds of £390m which has been reflected by an increase in the share capital and share premium accounts.

On 2 December 2015, the Group undertook a court approved capital reduction which involved cancellation of share premium to the value of £494.7m.

6.3 OTHER RESERVES

Capital contribution reserve

The capital contribution reserve arose on IPO where the Group issued equity instruments to settle non-current financial liabilities with shareholders.

Hedging reserve

The hedging reserve comprises the effective portion of changes in the fair value of cash flow swaps that have not yet occurred.

6.4 EARNINGS PER SHARE

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the company by the weighted average number of shares in issue during the year. As the Group is loss making in the current and prior year, the conversion of share options does not have a dilutive effect on earnings per share.

	2015 £m	2014 £m
Loss from continuing operations attributable to owners of the parent	(50.4)	(39.0)
Weighted average number of ordinary shares in issue (thousands)	54,301	5,000
Basic and diluted loss per share (in £)	**(0.93)**	**(7.80)**

6.5 DIVIDENDS

Amounts recognised as distributions to equity holders of the parent in the year	2015 £m	2014 £m
Proposed final dividend for year ended 31 December 2015	2.0	–
	2.0	**–**

The recommended dividend payable in respect of the year ended 31 December 2015 is £2.0m or 0.68p per ordinary share (2014: £nil). This is in line with the Group's stated policy of a payout ratio of around 30% of adjusted normalised profit after cash tax. The amount payable has been pro-rated for the timing of the Group's admission to the market in October 2015. This equates to £12m or 4.08p per share on a full year basis. The proposed dividend has not been accrued as a liability as at 31 December 2015.

6.6 EXTERNAL LOANS AND BORROWINGS

Non-current liabilities	2015 £m	2014 £m
Senior secured notes	–	440.0
Senior secured loan	250.0	–
Revolving credit facility ("RCF")	70.0	45.5
Payment in kind ("PIK") facility	–	151.1
Unamortised cost of raising finance	(5.7)	(14.9)
Non secured loan	–	2.0
Total external loans and borrowings	**314.3**	**623.7**

On 27 October 2015, the Group admitted its shares to the London Stock Exchange which raised proceeds of £495.0m. The Group subsequently refinanced its debt by repaying the senior secured notes, the RCF and the PIK facility, whilst obtaining a new term loan of £250m and new RCF of £150m, of which £70m is drawn down as at 31 December 2015.

Due to the refinancing, unamortised costs of raising finance of £12.3m held on the balance sheet in respect of the previous debt structure have been expensed to the income statement to exceptional finance costs. Costs of raising the new financing arrangement of £5.9m were capitalised in the period and will be amortised over the maturity of the loan. During the year ended 31 December 2015, £2.6m was recognised within finance costs (note 6.1) in respect to amortised fees under the previous debt structure and £0.2m was recognised in respect to amortisation of fees under the current debt structure. In the year ended 31 December 2014, £2.9m was recognised in finance costs as amortised fees.

Terms and debt repayment schedule	Currency	Closing interest rate	Year of maturity
Senior secured loan	Sterling	Libor + 2.0%	2020
Revolving credit facility	Sterling	Libor + 2.0%	2020

The Group's Bank facility, which matures in full in 2020, contains one financial covenant only, namely a maximum ratio of Net Debt to EBITDA (as defined in the loan agreement) which is tested half yearly and at year end. Net Debt to EBITDA must be no more than 4.50:1 for the periods to 31st December 2017 and 4.00:1 thereafter. The Group was in compliance with this covenant at year end 2015. The margin payable on both the term loan and RCF is determined based on the ratio of Net Debt to EBITDA, where the margin payable ranges from a maximum of 2.25% to a minimum of 1.25%. In December 2015, the Group entered into an interest rate swap agreement for a 3 year period to exchange variable rate interest expense to fixed rate on the £250m bank term loan. No debt is repayable before the end of our current funding agreement in 2020.

6.7 PREFERENCE SHARES AND LOANS DUE TO ULTIMATE CONTROLLING PARTY

Non-current liabilities	2015 £m	2014 £m
Preference shares classified as debt	–	204.0
Non secured loan from related party	–	73.8
Total loans due to ultimate controlling party	**–**	**277.8**

On 27 October 2015, the Group admitted its shares to the London Stock Exchange which raised proceeds of £495.0m. The Group subsequently refinanced its debt by repaying the preference shares classified as debt and the non secured loan from a related party.

6.8 CASH AND CASH EQUIVALENTS

	2015 £m	2014 £m
Cash and cash equivalents per statement of financial position	76.5	30.1
Cash and cash equivalents per statement of cash flows	76.5	30.1

In addition to the above, the Group holds certain cash balances with banks in a number of segregated accounts. These balances represent client money under management and hence are not included in the Group's consolidated balance sheet. The number of accounts and balances held vary significantly throughout the year.

6.9 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management policies are established for the Group and the Group Audit Committee oversees how management monitors compliance with these policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit and Compliance Monitoring. Internal Audit and Compliance Monitoring undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty, including brokers, to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Due to the nature of the business the majority of the trade receivables are with large institutions, including many FTSE 350 companies and losses have occurred infrequently over previous years and were immaterial.

Credit risk mitigation

Trade and other receivables are due from primarily FTSE listed companies, their pension funds and major UK public bodies both of which historically have few occurrences of defaults in the past.

For cash, cash equivalents and derivative financial instruments, only banks and financial institutions with credit ratings assigned by international credit-rating agencies are accepted, with 96% of cash balances at the year end being held in banks and financial insitutions with a rating of A or higher.

6.9 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that the Group will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The maximum exposure to liquidity risk at the reporting dates was as follows:

31 December 2015	Note	Carrying Amount	Total contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
Trade and other payables	5.2	97.8	97.8	97.8	–	–	–
Other financial liabilities	9.2	0.9	1.1	0.5	0.3	0.3	–
Senior secured loan	6.6	250.0	287.6	7.2	7.6	272.8	–
Revolving credit facility	6.6	70.0	70.0	–	–	70.0	–
Total		**418.7**	**456.5**	**105.5**	**7.9**	**343.1**	**–**

31 December 2014	Note	Carrying Amount	Total contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
Derivatives used for hedging	9.2	0.4	0.5	0.5	–	–	–
Trade and other payables	5.2	68.5	68.5	68.5	–	–	–
Employee benefits	9.3	0.4	0.4	–	–	–	0.4
Other financial liabilities	9.2	0.7	0.7	0.5	0.2	–	–
Senior secured notes	6.6	250.0	320.5	17.0	17.9	285.6	–
Senior secured floating rate notes	6.6	190.0	237.1	11.4	11.9	213.8	–
Revolving credit facility	6.6	45.5	45.5	–	–	45.5	–
Payment in kind ("PIK") facility	6.6	151.1	239.3	–	–	239.3	–
Preference shares classified as debt	6.7	204.0	249.9	–	–	–	249.9
Non secured loan from related party	6.7	73.8	109.4	109.4	–	–	–
Non secured loan	6.6	2.0	2.0	2.0	–	–	–
Total		**986.4**	**1,273.8**	**209.3**	**30.0**	**784.2**	**250.3**

All trade and other payables are expected to be paid in 6 months or less.

Employee benefits become repayable when the units lapse, as described in note 9.3.

Loans from related parties are repayable on demand.

Liquidity risk mitigation

The Group regularly updates forecasts for cash flow and covenants to ensure it has sufficient funding available. It maintains significant cash balances to meet future cash funding requirements and has £76.5m of cash at 31 December 2015. The Group also has revolving credit facilities of £150.0m available of which £80.0m is undrawn as at 31 December 2015.

6.9 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its financial instruments.

a) Interest rate risk

The Group is exposed to movements in interest rate in both its intermediary fee revenue and its net finance costs. Intermediary fee revenue is linked to Bank Base Rate, whilst both the senior variable bank loan and the RCF rates are linked to Libor. The Group also earns fee income in relation to client and shareholder deposits as well as interest income on its own deposits.

Exposure to interest rate fluctuations are partly managed through the use of interest rate swaps. Interest rate hedges are agreed by the board and have the objective of reducing the impact of variations in interest rates on the group's profit and cash flow.

A movement in interest rates which negatively affects the net finance costs, would have a positive effect on revenue, and vice versa.

Following the successful conclusion of the IPO process, the Group entered into an interest rate swap of its £250m term loan, exchanging variable based interest charges for fixed rate for a period of 3 years. This fixes our interest costs at c3% until October 2018.

The Group does not enter into speculative transactions in financial instruments or derivatives. Further quantitative disclosures are included throughout these consolidated financial statements.

Interest rate risk mitigation

The £250m bank term loan accrues interest based on a margin over LIBOR, a swap has been taken out to fix this rate until October 2018, the group has not entered into a hedge of its outstanding RCF commitments.

Interest rate risk is managed across the Group's companies by monitoring its interest linked revenues which are derived based on the UK's Bank Base rate. The Group has entered into interest rate swaps totalling £650.0m for a 3 year period to July and August 2018 swapping the variable rate derived interest rate income to fixed rates.

The directors monitor the overall level of borrowings, leverage ratio and interest costs to limit any adverse effects on financial performance of the Group.

Sensitivity analysis

In managing interest rate and currency risks the Company and Group aims to reduce the impact of short-term fluctuations on the Company and Group's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

It is estimated that going forwards a 1% increase in interest costs would increase interest payable by c£2.5m per annum on our term loan and RCF facility. This would also increase our revenue and profit from client deposits by c£12m per annum.

The sensitivity analysis above ignores the effect of the interest rate swaps held by the Group.

An increase of one percentage point in interest rates with the debt structure as at 31 December 2015 constant throughout all of 2015 would have increased finance costs for the Group by £0.7m, payable on the RCF, and increased interest revenue by £1.7m, yielding a net increase in equity after tax of £0.8m. This includes the impact of interest rate swaps which reduce the fluctuations resulting from interest rate movements. Had no hedging been in place for this example of a 1% increase in interest rates, the net increase to equity after tax would be £4.8m.

b) Foreign exchange rate risk

The Group's financial instruments are currently in sterling, hence foreign exchange movements do not have a material effect on the Group's performance.

c) Equity price risk

The Group does not hold its own position in trading securities, being involved only in arranging transactions on behalf of its clients.

6.10 CAPITAL RISK MANAGEMENT

The Group is focused on delivering value for its shareholders whilst ensuring the Group is able to continue effectively as a going concern. Value adding opportunities to grow the business are continually assessed, although strict and careful criteria are applied.

The Group has reduced its total debt outstanding as a result of the IPO process and as at 31 December 2015 has a lower level of net debt to total equity since listing; total capital comprises total equity plus net debt, as shown in the consolidated statement of financial positions. Net debt equates to the total of other interest bearing loans, less cash and cash equivalents, as shown in the consolidated statement of financial position.

The policies for managing capital are to increase shareholder value by maximising profits and cash. The policy is to set budgets and forecasts in to the short and medium term that the Group ensures are achievable. The process for managing capital are regular reviews of financial data to ensure that the Group is tracking the targets set and to reforecast as necessary based on the most up to date information whilst checking that future covenant test points are met.

The previous borrowing facilities; repaid in October 2015, contained various covenants and restrictions. Under the terms of the new loan agreement signed in October 2015, the Group has one covenant, a minimum ratio of Net Debt to EBITDA.

Management of capital:	**Note**	**2015** **£m**	**2014 (Restated)** **£m**
Equity		380.5	(251.9)
Interest-bearing loans and borrowings	6.6	314.3	623.7
Cash and cash equivalents	6.8	(76.5)	(30.1)
Total equity plus net debt		**618.3**	**341.7**

6.11 FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities are classified as per IFRS 7 'Financial instruments: Disclosures' according to the following categories:

Financial assets	**Note**	**2015** **£m**	**2014** **£m**
Derivatives used for hedging			
Derivative financial instruments	6.12	1.8	0.2
Loans and receivables			
Trade and other receivables	5.1	62.0	59.5
Cash and cash equivalents	6.8	76.5	30.1
Total financial assets		**140.3**	**89.8**

6.11 FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities	Note	2015 £m	2014 £m
Derivatives used for hedging			
Derivative financial instruments	6.12	–	0.4
Other financial liabilities at amortised cost			
Trade and other payables	5.2	97.8	68.5
Employee benefits	9.3	–	0.4
Other financial liabilities	9.2	0.9	0.7
Secured bank loans	6.6	250.0	–
Secured loan notes	6.6	–	440.0
Revolving credit facility	6.6	70.0	45.5
Payment in kind ("PIK") facility	6.6	–	151.1
Preference shares classified as debt	6.7	–	204.0
Non secured loan from related party	6.7	–	73.8
Non secured loan	6.6	–	2.0
Total financial liabilities		**418.7**	**986.4**

Fair value hierarchy

The following table presents the Group's financial assets and liabilities that are measured at fair value.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Derivatives used for hedging	–	1.8	–	1.8
Total assets	**–**	**1.8**	**–**	**1.8**
Liabilities				
Derivatives used for hedging	–	–	–	–
Total liabilities	**–**	**–**	**–**	**–**

There were no transfers between Levels during the periods.

Valuation techniques used to derive Level 2 fair values

Level 2 hedging derivatives comprise solely interest rate swaps. These interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no changes in valuation techniques during the year.

The valuation technique used is a discounted cash flow model.

Group's valuation processes

The Group's finance department includes a team that monitors and obtains the valuations of financial assets and liabilities required for financial reporting purposes. This team ultimately reports to the Chief Financial Officer and the Audit Committee. Valuations are reviewed at least once every six months, in line with the Group's reporting dates.

Fair value of financial assets and liabilities

There are no material differences between the carrying value of assets and liabilities and their fair value. The only financial instrument measured at fair value is the interest rate swap.

6.12 DERIVATIVES

Following the successful conclusion of the IPO process, the Group entered into an interest rate swap of its £250m term loan, exchanging variable based interest charges for fixed rate for a period of 3 years. This fixes costs at c3% until October 2018.

The Group has also entered into interest rate swaps totalling £650m for a 3 year period to July and August 2018 swapping the variable rate derived interest rate income to fixed rates.

The following tables indicate the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and are expected to impact the profit and loss;

31 December 2015	Carrying Amount	Total contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
Assets	1.8	1.8	1.0	0.7	0.1	–
Total	**1.8**	**1.8**	**1.0**	**0.7**	**0.1**	**–**

31 December 2014	Carrying Amount	Total contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
Assets	0.2	0.2	0.3	0.2	(0.3)	–
Liabilities	(0.4)	(0.5)	(0.6)	0.1	–	–
Total	**(0.2)**	**(0.3)**	**(0.3)**	**0.3**	**(0.3)**	**–**

7 GOVERNANCE

7.1 DIRECTORS' REMUNERATION

The following costs are either paid by the subsidiary Equiniti Holdings Limited or Equiniti Services Limited:

	2015 £m	2014 £m
Directors' emoluments (including compensation for loss of office)	3.3	1.6
Company contributions to money purchase pension plans	0.1	–
Share-based payment expense	0.1	–
Total directors' remuneration	**3.5**	**1.6**

Highest paid director:	2015 £m	2014 £m
Director emoluments	0.8	0.6
Total	**0.8**	**0.6**

	2015 Number	2014 Number
Number of directors accruing retirement benefits under money purchase schemes:	–	1

7.2 SHARE-BASED PAYMENTS

The Group operates several share-based award and option plans, the terms of which and the movements in the number of share options during the year are summarised below.

Performance Share Plan ("PSP")

Share options are granted to directors and selected employees at nil cost. For share options granted under the PSP scheme, they are conditional on a minimum 6% earnings per share growth and median total shareholder return over a three year vesting period. Granted options can be exercised up to a period of ten years.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2015		2014	
	Number of options Thousands	Weighted average exercise price £	Number of options Thousands	Weighted average exercise price £
Outstanding at 1 January	–	–	–	–
Granted	6,158	£0.00	–	£0.00
Outstanding at 31 December	**6,158**	**£0.00**	**–**	**£0.00**

7.2 SHARE-BASED PAYMENTS (CONTINUED)

Out of the 6,158,000 (2014: nil) outstanding options at the end of the year, none (2014: none) were exercisable. Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date / Vest date	Expiry Date	Exercise price	2015	2014
	Year	£	Number	Number
			Thousands	Thousands
2015 – 2018	2028	£0.00	6,040	–
			6,040	**–**

The fair value of options granted during the year which was determined using the Black-Scholes valuation model was £1.01 per option. The significant inputs into the model were share price of £1.65 at the grant date, exercise price shown above, volatility of 15% (based on the three year historical share price volatility of peer group companies), dividend yield of 2.5%, an expected option life of three years and an annual risk-free interest rate of 0.9%.

The total charge to the income statement for the year relating to this scheme was £0.2m.

Sharesave Plan

Share options are granted to full time directors and employees who enter into Her Majesty's Revenue & Customs ("HMRC") approved share savings scheme. Participants can save a maximum of £500 per month over three to five years. The number of shares over which an option is granted is such that the total option price payable for those shares corresponds to the proceeds on maturity of the related savings contract. The exercise price is calculated as 80% of the average share price over the three preceding days or, in relation to new issue shares, the nominal value of a share. Granted options vest over the maturity of the savings contract and can be exercised up to a period of 6 months after vesting.

	2015		2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	Thousands	£	Thousands	£
Outstanding at beginning of year	–	–	–	–
Granted	4,595	£1.27	–	–
Outstanding at end of year	**4,595**	**£1.27**	**–**	**–**

Out of the 4,595,000 (2014: nil) outstanding options at the end of the year, none (2014: none) were exercisable. Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date / Vest date	Expiry Date	Exercise price	2015	2014
	Year	£	Number	Number
			Thousands	Thousands
2015 - 2018	2019	£1.27	4,599	–
			4,599	**–**

The fair value of options granted during the year which were determined using the Black-Scholes valuation model was £0.41 per option. The significant inputs into the model were share price of £1.75 at the grant date, exercise price shown above, volatility of 15% (based on the three year historical share price volatility of peer group companies), dividend yield of 2.5%, an expected option life of three years and an annual risk-free interest rate of 0.9%.

Management share scheme

A number of the Group's senior management were entitled to subscribe for a combination of B, C, D and E ordinary shares. Since the inception of the scheme a total of 250,910 B ordinary shares have been issued at a price of £1.43, 15,738 C ordinary shares at price of £3.33, 144,943 D ordinary shares at a price of £3.33 and £1.00 and 155,005 E ordinary shares at a price of £3.33. In total at 31 December 2015 566,596 (2014: 566,596) shares had been issued for a consideration of £1,271,000.

Prior to the Group's listing on the London Stock Exchange in October 2015, all management shares were repurchased by the Group and B, C, D and E ordinary shares were cancelled. Therefore, there is no remaining liability at 31 December 2015.

The charge relating to the arrangement in the current and prior year is nil.

7.3 RELATED PARTY TRANSACTIONS

During the year, interest of £5.0m (2014: £5.5m) accrued on a loan bearing interest at 8% from Equiniti (Luxembourg) Sarl up until the date when the loan was repaid in full leaving a balance outstanding at the year end of £nil (2014: £73.8m).

Transactions with key management personnel

The compensation of key management personnel (including the directors) is as follows:

	2015 £m	2014 £m
Key management emoluments including social security costs	4.3	2.8
Company contributions to money purchase pension plans	0.1	0.1
Share based payments	0.1	–
Total	**4.5**	**2.9**

Key management are the directors of the Group (includes non-executives), as well as the senior non-statutory director of each of the major subsidiaries, who have authority and responsibility to control, direct or plan the major activities within the Group.

As part of the IPO process, shares were issued to certain employees of the group as a result of an incentive agreement with the then controlling shareholder, Advent. The shares were treated as an income tax event for the receiving individuals and are subject to lock up arrangements, as disclosed in the prospectus. As a consequence, the Group lent those individuals who received the shares monies to cover their PAYE and NI liabilities. These loans were all subject to relevant approvals through the IPO process and are treated as a benefit in kind to the receiving individuals if not settled within nine months of issuance; all benefiting individuals have entered into a loan agreement with the Group. These loans must be repaid no later than October 2018. The total value of loans made to key management personnel at 31 December 2015 was £2.7m.

As detailed in note 6.2, key management were entitled to subscribe for a combination of B, C, D and E ordinary shares.
These shares were redeemed prior to listing on the London Stock Exchange. The value of shares held is as follows;

	2015 £m	2014 £m
Opening balance	0.2	0.2
Sales by key management	(0.2)	–
Closing balance	**–**	**0.2**

7.4 AUDITORS' REMUNERATION

Services provided by the Company's auditor	2015 £m	2014 £m
Fees payable to Company's auditor and its associates for other services:		
– Audit of the parent company and consolidated financial statements	0.2	0.2
– Audit of the Company's subsidiaries	0.2	0.2
– Tax advisory and compliance services	0.1	0.2
– Other services	2.3	0.3
Total	**2.8**	**0.9**

Other services includes work undertaken in relation to acquisitions in the year of £0.1m (2014: £0.3m), work around the Group's pension scheme arragements of £0.4m (2014: £nil) and work undertaken as part of the Group's listing on the London Stock Exchange in the year of £1.5m (2014: £nil) which have both been included in exceptional costs.

8 TAXATION

8.1 INCOME TAX CREDIT

Recognised in the statement of comprehensive income in the year:	2015 £m	2014 £m
Current tax:		
Current period	2.2	1.0
Adjustment in respect of prior periods	0.2	0.1
Total current tax	**2.4**	**1.1**
Deferred tax:		
Origination and reversal of temporary differences	(27.2)	(0.3)
Impact of rate changes on opening deferred tax balances	(0.8)	–
Adjustment in respect of prior periods	(0.3)	(2.5)
Total deferred tax	**(28.3)**	**(2.8)**
Total income tax credit	**(25.9)**	**(1.7)**

Reconciliation of effective tax rate:	2015 £m	2014 £m
Loss for the year	(45.8)	(36.9)
Total tax credit	(25.9)	(1.7)
Loss before tax	**(71.7)**	**(38.6)**
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%):	(14.5)	(8.3)
Non-deductible expenses	10.9	4.7
Non-taxable income	(0.1)	(2.8)
Previously unrecognised tax assets	(20.3)	7.1
Effect of tax rate change	0.7	–
Unrecognised deferred tax on overseas interest paid	(2.6)	–
Adjustment in respect of prior periods	–	(2.4)
Total income tax credit	**(25.9)**	**(1.7)**

The standard rate of corporation tax in the UK is 20% with effect from 1 April 2015 (2014: 21%). The taxation credit for the year ended 31 December 2015 is calculated by applying the estimated annual Group effective rate of tax to the loss for the year. Accordingly the Group's losses for the accounting year ended 31 December 2015 are taxed at an effective rate of 20.25% (2014: 21.5%).

A number of changes to the UK corporation tax system were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. These rates were substantively enacted during the year.

8.2 DEFERRED INCOME TAX ASSETS AND LIABILITIES

Recognised assets

Deferred income tax assets are attributable to the following:

	2015 £m	2014 £m
Property, plant and equipment	4.1	2.9
Employee benefits	2.7	2.9
Tax value of losses carried forward	34.9	10.5
Tax assets	**41.7**	**16.3**
Net of tax liabilities	(21.7)	(16.3)
Net tax assets	**20.0**	**–**

Recognised liabilities

Deferred income tax liabilities are attributable to the following:

	2015 £m	2014 £m
Intangible assets	21.7	24.0
Tax liabilities	**21.7**	**24.0**
Net of tax assets	(21.7)	(16.3)
Net tax liabilities	**–**	**7.7**

Deferred income tax assets amounting to £9.4m at 18% (2014 (restated): £24.2m at 20%) arising on temporary timing differences of £52.0m (2014 (restated): £121.6m) in respect of unrecognised deferred tax assets have not been recognised as their future economic benefit is uncertain.

The analysis of deferred tax assets and deferred tax liabilities is as follows:	2015 £m	2014 £m
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	40.4	16.3
Deferred tax assets to be recovered within 12 months	1.3	–
	41.7	**16.3**
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	(21.7)	(24.0)
	(21.7)	**(24.0)**
Net tax assets/(liabilities)	**20.0**	**(7.7)**

Movements in deferred tax during the year:

	1 Jan 2014 £m	Acquisitions £m	Recognised in income £m	Recognised in equity £m	31 Dec 2014 £m
Property, plant and equipment	8.2	–	(5.3)	–	2.9
Intangible assets	(19.8)	(8.1)	5.9	–	(22.0)
Employee benefits	1.9	–	–	1.0	2.9
Tax value of losses carried forward	6.2	–	2.3	–	8.5
	(3.5)	**(8.1)**	**2.9**	**1.0**	**(7.7)**

	1 Jan 2015 £m	Acquisitions £m	Recognised in income £m	Recognised in equity £m	31 Dec 2015 £m
Property, plant and equipment	2.9	–	1.2	–	4.1
Intangible assets	(22.0)	(0.5)	2.8	–	(19.7)
Employee benefits	2.9	–	0.2	(0.4)	2.7
Tax value of losses carried forward	8.5	0.3	24.1	–	32.9
	(7.7)	**(0.2)**	**28.3**	**(0.4)**	**20.0**

As a result of the group refinancing in October 2015 the forecast group annual interest charge has reduced and previously unrecognised losses have now been recognised as it is reasonably probable that they will be utilised by the group over the next 5 years. The losses have been valued at 19%, the forecast rate for them to be used over the next 5 years.

9 OTHER DISCLOSURES

9.1 OTHER FINANCIAL ASSETS

Non-current	2015 £m	2014 £m
Shares held in Euroclear plc	–	11.0
Derivatives used for hedging (note 6.12)	1.8	0.2
Total	**1.8**	**11.2**

During the year, the shares in Euroclear plc were disposed of at book value. In the prior year, the shares were revalued based on the trade price of recent transactions and a gain of £4.9m was recognised and booked to exceptional items in the income statement. In the current year financial statements, the gain has been reclassified to other comprehensive income. The reclassification did not impact the statement of financial position.

Derivatives used for hedging are classified as a non-current asset as the remaining maturity of the hedged item is more than 12 months.

9.2 OTHER FINANCIAL LIABILITIES

Non-current	2015 £m	2014 £m
Derivatives used for hedging (note 6.12)	–	0.4
Finance lease liabilities	0.5	0.3
Total	**0.5**	**0.7**
Current		
Finance lease liabilities	0.4	0.4
Total	**0.4**	**0.4**

Derivatives used for hedging are classified as a non-current liability as the remaining maturity of the hedged item is more than 12 months.

9.3 EMPLOYEE BENEFITS

Employee co-investment plan

Prior to October 2007 all employees in Equiniti Enterprises Limited had the opportunity to purchase units under the co-investment plan. A unit was defined as a notional unit share equal in proportion to the ordinary share and preference shares held by Advent International Corporation.

In October 2015, the scheme was cash settled as the preference shares were repaid following the Group's listing on the London Stock Exchange. As at 31 December 2015, there are no remaining units in the co-investment plan and the scheme is closed.

	Number of units 2015 In millions	Carrying amount 2015 £m	Number of units 2014 In millions	Carrying amount 2014 £m
Balance at beginning of year	0.4	0.4	0.4	0.4
Redemption of units	(0.4)	(0.4)	–	–
Balance at end of year	–	–	0.4	0.4

9.3 EMPLOYEE BENEFITS (CONTINUED)

Defined contribution pension plans

The Group operates a number of defined contribution pension plans. The total expense relating to these plans in the period was £4.0m (2014: £4.5m).

Defined benefit pension plans

The Group operates three funded defined benefit pension schemes in the UK. All of the plans are final salary pension plans and provide benefits to members in the form of a guaranteed level of pension payable for life.

The Group is currently exploring its ability to close all defined benefit pension schemes to future accrual and to better match assets to movements in interest rates and inflation. They have been closed to new members for a number of years. This is expected to reduce the financial risks associated with these plans going forwards. The Group is also in the process of agreeing the actuarial triennial valuation of the ICS and Paymaster pension plans with the relevant trustees with a supporting payment plan to reduce the recorded deficits over time.

The liability under all schemes is based on final salary and length of service to the company and contributions are paid in by both the employer and the scheme member. The assets of the funded schemes are held independently of the Group's assets in separate trustee administered funds. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders. The net liability of the three schemes is set out below.

	2015 £m	2014 £m
Equiniti ICS Limited	1.1	2.0
Paymaster (1836) Limited	12.4	13.4
MyCSP Limited	–	0.1
Total defined benefit pension plan liability	**13.5**	**15.5**

The present value of the defined benefit obligation consists of approximately £31.2m relating to active employees, £16.2m relating to deferred members and £20.2m relating to members in retirement.

Defined benefit plan – Equiniti ICS Limited

A full actuarial valuation was carried out at 30 November 2012 and has since been updated each year end to 31 December 2015 by a qualified independent actuary.

9.3 EMPLOYEE BENEFITS (CONTINUED)

	2015 £m	2014 £m
Present value of obligations	(10.4)	(11.1)
Fair value of plan assets	9.3	9.1
Recognised liability for defined benefit obligations	**(1.1)**	**(2.0)**

Movement in present value of defined benefit obligation	2015 £m	2014 £m
Defined benefit obligation at 1 January	11.1	9.9
Current service cost	0.1	0.1
Interest cost	0.4	0.4
Actuarial (gain)/loss	(1.0)	1.2
Benefits paid	(0.2)	(0.5)
Defined benefit obligation at end of year	**10.4**	**11.1**

Movement in fair value of plan assets	2015 £m	2014 £m
Fair value of plan assets at 1 January	9.1	9.0
Interest income	0.3	0.4
Actuarial loss	(0.1)	–
Employer contributions	0.2	0.2
Benefits paid	(0.2)	(0.5)
Fair value of plan assets at end of year	**9.3**	**9.1**

	2015 £m	2014 £m
Actual return on plan assets	**0.2**	**0.4**

9.3 EMPLOYEE BENEFITS (CONTINUED)

	2015	2014
Expense recognised in statement of comprehensive income	**£m**	**£m**
Current service cost	0.1	0.1
Interest cost	0.4	0.4
Interest income	(0.3)	(0.4)
Total expense	**0.2**	**0.1**

	2015	2014
Actuarial gains and losses recognised in other comprehensive income	**£m**	**£m**
Cumulative loss at beginning of the year	(3.5)	(2.3)
Actuarial gains/(losses) recognised in other comprehensive income	0.9	(1.2)
Cumulative loss at end of the year	**(2.6)**	**(3.5)**

	2015	2014
Plan assets – weighted average asset allocations at year end:		
Equities	87%	87%
Corporate bonds	9%	9%
Cash	4%	4%
	100%	**100%**

	2015	2014
Weighted average assumptions used to determine benefit obligations:	**£m**	**£m**
Discount rate	3.80%	3.60%
Rate of compensation increase	3.95%	3.90%
Rate of increase in payment of currently accruing pensions (Post 6 April 2006)	2.10%	2.10%
Rate of increase in payment of currently accruing pensions (Pre 6 April 2006)	2.90%	2.90%
Rate of increase in pensions in deferment	1.95%	2.20%
Inflation assumption	2.95%	2.90%

Weighted average life expectancy for mortality tables (S2PMA CMI_2015_M, S2PFA CMI_2015_F, 1% long term trend) used to determine benefit obligations at 31 December 2015:

	Male	Female
Member age 65 (current life expectancy)	86.9	88.8
Member age 45 (life expectancy at 65)	88.1	90.3

Contributions

Contributions to the ICS plan will be assessed as part of the current triennial valuation that is expected to conclude in 2016.

9.3 EMPLOYEE BENEFITS (CONTINUED)

Defined benefit plan – Paymaster (1836) Limited

A full actuarial valuation was carried out at 6 April 2012 and has since been updated each year end to 31 December 2015 by a qualified independent actuary.

	2015 £m	2014 £m
Present value of obligations	(47.4)	(47.9)
Fair value of plan assets	35.0	34.5
Recognised liability for defined benefit obligations	**(12.4)**	**(13.4)**

Movement in present value of defined benefit obligation	2015 £m	2014 £m
Defined benefit obligation at 1 January	47.9	40.6
Current service cost	0.9	0.7
Interest cost	1.7	1.9
Actuarial (gain)/loss – experience losses	(0.2)	0.2
Actuarial (gain)/loss – change in financial assumptions	(1.6)	5.6
Benefits paid	(1.3)	(1.1)
Defined benefit obligation at end of year	**47.4**	**47.9**

Movement in fair value of plan assets	2015	2014
Fair value of plan assets at 1 January	34.5	31.4
Interest income	1.2	1.4
Actuarial (loss)/gain	(0.6)	1.5
Employer contributions	1.2	1.3
Benefits paid	(1.3)	(1.1)
Fair value of plan assets at end of year	**35.0**	**34.5**

	2015 £m	2014 £m
Actual return on plan assets	0.6	2.9

Expense recognised in statement of comprehensive income	2015 £m	2014 £m
Current service cost	0.9	0.7
Interest cost	1.7	1.9
Interest income	(1.2)	(1.4)
Total expense	**1.4**	**1.2**

9.3 EMPLOYEE BENEFITS (CONTINUED)

Actuarial gains and losses recognised in other comprehensive income	2015 £m	2014 £m
Cumulative loss at beginning of the year	(14.5)	(10.2)
Actuarial gains/(losses) recognised in other comprehensive income	1.2	(4.3)
Cumulative loss at end of the year	**(13.3)**	**(14.5)**

Plan assets – weighted average asset allocations at year end:	2015 £m	2014 £m
Equities	71%	67%
Corporate bonds	17%	21%
Cash	12%	12%
	100%	**100%**

Weighted average assumptions used to determine benefit obligations:	2015 £m	2014 £m
Discount rate	3.80%	3.60%
Rate of compensation increase	1.50%	1.75%
Rate of increase in payment of currently accruing pensions	3.15%	3.05%
Rate of increase in pensions in deferment (Pre 6 April 2009)	3.15%	3.05%
Rate of increase in pensions in deferment (Post 6 April 2009)	2.50%	2.50%
Inflation assumption	3.15%	3.05%

Weighted average life expectancy for mortality tables (101% SAPS S1PMA, 88% SAPS S1PFA, 1% long term trend) used to determine benefit obligations at 31 December 2015:

	Male	Female
Member age 65 (current life expectancy)	86.4	89.9
Member age 45 (life expectancy at 65)	87.8	91.5

Contributions

Contributions will be assessed as part of the current triennial valuation of the Paymaster (1836) Limited pension plan that is expected to conclude in 2016.

9.3 EMPLOYEE BENEFITS (CONTINUED)

Defined benefit plan – MyCSP Limited

A full actuarial valuation was carried out at 31 December 2012 and has since been updated each year end to 31 December 2015 by a qualified independent actuary.

	2015 £m	2014 £m
Present value of obligations	(9.8)	(8.5)
Fair value of plan assets	9.8	8.4
Recognised liability for defined benefit obligations	**–**	**(0.1)**

Movement in present value of defined benefit obligation	2015 £m	2014 £m
Defined benefit obligation at 1 January	8.5	–
Defined benefit obligation acquired	–	7.4
Current service cost	1.9	0.4
Interest cost	0.3	0.1
Member contributions	0.2	–
Actuarial gain/(loss) – change in financial assumptions	(0.9)	0.6
Benefits paid	(0.2)	–
Defined benefit obligation at end of year	**9.8**	**8.5**

Movement in fair value of plan assets	2015	2014
Fair value of plan assets at 1 January	8.4	–
Fair value of plan assets acquired	–	7.6
Interest income	0.3	0.1
Actuarial (loss)/gain	(0.4)	0.3
Employer contributions	1.6	0.4
Member contributions	0.2	–
Benefits paid	(0.2)	–
Administration expenses	(0.1)	–
Fair value of plan assets at end of year	**9.8**	**8.4**

	2015 £m	2014 £m
Actual (loss)/gain on plan assets	(0.1)	0.4

9.3 EMPLOYEE BENEFITS (CONTINUED)

Expense recognised in statement of comprehensive income	2015 £m	2014 £m
Current service cost	1.9	0.4
Administration expenses	0.1	–
Interest cost	0.3	0.1
Interest income	(0.3)	(0.1)
Total expense	**2.0**	**0.4**

Actuarial gains and losses recognised in other comprehensive income	2015 £m	2014 £m
Cumulative loss at beginning of the year	(0.3)	–
Actuarial gains/(losses) recognised in other comprehensive income	0.5	(0.3)
Cumulative loss at end of the year	**0.2**	**(0.3)**

Plan assets – weighted average asset allocations at year end:	2015	2014
UK equities	17%	17%
Overseas equities	18%	17%
Corporate bonds	40%	40%
Diversified growth fund	25%	24%
Cash	0%	2%
	100%	**100%**

Weighted average assumptions used to determine benefit obligations:	2015 £m	2014 £m
Discount rate	3.80%	3.60%
Rate of compensation increase	3.75%	3.60%
Rate of increase in payment of currently accruing pensions	2.25%	2.40%
Rate of increase in pensions in deferment	2.25%	2.40%
Inflation assumption	3.25%	3.10%

Weighted average life expectancy for mortality tables (101% SAPS S2PMA, 88% SAPS S2PFA, 1% long term trend) used to determine benefit obligations at 30 June 2015:

	Male	Female
Member age 65 (current life expectancy)	86.9	88.8
Member age 45 (life expectancy at 65)	88.1	90.3

Contributions

MyCSP Limited expects to contribute £1.3m to its pension plan in 2016. This will be assessed once the scheme is closed to future accrual.

Sensitivity analysis

Assumptions are used in calculating the pension obligation. The total effect on all schemes of an increase in the life expectancy shown above by one year would be to increase the employee benefit liability as at 31 December 2015 by £2.0m (2014: £1.3m). A 0.5% decrease in the discount rate used would increase the employee benefit liability as at 31 December 2015 by £6.4m (2014: £4.4m).

9.4 OPERATING LEASES

Future aggregate minimum lease payments relating primarily to the Group's premises are payable as follows:

	2015 £m	2014 £m
Less than one year	4.5	4.6
Between one and five years	13.8	12.2
More than five years	8.0	8.0
Total	**26.3**	**24.8**

9.5 RECONCILIATION OF LOSS TO CASH GENERATED FROM OPERATIONS

Continuing operations	2015 £m	2014 £m
Loss before income tax	(71.7)	(38.6)
Adjustments for:		
Depreciation and amortisation of software	20.2	14.8
Amortisation of acquisition related intangibles	23.0	20.9
Gain on disposal of associate	–	(9.8)
Share of profit of associate	–	(1.7)
Finance income	(0.7)	(0.6)
Finance costs	82.6	72.4
Share based payment charge	0.2	–
Changes in working capital:		
Decrease in trade and other receivables	(1.9)	(1.2)
Increase in trade and other payables	24.2	0.4
Decrease in provisions	(2.2)	(2.8)
Tax paid	(1.5)	(2.6)
Total cash generated from operations	**72.2**	**51.2**

9.6 EVENTS AFTER THE BALANCE SHEET DATE

In the first quarter of 2016, the Group completed two acquisitions in Financial Services technology for a total consideration of c£16m, with a further earnout payment of up to c.£10m in 2019, dependent on growth.

On 3 March 2016, the Group acquired the entire share capital of KYCnet BV. KYCnet provides cutting edge workflow technology for on-boarding and monitoring of commercial and retail clients and has broad applicability across financial services as well as retail, travel and legal services.

On 4 March 2016, the Group acquired RiskFactor, a UK based provider of credit decisioning and risk profiling software for commercial lending, with deep client relationships and broad applicability across lending products. RiskFactor complements the Group's other 'control risk' capabilities within the Intelligent Solutions division. RiskFactor was acquired by purchasing the entire share capital of its holding company, Information Software Solutions Limited.

FOR THE YEAR ENDED 31 DECEMBER 2015

REPORT ON THE COMPANY FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Equiniti Group plc company financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

WHAT WE HAVE AUDITED

The financial statements, included within the annual report, comprise:

- the Statement of financial position as at 31 December 2015;
- the Statement of comprehensive income for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the annual report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRS as adopted by the European Union.

OTHER REQUIRED REPORTING

CONSISTENCY OF OTHER INFORMATION

Companies Act 2006 opinion

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

ISAs (UK & Ireland) reporting

Under International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
-
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the parent company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Directors' remuneration report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the of Directors' responsibilities statement set out on page 72, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTER

We have reported separately on the Group financial statements of Equiniti Group plc for the year ended 31 December 2015.

Graham Lambert (Senior Statutory Auditor) for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Gatwick
7 March 2016

COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £m	2014 £m
ASSETS			
Non-current assets			
Investments in subsidiaries	8	212.6	8.5
Investments	9	–	11.0
Other financial assets	10	–	2.8
		212.6	**22.3**
Current assets			
Trade and other receivables	11	0.2	0.5
Income tax receivable	14	0.1	0.3
Other financial assets	10	459.0	–
Cash and cash equivalents	12	–	2.6
		459.3	**3.4**
Total assets		**671.9**	**25.7**
LIABILITIES			
Non-current liabilities			
Other financial liabilities	15	–	13.7
		–	**13.7**
Current liabilities			
Trade and other payables	13	9.4	–
Other financial liabilities	15	174.9	0.2
		184.3	**0.2**
Total liabilities		**184.3**	**13.9**
Net assets		**487.6**	**11.8**
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	0.3	5.0
Share premium	16	–	3.5
Capital redemption reserve		0.2	–
Share-based payment reserve		0.1	–
Accumulated profit		487.0	3.3
Total equity		**487.6**	**11.8**

The notes on pages 165 to 172 form part of these financial statements.

The financial statements on pages 162 to 172 were approved by the Board of directors on 7 March 2016 and were signed on its behalf by:

J Stier
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payments reserve £m	Accumulated (deficit)/ profit (Restated) £m	Total equity £m
Balance at 1 January 2014	**5.0**	**3.5**	**–**	**–**	**(0.7)**	**7.8**
Comprehensive (loss)/income						
Loss for the year per the statement of comprehensive income	–	–	–	–	(0.9)	(0.9)
Change in value of available-for-sale financial assets	–	–	–	–	4.9	4.9
Total comprehensive income	–	–	–	–	4.0	4.0
Balance at 31 December 2014 (Restated)	**5.0**	**3.5**	**–**	**–**	**3.3**	**11.8**
Balance at 1 January 2015	**5.0**	**3.5**	**–**	**–**	**3.3**	**11.8**
Comprehensive loss						
Loss for the year per the statement of comprehensive income	–	–	–	–	(19.3)	(19.3)
Total comprehensive expense	**–**	**–**	**–**	**–**	**(19.3)**	**(19.3)**
Issue of share capital	0.3	494.7	–	–	–	495.0
Capital reduction	(4.8)	(498.2)	–	–	503.0	–
Buy back of own shares	(0.2)	–	0.2	–	–	–
Share-based payments expense	–	–	–	0.1	–	0.1
Transaction with owners recognised directly in equity	**(4.7)**	**(3.5)**	**0.2**	**0.1**	**503.0**	**495.1**
Balance at 31 December 2015	**0.3**	**–**	**0.2**	**0.1**	**487.0**	**487.6**

The notes on pages 165 to 172 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £m	2014 £m
Cash flows from operating activities			
(Loss)/profit before income tax		(19.5)	4.0
Adjustments for:			
Finance income		(0.4)	(5.5)
Financial expense		1.3	0.9
Changes in working capital:			
Decrease/(increase) in other financial assets		6.4	(0.2)
Increase in trade and other payables		9.4	–
Group tax relief		0.2	–
Net cash outflow from operating activities		**(2.6)**	**(0.8)**
Cash flows from investing activities			
Dividends from investment		–	0.4
Net cash inflow from investing activities		**–**	**0.4**
Net decrease in cash and cash equivalents		(2.6)	(0.4)
Cash and cash equivalents at 1 January		2.6	3.0
Cash and cash equivalents at 31 December	12	**–**	**2.6**

The notes on pages 165 to 172 form part of these financial statements.

1 GENERAL INFORMATION

Equiniti Group plc, formerly Equiniti Group Limited, (the "Company") is a public limited company which is listed on the London Stock Exchange, incorporated and domiciled in the United Kingdom. The principal activity of the Company is that of a holding company. The registered office is Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH.

2 BASIS OF PREPARATION

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRS Interpretation Committee ("IFRS IC") interpretations as adopted by the European Union (the "EU") and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the going concern basis.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRS Interpretation Committee ("IFRS IC") interpretations as adopted by the European Union (the "EU") and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The Company's functional and presentational currency is the British Pound ("£").

The prior year financial statements have been restated for the reclassification of a revaluation gain. See note 2.1 of the consolidated financial statements for further details.

The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual statement of comprehensive income and related notes. The loss for the year was £19.3m (2014: restated loss of £0.9m).

Investments in subsidiaries

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of financial position and the statement of cash flows.

Trade payables

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Net finance costs

Net finance costs comprise interest payable, interest receivable on own funds, dividend income and foreign exchange gains and losses that are recognised in the statement of comprehensive income and the interest cost of defined pension scheme liabilities net of the expected return on plan assets.

Interest income and interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payment is established.

Taxation

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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

2.2 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The new standards and interpretations not yet adopted are discussed in note 2.2 of the consolidated financial statements.

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There are no accounting policies where the use of assumptions and estimates are determined to be significant to the financial statements.

3 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk

Risk management policies are established for the Equiniti Group plc of companies (the "Group") including Equiniti Group plc and the Group Audit Committee oversees how management monitors compliance with these policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty, including brokers, to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company establishes an allowance for impairment that represents its exposure to specific overdue balances.

The maximum exposure to credit risk at the reporting date was:

Carrying amount:	Note	2015 £m	2014 £m
Trade and other receivables	11	0.2	0.5
Cash and cash equivalents	12	–	2.6
Total credit risk		**0.2**	**3.1**

Cash and cash equivalents are only held with AA rated institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that the Company will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The maximum exposure to liquidity risk at the reporting date was:

Carrying amount:	Note	2015 £m	2014 £m
Other payables	13	9.4	–
Total liquidity risk		**9.4**	**–**

All trade and other payables are expected to be paid in 6 months or less.

Loans from related parties are repayable on demand.

FOR THE YEAR ENDED 31 DECEMBER 2015

4 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital is to maximise shareholder value whilst safeguarding the Company's ability to continue as a going concern. Total capital is calculated as total equity in the balance sheet.

Management of capital:	2015 £m	2014 £m
Equity	487.6	11.8
Cash and cash equivalents	–	(2.6)
Total equity plus net debt	**487.6**	**9.2**

5 AUDITORS' REMUNERATION

The audit fees for these financial statements of £1,250 (2014: £nil) were borne by a fellow group company.

6 DIRECTORS' REMUNERATION

The costs of the directors are borne by subsidiaries of the Company. There are no costs to the Company for their services.

7 INCOME TAX CREDIT

Recognised in the statement of comprehensive income in the year:	2015 £m	2014 £m
Current tax:		
Group relief credit	(0.1)	(0.3)
Adjustment in repsect of prior periods	(0.1)	–
Total income tax credit	**(0.2)**	**(0.3)**

Reconciliation of effective tax rate:	2015 £m	2014 £m
(Loss)/profit for the year	(19.3)	4.0
Total tax credit	(0.2)	(0.3)
(Loss)/profit before tax	**(19.5)**	**3.7**
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%)	(3.9)	0.8
Non-deductible expenses	3.8	(1.1)
Adjustment in repsect of prior periods	(0.1)	–
Total income tax credit	**(0.2)**	**(0.3)**

The standard rate of corporation tax in the UK is 20% with effect from 1 April 2015 (2014: 21%). The taxation credit for the year is calculated by applying the estimated annual effective rate of tax to the loss (2014: profit) for the year. Accordingly the Company's losses for the accounting year ended 31 December 2015 are taxed at an effective rate of 20.25% (2014: profit taxed at an effective rate of 21.5%).

Future tax changes

A number of changes to the UK corporation tax system were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. These rates were substantively enacted during the year.

8 INVESTMENTS IN SUBSIDIARIES

The Company has the following investments in subsidiaries:

Cost and net book value	2015 £m	2014 £m
At beginning of the year	8.5	8.5
Purchase of subsidiary	169.2	–
Conversion of preference shares to ordinary shares	34.8	–
Purchase of share capital from share options	0.1	–
Total investment in subsidiaries	**212.6**	**8.5**

In December 2015, subsequent to listing on the London Stock Exchange, the subsidiary company, Equiniti X2 Enterprises Limited, converted its preference share capital of £34.8m to ordinary share capital

Also in December 2015, the Company purchased the entire share capital of Equiniti Holdings Limited from Equiniti Debtco Limited for £169.2m by way of intercompany transaction.

The directors consider the value of the investments to be supported by their underlying assets. The company has the following investments in subsidiaries:

	Country of incorporation and principal place of business	Class of shares held	Principal activities	Ownership % 31 Dec 2015	Ownership % 31 Dec 2014
Equiniti Enterprises Limited	UK	Ordinary	Holding company	100	100
Equiniti X2 Enterprises Limited	UK	Ordinary	Holding company	100	100
Equiniti Holdings Limited	UK	Ordinary	Holding company	100	–

A full list of the company's direct and indirect investments is included in note 4.4 to the consolidated financial statements.

9 INVESTMENTS

The Company has the following investments:

	2015 £m	2014 £m
Shares in Euroclear plc	–	11.0
Total investments	**–**	**11.0**

10 OTHER FINANCIAL ASSETS

Non-current	2015 £m	2014 £m
Intra-group interest bearing assets classified as loans and receivables due from related parties	–	2.8
Total non-current other financial assets	**–**	**2.8**

Current	2015 £m	2014 £m
Non-interest bearing receivables due from related parties	459.0	–
Total current other financial assets	**459.0**	**–**

11 TRADE AND OTHER RECEIVABLES

	2015 £m	2014 £m
Other receivables	0.2	0.5
Total trade and other receivables	**0.2**	**0.5**

None of these financial assets are either past due or impaired.

12 CASH AND CASH EQUIVALENTS

	2015 £m	2014 £m
Cash and cash equivalents per statement of financial position	–	2.6
Cash and cash equivalents per statement of cash flows	–	2.6

13 TRADE AND OTHER PAYABLES

	2015 £m	2014 £m
Accruals	9.4	–
Total	**9.4**	**–**

14 GROUP TAX RELIEF RECEIVABLE

	2015 £m	2014 £m
Group tax relief receivable	**0.1**	**0.3**

15 OTHER FINANCIAL LIABILITIES

Non-current	2015 £m	2014 £m
Intra-group interest bearing assets classified as loans and receivables due from related parties	–	13.7
Total non-current financial liabilities	**–**	**13.7**

Current	2015	2014 £'000
Payables due to related parties	174.9	0.2
Total current financial liabilities	**174.9**	**0.2**

16 SHARE CAPITAL

	Share capital		Share premium	
Allotted, called up and fully paid	**2015 £m**	**2014 £m**	**2015 £m**	**2014 £m**
On issue at 1 January	5.0	5.0	3.5	3.5
Capital reduction	(4.8)	–	(498.2)	–
Buy-back of own shares	(0.2)	–	–	–
New equity share capital issued	0.3	–	494.7	–
On issue at 31 December	**0.3**	5.0	**–**	**3.5**

Ordinary shares (million)	2015 Number	2014 Number
On issue at 1 January	5.0	5.0
New equity share capital issued	295.0	–
On issue at 31 December	**300.0**	**5.0**

During the year the Company issued 295.0m ordinary shares at a par value of 0.001p each for total consideration of £495.0m. The share premium account increased by £494.7m as a result.

17 SHARE BASED PAYMENTS

The Group has equity-settled share-based option plans in place being the conditional allocations of Equiniti Group plc shares. Share-based payments disclosures relevant to the Company are presented within note 7.2 to the consolidated financial statements.

18 FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities are classified as per IFRS 7 'Financial instruments: Disclosures' according to the following categories:

Financial assets	Note	2015 £m	2014 £m
Loans and receivables			
Trade and other receivables	11	0.2	0.5
Loans and receivables due from related parties	10	459.0	2.8
Cash and cash equivalents	12	–	2.6
Total financial assets		**459.2**	**5.9**

Financial liabilities	Note	2015 £'000	2014 £'000
Other financial liabilities at amortised cost			
Trade and other payables	13	9.4	–
Loans and receivables due to related parties	15	174.9	13.9
Total financial liabilities		184.3	13.9

The fair values and the carrying values of financial assets and liabilities are not materially different.

19 RELATED PARTY TRANSACTIONS

Interest payments during the year	2015 £m	2014 £m
To fellow Group companies	0.2	0.2
Total	**0.2**	**0.2**

Interest receipts during the year	2015 £m	2014 £m
From fellow Group companies	0.9	0.9
Total	**0.9**	**0.9**

Receivable at the year end	2015 £m	2014 £m
From fellow Group companies	459.0	2.8
Total	**459.0**	**2.8**

Payable at the year end	2015 £m	2014 £m
To fellow Group companies	174.9	13.9
Total	**174.9**	**13.9**

The proceeds from the Company's listing on the London Stock Exchange were passed to other group companies by way of intercompany transaction.

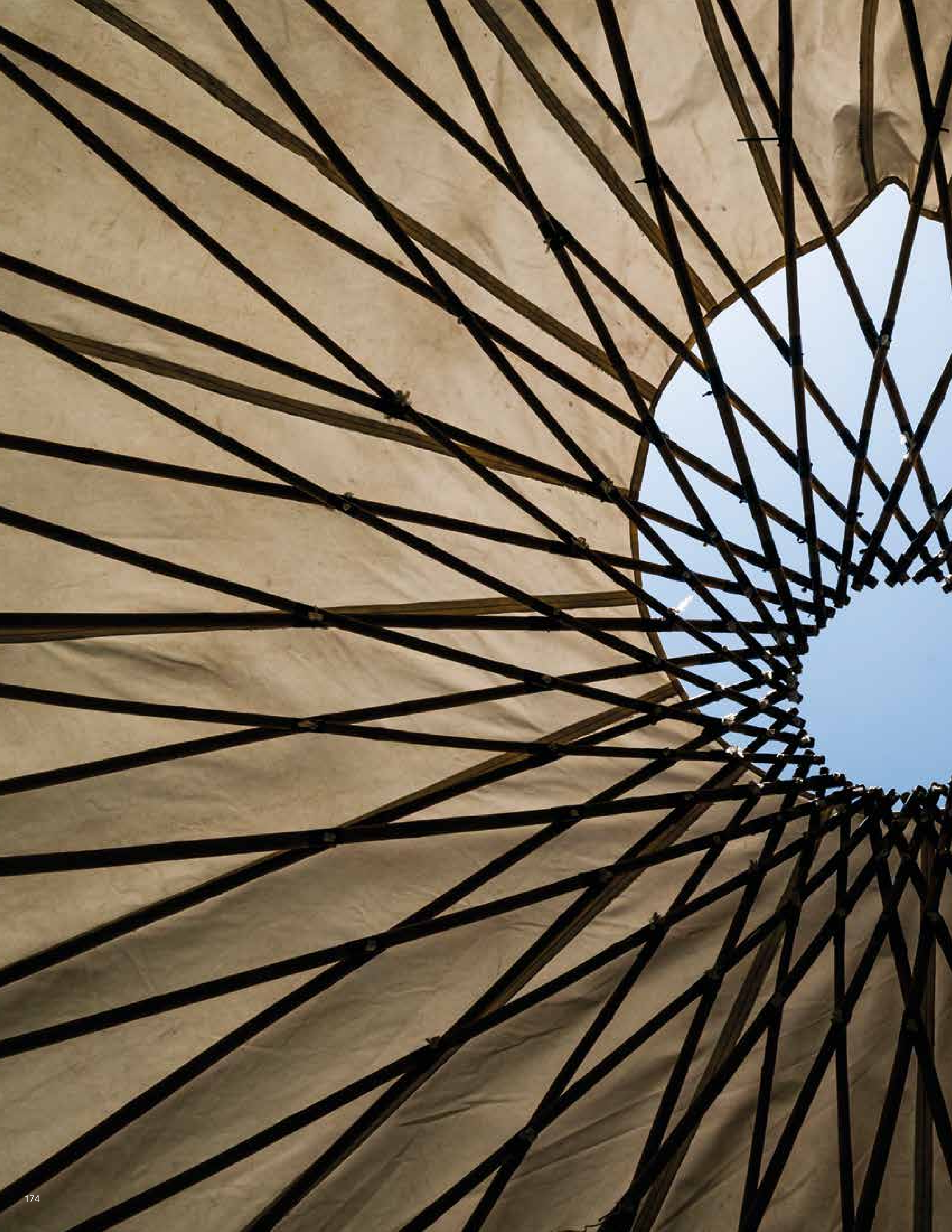
20 DIVIDENDS

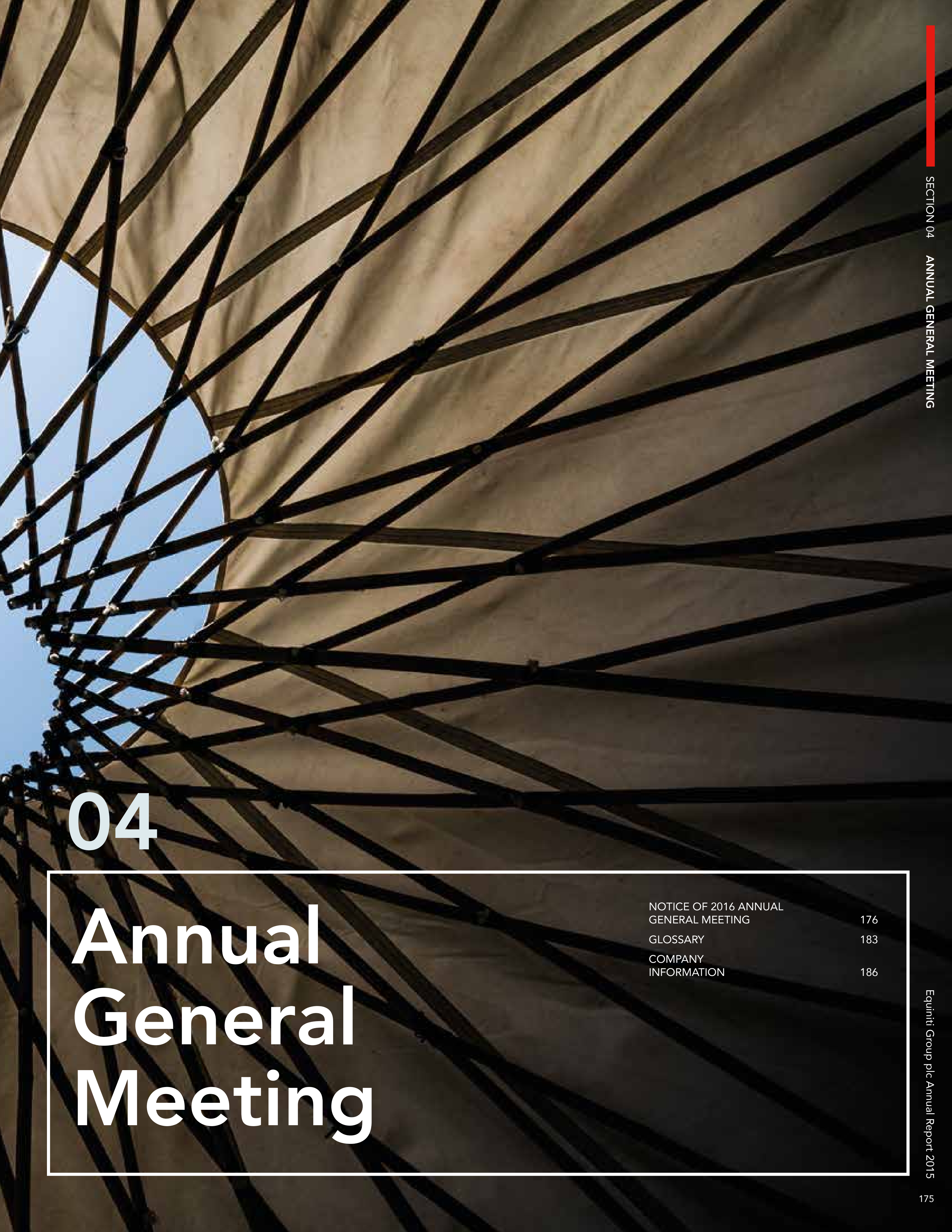
Amounts recognised as distributions to equity holders in the year	2015 £m	2014 £m
Proposed final dividend for year ended 31 December 2015	2.0	–
	2.0	**–**

The recommended dividend payable in respect of the year ended 31 December 2015 is £2.0m or 0.68p per ordinary share (2014: £nil). This is in line with the Group's stated policy of a payout ratio of around 30% of adjusted normalised profit after cash tax. The amount payable has been pro-rated for the timing of the Group's admission to the market in October 2015. This equates to £12m or 4.08p per share on a full year basis. The proposed dividend has not been accrued as a liability as at 31 December 2015.

21 POST BALANCE SHEET EVENTS

There have been no events subsequent to the balance sheet date which require disclosure in or adjustment to the financial statements.





04

Annual General Meeting

EQUINITI GROUP PLC

(INCORPORATED IN ENGLAND AND WALES WITH REGISTERED NO. 07090427)

If you are in any doubt as to the action you should take, you are recommended to seek your own professional advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriate adviser.

If you have sold or otherwise transferred all of your ordinary shares in Equiniti Group plc (the "Company"), please forward this document and the accompanying document(s) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

NOTICE OF 2016 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the first Annual General Meeting of the Company will be held at 11.00 a.m. on 26 April 2016 at the offices of Weil, Gotshal & Manges LLP at 110 Fetter Lane, London, EC4A 1AY to consider and, if deemed fit, to pass Resolutions 1 to 15 and 18 as ordinary resolutions and Resolutions 16, 17 and 19 special resolutions:

ORDINARY RESOLUTIONS

1. To receive and adopt the annual report of the Company for the year ended 31 December 2015.
2. To approve the Directors' Remuneration Report for the financial year ended 31 December 2015, excluding the Directors' Remuneration Policy set out on pages 91 to 96 of the Directors' Remuneration Report within the 2015 Annual report.
3. To approve the Directors' Remuneration Policy in the form set out on pages 83 to 91 of the Directors' Remuneration Report in the Company's annual report for the year ended 31 December 2015.
4. To approve the recommendation of the directors that a final dividend of 0.68p per ordinary share be declared in respect of the year ended 31 December 2015.
5. To reappoint Sir Rodney Aldridge as a Director.
6. To reappoint Kevin Beeston as a Director.
7. To reappoint Victoria Jarman as a Director.
8. To reappoint Haris Kyriakopoulos as a Director.
9. To reappoint Dr Timothy Miller as a Director.
10. To reappoint John Parker as a Director.
11. To reappoint John Stier as a Director.
12. To reappoint Guy Wakeley as a Director.
13. To reappoint PricewaterhouseCoopers LLP as auditors of the Company, in accordance with Section 489 of the Companies Act 2006 ('the 2006 Act'), until the conclusion of the next Annual General Meeting of the Company.
14. To authorise the Audit Committee of the Board to determine the remuneration of the Auditors.
15. THAT the Directors be generally and unconditionally authorised to allot equity shares (as defined in the Companies Act 2006) in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
    a. up to a nominal amount of £100,000 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph (b) below, in excess of £100.000); and
    b. comprising equity securities up to a nominal amount of £200,000 (such amount to be reduced by any shares and rights to subscribe for or convert any security into shares allotted under paragraph (a) above) in connection with an offer by way of a rights issue:
        i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
        ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise considers necessary;

and so that the Directors may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to apply until the end of the Annual General Meeting of the Company in 2017 (or, if earlier, until the close of business on 26 July 2017) but, in each case, so that the Company may make offers and enter into agreements during this period which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends; and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

SPECIAL RESOLUTIONS:

16. THAT, conditional on the approval of resolution 15 above, the Board be given the power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, free of the restriction in Section 561 of the Companies Act 2006, such power to be limited:
    a. to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of or invitation to apply for equity securities (but in the case of the authority granted under paragraph (b) of resolution 15, by way of a rights issue only):

i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

ii. to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary;

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

b. in the case of the authority granted under paragraph (a) of resolution 15 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) above) of equity securities up to a nominal amount of £15,000 such power to apply until the conclusion of the Annual General Meeting of the Company in 2017 (or, if earlier, until the close of business on 26 July 2017), but during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends; and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

17. That the Company be authorised for the purposes of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of the ordinary shares of 0.1p each of the Company ('ordinary shares'), provided that:

a. the maximum number of ordinary shares hereby authorised to be purchased shall be 30,000,000;

b. the minimum price which may be paid for ordinary shares is 0.1p per ordinary share;

c. the maximum price (exclusive of expenses) which may be paid for an ordinary share is the highest of:

i. an amount equal to 105% of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which such ordinary share is purchased; and

ii. the higher of the price of the last independent trade and the highest independent bid on the trading venues where the purchase is carried out;

d. the authority hereby conferred shall expire at the earlier of the conclusion of the Annual General Meeting of the Company in 2017 and 26 July 2017 unless such authority is renewed prior to such time; and

e. the Company may make contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may purchase ordinary shares in pursuance of any such contracts, as if the authority conferred by this resolution had not expired.

ORDINARY RESOLUTION

18. THAT, in accordance with sections 366 and 367 of the Act, the Company and all companies that are subsidiaries of the Company, at the date on which this Resolution 17 is passed or during the period when this Resolution 17 has effect, be generally and unconditionally authorised to:

a. make political donations to political parties or independent election candidates not exceeding the amount of £50,000 in total;

b. make political donations to political organisations other than political parties not exceeding the amount of £50,000 in total; and

c. incur political expenditure not exceeding the amount of £50,000 in total,

(as such terms are defined in the Act) during the period beginning with the date of the passing of this Resolution 17 and ending at the end of the Company's next Annual General Meeting or, if earlier, on 26 July 2017 provided that the authorised sum referred to in paragraphs (a), (b) and (c) above, may be comprised one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day in which the Company enters into any contract or undertaking in relation to the same provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this Resolution shall not exceed £150,000.

For the purposes of this Resolution 18, the terms "political donations", "political parties", "independent election candidates", "political organisation" and "political expenditure" have the meanings set out in Part 14 of the 2006 Act.

19. THAT a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

Recommendation

Your Directors are of the opinion that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and recommend you to vote in favour of them. Each Director will be doing so in respect of all of his or her own beneficial shareholding.

BY ORDER OF THE BOARD

Doug Armour
Company Secretary

7 March 2016

Registered Office: Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH

Registered in England and Wales No. 07090427

(INCORPORATED IN ENGLAND AND WALES WITH REGISTERED NO. 07090427)

Notes to the Notice of Annual General Meeting:

ENTITLEMENT TO ATTEND AND VOTE

1. Only those shareholders registered in the Company's register of members at 6.00 p.m. on 24 April 2016; or if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. Shareholders who are deemed to be controlling shareholders (as defined in LR 6.1.2AR of the Listing Rules) as at 6.00 p.m. on 24 April 2016 shall not be entitled to vote in respect of the separate approval of Resolutions 5,7,9 and 10 by shareholders who are not controlling shareholders in accordance with LR 9.2.2ER (2) of the Listing Rules.

WEBSITE GIVING INFORMATION REGARDING THE MEETING

2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at www.equiniti.com on the "Investors" pages.

ATTENDING IN PERSON

3. The doors will open at 10.00 a.m. and you may wish to arrive by 10.30 a.m. to enable you to take your seat in good time.
4. If you have any special needs or require wheelchair access to the AGM venue, please contact Ceri Charles at company.secretary@equiniti.com or 01903 706160 in advance of the meeting.

APPOINTMENT OF PROXIES

5. A shareholder who wishes to appoint a proxy should complete the Form of Proxy which accompanies this Notice of AGM and which includes full details of how to appoint a proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional Forms of Proxy, please contact Equiniti's helpline on 0371 384 2030 (+44 121 415 7047 if calling from overseas) (Lines are open between 8.30am and 5.30pm Monday to Friday). As an alternative to completing a hard copy Form of Proxy, proxies may be appointed electronically in accordance with note 7.
6. A copy of this Notice has been sent for information only to persons who have been nominated by a shareholder to enjoy information rights under section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy cannot be exercised by a Nominated Person; they can only be exercised by a shareholder. However, a Nominated Person may have a right under an agreement with the shareholder by whom they were nominated to be appointed as a proxy for the AGM. If a Nominated Person does not have such a right or does not wish to exercise it, they may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.
7. In order to be valid, a proxy appointment must be returned (together with any authority under which it is executed or a copy of the authority certified in ink by a bank, a stockbroker or a solicitor) by one of the following methods:

- online at www.sharevote.co.uk where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy will be required to use this electronic proxy appointment system. Alternatively, shareholders who have already registered with Equiniti Registrars' online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and clicking on the link to vote
- in hard copy form by post, by courier or by hand to the Company's registrar at the address shown on the Form of Proxy
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 9

The appointment of a proxy in each case must formally be received by the Company's registrar by no later than 11.00 a.m. on 24 April 2016.

8. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Equiniti as set out in Note 5. The deadline for receipt of proxy appointments (see note 7) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of them shall be treated as valid in respect of the relevant share(s).
9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the

appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number RA19) by 11.00 a.m. on 24 April 2016 (the latest time(s) for receipt of proxy appointments specified in this Notice of AGM). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

ISSUED SHARES AND TOTAL VOTING RIGHTS

10. As at 7 March 2016, the Company's issued share capital comprised 300,000,000 ordinary shares of 0.1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 7 March 2016 is 300,000,000.

The website referred to in note 2 above will include information on the number of shares and voting rights.

11. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the AGM which is put by a shareholder attending that meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information or if the answer has already been given on a website in the form of an answer to a question.
12. Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

WEBSITE PUBLICATION OF AUDIT CONCERNS

13. Shareholders satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an Auditor of the Company ceasing to hold office, that the shareholders propose to raise at the AGM. The Company may not require the shareholders requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website.

VOTING

14. Voting on all resolutions will be conducted by way of a poll rather than on a show of hands. As soon as practicable following the AGM, the results of the voting at the meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website: www.equiniti.com on the "Investors" pages.

DOCUMENTS ON DISPLAY

15. Copies of the service contracts of the executive Directors and the non-executive Directors' contracts for services are available for inspection at the Company's registered office during normal business hours and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

COMMUNICATION

16. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

- calling our shareholder helpline as set out in Note 5
- by email to company.secretary@equiniti.com
- by post to Equiniti Group plc, Sutherland House, Russell Way, Crawley, West Sussex, RH10 1UH

You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

Explanatory notes on the resolutions:

RESOLUTION 1

The directors must present to shareholders the accounts and the reports of the directors and auditors in respect of each financial year.

RESOLUTIONS 2 AND 3

Resolution 2 gives shareholders the opportunity to cast an advisory vote on the Directors' Remuneration Report for the year ended 31 December 2015 and, separately under Resolution 3, to approve the Directors' Remuneration Policy, also contained in the Directors' Remuneration Report.

The Directors' Remuneration Report on pages 91 to 96 of the 2015 annual report sets out details of the Directors' remuneration for the year ended 31 December 2015.

The Directors' Remuneration Policy on pages 83 to 91 of the 2015 annual report sets out the Company's proposed policy on Directors' remuneration. The vote on the Directors' Remuneration Policy is binding in that the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a Director of the Company unless that payment is consistent with the approved Directors' Remuneration Policy, or has been approved by a resolution of shareholders.

The Directors' Remuneration Policy, if approved, will take effect from 26 April 2016 and will apply until replaced by a new or amended Policy. Shareholder approval must be renewed at least every three years.

RESOLUTION 4

The directors are proposing the payment of a final dividend of 0.68 pence per share, which requires approval from the shareholders. The proposed dividend is in line with the dividend policy as set out on page 97 of the 2015 annual report. If approved the dividend will be paid on 10 May 2016. Shareholders may elect to receive their dividend in the form of additional shares rather than in cash.

DIVIDEND RE-INVESTMENT PLAN

Subject to shareholders approving the dividend as set out in Resolution 4, the Company will be offering a Dividend Re-Investment Plan (DRIP). The DRIP is provided and administered by the DRIP plan administrator, Equiniti Financial Services Limited, which is authorised and regulated by the FCA.

The DRIP offers shareholders the opportunity to elect to invest cash dividends received on their ordinary shares, in purchasing further ordinary shares of the Company. These shares would be bought in the market, on competitive dealing terms. The DRIP will operate automatically in respect of the Final Dividend for 2015 (unless varied beforehand by shareholders) and all future dividends until such time as you withdraw from the DRIP or the DRIP is suspended or terminated in accordance with the Terms and Conditions.

IMPORTANT: PLEASE READ: ACTION MAY BE REQUIRED:

It is very important to note that a DRIP election or the revocation of a DRIP election, received or already in place 15 days before a dividend payment date will apply to all future dividends, whether interim, final or special dividends, until such time as a valid new election or revocation of an election is received.

To assist, please note the following important dates:

Final dividend: Record date – 1 April 2016

Last day for DRIP elections (to apply, or to revoke an election, to the 2015 Final Dividend) – 18 April 2016

Pay date – 10 May 2016

Please note than an election or revocation of an election applies to all dividends thereafter until such time as further instructions are received.

CREST

For shares held in uncertificated form (CREST), please note that elections continue to apply only to one dividend and a fresh election must be made, via CREST, for each dividend. Full details of the terms and conditions of the DRIP and the actions required to make or revoke an election, both in respect of Maintenance Dividends (i.e. in this case, the 2015 Final Dividend) and any Special Dividends, are available at www.shareview.co.uk/info/DRIP or on request from the Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, secure email via help.shareview.co.uk Equiniti's helpline on 0371 384 2030 (+44 121 415 7047 if calling from overseas) (Lines are open between 8.30am and 5.30pm Monday to Friday).

RESOLUTION 5 TO 12

As this is the Company's first AGM the Company's articles of association require that all the directors retire at the AGM and offer themselves for reappointment.

Biographies and Committee memberships of all the Company's Directors can be found on pages 64 to 65 of the 2015 annual report and on the Company's website www.equiniti.com. The Board considers that each of the independent non-executive Directors proposed for reappointment meet the independence criteria set by the UK Corporate Governance Code and are independent of management in character, judgement and opinion.

There are no existing or previous relationships, transactions or arrangements that any of the proposed independent non-executive Directors has or had with the Company, its Directors, its controlling shareholder or any of the controlling shareholder's associates which are considered to affect their independence.

The Board believes that the considerable and wide-ranging experience of all the Directors will continue to be invaluable to the Company and recommends their re-election.

Under the Listing Rules a company which has a 'controlling shareholder' must, for the purposes of the election, re-election or reappointment of an independent director, pass both an ordinary resolution of all shareholders and a separate ordinary resolution of those shareholders who are not controlling shareholders (the 'Independent Shareholders'). If the ordinary resolution to approve the election, re-election or reappointment of an existing independent director is passed, but separate approval by the Independent Shareholders is not given, the Listing Rules permit an existing independent director to remain in office pending a further ordinary resolution of all the shareholders to approve the election, re-election or reappointment of that director. Such a resolution may only be voted on within the period of between 90 days and 120 days following the date of the original vote.

Each of Sir Rod Aldridge, Victoria Jarman, Dr Tim Miller and John Parker are considered by the Board to be Independent non- executive Directors. Accordingly, for each of Resolutions 5, 7, 9 and 10 the Company intends to seek separate approval of its Independent Shareholders. Such approval will be sought following the vote on each of those resolutions by all the Company's shareholders and will be calculated by discounting from the result of the vote on each such resolution the votes of those shareholders who are identified as controlling shareholders of the Company as at 6.00 p.m. on 24 April. As at 7 March 2016, Equiniti (Luxembourg) S.a.r.l. held 92,982,821 ordinary shares, representing 32% of the Company's issued share capital.

The Company will, on announcing the result of the AGM, announce, in respect of Resolutions 5, 7, 9 and 10, the result of both the vote of all the Company's shareholders and the vote of the Independent Shareholders.

RESOLUTION 13

The Company is required to appoint its Auditor at each general meeting at which accounts are laid before the Shareholders, to hold office until the conclusion of the next such meeting. PricewaterhouseCoopers LLP has confirmed its willingness to stand for re-appointment. The Board, on the recommendation of the Audit Committee, proposes under Resolution 13, the re-appointment of PricewaterhouseCoopers LLP as Auditor to hold office until the conclusion of the next AGM of the Company.

RESOLUTION 14

Resolution 14 authorises the Audit Committee to agree the remuneration of the Auditor.

RESOLUTION 15

The Directors authority to allot unissued shares in the Company expires at the conclusion of this Annual General Meeting. The guidelines of the Investment Association ('IA') on directors' authority to allot shares state that IA members will regard as routine an authority to allot up to two thirds of the existing issued share capital, provided that any amount in excess of one third of existing issued share capital is applied to fully pre-emptive rights issues only. The Board considers it appropriate that the Directors should have this authority to allot shares in the capital of the Company. Accordingly Resolution 15 authorises the Board (a) under an open offer or in other situations up to an aggregate nominal amount of £100,000 (representing one third of the Company's share capital as at 7 March 2016) and (b) under a rights issue up to an aggregate nominal amount of £200,000 (representing two thirds of the Company's issued share capital at that date).

The authorities sought by Resolution 15 will expire at the AGM of the Company to be held in 2017 or if earlier 26 July 2017. The Directors have no present intention to exercise either of the authorities sought under this resolution. However, if they do exercise the authorities, the Directors intend to follow IA recommendations concerning their use.

RESOLUTION 16 (TO BE PROPOSED AS A SPECIAL RESOLUTION)

The Directors authority to allot unissued shares in the Company for cash otherwise than to existing shareholders pro rata to their holdings expires at the conclusion of this Annual General Meeting. The Board wishes to renew this authority. Resolution 16, which will be proposed as a special resolution, would give the Directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings. This authority would is limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £15,000 (representing 15,000,000 ordinary shares). This aggregate nominal amount represents 5% of the issued ordinary share capital of the Company as at 7 March 2016. In respect of this aggregate nominal amount, the Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. The authorities sought by Resolution 15 will expire at the AGM of the Company to be held in 2017 or if earlier 26 July 2017. The Directors have no present intention to exercise the authority sought under this resolution.

RESOLUTION 17 (TO BE PROPOSED AS A SPECIAL RESOLUTION)

Shareholders' approval is sought to authorise the Company to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the maximum number of shares that could be purchased to 30,000,000 (representing 10% of the Company's issued share capital as at 7 March 2016) and sets minimum and maximum prices at which shares may be purchased by the Company under this authority. If approved, the authority will expire at the AGM of the Company to be held in 2017 or if earlier 26 July 2017.

The Directors have no present intention of exercising this authority. The authority would be exercised only if the Directors believed that to do so would be in the interests of shareholders generally. Any purchases of ordinary shares would be by means of market purchases on a recognised investment exchange.

A listed company purchasing its own shares may hold those shares in treasury and make them available for re-sale as an alternative to cancelling them. Accordingly, if this resolution is passed, the Company will have the option of holding, as treasury shares, any of its own shares that it purchases pursuant to the authority conferred. No dividends are paid on, and no voting rights are attached to, shares held in treasury. The Company does not hold any shares in treasury, but it is intended that any shares which might be purchased under this authority will be held in treasury, rather than being cancelled.

The Company had options and awards outstanding over 4,594,489 ordinary shares, representing 1.53% of the Company's issued share capital, as at 7 March 2016. If the authority conferred by Resolution 17 were to be exercised in full, these outstanding options and awards would represent 1.51% of the issued share capital of the Company.

RESOLUTION 18

Under the Companies Act 2006 a company wishing to make political donations or incur political expenditure in excess of £5,000 in any 12 month period, must first obtain authorisation from its shareholders by ordinary resolution.

In order to comply with its obligations under the Companies Act 2006 and to avoid any inadvertent infringement of that Act, the Board wishes to renew its existing authority for a general level of political donation and/or expenditure.

The Companies Act 2006 requires this authority to be divided into three heads (as set out in Resolution 17) with a separate amount specified as permitted for each. An amount not exceeding £50,000 for each head of the authority has been proposed. The authority sought extends to all of the Company's subsidiaries. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2017.

The Company and the Group do not make any donations to political parties or organisations and do not intend to in future, but do support certain industry-wide bodies and allow employees time to undertake union activities. Whilst the Board does not regard this as political in nature, in certain circumstances such support together with donations made for charitable or similar purposes could possibly be treated as a donation to a political organisation under the relevant provisions of the Companies Act 2006.

RESOLUTION 19 (TO BE PROPOSED AS A SPECIAL RESOLUTION)

The Companies (Shareholders' Rights) Regulations 2009 increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Resolution 19 seeks approval of a notice period of not less than 14 clear days to apply to general meetings other than an AGM. It is intended that the shorter notice period would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.

If approved, the authority will expire at the AGM of the Company to be held in 2017.

GLOSSARY

The following definitions apply throughout the annual report unless the context requires otherwise:

Advent Companies	Knight (Cayman) Limited, Equiniti (Cayman) Holdings Limited, Equiniti (Cayman) Limited, Equiniti Group (Luxembourg) S.à r.l., Advent International plc and Advent International Corporation
Advent Funds	Advent International GPE V Limited Partnership, Advent International GPE V-A Limited Partnership, Advent International GPE V-B Limited Partnership, Advent International GPE V-C Limited Partnership, Advent International GPE V-D Limited Partnership, Advent International GPE V-E Limited Partnership, Advent International GPE V-F Limited Partnership, Advent International GPE V-G Limited Partnership, Advent International GPE V-H Limited Partnership, Advent International GPE V-I Limited Partnership, Advent International GPE V-J Limited Partnership, Advent Partners GPE V Limited Partnership, Advent Partners GPE V-A Limited Partnership, Advent Partners GPE V-B Limited Partnership and Advent Partners III Limited Partnership, which are managed by Advent International
Advent International	Advent International Corporation, a private equity firm
Articles	the articles of association of the Company
Audit Committee	the audit committee of the Board
Auditors or PwC	PricewaterhouseCoopers LLP
B2B	business to business
B2B2C	business to business to consumer
BPO	business process outsourcing;
Business Day	Good Friday or a bank holiday in the UK
CASS	the Client Assets sourcebook
CEO	chief executive officer
CES	Customer effort score
CFO	chief finance officer
Chairman	Kevin Beeston
Companies Act or the Act	the Companies Act 2006, as amended
Company	Equiniti Group plc incorporated in England and Wales with registered number 7090427
Controlling Shareholders	Equiniti (Luxembourg) S.à r.l, the Chairman, the Advent Companies and the Advent Funds
CREST	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear UK & Ireland Limited
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
D2C	direct to customer
DC	defined contribution
Defined Benefit Schemes	the MyCSP Pension Scheme
Directors or Board	the directors of the Company
EBITDA	earnings before interest, tax, depreciation and amortisation
EFSL	Equiniti Financial Services Limited

GLOSSARY OF TERMS

Enterprise Wide Risk Management	the methods and processes applied by an organisation across its entire enterprise to identify and manage risks that could affect the achievement of its objectives;
EPS	earnings per share
European Union or EU	an economic and political union of 27 Member States which are located in Europe
Executive Directors	Guy Wakeley and John Stier, each a Director as at the date of this annual report
FCA	the Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000, as amended
FTE	Full time employee
£ and pounds sterling	the lawful currency of the UK
GMP	Guaranteed minimum pension
Group or Equiniti	the Company and its subsidiary undertakings
Independent non-executive Directors	the non-executive Directors, excluding the Advent Director and the Chairman
IPO	Initial Public Offering
Listing Rules	the listing rules made by the UK Listing Authority under Part VI of FSMA, as amended
London Stock Exchange	London Stock Exchange plc
LTIP	Long term incentive plan
MAD II	the revised EU Market Abuse Regulation(Regulation 596/2014) and Directive (2014/57/EU)
MiFID II	the revised EU Directive on Markets in Financial Instruments(2014/65/EU) and the accompanying Regulation(Regulation 600/2014)
Model Code	the model code published in Annex I to LR 9 of the Listing Rules
Nomination Committee	the nomination committee of the Board
Non-Executive Chairman	Kevin Beeston, the Chairman of the Board as at the date of this annual report
Non-executive Directors	the non-executive Directors of the Company, being Sir Rod Aldridge, Victoria Jarman, Haris Kyriakopoulos, Tim Miller and John Parker as at the date of this annual report
NPS	net promoter score
Ordinary Shares	the ordinary shares of 0.1p each in the capital of the Company
PPI	payment protection insurance
PRA	the Prudential Regulation Authority
Registrar	Equiniti Limited incorporated in England and Wales with registered number 6226088
Regulated Entities	Equiniti Financial Services Limited, Pancredit Systems Ltd., TransGlobal Payment Solutions Limited and Paymaster (1836) Limited
Relationship Agreement	the relationship agreement, dated 14 October 2015, between the Company, the Chairman, and the Advent Shareholder
Remuneration Committee	the remuneration committee of the Board
SAYE scheme	the Company's Save As You Earn option scheme

GLOSSARY OF TERMS

Shareholder	a holder of Ordinary Shares
Sharesave	an HMRC-approved share-based SAYE scheme in which employees of corporate clients contract to make monthly deposits into a savings account over three, five or seven year periods
SID	senior independent non-executive Director
SIP	share incentive plan
TPS	TransGlobal Payment Solutions Limited
UK Corporate Governance Code	the UK Corporate Governance Code dated September 2014 issued by the Financial Reporting Council
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
Website	www.equiniti.com

COMPANY INFORMATION

Company Secretary
Doug Armour

Head of Investor Relations
Frances Gibbons

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7090427

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Website
Investors.equiniti.com/investors

Bankers
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Solicitors
Weil, Gotshal & Manges LLP

Auditor
PricewaterhouseCoopers LLP

Financial Advisors
N M Rothschild & Sons Limited

Joint Brokers
Barclays Bank plc
Citibank plc
Liberum Capital Limited

Registrar
Equiniti Limited

EQUINITI