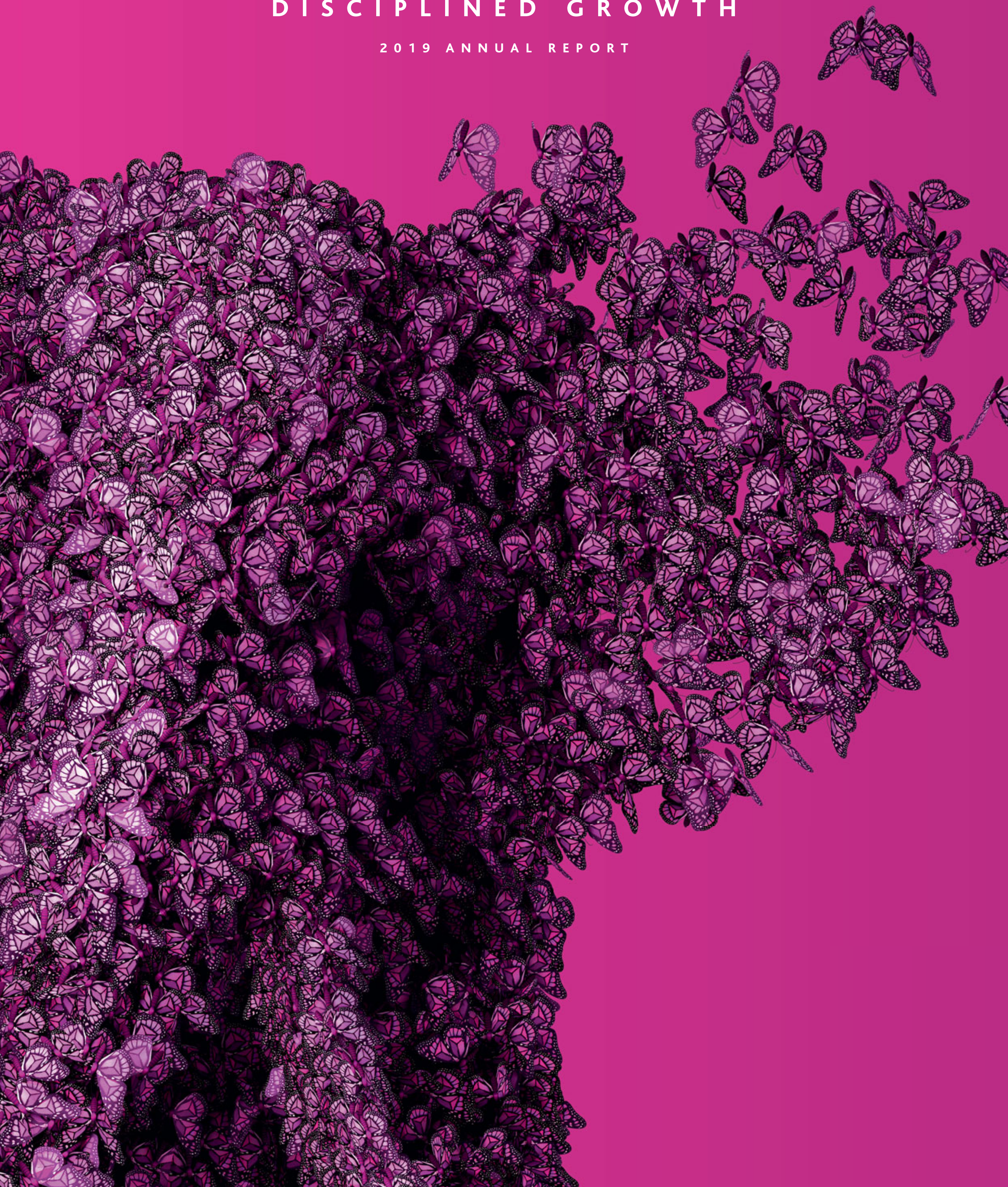
JTC

DISCIPLINED GROWTH

2019 ANNUAL REPORT

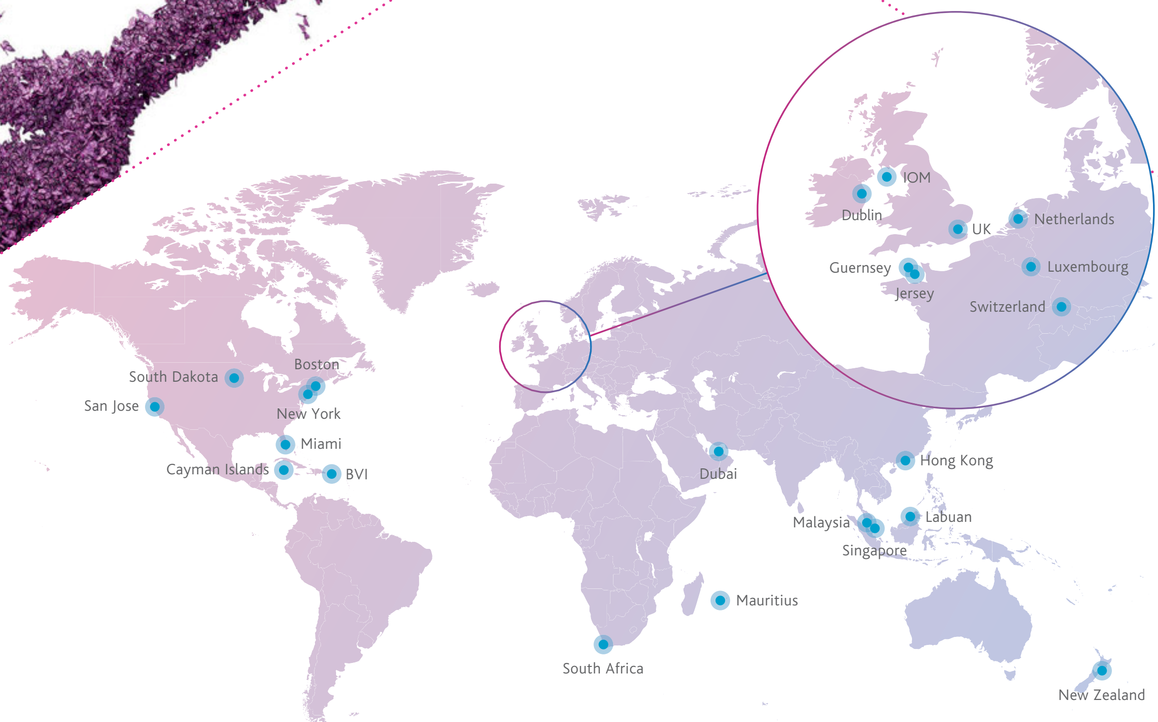


JTC IS A LEADING INDEPENDENT AND INTERNATIONAL PROVIDER OF FUND, CORPORATE AND PRIVATE CLIENT SERVICES

OUR GLOBAL REACH

900+ PEOPLE

JTC has a highly qualified team of more than 900 professionals providing a global service to our clients from a network of 23 local offices.



900+ people

23 offices

19 jurisdictions

5.5k+ clients

100+ countries served

32 YEARS OF GROWTH

1987
The business is established in Jersey.

1991
Current CEO, Nigel Le Quesne, joins the firm as its fifth employee.

1998
The first JTC Employee Benefit Trust (EBT) is formed, establishing JTC's approach that 'every employee is an owner'.

2001 – 2007
JTC establishes operations in the UK, the BVI and Switzerland.

2008
A management buy-out results in the Group being wholly owned by management and staff.

2009 – 2011
JTC opens in Luxembourg and Guernsey and makes its first acquisition in 2010.

2012
CBPE Capital take a minority interest in the business, enabling the Group to embark on its 'local to global' expansion strategy.

JTC OVERVIEW

2019 GROUP REVENUE
£99.3m

GROUP REVENUE GROWTH
28.5%

2019 ICS REVENUE
£54.8m

ICS REVENUE GROWTH
26.4%

2019 PCS REVENUE
£44.5m

PCS REVENUE GROWTH
31.2%

INSTITUTIONAL CLIENT SERVICES (ICS) DIVISION

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

PRIVATE CLIENT SERVICES (PCS) DIVISION

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

FUND SERVICES

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

37%

CORPORATE SERVICES

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

33%

PRIVATE WEALTH SERVICES

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

30%

2014
'Equity for All' (E4A) scheme launched, enhancing Shared Ownership opportunities for all employees.

2015 – 2017
The Group expands organically and through acquisitions in the UK, the US, Netherlands, the Cayman Islands, Mauritius and South Africa.

2018
JTC PLC lists on the main market of the London Stock Exchange. The Group acquires the Van Doorn and Minerva businesses.

2019
JTC acquires Exequtive Partners in Luxembourg and lift-outs in the Cayman Islands, Ireland and the Netherlands. Harvard case study on JTC Shared Ownership is published.

2020
Post period end the Group acquires Sanne's private client business and NES Financial, a US alternative asset fund services business.

WE ARE JTC

JTC IS AN AWARD-WINNING PROVIDER OF FUND, CORPORATE AND PRIVATE CLIENT SERVICES.

FOUNDED IN 1987 WE HAVE OVER 900 PEOPLE WORKING ACROSS OUR GLOBAL OFFICE NETWORK AND ARE TRUSTED TO ADMINISTER ASSETS OF MORE THAN US$130 BILLION.

THE PRINCIPLE OF MAKING ALL OUR PEOPLE OWNERS OF THE BUSINESS IS FUNDAMENTAL TO OUR CULTURE AND ALIGNS US COMPLETELY WITH THE BEST INTERESTS OF OUR CLIENTS.

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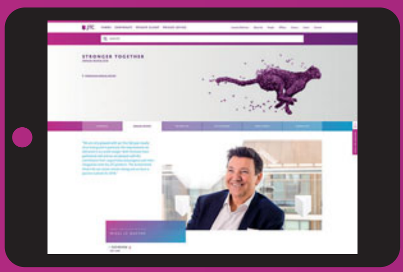
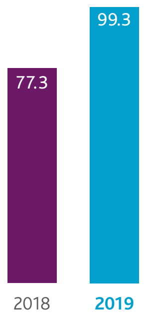
VISIT US AT JTCGROUP.COM



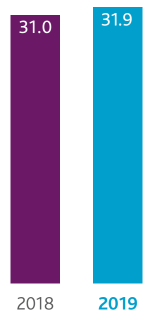
HIGHLIGHTS

REVENUE (£M)
+28.5%



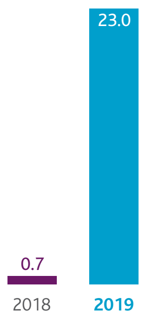
UNDERLYING EBITDA (£M)*
+32.4%

UNDERLYING EBITDA MARGIN
+0.9PP



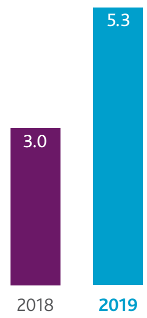
ADJUSTED UNDERLYING BASIC EPS (P)**
+16.1%

STATUTORY EBIT (£M)
+3,084.6%

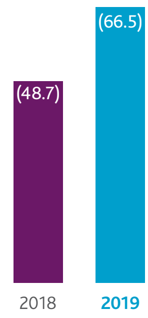


DILUTED EPS (P)
+498.7%

FINAL DIVIDEND PER SHARE (P)
+2.3P



NET DEBT (£M)
-£17.8M



FINANCIAL HIGHLIGHTS

- Revenue up 28.5% to £99.3m (2018: £77.3m), reflecting a combination of good net organic growth of 8.4% (+15.4% gross) and growth from acquisitions (+20.1%).
- Underlying EBITDA up 32.4% to £31.7m (2018: £23.9m) with underlying EBITDA margin up 0.9pp to 31.9% (2018: 31.0%).
- Performance in line with guidance given for the period of 8 – 10% net organic growth and 30 – 35% underlying EBITDA margin.
- Record annualised new business wins totaling £14.9m, comprising £8.9m in ICS (up 48%) and £6.0m in PCS (up 62%).
- A robust balance sheet with available facilities of £150m, and no debt falling due for repayment until 2023.

STRATEGIC HIGHLIGHTS

- Good performance from both the Institutional Client Services (ICS) and Private Client Services (PCS) Divisions, with particularly strong results from the PCS Division.
- Acquired Exequtive Partners in Luxembourg and small bolt-ons in Cayman and Netherlands.
- Post period end, small bolt-ons in the UK (Registrar services) and Ireland (corporate services) and announcement of the acquisitions of the Sanne private client business in Jersey and technology-enabled US fund administration business NES Financial (NESF).
- M&A pipeline remains healthy. Disciplined approach will continue in 2020 with focus on the integration of acquisitions announced in Q1 while continuing to seek opportunities, particularly in the US, UK and mainland Europe.

Read more on pages 12 to 16

* Items classified as non-underlying are as detailed in Note 7 to the financial statements. Non-underlying items are defined as specific items that the Directors do not believe will recur in future periods. The 2018 results reflect the pre-listing capital structure up to 14 March 2018 and the subsequent structure post IPO.

** Adjusted underlying Basic EPS is the profit/(loss) for the year adjusted to remove the impact of IFRS 16 as well as non-underlying items, unwinding of net present value discounts, amortisation and associated deferred tax impact of customer relationship intangible assets and loan arrangement fees.

STRATEGIC REPORT

CHIEF EXECUTIVE OFFICER'S REVIEW

A YEAR OF DISCIPLINED GROWTH AND ROBUST PERFORMANCE

REVENUE (£)
2019
£99.3m

UNDERLYING EBITDA (£)
2019
£31.7m

"We are pleased with our results for 2019, especially the strong performance and growth of the underlying core business."

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

INTRODUCTION

JTC has a strong track record of 32 years of growth year on year and we are very pleased that this continued in 2019.

Last year I stated that our goal is to continue to build an outstanding business for the long term where high standards are coupled with entrepreneurial spirit and the commitment to become a better business for all stakeholders every day. I am pleased to say that these goals were achieved during the year.

Good results do not just happen and I want to take this opportunity, personally and on behalf of the Board, to thank every one of our c. 900 colleagues around the world, all of whom contributed to another strong year at JTC.

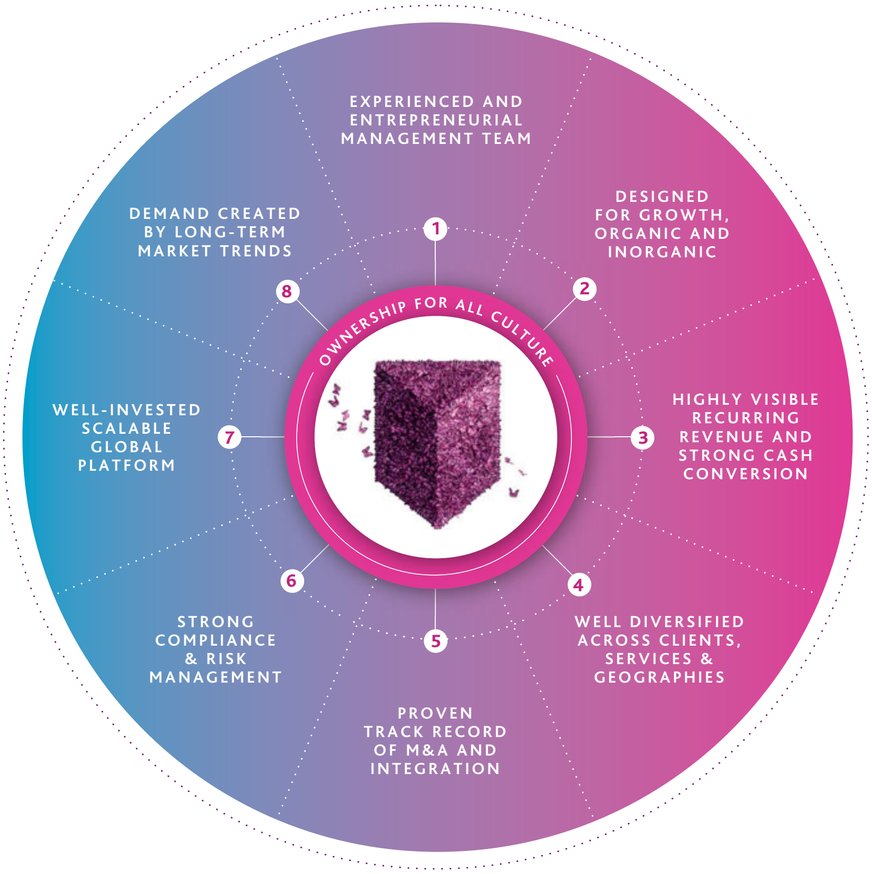
FINANCIAL HIGHLIGHTS

2019 saw the business deliver a strong set of results that were in line with our expectations.

At Group level we generated revenue growth of 28.5% to £99.3m, underlying EBITDA growth of 32.4% to £31.7m and an improvement of 0.9pp in underlying EBITDA margin to 31.9%.

These results were achieved through a combination of net organic growth of 8.4% (15.4% gross) and the positive contribution of the full-year effect of the two acquisitions made in 2018, the Netherlands corporate services business, Van Doorn, and the

Why invest?
We believe that JTC represents an exceptional long-term growth investment prospect. Our 32 year track record of consistent revenue and profit growth, including through periods of significant macroeconomic challenge, speaks for itself. We believe that eight key factors define and underpin the JTC investment case and apply both now and in the medium to long term.



multi-jurisdictional private client focused business, Minerva. In addition, the Luxembourg fund and corporate services business, Exequtive Partners, acquired in March 2019, also made a positive part-year contribution.

These activities mean that we again delivered within our guidance of 30 – 35% underlying EBITDA margin and 8 – 10% net organic growth, metrics that we believe represent 'good to very good' performance for a company in our sector that is growing and operating in a stable and sustainable manner.

INSTITUTIONAL CLIENT SERVICES DIVISION

Gross revenue for the ICS Division increased 26.4% to £54.8m (2018: £43.4m) and there was a 25.2% increase in underlying EBITDA to £15.6m (2018: £12.5m). The underlying EBITDA margin fell 0.3pp to 28.5% (2018: 28.8%), but the Division did improve the margin during the year from 27.8% in H1. We believe that positive further improvements can be achieved, especially through the adoption of new process and technology capabilities, helping to ensure that the ICS Division delivers within our Group-wide guidance, which we update for 2020 and beyond to 33 – 38% underlying EBITDA margin, taking into account IFRS 16.

Jon Jennings took over the reins as Group Head of ICS from April and has strengthened and aligned his team to take up the twin challenges of driving both growth and efficiency, while maintaining a focus on client service excellence.

Revenue growth was a success, driven by improvements in business development and marketing, with record annualised new business wins of £8.9m, up 48% (2018: £6m). Fund and corporate services remain complementary with a focus on private equity and real estate, as well as debt, renewables and other alternative asset types. The performance of our Luxembourg, UK and Jersey offices were particular highlights.

The acquisition of the Exequtive Partners business in Luxembourg added scale to our platform in this high growth market and also enhanced our leadership team in the region. We saw higher rates of client attrition in the Netherlands due to changing market dynamics, but were also able to make the small bolt-on purchase of the Aufisco business for a very reasonable price for the same reasons.

Post period end we purchased a small bolt-on in the UK that adds Registrar services to our offering and another that expands our footprint to Ireland for the first time and where we will commence with corporate services before expanding into fund services once relevant regulatory approvals have been secured.

Also post period end, we were delighted to announce the acquisition of NES Financial (NESF), a US based, technology-enabled fund administration business. The US is a key growth market for the industry and we believe that NESF provides the perfect platform to drive the strategic expansion of our ICS Division and in particular our presence in the high growth alternatives fund administration sector.

The ICS Division enjoys strong market fundamentals and we will continue to invest in the platform to deliver organic growth and to capitalise on the technology capabilities brought by the NESF acquisition.

Read more on page 18

PRIVATE CLIENT SERVICES DIVISION

Gross revenue for the PCS Division showed a 31.2% increase to £44.5m (2018: £33.9m) and a 40.3% increase in underlying EBITDA to £16.1m (2018: £11.4m). The underlying EBITDA margin improved by 2.3pp to 36.1% (2018: 33.8%) which was a particularly strong performance given the ongoing investment in the platform.

CHIEF EXECUTIVE OFFICER'S REVIEW
Continued

Revenue growth was driven by a new regional model for business development and marketing, supported by an enhanced and centralised approach to client on-boarding and traction from our private office capabilities. This delivered record annualised new business wins of £6.0m, up 62% (2018: £3.7m). Performance of the Jersey and Americas offices were particularly strong, with good contributions from Guernsey, Switzerland and Cayman.

Margin improvement was strong following a period of deliberate investment in the Division in 2018 and this was driven in part by the full integration of the Minerva business, which was achieved three months ahead of schedule. A new Executive Committee governance structure was also introduced, streamlining decision making and operational change management.

Investment was made in JTC Private Office, including a number of senior hires and further investment in technology. The focus continues to be on using this innovative holistic offering to differentiate JTC in the market and drive organic growth. Evidence of progress can be seen in the number of clients where annual fee income is greater than £100k, which increased by 50% in 2019 and helped to drive up the average mandate size within the Division.

The Division was named Trust Company of the Year (Large Firm) at the Society of Trust and Estate Practitioners (STEP) Private Client Awards, one the most prestigious awards of its type in this sector and an accolade that I believe is the external confirmation of what the Division has achieved for some time now.

Post period end we announced the acquisition of the Sanne private client business, a simple and straightforward addition to our market-leading Jersey platform.

The PCS Division is very much a leader in its sector and we see clear opportunities for further investment and growth.

Read more on page 20

OUR PEOPLE AND CULTURE

We have always understood that our people are a fundamental source of differentiation and that is why our culture is based on shared ownership, with every employee being an owner of the business. This approach has been a driver of client service excellence, financial performance and continuous operational improvement across the Group for more than 20 years.

It is not often that external validation is available for something as intangible as culture, but in 2019 we were honoured to be selected by Professor Ethan Bernstein of Harvard Business School (HBS) as the subject of a case study for the full-time HBS Master of Business Administration (MBA) programme, detailing the features and successes of JTC's shared ownership model since its inception in 1998. This world class, yet unsolicited, recognition of our core cultural philosophy is testament to an unwavering belief that aligning the interests of our people and the Company with the interests of our clients and partners is a powerful and effective way to build a successful, sustainable and growth orientated organisation. It was an enormous privilege to attend HBS and participate in the inaugural teaching of the case study, and the insights from the students were powerful and life affirming in equal measure.

We believe that through our shared ownership model we have long been exponents of a more sustainable and responsible approach to finance and capitalism. We therefore regard the increasing emphasis being placed on environmental, social and governance (ESG) practices as very positive and an opportunity for the Group that aligns with our culture and purpose.

In keeping with our Guiding Principle to maximise the potential of every colleague, 2019 saw us expand the JTC Academy with a suite of additional online and real-world learning and development courses. 85 high performers were promoted across the Group during the year and 14 colleagues took up internal roles in new locations (from secondments to permanent relocations) as part of JTC Gateway. We also enhanced our JTC Wellbeing programme with the launch of a new 24/7 Employee Assistance Service that extends to all employees and their immediate families.

Read more on page 37

RISK

The principal and emerging risks facing the Group are set out in our 2019 Annual Report. Material risks include acquisition risk, competition risk, data protection and cyber security risk, staff resourcing risk, political and regulatory change risk, natural disaster risk, and regulatory and procedural compliance risk.

"We were honoured to be selected by... Harvard Business School as the subject of a case study... detailing the features and successes of JTC's shared ownership model."

NIGEL LE QUESNE AND PROFESSOR ETHAN BERNSTEIN AT HBS, OCTOBER 2019.

Post period end we have been required to deal with the challenges presented by the global COVID-19 pandemic and I am pleased to report that the business has so far proved itself to be highly responsive and resilient. To support the safety and wellbeing of all our people we achieved a Group-wide transition to remote working in a matter of days and have been able to directly monitor the commercial performance of the business on a daily basis under our Business Continuity Planning (BCP) operational framework.

We remain satisfied as to the effectiveness of the Group's overall risk analysis, management and culture, developed over more than 30 years of JTC operations.

Post period end, we were pleased to appoint William (Bill) Byrne as Chief Risk Officer (CRO), effective from February 2020. Bill joined JTC in 2016 as Group Counsel and takes over as CRO from Steven Bowen, who joined the Group as part of the Minerva acquisition in 2018.

GOING CONCERN

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

DIVIDEND

In addition to the interim dividend of 1.7p per share, the Board has recommended a final dividend of 3.6p per share in line with expectations. Subject to shareholder approval, the final dividend will be paid on 3 July 2020 to Shareholders on the register as at close of business on the record date of 5 June 2020.

OUTLOOK

We have always believed that JTC is a highly resilient business and the challenges presented by the COVID-19 pandemic have brought this into focus. The response of the Group has been excellent and we are confident in our ability to successfully trade through this period for a number of reasons. We have a highly experienced management team; a track record of revenue and profit growth spanning 32 years; a well-invested and scalable global platform; we are well diversified across clients, services and geographies; our revenue is highly visible and recurring; we deliver strong cash conversion and we have a robust balance sheet with a net debt to underlying EBITDA ratio of less than 2.0 times on a pro-forma basis.

We will continue to operate under our BCP framework for as long as required, focusing on the wellbeing of our people, the delivery of excellent client service and the commercial success of the Group.

Thinking more broadly, we constantly monitor and analyse the momentum of the business and in particular the drivers of underlying growth. We are positive about the prospects for the Group and believe the fundamental drivers, as articulated in our investment case, remain valid.

Delivering consistent organic growth of the underlying business, which we always measure net of attrition, is fundamental to our approach and it is worth remembering that the Group's growth was purely through organic means for the first 23 of its 32 years. We continue to believe that net organic growth in the range of 8 – 10% at Group level is a measure of good to excellent long-term performance in our sector. Organic growth will be driven by further improvements in our 'go to market' strategies and activities; the enhancement and expansion of our service offering and expertise, the smart application of new technological capabilities and an unwavering dedication to delivering client service excellence. We believe that the combination of our people, technology, processes and global reach will enable the Group to continue to win new business, further penetrate established markets and successfully develop new markets.

Alongside our core organic growth strategy, growth through acquisitions remains an important part of the Group's future. We continue to see consolidation across the sector and have good visibility of deal flow of all sizes within both the ICS and PCS spaces. Our M&A pipeline remains healthy and we continue to take a disciplined approach. Our immediate focus in 2020 will be the completion and integration of the acquisitions we have announced in the first quarter, but we will continue to monitor opportunities for further acquisitions in particular in the US, the UK and mainland Europe.

In terms of profitability, we update our medium term guidance to 33 – 38% underlying EBITDA margin, taking into account IFRS 16. The PCS Division is already operating consistently within this range and will work to maintain performance whilst simultaneously investing in growth opportunities. The ICS Division is making steady progress to deliver margin performance comfortably within our target range and will be investing further in the expertise, technological capabilities and process improvements to achieve that goal. We also believe that the ICS Division will benefit from relatively stronger market growth rates, particularly in the area of alternative asset fund administration.

EMPLOYEE OWNERSHIP

100%

EMPLOYEE PROMOTIONS

85

A LOOK AT THE LONG-TERM TRENDS

We operate in a fragmented global industry covering a wide variety of end markets, with fund managers, corporates and private clients all requiring our specialist skills. The degree of fragmentation means the addressable market is hard to quantify. However, all markets for our services share a number of long-term trends, which look set to continue, providing opportunities for our sustained growth.

1 INCREASED REGULATION IS CREATING FURTHER DEMAND

THE MARKET ENVIRONMENT

Fund managers, corporates, financial and professional services firms, and HNW/UHNW individuals and families must all comply with increasingly wide-ranging and complex regulatory regimes. The requirements for accurate and timely disclosure of information have increased and continue to do so.

THE OPPORTUNITY

New and modified regulations place far greater demands and pressure on client operations in our sector, particularly in staffing costs, potential reputational risks and penalties for non-compliance. Clients increasingly turn to specialist administrators with global reach, knowledge and experience to manage these.

OUR RESPONSE

We continually increase and refresh the services we provide, to help clients cope with their regulatory burden and the requirements for independent oversight. The developing global regulatory framework brings us multiple revenue opportunities, as well as increasing the barriers to entry for competitors. The growing regulatory scrutiny favours larger global operators such as JTC, which are best able to comply with higher standards; this also promotes consolidation within our sector.

2 OUTSOURCING REDUCES RISK AND INCREASES EFFICIENCY

THE MARKET ENVIRONMENT

Outsourcing administration services to specialist providers reduces the need for in-house knowledge and experience of increasingly complex regulations and multiple jurisdictions. Outsourced providers offer the full suite of expertise and services needed for compliant and efficient operation, and may be more able to invest in the technology necessary for administration. In some cases, regulation specifically requires the outsourcing of certain administrative functions.

THE OPPORTUNITY

Using the specialised capabilities of outsourced administration providers reduces client costs across back-office and support functions, which helps clients to maintain focus on their core activities, mitigates some competitive pressures and also reduces the risk of non-compliance.

OUR RESPONSE

Our business is built on providing the scale and capabilities to offer an outsourced solution. We employ staff who are highly qualified and experienced in providing administration and accounting services to our client base, while we also invest prudently and appropriately in the automation of the operational and accounting work.

3 TODAY'S CLIENTS ARE OFTEN GLOBAL IN NATURE

THE MARKET ENVIRONMENT

Globalisation, along with easier communication, co-operation and the flow of capital across international borders, leads to more entities being established. And as corporates invest across numerous jurisdictions, they often require tax-efficient entities which comply with local and international standards. In addition, wealthy individuals and family offices operate more internationally than before.

THE OPPORTUNITY

There is increased demand for providers of administrative services that can work across many jurisdictions, and offer knowledge and expertise when dealing with the regulatory regimes in each region.

OUR RESPONSE

We have been acquiring selectively and strategically to build scale and expand our global footprint. We often use an acquisition to enter a new market, and layer subsequent acquisitions on top to build our offer in that jurisdiction. We have a record of integrating acquisitions successfully, to be able to offer clients seamless services across multiple jurisdictions.

4

GLOBAL WEALTH IS RISING

THE MARKET ENVIRONMENT

Rising GDP and personal wealth, and the expanding middle classes, particularly in developing countries, are leading to a growing number of wealthy individuals. It is anticipated that the global population of UHNW will grow 27% by 2024*, with growth anticipated in all continental regions.

THE OPPORTUNITY

There has been an increased trend towards family offices and generational succession planning. Many wealthy families or individuals may consider setting up an entity to manage some of their assets and seek administrative services for this.

OUR RESPONSE

Through our organic growth strategy and selective acquisitions, we will continue to take advantage of the trend for global wealth creation in developed markets and, increasingly, in maturing markets such as Asia, Latin America and Africa.

* Source: Knight Frank Wealth Report, March 2020

5

A FRAGMENTED MARKET IS CONSOLIDATING

THE MARKET ENVIRONMENT

Many administrative services companies were established initially to focus on a particular niche or jurisdiction, naturally creating high fragmentation. In addition, many were part of, or spun out from, professional or financial services firms. With exits from the generalist players due to conflicts of interest or disposals of what they regard as non-core assets, the market is consolidating.

THE OPPORTUNITY

The market remains relatively fragmented, offering continued scope for consolidation. This consolidation is being led by the need for scale and breadth in order to offer clients a multi-sector and multi-jurisdiction capability. Companies also increasingly need the scale to invest in technology as it becomes available and appropriate.

OUR RESPONSE

Our regional expertise offers a thorough understanding of each jurisdiction and our global footprint is now a key strength. We have successfully acquired 18 businesses since 2010, and have proven adept at integrating people based companies efficiently. Consolidation allows us to benefit from the world's strongest growth markets, while mitigating against adverse regional or economic effects.

6

HUMAN EXPERTISE AND TECHNOLOGY ARE COMBINING TO DRIVE INNOVATION AND EFFICIENCY

THE MARKET ENVIRONMENT

Advances in technology now allow for the automation of some underlying administrative processes, making them faster, more efficient and potentially more accurate. However, human skills and knowledge remain vital in understanding the nuances of legislation and regulations, especially where multi-jurisdictional solutions are deployed. Thus the trend is towards finding the optimal blend between human expertise and relationship capabilities and the deployment of technology to improve the speed, efficiency and accuracy of processes.

THE OPPORTUNITY

Our sector can grow by providing better and more efficient services, while using its skilled people in high value roles rather than for administrative processing.

OUR RESPONSE

The market driver suits our strategy of being a people-led business enabled by technology capabilities. We can grow by using technology to improve and innovate our services, while our clients still value the accuracy and integrity provided by human insight and controls. Improving our technological capabilities is a key component of our M&A strategy.

OUR BUSINESS MODEL

We are a people-led business enabled by technology. Our culture of shared ownership supports our aim of helping to maximise the potential of every client, colleague and partner. Our long-term growth strategy is designed to take advantage of a well-established market environment. By maintaining a well-invested global platform, we are able to grow our business sustainably.

OUR RESOURCES AND STRENGTHS

We invest in our people
Our team of more than 900 professionals bring our culture to life and deliver excellent client service. Over 70% of our people are professionally qualified or working towards it. We help everyone to achieve their potential through our JTC Academy, JTC Gateway and JTC Wellbeing programmes, and reward all through our shared ownership model.

We embrace technology
We believe that combining the right technology capabilities with deep sector expertise enables client service excellence and market-leading efficiency. We invest accordingly and use best-in-class systems to provide and maintain an impeccable standard of administration as well as to innovate and add value.

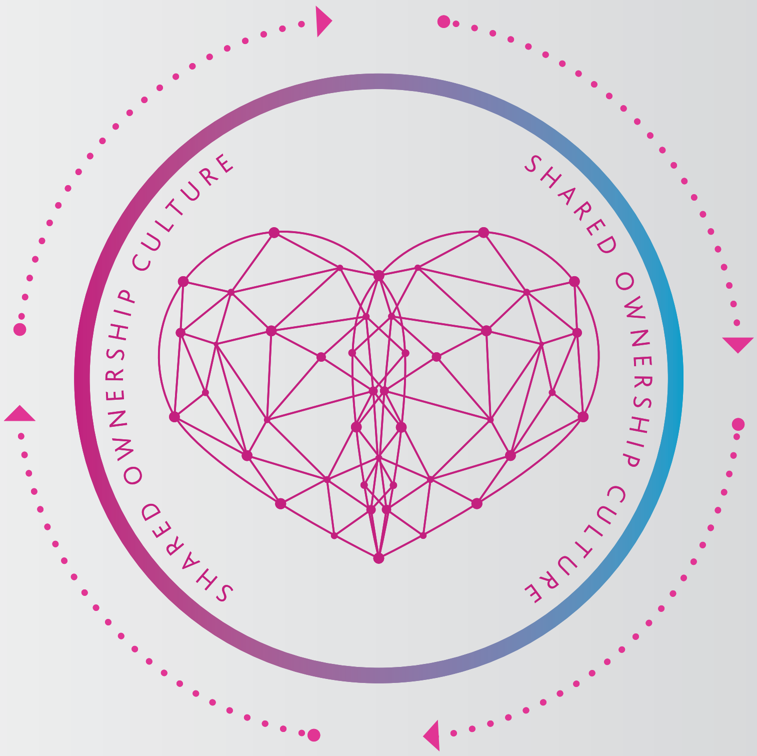
We put relationships first
We pick the most appropriate team for each client's needs, and aim to build strong client relationships that last. We serve more than 5,500 clients from over 100 different countries and are trusted to administer assets in excess of US$130bn. As an independent administrator, we are also able to form strong commercial relationships with intermediary partners.

We have global reach
Our network of 23 offices in 19 different jurisdictions provides a scalable and resilient global platform that allows us to offer a complete range of services, including multi-jurisdictional solutions for an increasingly international client base.

OUR CULTURE

1.
Our internal values guide our client-facing behaviours

2.
Our growth strategies align with market drivers



3.
Our shared ownership model aligns us with the long-term interests of other stakeholders

4.
We grow sustainably by operating a well-invested, resilient and scalable global platform

OUR GROWTH STRATEGY

ORGANIC GROWTH

We target net organic growth in the range 8 – 10% at Group level

INORGANIC GROWTH

We take a disciplined approach to M&A and are expert at integrating acquired businesses onto our platform

OUR CLIENTS AND WHAT WE DO

INSTITUTIONAL CLIENT SERVICES

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

PRIVATE CLIENT SERVICES

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

HOW WE CREATE LONG-TERM VALUE FOR OUR KEY STAKEHOLDERS

SHAREHOLDERS

We aim to generate value for our shareholders by successfully and consistently executing our organic and acquisition growth strategies. We share profits through dividends, while investing the balance in the business to support steady and sustainable growth.

EMPLOYEES

Through our shared ownership programme, we ensure every employee is an owner of the business and can share in its long-term success. We work to maximise the potential of every employee, providing support through our range of development programmes.

CLIENTS

We take an entrepreneurial approach to finding solutions for our clients, and build long-term relationships by adopting a can-do attitude and aiming to exceed expected service levels. We nurture and value client relationships over the long term, with an average client relationship of around ten years.

INTERMEDIARY PARTNERS

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

COMMUNITIES

We value and respect the communities where we operate around the world, and understand the support they provide to our employees, clients and intermediary partners. We aim to create a positive impact, creating jobs, while making charitable donations of time, expertise and money.

CHIEF FINANCIAL OFFICER'S REVIEW

CONTINUING TO IMPROVE THE BUSINESS

"Ours is a highly predictable and resilient business and we are confident in our ability to continue delivering against our targets."

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

FINANCIAL REVIEW

	As reported			Underlying*		
	2019**	2018	Change	**2019**	2018	Change
Revenue (£m)	**99.3**	77.3	+28.5%	**99.3**	77.3	+28.5%
EBITDA (£m)	**33.7**	5.4	+529.2%	**31.7**	23.9	+32.4%
EBITDA margin	**34.0%**	6.9%	+27.1pp	**31.9%**	31.0%	+0.9pp
Operating profit/EBIT	**23.0**	0.7	+3084.6%	**24.3**	19.2	+26.8%
Profit/loss before tax (£m)	**17.6**	-2.1	-928.5%	**20.5**	17.0	+20.0%
Earnings per share (p)***	**15.43**	-3.87	-498.7%	**22.33**	19.23	+16.1%
Cash conversion	**70%**	128%	-58.0pp	**89%**	90%	-1.0pp
Net debt (£m)	**-66.5**	-48.7	-17.8	**-59.3**	-46.4	-12.9
Dividend per share (p)	**5.3**	3.0	+2.3p	**5.3**	3.0	+2.3p

* Reconciliation of performance measures to reported results. For further information on underlying results see appendix to CFO Review

** As reported 2019 results include the impact of IFRS 16.

*** Average number of shares for 2019: 111,352,868 (2018: 99,631,757). Underlying EPS is calculated per note 34.4 of the company financial statements and is referred to as adjusted underlying basic EPS.

REVENUE

In 2019, revenue was £99.3m, an increase of £20.0m (28.5%) compared with 2018.

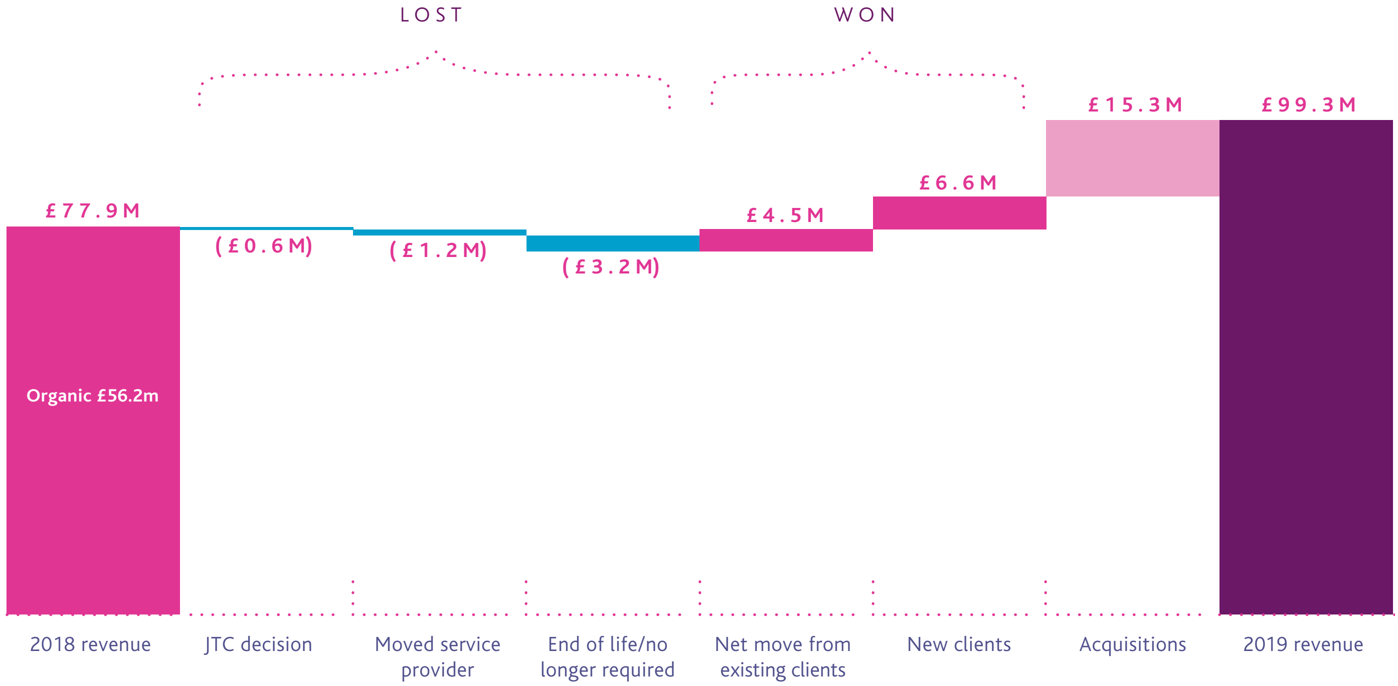
Year on year growth was driven by net organic growth of 8.4% (gross 15.4%) and growth from acquisitions of 20.1%. Overall client attrition in the period was 7.0% compared with 8.8% in 2018 and is lower than previous periods. 97.4% (2018: 98.3%) of revenues that are not end of life were retained in the period.

ICS net organic growth was 9.4%. We saw good growth in Luxembourg, Jersey and the UK but this was offset by contractions in Guernsey and the NACT business in the Netherlands. The latter was from a tightening of the regulatory regime. We expect to see a continuance of this and as a consequence we have impaired the value of client relationships associated with the NACT business which was bought in 2017 (at a multiple of 5 times EBITDA). Conversely, this tightening of regulation has also created opportunities to acquire businesses at attractive prices as shown by the gain on bargain purchase which arose on the acquisition of Aufisco.

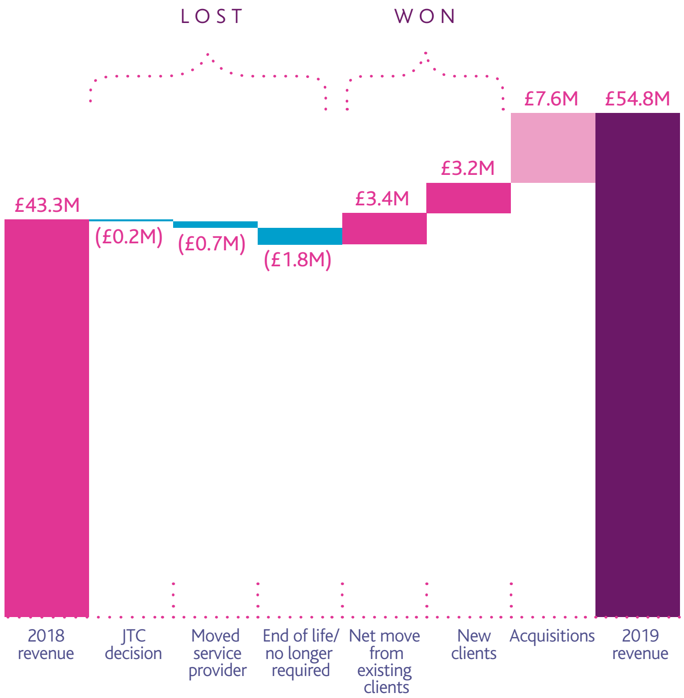
PCS organic growth was 7.2%. We continue to see strong demand for our Private Client offering and were pleased at the continuing strength of our Channel Islands business and ongoing development of our US onshore offering. Attrition in PCS was 7.4% with no particular bias in any one jurisdiction.

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

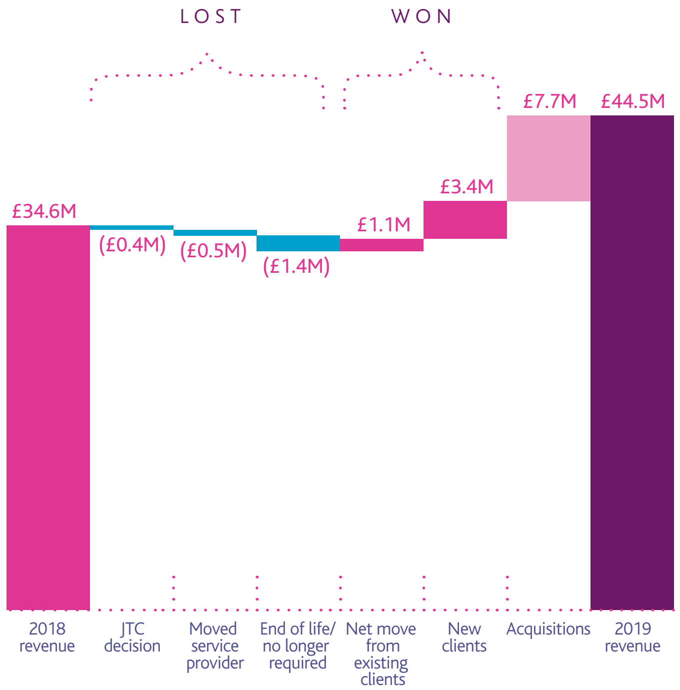
REVENUE BRIDGE (PLC)



REVENUE BRIDGE (ICS)



REVENUE BRIDGE (PCS)



ACQUISITIONS

Acquisitions contributed £15.3m of new revenue in the year broken down as follows:

	PLC	ICS	PCS
Minerva	£8.7m	£1.0m	£7.7m
Van Doorn	£1.7m	£1.7m	–
Exequtive Partners	£4.3m	£4.3m	–
Aufisco	£0.6m	£0.6m	–
Total	**£15.3m**	**£7.6m**	**£7.7m**

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

CHIEF FINANCIAL OFFICER'S REVIEW
Continued

NEW BUSINESS/PIPELINE

The enquiry pipeline decreased by £1.6m (5.0%) from £32.0m at 31 December 2018 to £30.4m at 31 December 2019. The drop in pipeline value was due to the high value of work won in H2 and improvements in our speed of on-boarding. During 2019 JTC secured new work with an annual value of £14.9m (2018: £9.7m). The divisional split was ICS £8.9m (2018: £6.0m) and PCS £6.0m (2018: £3.7m). Typically this revenue will have an average life-cycle of approximately 10 years. We are confident that the quality of the pipeline is higher than in previous periods. We are conscious of the impact that the current COVID-19 situation may have on activity levels and anticipate that there may be a reduction in new business wins; however, we anticipate that will be compensated by increased activity in our existing book of business.

UNDERLYING EBITDA AND MARGIN PERFORMANCE

Underlying EBITDA in 2019 was £31.7m, an increase of £7.8m (32.4%) from 2018. The reconciliation of the improvement in the underlying EBITDA is shown below.

The underlying EBITDA margin % is the primary KPI used by the business and is a key measure of management's ability to run the business effectively and in line with competitors and historic performance levels. The performance in 2019 highlights the continuing progress that has been made by the Group with underlying EBITDA margin increased to 31.9% from 31.0% in 2018 – an improvement of 0.9pp. This has been primarily driven by improved operational efficiency in the PCS Division.

ICS's underlying EBITDA margin fell back from 28.8% in 2018 to 28.5% in 2019. In the first half the ICS margin was 27.8% but with a focus on cost efficiencies and the impact of the Commercial Office the full year margin improved to 28.5%. We believe that the acquisition of the NESF business and adoption of its market-leading technology will support further margin improvement in the Division, albeit we appreciate that the improvements may take time to implement.

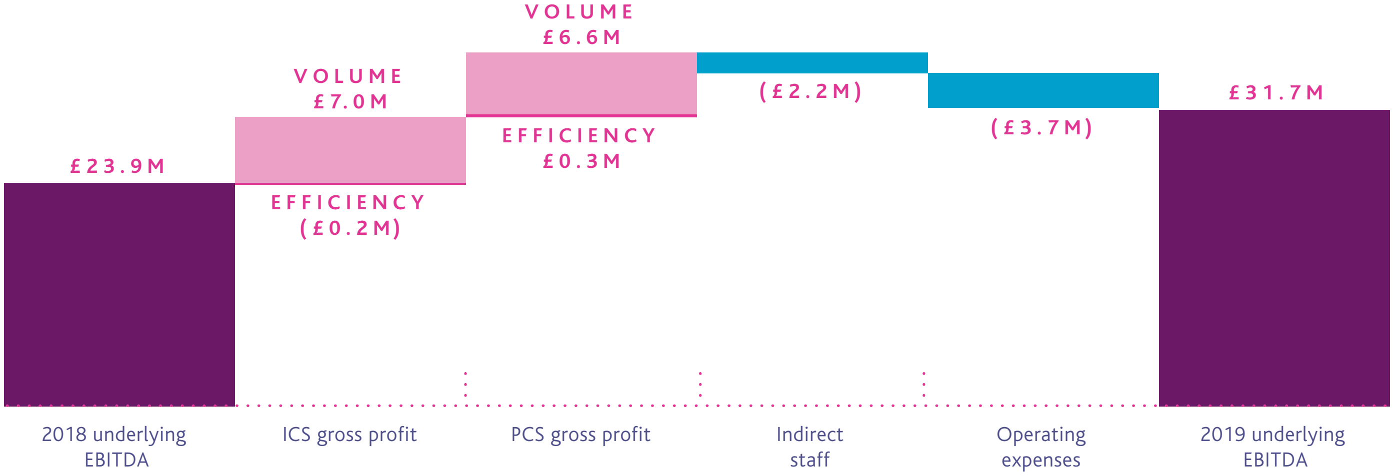
PCS's underlying EBITDA margin improved from 33.8% to 36.1% in the year. This was driven by the integration of the Minerva business and also a focus upon operational improvement and process efficiency.

We continue to invest in the business and have been encouraged by the strong growth in new business wins in H2 2019 and in the size of mandates being won by both Divisions.

DEPRECIATION AND AMORTISATION

As a result of the adoption of IFRS 16 there has been a significant increase in the depreciation charge in 2019. In 2018 the depreciation charge was £0.9m but this increased to £4.6m in 2019. This was due to the inclusion of a charge against the right-of-use assets of £3.4m.

UNDERLYING EBITDA BRIDGE



The Group has £171.5m (2018: £145.2m) of balance sheet assets consisting of goodwill (2019: £124.9m, 2018: £104.8m) and customer relationships (2019: £46.6m, 2018: £40.4m). We regularly test these assets for impairment and monitor the recoverability of the carrying amounts. During 2019 there was an acceleration of client attrition in the NACT business owing to a more stringent regulatory environment in the Netherlands. This in turn resulted in an impairment to the NACT customer relationships intangible asset by £0.5m.

No other impairments were required for other acquisitions. We recognise that in the current uncertain COVID-19 business environment there may be an increased need to monitor for impairment indicators and where there is evidence of impairment, we shall review carrying amounts in our balance sheet.

STATUTORY OPERATING PROFIT/EBIT

The Group recognises that EBIT is a more commonly accepted reporting metric and hence shows these results for the benefit of external stakeholders. Statutory EBIT is impacted by non-underlying costs albeit these are substantially reduced from 2018 which was the first year of reporting post the IPO. Details of these non-underlying costs are set out below.

NON-UNDERLYING ITEMS

Non-underlying items incurred in the period totalled £2.1m (2018: £19.1m). These comprised the following:

- (£0.4m) credit from EBT12 whereby staff that left the business forfeited their rights to the EBT distribution (2018: £13.2m)
- £2.0m of acquisition and integration costs (2018: £4.3m)
- £0.5m other costs/charges (2018: £0.6m)

In 2018 we incurred £1.0m of costs associated with the IPO that took place that year.

Of the £2.1m (2018: £19.1m) of non-underlying costs, £1.7m (2018: £18.6m) are incurred at EBITDA level and £0.2m (2018: £0.4m) are included within finance costs and £0.2m (2018: £0.1m) are other costs.

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

PROFIT BEFORE TAX

The reported profit before tax for the period ended 31 December 2019 was £17.6m (2018: £2.1m loss).

Adjusting for non-underlying items the underlying profit before tax for 2019 was £20.4m (2018: £17.0m). The improvement reflects the growth in revenues and margin increase in the period. However, the relative profitability was negatively impacted by £1.7m adverse foreign exchange movements. This is due to the translation of substantial US dollar and Euro monetary balance sheet items held at the year end.

Finance costs in the year comprise £1.6m of amortisation/non-cash flow items (2018: £1.5m) and £2.4m of costs which impact cash flow (2018: £2.0m).

TAX

The tax charge in the year was £0.5m (2018: £1.7m). This was lower than in previous periods and reflects the impact of a significant deferred tax credit of £0.8m as a result of the movements in relation to the value of customer relationships held on the balance sheet. During the year the Group reviewed its transfer pricing policy and updated this to reflect the evolving nature of the business and the way it operates. The policy continues to be fully compliant with OECD guidelines.

EARNINGS PER SHARE

Adjusted underlying basic EPS was 22.33p (2018: 19.23p). Adjusted underlying basic EPS is the profit for the year adjusted to remove the impact of non-underlying items within profit after tax, amortisation of customer relationships and associated deferred tax impact, amortisation of loan arrangement fees and unwinding of NPV discounts and the impact of IFRS 16.

CASH FLOW AND DEBT

Cash generated from underlying operating activities was £28.7m (2018: £19.5m) and the underlying cash conversion was 89% (2018: 90%). During 2019 the actual conversion rate was adversely impacted by the timing of receipts from the Exequtive business which we purchased in April 2019 and Aufisco which was acquired in July 2019. This impact will be eliminated in the 2020 cash conversion result and hence we continue with our medium-term guidance that underlying cash conversion will be in the range of 85 – 90% p.a. Post year end we have maintained a strong focus on cash collection.

Net debt at the period end was £66.5m compared with £48.7m at 31 December 2018. The underlying net debt of £59.3m (2018: £46.4m) excludes regulatory capital (which is not included for banking covenant testing) and also excludes the £4.2m loan advanced to NESF prior to the post-period end acquisition – which will be subsequently settled at completion. Underlying leverage is therefore 1.9 times underlying EBITDA (2018: 1.9 times). At 31 December 2019 the bank covenant test for leverage was 3.5 times pro-forma EBITDA. The covenant test moves to 3.25 times pro-forma EBITDA on 31 March 2020 and then decreases to 3.0 times on 31 March 2021.

Our banking facility was increased by £50.0m on 9 January 2020 giving a total undrawn facility balance of £63.3m. The facilities expire on 8 March 2023.

CHIEF FINANCIAL OFFICER'S REVIEW
Continued

RECONCILIATION OF UNDERLYING EBITDA TO REPORTED RESULTS

During 2019 IFRS 16 was adopted by the business. It has a significant impact on the comparison of performance of the business year on year. The table below sets out the impact of the adoption of the new standard.

(£m)	As reported (inc IFRS 16)	Non-underlying costs	Underlying (inc IFRS 16)	IFRS 16 impact	Underlying (exc IFRS 16)
Revenue	99.3	0.0	99.3	0.0	99.3
Staff costs	-46.7	0.5	-46.2	0.0	-46.2
Establishment costs	-1.4	-0.2	-1.6	-3.7	-5.3
Other operating expenses	-17.7	1.4	-16.3	0.0	-16.3
Other operating income	0.2	0.0	0.2	0.0	0.2
EBITDA	**33.7**	**1.7**	**35.4**	**-3.7**	**31.7**
Depreciation and amortisation	-10.8	0.0	-10.8	3.4	-7.4
Profit/(loss) from operating activities	22.9	1.7	24.6	-0.3	24.3
Other gains/(losses)	-1.5	0.3	-1.2	0.0	-1.2
Finance income	0.2	0.0	0.2	0.0	0.2
Finance cost	-4.0	0.1	-3.9	1.0	-2.9
Profit/(loss) before tax	**17.6**	**2.1**	**19.7**	**0.7**	**20.4**
Tax	-0.5	0.0	-0.5	0.0	-0.5
Profit/(loss) for the year	**17.1**	**2.1**	**19.2**	**0.7**	**19.9**

As a result of the adoption of this accounting standard we raise our guidance on underlying EBITDA from a range of 30 – 35% to 33 – 38%. We estimate that the annual impact on reported profit after tax will be a deduction of £1.0m. The standard does not have a cash flow impact and we will adjust for this in calculating underlying profit available for dividends.

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

APPENDIX: RECONCILIATION OF REPORTED RESULTS TO APM'S

In order to assist the reader's understanding of the financial performance of the Group alternative performance measures ('APMs') have been included to better reflect the underlying activities of the Group excluding specific non-recurring items as set out in Note 7 to the financial statements.
The Group appreciates that APMs are not considered to be a substitute for, or superior to, IFRS measures but believes that the selected use of these may provide stakeholders with additional information which will assist in the understanding of the business.

1. EBITDA

	2019 £m	2018 £m
Reported EBITDA	**33.7**	5.4
Non underlying items		
Capital distribution from EBT	**-0.4**	13.2
Acquisition and integration costs	**2.0**	4.3
Other including IPO costs		1.1
	35.3	23.9
Impact of IFRS 16	**-3.7**	0.0
Underlying EBITDA	**31.7**	23.9

2. CASH CONVERSION

	2019 £m	2018 £m
Net cash from operating activities	**21.6**	5.9
Non-underlying cash items	**5.1**	12.7
Taxes paid	**2.0**	0.9
	28.7	19.5
Acquisition normalisation(*)	**2.6**	2.0
	31.3	21.5
Underlying EBITDA	**35.4**	23.9
Underlying cash conversion	**89%**	90%

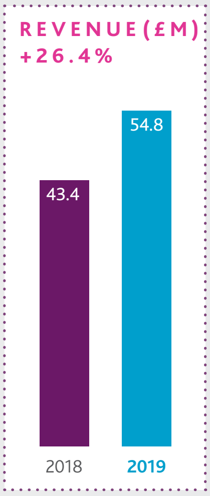
* Acquisition normalisation refers to the following: In 2019 £2.0m of Exequtive revenues and £0.6m of Aufisco revenues were collected by the previous owners in advance of JTC ownership. In 2018 under the terms of the BAML customer agreements, JTC collected cash 6 months in arrears and at the year end had invoiced and recognised for 9 months work but only been paid for 3 months.

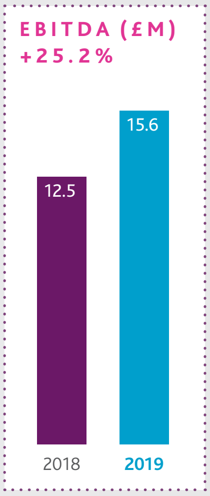
3. NET DEBT/LEVERAGE

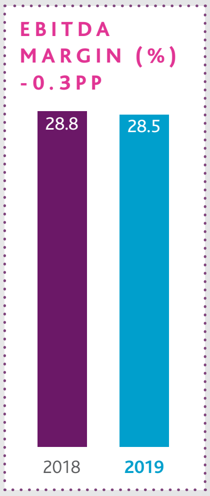
	2019 £m	2018 £m
Cash balances	**26.3**	32.5
Bank debt	**-86.7**	-71.5
Other debt	**-0.5**	-1.2
Cash held on behalf of JTC EBT	**-2.6**	-6.1
Advance NESF deal funding	**4.2**	0.0
Net debt	**-59.3**	-46.4
Underlying EBITDA	**31.7**	23.9
Leverage	**1.87**	1.94

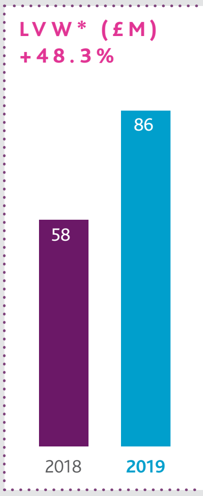
STRATEGY IN ACTION

INSTITUTIONAL CLIENT SERVICES









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

JON JENNINGS
GROUP HEAD OF INSTITUTIONAL CLIENT SERVICES

I am pleased to make my first Annual Report contribution, having taken over as Group Head of ICS from Tony Whitney in April 2019.

The Division had a solid year, building positively on 2018 with revenue growth of 26.4% to £54.8m and growth in underlying EBITDA of 25.2% to £15.6m. Underlying EBITDA margin fell 0.3pp to 28.5%, which was disappointing and below our minimum target of 30%. However, I am encouraged by the positive momentum during the year, which saw the margin improve from 27.8% at the end of H1 to 28.5% in H2.

Having orientated myself as the leader of the Division, I believe we have an excellent platform from which to deliver a first-class business with a talented multinational team, a high quality client base and strong market fundamentals to support long-term growth. The improvements to our operating model, and in particular the process and system linkages between our wider fund and corporate services office network and our Global Service Centre (GSC) in South Africa, are being delivered and we intend to increase the pace of progress moving forward. We continued to invest in key personnel with expertise in both client-facing and operational functions, as well as our technology capabilities. Looking ahead, I am confident that these investments will allow us to deliver better services to existing clients, win more new business and realise operating efficiencies that drive further margin improvement.

In terms of our established growth strategies, organic growth was strong with record annualised new business wins of £8.9m (up 48% on 2018) and, within that total, a number of substantial new mandates in the £250k p.a. to £1m+ p.a. range. These wins, in a competitive market-place, reflect the impact of allocating increased resource and focus to business development activities during the year, as well as our growing profile as a leading fund and corporate services provider.

Our inorganic growth during the year was focused on the acquisition of Exequtive Partners (EP) in Luxembourg and the small Aufisco bolt-on deal in the Netherlands. EP was an important addition to the Division, providing an opportunity to enhance the leadership team

2019 HIGHLIGHTS

- Record year for new business wins, +48% by value.
- Competing for and winning top-end mandates (£1m+).
- Strengthening of senior team with focus on technical operations, business development and subject matter expertise.
- Premises upgrades in London, Netherlands and Cayman to support growth.
- Successful integration of Van Doorn (Netherlands).
- Successful integration of Exequtive Partners (Luxembourg).

... IN ACTION

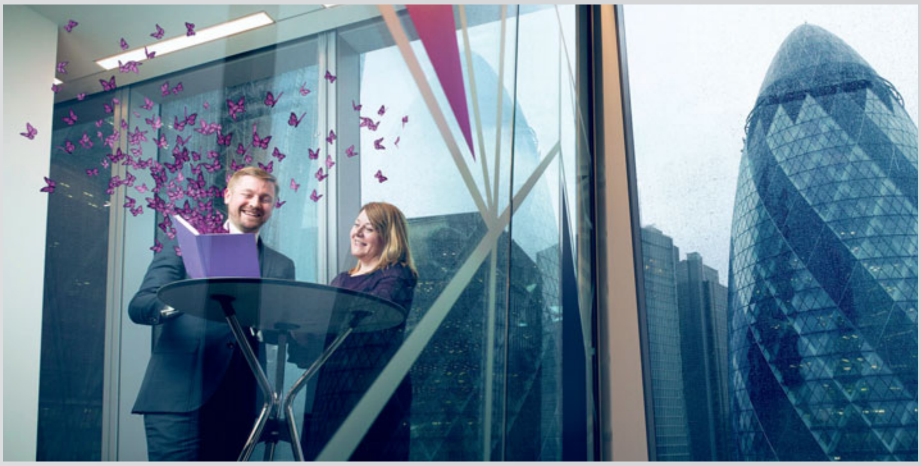
"We are earning our seat at a competitive top table and have delivered solid financial performance with strong new business flows. Margin improvement work will be accelerated and our talented multinational team is well placed to capitalise on the organic and inorganic growth opportunities we see."

450+
employees

11
offices in global ICS network

1k+
clients

55.2%
of Group turnover



that has been driving better performance in a high growth market. We also expanded our offering in Luxembourg with the launch of our new depository service. Post period end we completed the lift-out of a small UK business that adds Registrar services to our offering and another that expands our footprint to Ireland for the first time. We will initially offer corporate services from our new Dublin office, with a plan to expand into fund services in due course. Also post period end, we were delighted to announce the acquisition of NES Financial (NESF), a US based, technology-enabled provider of specialist fund administration services. NESF delivers a ready-made platform in the fast-growing US alternatives market and an opportunity to connect US clients to our global ICS network. Our M&A pipeline remains healthy and we have good visibility of deal flow in a competitive sector. Our disciplined approach to inorganic growth means that we will remain focused on securing the right deals for the long-term success of the ICS platform.

The Division's Jurisdictional Strength Index (JSI) scores were impacted by slight contraction in Guernsey and also a higher rate of attrition in the Netherlands due to changing market dynamics. However, this was more than offset by the strong performances of Luxembourg, Jersey and our UK office. The London office not only delivered strong growth driven by high demand for our Transfer Agency (TA), fund administration and corporate services, but also moved into new and larger premises to support future growth and signal our ongoing commitment to the UK market post Brexit.

Turning to 2020, an early challenge has been the COVID-19 pandemic. The response of the Division has been excellent, with a seamless transition to remote working in order to protect the wellbeing of our people and maintain the highest levels of client service.

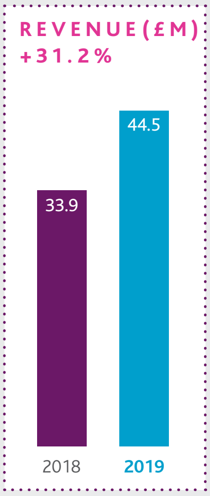
Looking further ahead, we will focus on delivering margin improvement alongside strong top-line growth and expansion of the Division in fast-growing markets, including the US. The three year business plan vision for the Division was to be acknowledged as a top-tier global provider of fund and corporate services by the end of 2020 and with our expert team, global footprint and increasing technology capabilities, I believe we are firmly on track to achieve that aspiration and more.

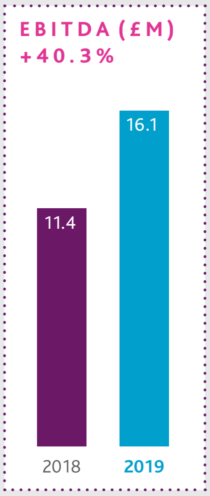
2020 OUTLOOK

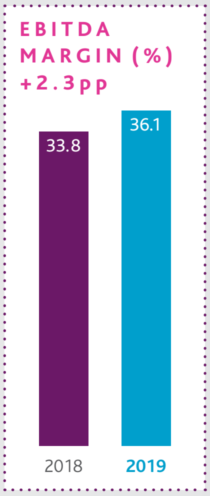
- Resilient response to COVID-19 pandemic.
- Post period end acquisition of NESF in the US, a transformational deal for the ICS Division.
- Operating model improvements to deliver margin.
- Enhanced business development and marketing focused on key asset classes and services.
- Further M&A with focus on US, Luxembourg, Ireland and UK.
- Premises upgrade and deeper penetration in Luxembourg.
- Further investment in technology capabilities to drive both growth and efficiencies.

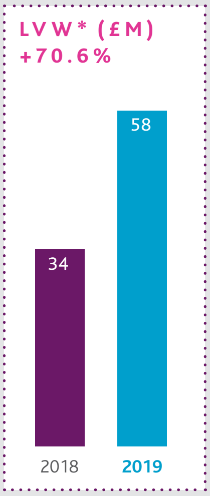
STRATEGY IN ACTION
Continued

PRIVATE CLIENT SERVICES









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

IAIN JOHNS
GROUP HEAD OF PRIVATE CLIENT SERVICES

The PCS Division had an excellent year in 2019 building materially on performance in 2018.

At the beginning of our current three year business plan, which runs to 2020, we stated that our vision was to be recognised as the best private client practice in our sector. While we remain entirely focused on delivering client service excellence and sustainable long-term growth, we believe that performance in 2019 very much supported attainment of this goal.

The Division delivered growth in revenue of 31.2% to £44.5m, growth in underlying EBITDA of 40.3% to £16.1m and an underlying EBITDA margin improvement of 2.3pp to 36.1%, all simultaneous to further ongoing investment in our operating platform.

At the heart of our PCS business lies one of the most talented, qualified and committed workforces in the industry. During the year, we continued to invest in our people, including a number of senior hires in Europe and the Americas, as well as in support of our JTC Private Office proposition. In addition, the Division transitioned to a new regional model for business development and marketing; centralised and improved the processes and systems for client on-boarding; and successfully completed the full integration of the Minerva business, acquired in September 2018.

In a sector where reputation and quality are paramount, our profile and standing as a market leader received external validation when we won the prestigious Society of Trust and Estate Practitioners (STEP) Trust Company of the Year (Large Firm) award. This long-standing and keenly contested accolade is a recognised symbol of quality and the win reflected a fantastic and global team effort.

Through JTC's proprietary Jurisdictional Strength Index (JSI) we continuously monitor and improve the quality and performance of all offices within our network and 2019 saw strong performance across the board, with the Channel Islands and US markets being particular highlights. We were granted a trust licence in Cayman and have now established a high quality offering from this important jurisdiction. We continue to focus appropriate effort on developing our Mauritius and Dubai offices, acquired through the Minerva

2019 HIGHLIGHTS

- Increase in PCS Jurisdictional Strength Index (JSI) from investment in platform and operating model.
- Strong growth in the Channel Islands and US markets.
- Record year for new business wins, +62% by value.
- Continued investment in people, in particular JTC Private Office.
- Successful integration of the Minerva business.
- Adopted new PCS governance structure and regional business development model.
- Won Trust Company of the Year (Large Firm) at the STEP Private Client Awards.

... IN ACTION

"Our performance in 2019 demonstrates the continued potential in the PCS market and the strength of our team. I am pleased with the results and am confident of further growth in 2020."

300+
employees

18
offices in global PCS network

4.5k
clients in 100+ countries

44.8%
of Group turnover

JTC – 2019 STEP Awards –
Trust Company of the Year (Large Firm)

JTC Private Office – Edge – 2019 Wealthmanagement.com Awards –
Outstanding Achievement in Client Initiative

JTC Private Office – Edge – 2019 WealthBriefing MENA Awards –
Best Client Reporting Solution

transaction, and are also mindful of changes in the global regulatory landscape, which affected a number of jurisdictions during the year, most notably with the introduction of new Economic Substance regulations. As always, changes of this nature represent both a challenge and an opportunity and we are proud of the way in which we partner with our clients to navigate these developments as they arise.

The JTC Private Office proposition was further developed in 2019 and recognised through several industry awards for its market-leading features and innovations, including our proprietary Edge client-portal technology. During the year the number of clients generating annual fee income >£100k increased by 50% and we see substantial further potential for JTC Private Office to serve HNW and UHNW individuals and families, especially first generation wealth creators, whose needs are increasingly global, technology orientated and sophisticated. In 2020 we will continue to develop JTC Private Office and use it to further differentiate our offering in the market as well as a driver for delivery of our traditional trust company services.

Post period end we were pleased to announce the acquisition of the Sanne private client business, which presented a straightforward opportunity to fold a high quality client book and team into our well-established and high performing Jersey platform.

The start of 2020 has brought the tragedy and challenge of the COVID-19 pandemic and our response has been swift and robust. We have transitioned the entire Division to remote working while maintaining excellent levels of client service at all times.

The wider outlook remains positive in our view and we aim to drive growth through service development, including further technological innovation; market development and penetration, in particular the US; the retention and recruitment of the very best private client practitioners; and also through further selective and disciplined acquisitions as the market continues to consolidate.

2020 OUTLOOK

- Resilient response to COVID-19 pandemic.
- Post-period end acquision of Sanne private client business in Jersey.
- Strong pipeline of new business heading into 2020.
- Continue to invest in people, including senior hires.
- Further investment in technology capabilities.
- Further expansion into the US building on our existing PCS platform.
- Focused acquisition strategy as sector consolidation continues.

STRATEGY IN ACTION
Continued

ACQUISITIONS

"We take a disciplined approach to acquisitions, from our core screening criteria and clear strategic focus, through to our proven and highly effective integration framework and capabilities."

WENDY HOLLEY
CHIEF OPERATING OFFICER

While the bedrock of our business will always remain organic growth, JTC has a track record of successfully identifying and integrating acquisitions dating back to 2010.

As detailed in the Market Drivers section of this report (pages 8 and 9) the industry in which we operate has a number of fundamental features that support inorganic growth, in particular:

- the high degree of fragmentation arising from the early stages of the industry, which is still prevalent today;
- globalisation and increasing global wealth, which in turn drive client needs for global solutions; and.
- the trends towards increased regulation and greater outsourcing.

JTC's response has been the formulation of a disciplined and coherent acquisition strategy and the development of a well-honed operational framework that delivers the effective and efficient integration of acquisitions onto our scalable global platform.

CORE CRITERIA

Our core acquisition criteria were developed over a number of years and now provide the basis for our highly disciplined screening and selection process. As an established operator of scale with a reputation for taking a constructive and positive approach to M&A, we have good visibility of most deals in both the ICS and PCS markets and our challenge is not deal flow, but finding the very best deals to support our long-term growth strategy.

The core acquisition criteria allow us to rapidly filter opportunities while at the same time providing a framework for our due diligence processes and evaluation as opportunities are progressed through the pipeline. In the world of JTC we often say that the best acquisitions will deliver a '2 + 2 = 5 result', by which we mean that if we select the right deals that fit with our core criteria, achieve good cultural alignment and integrate in a timely and effective manner, we are able to realise the maximum long-term value for the Group and our stakeholders, including the clients and employees of the businesses we acquire.

Our core criteria in more detail are:

IMPROVE JURISDICTIONAL STRENGTH INDEX (JSI) – the JSI is a proprietary system developed at JTC to grade both the current internal strength and overall market attractiveness of each jurisdiction which we operate in or target. While the precise criteria of the JSI are commercially confidential, we are able to apply them when evaluating acquisitions and in particular where we believe that a particular deal may deliver a material increase to the JSI of a particularly important jurisdiction in our network.

ADD SCALE/NEW TERRITORY – as the Group has grown over time, the number of acquisitions that take us into new territories has naturally reduced. We are now adept at using acquisitions to build greater depth and scale in existing jurisdictions, as we did with Exeqtive Partners in Luxembourg in 2019 and also with small lift-out deals in Cayman and the Netherlands during the year.

STRENGTHEN SERVICE OFFERING – this is multi-faceted and can relate to enhancements in our range of services, the people who join the business, particular processes or methods of service delivery and technology capabilities. More often than not, an acquisition will deliver several of these improvements at once and in the case of Exeqtive Partners we strengthened our corporate services offering and added a talented team, including strong leadership, to the Luxembourg component of the ICS platform.

MERGER & ACQUISITION STRATEGY

CORE ACQUISITON CRITERIA

- Improve Jurisdictional Strength Index (JSI)
- Add scale/new territory
- Strengthen offering (services, people, technology, processes)
- Cross-selling opportunities
- Cost synergy opportunities

DISCIPLINED AND ENTREPRENEURIAL

- Active deal pipeline (c. 25+ at any time)
- Visibility of most deals in the sector
- Smart sub-strategies (regional plays, opportunistic lift-outs)
- We know when to say no

PROVEN VALUE CREATION

- Kleinwort Benson becomes Global Service Centre (GSC)
- BAML and Minerva enhanced on JTC platform
- Van Doorn and Exeqtive Partners accelerate key jurisdictions
- 18 deals since 2010

CURRENT FOCUS

- ICS with focus on alternative assets
- US, Luxembourg, UK and Ireland
- First cousin services
- Technology capabilities

EXEQTIVE PARTNERS SA

2019 ACQUISITION

Announced: March 2019

Offering: Specialist provider of corporate and related fiduciary services

Footprint: Luxembourg

JTC Division: Institutional Client Services

Employees: 28

Rationale

- Strengthens our offering, capacity and network in a key ICS jurisdiction, where we have operated for 10 years.
- Builds on our corporate services capabilities and complements our funds offering.
- Creates greater opportunities for future growth in a market we anticipate as having a higher than average growth potential over the medium to long term.
- Potential for referral and cross-selling opportunities with our Netherlands, UK and Channel Islands offices.
- Exeqtive Partners has demonstrated exceptional growth in its six years of existence.
- Enables us to provide a full one-stop-shop offering, meeting EU regulatory and investor requirements.
- Excellent cultural fit.

JOOST MEES
MANAGING DIRECTOR, JTC LUXEMBOURG

STRATEGY IN ACTION
Continued

CROSS-SELLING OPPORTUNITIES – our two Divisions deliver three complementary service lines (fund services, corporate services and private client services) and acquisitions that drive cross-sell opportunities are particularly attractive to us because of this balanced approach that we take to the market. It also enables us to capture more long-term value from most acquisitions than would be the case for competitors that do not have our balance of service lines. Good examples from recent acquisitions include significant private client referrals received from the ICS Division acquisitions of Van Doorn and Exeqtive Partners and fund services referrals from the acquisition of Minerva.

COST SYNERGY OPPORTUNITIES – the final core criterion is a natural feature that results from consolidation in our sector. When we acquire smaller standalone businesses, or units of very large global players, there are often opportunities to rationalise costs when integrating them onto our well-invested global platform. While these do sometimes arrive from reductions in staffing numbers, there are many opportunities to save costs around systems, premises and supplier networks.

PROVEN VALUE CREATION

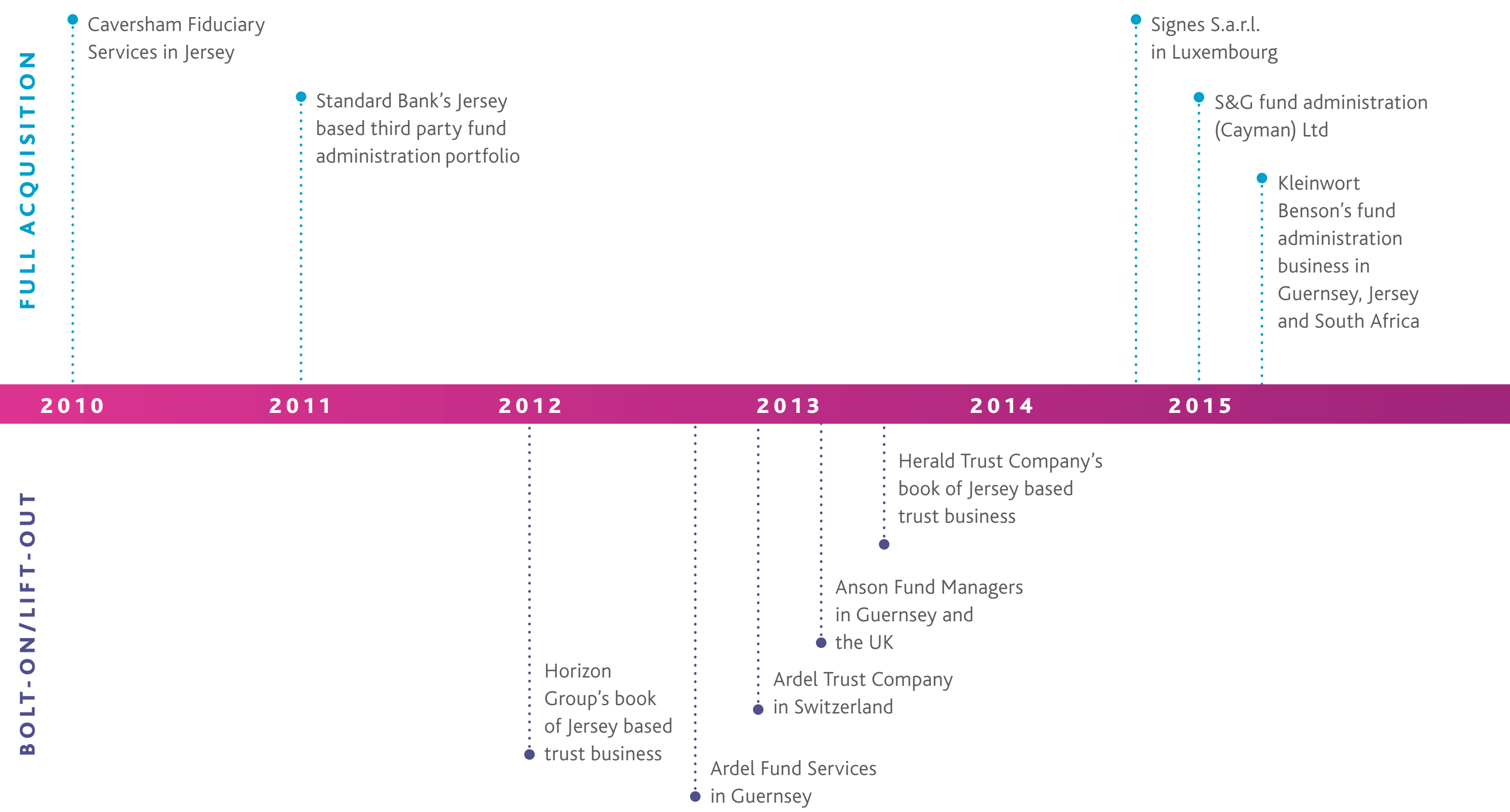
JTC has completed 21 acquisitions since 2010 as well as a number of smaller lift-out transactions and these are detailed chronologically below. While the recent acquisitions of Van Doorn (August 2018), Minerva (September 2018) and Exeqtive Partners (March 2019) have been well documented in the public domain since our listing in March 2018, it is worth highlighting some of the important deals that pre-date our IPO.

KLEINWORT BENSON (KB) FUND ADMINISTRATION BUSINESS (ACQUIRED 2015)

The KB business was an example of a major international firm re-focusing on its core business. We were able to use the acquisition to triple the size of our fund administration business and over a period of three years transform the operation into our Global Service Centre for fund services.

BANK OF AMERICA MERRILL LYNCH (BAML) INTERNATIONAL TRUST AND WEALTH STRUCTURING BUSINESS (ACQUIRED 2017)

The BAML deal was another example of a core business rationalisation except this time in the private client space. The business delivered a high quality book of clients, expert teams in Miami and Geneva and an efficient back-office administration presence in the Isle of Man. JTC was able to rapidly integrate the business onto our platform, delivering substantial cost synergies through systems, premises and people.



CURRENT FOCUS

While our core criteria provide the consistent foundation for our acquisition programme, we are constantly aware of the need to evolve our specific focus as the Group grows and developments in the market play out.

ICS WITH FOCUS ON ALTERNATIVE ASSETS

We are particularly focused on opportunities in the alternatives market and specifically a number of regions including the US and Europe. However, we are mindful of the impact that demand is having on pricing for such assets and will maintain our disciplined approach to evaluating opportunities that fit with our strategy and are in the best long-term interests of the Group.

US, LUXEMBOURG, UK AND IRELAND

The US is a key growth market for both the ICS and PCS Divisions. Luxembourg, the UK and Ireland remain specific target jurisdictions for the ICS Division.

FIRST COUSIN SERVICES

We believe that there may be opportunities to increase our range of services through the acquisition of 'first cousin' businesses (e.g. regulatory compliance services) that align with our core fund, corporate and private client services and would enable an increased share of wallet in a manner that adds genuine value and convenience for clients.

TECHNOLOGY CAPABILITIES

Advances in technology are bringing efficiencies and the potential for automation, so while we will remain a people-led business driven by human skills and insight, we also recognise the value in pursuing the competitive advantages technology can offer. Thus, identifying acquisitions that bring technological capabilities is now a key part of our M&A focus.

Post period end we completed two small ICS Division lift-outs, the first a UK business that adds Registrar services to our offering and the second in Ireland, delivering a corporate services licence and our first footprint in the jurisdiction, with a longer-term plan to expand our Irish presence to also include regulated fund services in due course. Also post period end we were pleased to announce the acquisition of the Sanne private client business in Jersey and NES Financial (NESF) in the US. NESF is a particularly important acquisition for the Group as it is a high quality, technology-enabled fund administration business. NESF will deliver a ready-made fund services platform in the US, which is a high growth market for alternative asset fund administration services.

Our acquisition pipeline remains healthy and we are confident that our strategy and approach will allow us to take advantage of further opportunities to support the long-term growth of both Divisions as the sector continues to consolidate over the medium term.

2016

- Arcange REIM in Luxembourg

2017

- Merrill Lynch International Trust & Wealth Structuring in US, Isle of Man and Geneva
- New Amsterdam Cititrust B.V. in the Netherlands

2018

- Van Doorn CFS B.V. in the Netherlands
- Minerva Group in Jersey, Mauritius, Dubai, Switzerland, Singapore and UK
- JTC PLC LISTED ON LONDON STOCK EXCHANGE

2019

- Exequtive Partners SA in Luxembourg
- Acquire Sackville book of Cayman based trust business
- Aufisco and Oak Tree Management Netherlands based book of business

2020

- NES Financial in the US
- Anson Fund Managers in Guernsey and the UK
- Sanne private client business in Jersey

KEY PERFORMANCE INDICATORS

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

FINANCIAL

REVENUE

DESCRIPTION
Revenue generated based upon work done.

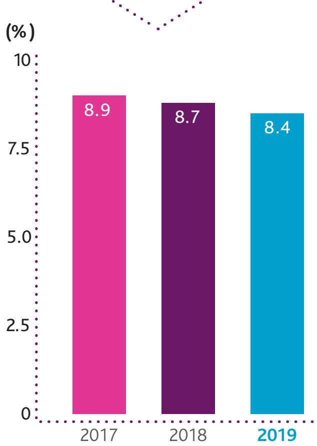
DEFINITION
Revenue of the business excluding items considered non-recurring or not reflective of the underlying performance of the business.

WHY IT'S IMPORTANT
Revenue is a reflection of the work we do for clients. We seek to deliver a high quality service, do more work for existing clients and attract new clients.

2019 PERFORMANCE
Revenue growth of 28.5% which comprised 8.4% net organic growth and inorganic growth of 20.1%.

COMMENTARY
The PCS Division achieved 31.2% growth and net organic growth of 7.2%. The ICS Division achieved 26.4% growth and net organic growth of 9.4%.

TARGET
We aim to achieve net organic growth of 8 – 10% at Group level every year.



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UNDERLYING EBITDA MARGIN

DESCRIPTION
The EBITDA margin of the underlying business.

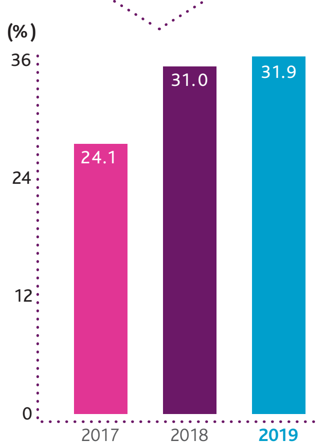
DEFINITION
Underlying EBITDA margin of the business excluding items considered non-recurring or not reflective of the underlying performance of the business divided by revenue.

WHY IT'S IMPORTANT
Underlying EBITDA margin is our key measure of how well our business is performing, including relative to the wider industry.

2019 PERFORMANCE
Improvement of 0.9pp to 31.9%.

COMMENTARY
The ICS Division achieved 28.3% (0.3pp) and the PCS Division achieved 36.2% +2.7pp.

TARGET
Our guidance to 2019 was to deliver an underlying EBITDA margin in the range of 30 – 35%. From 2020 onwards we revise this to 33 – 38% taking into account IFRS 16.



Read more on page 14

UNDERLYING CASH CONVERSION

DESCRIPTION
Our success in turning profits into cash.

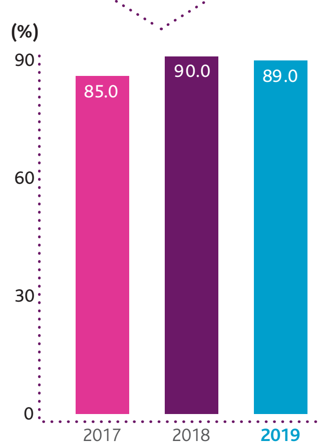
DEFINITION
Net cash generated from underlying activities divided by underlying EBITDA.

WHY IT'S IMPORTANT
Cash generated allows us to pay dividends to shareholders, service our debts and invest in the business (both organically and through acquisitions).

2019 PERFORMANCE
89% underlying cash conversion (2018: 90%).

COMMENTARY
Underlying performance in line with guidance but actual cash impacted in first year by acquisitions. Impact will be eliminated in future years.

TARGET
We aim to achieve 85 – 90% cash conversion each year.



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LEVERAGE

DESCRIPTION
The relative amount of third party debt we have in the business.

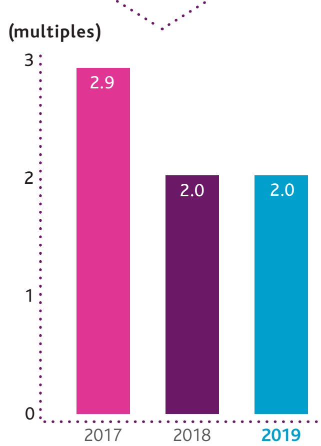
DEFINITION
Third party debt less cash, divided by underlying EBITDA.

WHY IT'S IMPORTANT
We need to manage the business without holding excessive levels of debt.

2019 PERFORMANCE
1.9 times underlying EBITDA (2018: 1.9 times).

COMMENTARY
Banking covenant test at 31 December 2019 was 3.5 times.

TARGET
We aim to stay below 2 times leverage. We will exceptionally increase this to 2.5 times but this will be supported by clear visibility of incoming cash flow and rapid reduction to below our standard target level.



Read more on page 15

OPERATIONAL

NEW BUSINESS WINS

DESCRIPTION
The annualised value of new business won (AVNBW) each year.

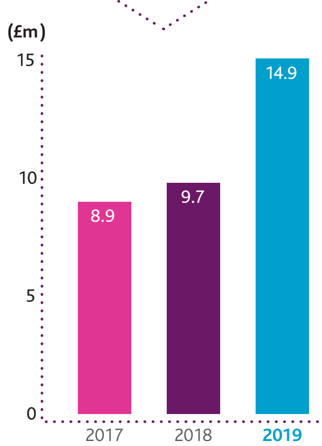
DEFINITION
Annualised value of new work won from clients where we have a signed contract.

WHY IT'S IMPORTANT
Our industry has good growth fundamentals. In order to meet our organic growth targets we need to win new work every year.

2019 PERFORMANCE
ICS AVNBW was +48% at £8.9m and the PCS AVNBW was +62% at £6.0m.

COMMENTARY
A strong year for new business wins with an increase by value of 54% to £14.9m.

TARGET
We aim to achieve at least a 10% increase in the annualised value of new business wins year on year.



Read more on page 14

CLIENT ATTRITION

DESCRIPTION
The amount of business that we lose each year.

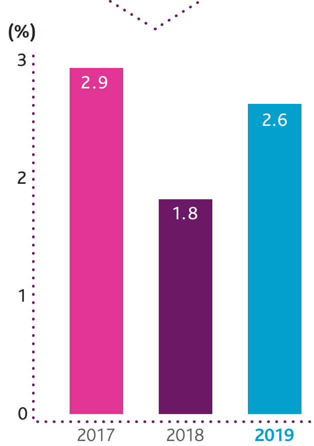
DEFINITION
Work lost that was regretted.

WHY IT'S IMPORTANT
We have a high volume of annuity business. Maintaining clients is a key indicator of customer satisfaction.

2019 PERFORMANCE
Total client attrition was 7.0% (2018: 8.8%) with regretted attrition of 2.6% (2018: 1.8%).

COMMENTARY
97.4% (2018: 98.3%) of revenues that were not end of life were retained in the period.

TARGET
We aim to keep regretted client attrition at less than 2.5% p.a.



Read more on page 13

STAFF TURNOVER

DESCRIPTION
The number of staff who leave each year that we did not want to leave.

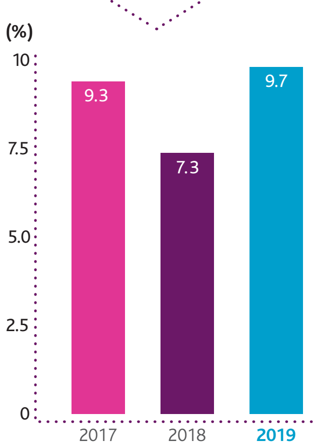
DEFINITION
Number of staff who leave in the year that we did not want to leave divided by average number of staff in the year.

WHY IT'S IMPORTANT
We deliver a high touch service to clients. Maintaining continuity of staff ensures that we are best able to meet client needs.

2019 PERFORMANCE
Turnover of 9.7% at Group level (2018: 7.3%).

COMMENTARY
We continue to achieve our target even as we grow in scale and benchmark favourably to peers and the wider sector.

TARGET
We aim to keep annual staff turnover, as defined, at less than 10%.



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SHARED OWNERSHIP

DESCRIPTION
How many of our permanent employees are owners of the business.

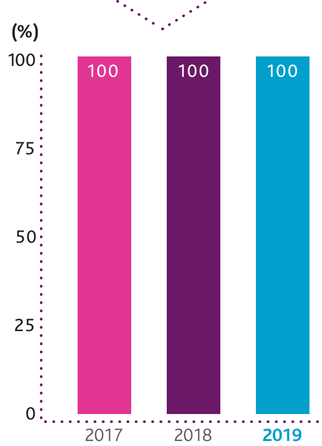
DEFINITION
The proportion of permanent employees who are direct owners of the business through our shared ownership programmes.

WHY IT'S IMPORTANT
Shared ownership is our key differentiator. It is important that staff have a direct stake in our business to promote a stakeholder mentality and ensure that their interests are aligned with external shareholders.

2019 PERFORMANCE
100% of permanent employees are owners of the business with staff holding 23% of issued share capital.

COMMENTARY
1.1 million shares were issued to the JTC EBT in 2019.

TARGET
100% of permanent employees to be owners of the business.



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STRONG FOCUS ON RISK MANAGEMENT AND COMPLIANCE

BILL BYRNE
CHIEF RISK OFFICER

As a regulated provider of fund, corporate and trust administration services, JTC has a strong focus on risk management and compliance. Risk is considered at all levels of the business, from strategic planning by the senior executive team to every action taken within each JTC jurisdiction. Given that JTC has always operated (and continues to operate) in a large number of highly regulated environments, compliance is deeply integrated into JTC's operational DNA.

The Board has overall responsibility for oversight of the risk management policies of JTC and the operation of the Group-wide risk management framework, ensuring that such framework is commensurate with JTC's structure, risk profile, complexity, activities and size, as well as providing oversight of the Group's capital planning, liquidity risk management and resolution planning activities. The Board executes these responsibilities and its oversight function through the Audit and Risk Committee.

The Group Risk Committee comprises the Chief Risk Officer, Chief Executive Officer, Chief General Counsel and Group Risk & Compliance Director. This Committee maintains responsibility for considering all aspects of operational risk which may affect the Group including, but not limited to, strategic risk, regulatory risk, human resources risk, systems risk (including cyber risk), competition risk, client risk, fiduciary risk and performance risk.

RISK APPETITE AND ASSESSMENT

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

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

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

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

JTC PLC BOARD

JTC PLC AUDIT AND RISK COMMITTEE

GROUP RISK COMMITTEE

Compliance | **Governance** | **Operational** | **Regulatory**

GROUP RISK FUNCTION (RISK AUDIT FUNCTION)

EACH REGULATED JURISDICTION

- Ongoing day-to-day risk management responsibility, with business and operations management ensuring a robust control environment is maintained.
- Key regulatory and compliance personnel in each regulated jurisdiction.
- Monthly reporting provided to Group Risk function.

RISKS AND UNCERTAINTIES

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's risk management model adopts an industry-standard, three lines of defence approach. The first line of defence is formed by the business and operational managers in each jurisdiction, who are responsible for maintaining a strict control environment on a day-to-day basis. Group companies maintain key regulatory and compliance personnel (for example, Compliance Officers, Money Laundering Reporting Officers and Money Laundering Compliance Officers) in accordance with local regulatory requirements.

The second line of defence of the risk model is achieved through the maintenance by each jurisdiction of discrete risk and compliance resource, each of which reports independently to the Group Risk function on a monthly basis. The jurisdictional teams are not only a first point of contact for local regulators (and responsible for maintaining open and constructive dialogue) but also ensure that the Group Risk function stay fully informed of jurisdictional and regional changes to the risk and compliance landscape. This ensures ongoing risk and compliance oversight at senior management team level.

For the third line of defence, the Group relies on the testing of key controls through the formal external audit programme and regular external visits and regulatory inspections across the Group's regulated businesses. The Group obtains further independent testing of key controls through external ISAE accreditation and maintains an internal comprehensive programme of risk and compliance monitoring.

COMPLIANCE MONITORING AND INTERNAL AUDIT

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

The Group Risk function maintains oversight through regular reporting of the independent compliance monitoring programme in each jurisdiction.

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

KEY CONTROLS

JTC has in place a number of key controls to ensure that all elements of its business activities, including fiduciary risks, are actively monitored and managed.

These include:

- high level of jurisdictional Director control over processes;
- dedicated Group monitoring function;
- defined authority mandates and Terms of Reference;
- controls ensuring separation of transaction approval and payment;
- regularly updated cyber security policies and protections;
- a strong IT platform and business continuity arrangements;
- a rigorous human resource screening and on-boarding process;
- experienced and professionally qualified employees; and
- regular risk and compliance updates.

Many of these controls are captured by the rigorous, bespoke JTC 'Recommendation for Signing' (RFS) approval process. This internal control tool ensures that all business decisions and transactions are thoroughly documented, reviewed and approved at an appropriate level on a 'six-eyes' basis. The RFS is a key tool in identifying, managing and monitoring client, transactional, operational and internal risks within JTC. It was originally developed, and subsequently refined, to provide control over the Group's diverse client base, business operations and geographies and continues to be effective in maintaining the highest standard of control in a rapidly growing organisation. All new employees are required to undertake RFS training (and testing) with 'refresher' training assigned for existing employees. The Group maintains a strict management process around exceptions to documented controls.

CHIEF RISK OFFICER
WILLIAM BYRNE

COVID-19

The COVID-19 situation continues to evolve rapidly on a global basis and is a source of great concern and challenge for us all. The wellbeing of our people, clients and partners remains our top priority and we are following government advice in all the countries where we operate.

In our immediate response, JTC has planned for an acute period of multiple months, spanning our entire footprint, and with a view of all stakeholders – not merely the more constrained circumstances that business continuity plans typically address.

Our dedicated Business Continuity Planning team meet daily, led by the executive leadership team and supported by the global heads of our operations functions. In order to maintain clear focus during an unprecedented and fast-changing scenario, JTC has adopted three core principles to guide our actions:

WELLBEING – actions that will support and protect the wellbeing of our people, clients and partners.

SERVICE – actions that will ensure continued service excellence to our clients whilst minimising impact wherever possible.

COMMERCIAL – actions that will support all JTC stakeholders and minimise any long-term commercial impact to the Group.

As JTC's COVID-19 Business Continuity Plan moves into its third month, our response continues to centre on normalising remote working measures for multi-month sustainability, with efforts remaining focused on limiting the impact on employees and clients and delivering continued strong business performance.

JTC's global teams have shown flexibility and commitment through their ability to move seamlessly to working remotely, with c. 95% of all staff working at expected (or above) levels of efficiency from their respective remote locations.

The Board continues to liaise closely with the management team, legal advisers and corporate brokers to receive regular updates as to the status of the Company's financial position and prospects and assess these updates prior to any decision making, stress-testing JTC's capabilities and financials, laying the groundwork for identifying long-term strategic implications and ensuring a smooth bridge between the present and future.

JTC is a global business that is well diversified across clients, services and geographies, with a proven track record of operational and financial resilience, having weathered many macro-environmental challenges during our history. We are fortunate to have an extremely resilient business model with the following key features relevant to the current situation:

- Highly visible recurring revenue not linked to AUA (c. 90% of revenue is recurring; average client lifespan of 10 years and negligible mid-life attrition). To date, we have not seen any material impact on revenue from COVID-19.
- Strong cash conversion. Highly cash generative business with a stable, capital light cost base and margins of c. 30% underlying EBITDA. Cash is used prudently to re-invest, facilitate inorganic growth and support our dividend policy.
- A robust balance sheet relative to our facility of £150m, with no debt falling due until 2023. Headroom on leverage at year end was c. 50% of our banking covenant.
- Prudent debt levels. Leverage level maintained within the guidance range of 1.5x to 2.0x underlying EBITDA to net debt.
- Ability to deliver 'business as usual' service to clients under prolonged business continuity conditions. We are a people business enabled by technology. Our well-invested global platform, including our IT infrastructure, means that all employees globally are able to remote work seamlessly as required.
- Experienced management team. We have a track record spanning 32 years and have demonstrated our resilience and ability to grow through several periods of substantial external change.
- Shared ownership model. At JTC, every employee is an 'owner' of the business and we are privileged to have such a dedicated and talented workforce who have already demonstrated how committed they are to the interests of our clients and other stakeholders.

The Board is satisfied that there are no additional, specific risk disclosures which should be included in the 2019 year-end accounts and Annual Report, taking into account the particular nature of the Company and the way in which it may be impacted by COVID-19.

"(Our) range of open-ended funds is valued daily and allows for daily dealing. The strict regulations around client money and the time critical nature of the delivery of valuations means that we have to be able to rely on our service providers to ensure a seamless and reliable service no matter what happens in the market. During the current COVID-19 virus outbreak JTC, our fund administration and Transfer Agent partner, has enacted its Business Continuity model so that all staff are working remotely. We are pleased that the transition has been seamless but we wouldn't expect anything less from professional team at JTC." UK investment manager

EMERGENCY FUND – COVID-19

At JTC our purpose extends beyond our service offering, it is playing our part in being responsible citizens and making a positive impact within the wider community.

As we are all acutely aware, the ongoing effects of COVID-19 continue to be felt in every corner of society, and in much the same way as our #StrongerTogether focus, it is absolutely right that we make our own contribution to the international charities that have specific programmes concentrating on the COVID-19 response.

In support of this, the Group has decided to donate £100,000 to an emergency COVID-19 fund, with JTC employees (on a one person, one vote basis) determining where the donations will be made.

RISKS AND UNCERTAINTIES
Continued

LEVEL ONE	LEVEL TWO
LEGAL	• Litigation/Contractual • Fiduciary
FINANCIAL	• Performance of business • Earnings (FX) • Impairment • Financing • Cash flow
POLITICAL/REGULATORY	• Listing Rules • Regulation • AML/CFT
HUMAN RESOURCES	• Adequate resources • Retention • Key person
OPERATIONAL	• Client • Process • Business continuity • Data security risk
STRATEGIC	• Acquisition • Competitor • Strategy
REPUTATIONAL	• Regulatory sanction • Public litigation • Breaching sanctions • Implicating in money laundering or the financing of terrorism

MITIGATION

- Robust policies, procedures and processes in operation within the Group (particularly risk escalation policy).
- Qualified and experienced staff operating within a 'six-eyes' control parameter.
- Utilisation of external counsel in all disputes where appropriate.
- Substantial PII cover.
- Maintaining an experienced in-house legal team.
- Free legal helpline with two international law firms.
- Prohibition against provision of legal, tax or investment advice to clients.
- Continuous training programme.

- Ongoing monthly reporting and KPIs that help monitor performance against performance assumptions and targets.
- Robust annual business planning and budget process.
- Active cash management process including matching of cash flows where possible.
- Monitoring of FX rates.
- Robust due diligence process in place prior to acquisitions being completed.
- Regular impairment testing as per accounting rules.
- Robust monitoring of loan covenants.

- Retention of specialist advisers.
- Suitably resourced, skilled and dedicated compliance teams operating independently in each jurisdiction.
- Utilisation of NED expertise.
- Product/jurisdictional diversification (reducing impact).
- Horizon-scanning by boards and committees.
- Comprehensive policies, procedures and processes in operation across the Group that align to the appropriate regulatory and AML/CFT regimes.
- Promoting a robust risk and compliance culture across the Group.
- Independent monitoring programme in place.
- The hiring of capable employees who undertake the key person roles (e.g. Compliance Officer and Money Laundering Reporting Officer).
- Established and continuing professional development training and awareness initiatives.

- Comprehensive policies, procedures and processes in operation within the Group that are specifically drafted for AML/CFT purposes.
- The hiring of capable employees who undertake the key person roles (e.g. Compliance Officer and Money Laundering Reporting Officer).
- Frequent staff training/awareness initiatives.
- JTC ensures that the remuneration package is competitive in the market-place and benchmarks against peer group.
- Shared ownership ideology embedded across the business.
- JTC encourages a strong management culture where talent management and people development are a core focus.
- Coverage of roles – certain roles have been identified as 'key' and a robust succession plan within current staff pool is being developed.
- Ongoing vetting and monitoring of employees through annual appraisal and declaration process, and screening of all new employees.
- JTC Academy provides technical, management and professional training providing a personal development programme for all staff.

- Robust policy and procedures including at 'take-on' subject to regular review with appropriate escalation for higher risk clients.
- Frequent staff training/awareness initiatives.
- Established reporting and escalation processes with review by boards/ committees as appropriate.
- Independent client and compliance monitoring review programme.
- Promoting a robust risk and compliance culture across the Group.
- Ensuring quality administration and compliance resource in each jurisdiction plus internal legal counsel support as appropriate.
- Well-established RFS process.
- 'Three lines of defence' assurance and controls model.
- Comprehensive policies, procedures and processes in operation within the Group that are specifically drafted for business continuity and IT security purposes.
- An active/active dual datacentre model across two jurisdictions providing for inter-jurisdictional redundancy (e.g. through power or communication failure) and connected via four diverse and redundant network links to allow for synchronous replication.
- Established and tested business continuity procedures.
- Defined and audited IT procedures.
- Regular external security assessments and penetration testing.
- System access controls embracing 'least privilege access' model.
- Dedicated in-house IT security expertise.
- Continuous training, including compulsory online Security Awareness courses.
- Review of data security procedures and controls as part of the annual ISAE 3402 Report.

- Robust acquisition due diligence process including third party assessments by well-regarded accounting and legal firms.
- Governance and challenge from Non-Executive Directors.
- Integration strategy in place prior to acquisition.
- Integration committees established to manage integration process.
- Early identification of forthcoming requirements in respect of digital business systems investment and established procedures for prioritising product innovation.
- JTC Group strategy regularly reviewed and challenged by Group Holdings Board.
- Strategically driven annual business planning process and performance based targets.

- Comprehensive risk management capability including controls embedded within the procedural environment and active management of all litigation.
- Prompt and effective communication with all stakeholders – regulators, shareholders, employees, clients and suppliers.
- Strong and consistent enforcement and testing of controls on governance, business and legal compliance.
- Daily screening and monitoring of clients and related parties against published databases and sanctions lists.
- Ongoing transaction monitoring.

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

These topics are considered regularly so that we can adapt to changing market conditions or competition. This report should be read in conjunction with the Viability Statement on page 36.

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

VIABILITY STATEMENT

ASSESSMENT OF PROSPECTS THE CONTEXT FOR THE ASSESSMENT (OF PROSPECTS)

The Group's business model and strategy are central to an understanding of its prospects, and details can be found on page 10. The nature of the Group's activities is long-term and the business model is open-ended. The Group's current overall strategy has been in place for several years, subject to the ongoing monitoring and development described below.

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

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

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

THE ASSESSMENT PROCESS AND KEY ASSUMPTIONS

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

The output of the annual review process is a set of objectives, an analysis of the risks that could prevent the plan being delivered, and a number of financial forecasts. The latest updates to the strategic plan were finalised in February 2020 following this year's review. This considered the Group's current position and the development of the business as a whole over the next three years.

As a result of this focus, detailed financial forecasts were also prepared for the three year period to 31 December 2022, so that two years and nine 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 regular review throughout the year. The second and third years are in a reasonable level of detail, and are flexed based on the actual results in year one.

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

- 8 – 10% annual organic growth year on year; and
- a target of 33 – 38% margin for the Group as a whole.

It has also been assumed that refinancing will be available on similar terms to those negotiated in 2019 to support any proposed expansion of the business.

These key assumptions are reflected in numbers 1 to 5 of the Group's Principal Risks, which are set out on pages 34 and 35. The purpose of the principal risks table is primarily to summarise those matters that could prevent the Group from delivering on its strategy. A number of other aspects of the principal risks – because of their nature or potential impact – could also threaten the Group's ability to continue in business in its current form if they were to occur. This was considered as part of the assessment of the Group's viability, as explained below.

GOING CONCERN BASIS

The Directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the Basis of Preparation paragraph in note 2 to the financial statements on page 92.

VIABILITY STATEMENT IN ACCORDANCE WITH PROVISION C.2.2 ASSESSMENT OF VIABILITY

The Directors have assessed the viability of the Group over a three year period, taking account of the Group's current position and the potential impact of the principal risks documented in the Strategic Report. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period ending 31 December 2022. In making this statement the Directors have considered the current financial position of the Group and the resilience of the Group in the event of severe but reasonable scenarios. The modelling of these scenarios has taken into account the principal risks and their impact on the business model, future performance, solvency and liquidity over the period. On the basis that the Group has limited exposure to long-term financial commitments the Directors have determined that the three year period is an appropriate period over which to provide its Viability Statement.

VIABILITY STATEMENT

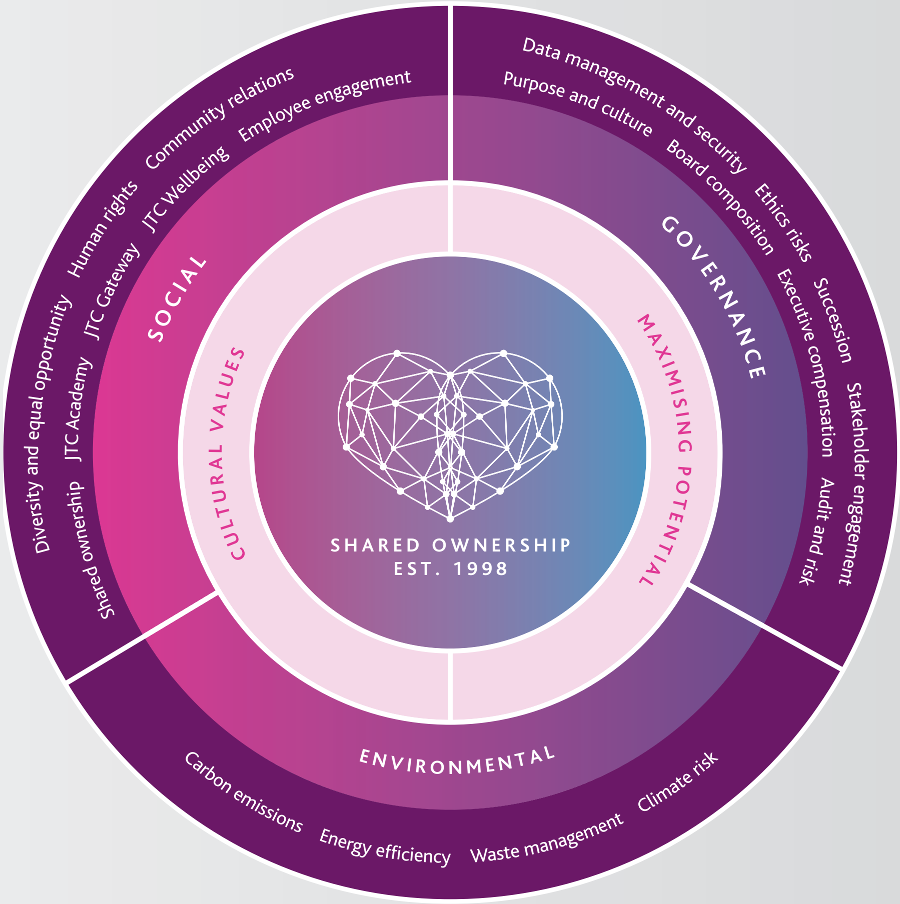
Based on their assessment of prospects and viability above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period ending 31 December 2022.

RESPONSIBLE BUSINESS

THE JTC ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

Read more on page 39

Read more on pages 40 – 41



Read more on page 38

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

PURPOSE AND CULTURE ALIGNED

At JTC we understand that the purpose of the business extends beyond economic value creation and is intimately linked to the culture, values and strategies of the Group. We operate in a complex international space and our services support capital flows, wealth creation and wealth preservation across the globe. We have a responsibility to conduct our business in a sustainable way, working within legal and regulatory frameworks that are constantly developing and evolving; respecting the natural environment and creating a positive impact within the communities where we live and work.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

Our environmental, social and governance (ESG) framework has at its heart our culture of shared ownership, which was established in 1998 and places the interests of the collective above that of any individual. The framework is further informed by our cultural values (see page 41) and our purpose, which is to help maximise the potential of every client, colleague and partner with whom we work.

The principal items considered under each element of our ESG framework are those that we believe are both meaningful and material to the business. We work to continuously develop and improve our approach in all of these areas, creating clear links with our commercial strategies, engaging with our value chain and seeking to provide ever greater levels of measurement and disclosure.

Oversight and governance of the ESG framework is led by the Board and embedded within the business through our cultural values, client-facing behaviours and reporting frameworks. We aim for continuous year on year improvement in all areas.

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

ENVIRONMENTAL

COMPONENTS OF OUR FRAMEWORK	OUR RESPONSE AND CAPABILITIES
INTERNAL • **Carbon emissions** • **Energy efficiency** • **Waste management** Our strategies in these areas are focused on efforts to reduce energy usage, increase office efficiency and ensure compliance with environmental regulations.	As a financial services firm our environmental impact is relatively small compared with other industries, but we recognise the importance of playing our part in transitioning to a low-carbon economy. None of the Company's operations produce carbon emissions directly (Scope 1). However, we recognise that our operations produce carbon emissions indirectly (Scope 2 and 3 activities). We are committed to minimising any negative environmental impact wherever practicable and in the best interests of all stakeholders. Such measures include: • a commitment to energy efficient office premises and measures including those that manage lighting, heating and IT/communications equipment; • a commitment to digital document management to reduce paper consumption; • a commitment to minimise all non-essential travel, in particular air travel, and the use of alternative technologies, such as telephone and video conferencing for both internal and external applications; • a commitment to minimise the use of disposable/single use plastics, including the Group-wide adoption of glass and ceramic glasses, bottles, cups, plates and bowls for food and beverage consumption; and • a commitment to purchase all paper stationery from responsible suppliers that are committed to sustainable source materials i.e. those that adhere to the www.fsc.org 'paper from responsible sources' and the Rainforest Alliance standards.
EXTERNAL • **Climate risk** We recognise that there are long-term risks and opportunities for JTC associated with climate change and the transition to a low-carbon economy. Our strategies in this area include engagement with our value chain (including investors, clients and suppliers) and providing support to clients as they seek to adapt their own business models to become more sustainable.	We are working to better measure our Scope 2 and 3 carbon emissions so that we can actively reduce them as far as possible and also seek to find ways to responsibly offset those emissions that we cannot currently eliminate from our operations. As part of this work we are exploring the requirements to achieve certain relevant environmental standards such as ISO 14001 and ESI Monitor. In addition, we are actively examining a number of frameworks and standards as they might relate to our business and stakeholders, these include the UN's Sustainable Development Goals (SDGs) and reporting frameworks developed by the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). NES Financial (NESF), which was acquired post period end, has expertise and technology that can be leveraged in impact and socially responsible investing globally. These solutions have been designed for fund managers focused on impact investing and can help clients of our ICS Division globally to emphasise, and improve capital allocation towards and provide transparency of, investment impact and compliance. NESF's solutions are closely integrated with Howard W. Buffett, President of Global Impact, professor at Columbia University and creator of the impact rate of return (iRR®) algorithm. When combined with iRR® reporting, NESF technology helps organisations calculate how efficient their financial investments are in terms of accomplishing social, environmental and economic (including job creation) impact goals.

SOCIAL

COMPONENTS OF OUR FRAMEWORK	OUR RESPONSE AND CAPABILITIES
SHARED OWNERSHIP	The foundation of JTC's culture is 'shared ownership' and this has been in place for over 20 years and is a key differentiator in attracting and retaining talent. Further details can be found in our IPO prospectus (pp37, 38, 51, 54, 114) and our 2018 Annual Report (pp11, 16, 17, 35 – 43). www.jtcgroup.com/investor-relations/prospectus/ www.jtcgroup.com/investor-relations/annual-review/ In addition, the JTC shared ownership 'story' has recently been made the subject of a Harvard Business School (HBS) case study: www.hbs.edu/faculty/Pages/item.aspx?num=56820
EMPLOYEE ENGAGEMENT **RECRUITMENT** **EMPLOYEE COMMUNICATIONS** **JTC ACADEMY** **JTC GATEWAY** **JTC WELLBEING**	We understand that our people are a fundamental source of differentiation and employee engagement is afforded the highest priority within the Group. Finding and attracting the best talent is managed through a structured approach to recruitment on a global basis through a strategic Human Resources team that is headquartered in Jersey, but has representatives in other JTC offices globally. This includes a dedicated role of Recruitment Manager. JTC conducts regular benchmarking of remuneration and benefits packages globally, in order to remain competitive within the labour markets where it operates. An overview of our approach can be found on the 'Careers' section of our website: www.jtcgroup.com/careers/ We use a wide variety of employee communication methods to share information about the business and the markets in which we operate. This includes communication of the Group's purpose, cultural values, commercial goals and strategies, performance updates and market news. Read more on page 45. JTC operates three specific global programmes as part of its wider employee engagement strategy and in support of both recruitment and retention goals. These are: • JTC Academy – our global learning and development programme (read more on page 44); • JTC Gateway – our global talent mobility programme (read more on page 44); and • JTC Wellbeing – our employee wellness (physical and mental good health) programme (read more on page 44).
EMPLOYEE TURNOVER RATE	Our employee turnover rate is one of eight key performance indicators (KPIs) used by the Board to measure the performance of the Group. We define staff turnover as the number of staff who leave each year that we did not want to leave and we target 10% or less per year. Staff turnover is important because we deliver a high touch service to clients and maintaining continuity of staff helps to ensure that we are able to meet client needs. Staff retention is also important for our meritocratic internal talent development programmes and succession planning. Staff turnover in 2019 was 9.7%. It is challenging to find benchmarks for a global business of our type, but we believe that turnover rates in the region of 15 – 20% are more typical. Read more on page 27.
HUMAN RIGHTS, DIVERSITY AND EQUAL OPPORTUNITY	JTC has defined policies covering: • modern anti-slavery and human trafficking www.jtcgroup.com/modern-anti-slavery-and-human-trafficking-statement/; • equal opportunities www.jtcgroup.com/careers/equal-opportunities/; • dignity at work; and • social media (inappropriate use/content, business and personal).
HEALTH AND SAFETY	JTC has a defined Health and Safety Policy (and numerous related policies) that are detailed in the Employee Handbook and are introduced during a new employee's induction to the Company as well as being reviewed and revised on a regular basis.
COMMUNITY RELATIONS	We value and respect the communities in which we operate around the world and understand the support they provide to our employees, clients and intermediary partners. We seek to create a positive impact wherever we operate, creating opportunities for employment and giving back through charitable donations of time, expertise and money. Read more on pages 45 – 47.

ESG
Continued

GOVERNANCE

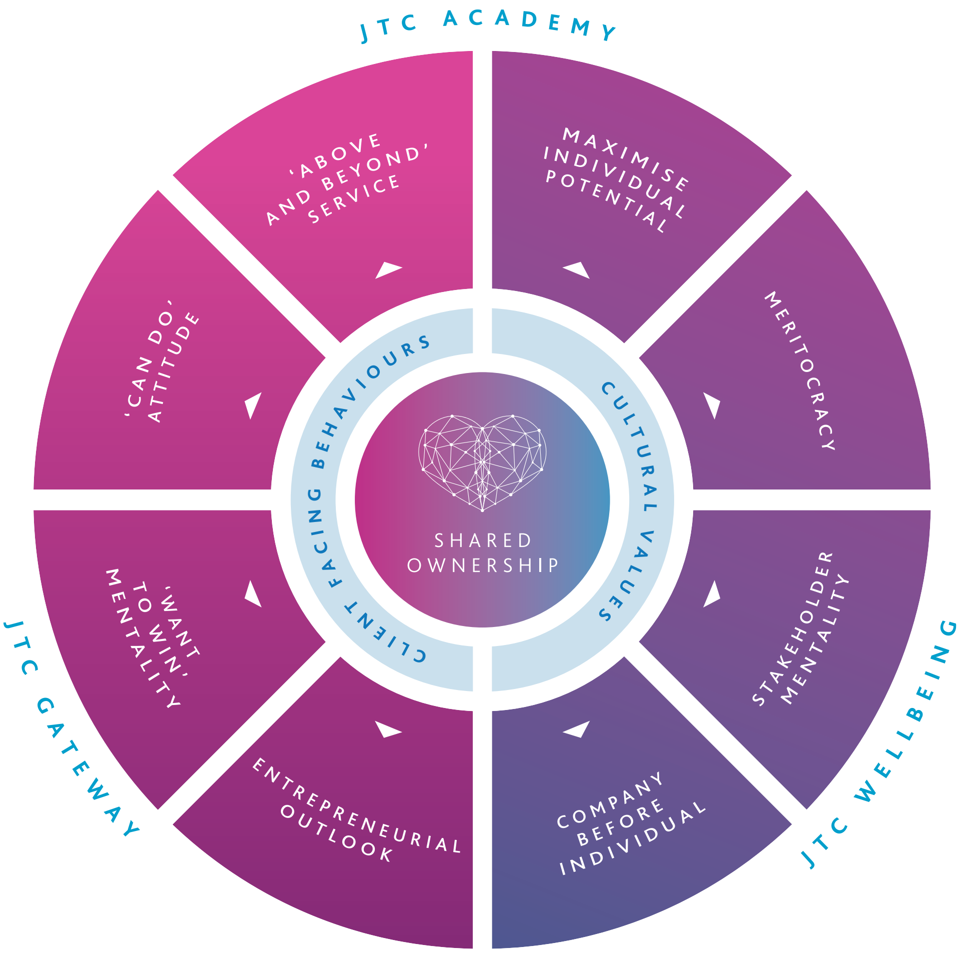
COMPONENTS OF OUR FRAMEWORK	OUR RESPONSE AND CAPABILITIES
PURPOSE, CULTURE AND ETHICS	JTC's purpose and culture are based on shared ownership and supported by eight defined 'Guiding Principals' that are intended to clearly define the Company's cultural values and in turn drive ethical behaviours throughout the organisation. Read more on pages 6, 41 and 50.
BOARD COMPOSITION AND EFFECTIVENESS	Full details are provided on pages 54 – 65 Additional relevant detail, including the Terms of Reference of the various PLC Board Committees, are also available on our website: www.jtcgroup.com/investor-relations/corporate-governance/
STAKEHOLDER ENGAGEMENT	We engage on an ongoing basis with a wide range of stakeholders, including: clients, employees, investors, intermediaries, regulators, government bodies, industry associations and charities. Read more on pages 60 – 63
EXECUTIVE COMPENSATION	Full details are provided in the report of the Remuneration Committee on pages 74 – 85 In addition to executive compensation, JTC's wider shared ownership culture and programmes are central to aligning the interests of our people with the interests of our stakeholders. As of 31 December 2019 c. 23% of the issued share capital of the Group was owned by employees, either directly or through the JTC EBTs. JTC's shared ownership model also became the subject of a Harvard Business School MBA case study www.hbs.edu/faculty/Pages/item.aspx?num=56820
SUCCESSION	The Board's Executive Succession Plan is based on JTC's shared ownership culture and places particular emphasis on meritocratic succession from within the business. Read more on pages 50 – 51
AUDIT & RISK, INCLUDING ETHICS RISKS	Full details are provided in the report of the Audit & Risk Committee on pages 70 – 73 and the Risk Management section of the Strategic Report on pages 28 to 35
DATA MANAGEMENT AND SECURITY	JTC operates a robust framework and control environment with regards to data management and security, which governs its systems, processes and people. JTC has defined policies in several related areas, details of which are provided in the Employee Handbook. These include: • Confidentiality • Disclosure of client and Group information • Data protection • Intellectual property and ownership • Information Technology • Use of personal mobile communications devices • Use of social media • Clear desk policy • Physical office security and access The JTC privacy notice is publicly available on our website: www.jtcgroup.com/privacy-notice/ Data accuracy is ensured through a combination of: • The hiring and promotion of experienced and qualified professionals into relevant roles within the business • Ongoing training and performance management • Well-defined and proven business processes • Least privilege access model for systems • Reporting and remediation protocols • System (IT) design

GOVERNANCE

COMPONENTS OF OUR FRAMEWORK	OUR RESPONSE AND CAPABILITIES
	Global and role specific training is provided in these areas and this includes mandatory training for all employees in the areas of IT security and GDPR awareness within the first two weeks of commencing employment. JTC's control environment is tested internally through ongoing IT testing and compliance monitoring programmes and also subject to a rigorous independent audit conducted by PwC, which annually carried out an ISAE 3402 controls audit assessment. In terms of data systems, JTC runs an active/active dual datacentre model across the Channel Islands, with one datacentre in Jersey and another in Guernsey; this provides inter island redundancy should either datacentre suffer power or communication failure. The datacentres are connected via four diverse and redundant network links to allow for synchronous replication.

A UNIQUE CULTURE BASED ON SHARED OWNERSHIP

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



RESPONSIBLE BUSINESS
Continued

2018

1. ENVIRONMENTALLY FRIENDLY OFFICE PREMISES

As of the end of 2019, seven of our larger offices were built to environmental standards that focus on optimising energy consumption, health and safety and sustainability. These standards include: BREEAM (Jersey and London), LEED (Cayman), ISO 14001 and OHSAS 18001 (Dubai), British Standards Codes of Practice (Isle of Man), Energy Star (Miami) and CCPOA (Cape Town). More than 500 employees are based in these offices and we plan further upgrades to premises in 2020 and beyond.

2. CARBON FROM BUSINESS AIR TRAVEL

In 2019 we worked with our global travel booking partner to establish monthly reporting on the carbon emissions from business-related air travel. We will use this information to understand the baseline for these Scope 3 emissions and put in place strategies and targets to manage and minimise such emissions, including the responsible offsetting of emissions that cannot be avoided. We already have in place a rigorous process to define and justify all travel requests and are committed to using alternatives to air travel, such a video conferencing, where it makes sense to do so.

3. REUSABLE WATER BOTTLES

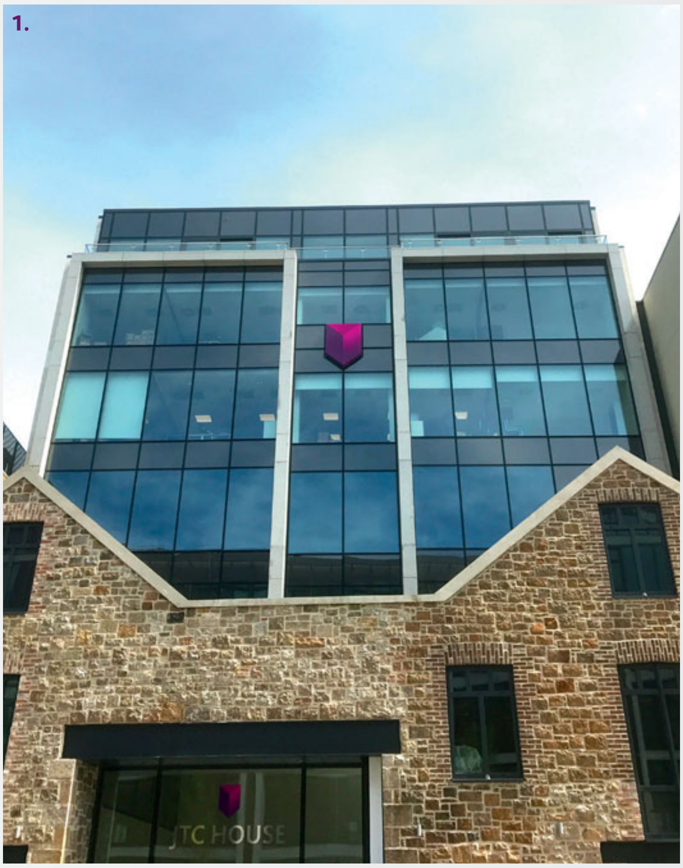
The health benefits of being hydrated are well known, including positively supporting brain function and energy levels; helping to regulate body temperature and supporting digestion and healthy blood pressure. Equally, the negative environmental impact of single use plastics are also well known, so in 2019 we tackled both these areas by providing all employees globally with durable and safe JTC drinking bottles and in the process we have promoted and encouraged healthy hydration habits and significantly reduced the use of single use plastics in our offices.

EMPLOYEES BASED IN ACCREDITED OFFICES
56%

AVERAGE MONTHLY CO_2 EMISSIONS FROM AIR TRAVEL SINCE REPORTING BEGAN
23.3 tonnes

CAPACITY OF EACH BOTTLE
800ml

1.



3.

2019

4. HARVARD BUSINESS SCHOOL CASE STUDY

We were honoured to be selected by Professor Ethan Bernstein of Harvard Business School as the subject of a case study for the full-time MBA programme, detailing the features and successes of JTC's shared ownership model since its inception in 1998. This world class, yet unsolicited recognition of our core cultural philosophy is testament to an unwavering belief that aligning the interests of our people and the Company with the interests of our other stakeholders is a powerful and effective way to build a successful, sustainable and growth orientated organisation.

5. CORONAVIRUS EMPLOYEE ENGAGEMENT

The power and effectiveness of our internal communications has been highlighted post period end in dealing with the impact of the COVID-19 pandemic.

With almost all 900 employees working remotely for a prolonged period of time, our internal communications have been as essential part of keeping our people safe and the business running without disruption.

6. IMPACT INVESTING SOLUTIONS FOR ICS DIVISION CLIENTS

NESF, which was acquired post period end, has expertise and technology that can be leveraged in impact and socially responsible investing globally. These solutions have been designed for fund managers focused on impact investing and can help clients to emphasise, improve capital allocation towards and provide transparency of, investment impact and compliance. NESF's solutions are closely integrated with Howard W. Buffett, President of Global Impact, professor at Columbia University and creator of the impact rate of return (iRR®) algorithm.

MBA STUDENTS WHO STUDIED THE CASE IN ITS INAUGURAL TEACHING

130

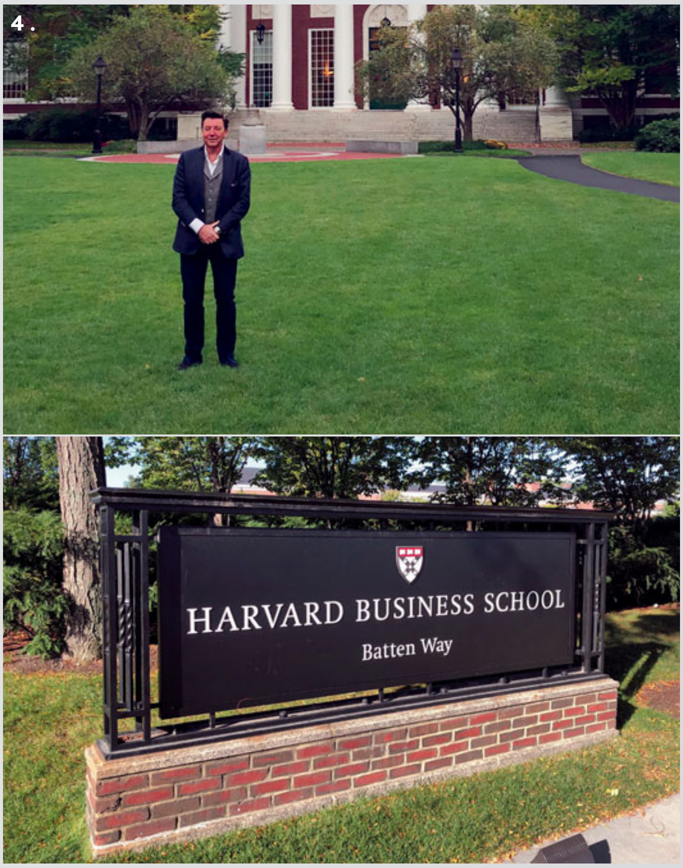
PEOPLE REMOTE WORKING

875+

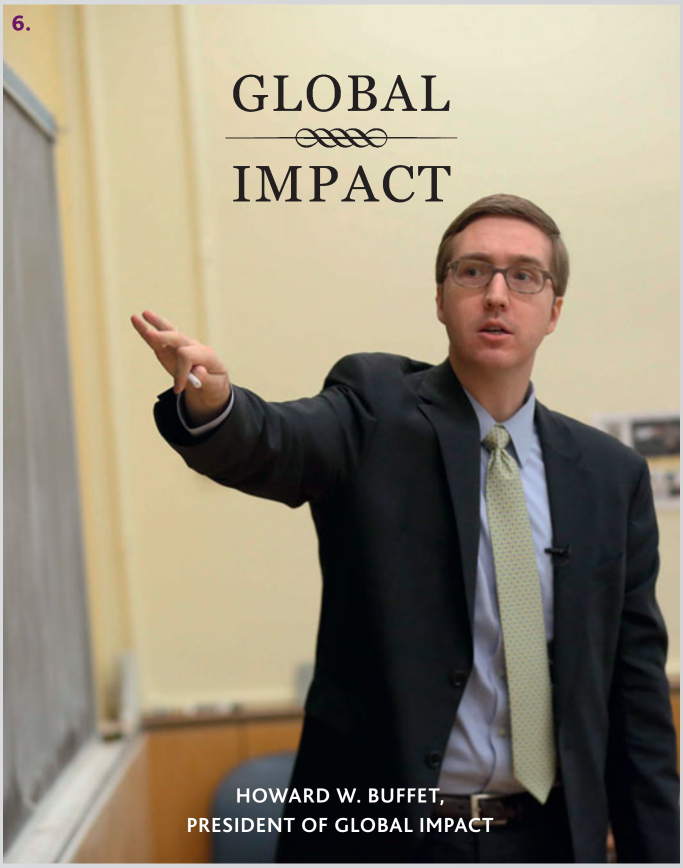
SIZE OF GLOBAL IMPACT INVESTING MARKET

US$502bn

4.



6.



HOWARD W. BUFFET,
PRESIDENT OF GLOBAL IMPACT

RESPONSIBLE BUSINESS
Continued

2018

7. JTC ACADEMY
We want everyone, wherever they work in the JTC network, to be able to develop the skills and knowledge that they need to be excellent in our world and we deliver this to our team through the JTC Academy. In its purest form, JTC Academy is there to help our people maximise and reach their full potential.

8. JTC WELLBEING
JTC Wellbeing supports all our people in attaining optimum physical, emotional and mental good health. The Wellbeing programme and app were used to deliver advice and support on a range of wellbeing topics including nutrition, fitness, stress management and mental health awareness.

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

EMPLOYEES WHO UNDERTOOK PROFESSIONAL OR OTHER QUALIFICATIONS
350

WELLBEING CONTENT UPDATES
365

GATEWAY PLACEMENTS
14


7.

"Gateway builds confidence. I have learnt so much about myself and my strengths as part of this journey."


9.

2019

10. EMPLOYEE COMMUNICATIONS

We are a people business and encourage open communication and the cascade of information in person on a regular basis. Team meetings are used across the business and are supported by a suite of clearly signposted internal emails as well as our well-developed intranet, JTC Joogle.

11. EMPLOYEE PROMOTIONS

At JTC we encourage and celebrate the meritocratic progression of our people. During the year 116 people were promoted across the Group with 62 people achieving management grades and 15 reaching Director level or above.

12. CHARITABLE GIVING

While we also donate expertise and time to charities in the communities where we live and work, we understand that for many charities funding is the most useful thing we can give. Our employee-led approach has raised funds for charities in all 19 jurisdictions where we operate.

JTC JOOGLE ARTICLES PUBLISHED

264

STAFF PROMOTED ACROSS THE GROUP

116

DONATED TO CHARITIES

£103k

10.

11.

12.

RESPONSIBLE BUSINESS
Continued

2019

13. JERSEY SPORT RELIEF
Twenty of our Senior Management team in Jersey, London, Isle of Man and Guernsey dressed up in costume for the annual UK fundraising event, Sport Relief, and raised over £2,200 within the four offices.

13 March

14. EARTH DAY CLEAN-UP
Members of our Cayman office, along with hundreds of other local volunteers, collected trash from the beaches and streets in Grand Cayman.

25 April

15. CAPE TOWN RETIREMENT HOME VISIT
Employees from the Cape Town office visited a local retirement home, where they provided company for the residents, enjoyed a delicious afternoon tea with them and provided some musical entertainment.

29 May

13.


14.


15.

2019

16. FOOTBALL FOR AFRICA

An annual event that raises money for the Jersey 2 Africa 4 Football Foundation, a Jersey-based non-profit organisation whose mission is dedicated to improving young lives in Africa both on and off the football field.

17. ISLE OF MAN 'BEACH BUDDIES'

Our Isle of Man office undertook a big beach clean in partnership with the award winning charity Beach Buddies. JTC also donated a huge bin which will be added to those already placed at key access points around the Isle's shoreline, encouraging people to dispose of their litter responsibly.

18. DUBAI RUN FOR UAE NATIONAL DAY

Members of our JTC Dubai team, who joined the Group in 2018 as part of the Minerva acquisition, ran for charity to celebrate UAE National Day.

30 September

25 October

29 November

16.

17.

18

CORPORATE GOVERNANCE

CHAIRMAN'S INTRODUCTION

DRIVING PERFORMANCE THROUGH CULTURE

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

MIKE LISTON, OBE
NON-EXECUTIVE CHAIRMAN

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present JTC's Corporate Governance Report for the financial year ended 31 December 2019.

COVID-19

Please refer to page 31 for the Board's statements with regard to COVID-19.

GOVERNANCE

The 2018 revision of the UK Corporate Governance Code came in to force this year and in reaffirming our commitment to compliance with it, the Board examined how the Code's new emphases should influence its work. We find particular relevance for JTC in the new Code's increased focus on corporate culture, succession, diversity and workforce and stakeholder interests.

In its introduction to the 2018 Code the Financial Reporting Council states: "This Code places emphasis on businesses building trust by forging strong relationships with key stakeholders." These are the very same principles upon which this Company has been built and which define its success in the trust, fund and corporate services industry.

JTC's business is the provision of governance services to institutions and individuals in the highly regulated, international financial services sector. Compliance is both a core competence and a core value in this Company and your Board inherited a solid platform of business controls and risk management systems which have readily satisfied the additional demands of the listed environment. Whereas the Board's scrutiny in these areas remains an ongoing priority, the Board attaches equal importance to corporate culture.

CULTURE – LEADING BY EXAMPLE

JTC's culture of enterprise, integrity and shared ownership has been rewarded with consistently high growth throughout the company's three-decade history. Seeded by founder's belief and sustained by his and later Institutional private equity, JTC's culture still distinguishes the Company among its peers. Continuity of that culture in public ownership is a high priority for the Board.

We believe that JTC's capabilities in strategic leadership, entrepreneurial agility and performance management strengths can powerfully complement the customary PLC focus on structured risk management, leadership succession and the protection of interests across a disparate investor base. We have acted to strengthen cognitive diversity on your Board, with new appointments specifically aligned to its strategic objectives.

Wendy Holley is a distinguished financial services operations professional and her experience as JTC's Chief Operating Officer and her appointment to the Board reflect our drive for organic growth through operational efficiency and talent development.

The appointment in November of Dr. Erika Schraner as Non-Executive Director strengthens our strategic capability to create value from inorganic growth and digital innovation. Erika's Fortune 500 executive experience in technology and M&A has been of immediate value in the Board's advanced evaluation of acquisition opportunities, particularly in the US and her Silicon Valley and "Big Four" professional services background will be of lasting benefit in our oversight of JTC's cyber security and digital transformation programmes.

SUCCESSION AND MEANINGFUL STAKEHOLDER ENGAGEMENT

Our work on corporate culture has greatly assisted our planning for executive succession. In contemplating the attributes we should look for in the Company's future leaders we have sought the views of key stakeholders, most particularly the workforce, previous and present shareholders. Harvard Business School also provided valuable insight from its MBA onsite case study amongst JTC's people, which, now complete, features JTC as an exemplar of enlightened employee engagement, emphasising its shared ownership philosophy.

Predictably, stakeholder feedback cited deep industry experience with technical knowledge and entrepreneurial flair as important leadership attributes, but most notable was the exceptional emphasis on cultural and moral leadership as the key qualities behind JTC's all-round success. These are powerful attributes in a trust based fiduciary services business, especially in an age of high expectations for corporate social purpose and ethical behaviour. Sustaining them is a key objective in the Executive Succession Plan approved recently by your Board to smooth transition to its next generation of leaders.

UK CORPORATE GOVERNANCE CODE COMPLIANCE STATEMENT

Compliance with the 2018 UK Corporate Governance Code (the "Code").

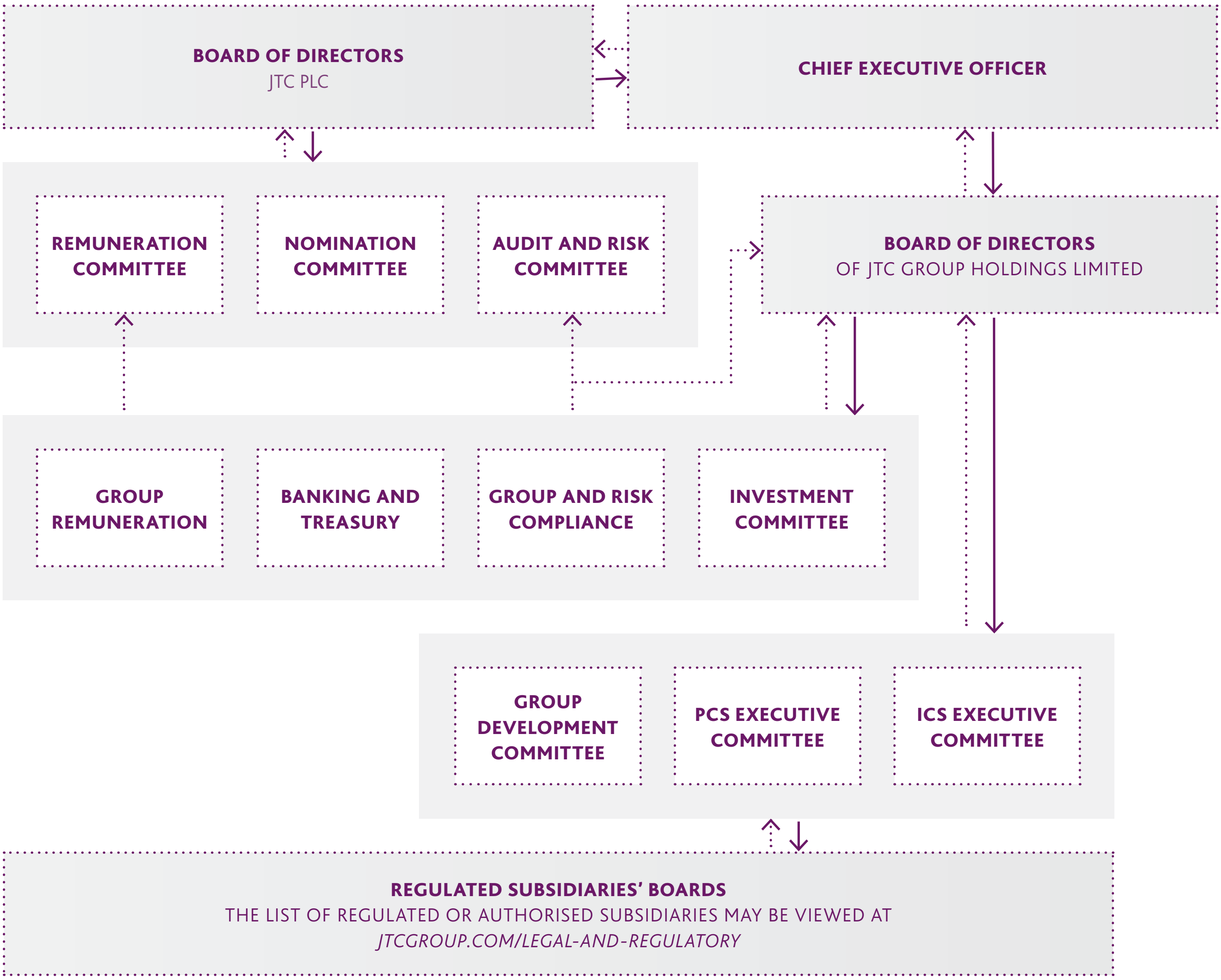
In respect of the year ended 31 December 2019, JTC was subject to the 2018 Code (available from www.frc.org.uk). The Board is pleased to confirm that JTC applied the principles and complied with all of the provisions of the Code throughout the year, except that the Chair of the Board was a member of the Audit and RIsk Committee. The Board nevertheless considers the composition of the Committee to be appropriate given the Committee's activities and focus, and having regard to the relevant experience and background of Mr Liston. In applying the principle of the Code, the Board considers the independence and effectiveness of the Committee in discharging its functions in terms of the Code continue to be enhanced and not in the least compromised by Mr. Liston's appointment.

We have laid out this Corporate Governance Report using the Code as a framework for articulating the Board's activities this period and also to frame our focus for the coming year. Further information on compliance with the Code can be found as follows:

Disclosure Guidance and Transparency Rules

We comply with the corporate governance statement requirements pursuant to the FCA's Disclosure Guidance and Transparency Rules by virtue of the information included in this Governance section of the Annual Report together with information contained in the Information for shareholders section on page 86.

BOARD GOVERNANCE FRAMEWORK



The Board's Executive Succession Plan builds on JTC's recent leadership development initiatives such as its management programme 'Leadership in Our Name' (LION) which specifically embraces the talent from within the organisation supplemented by our acquisitions. More importantly, the 'Ownership for All' scheme, ensuring every employee has an equity interest in the business which currently amounts to c. 24% of the issued share capital, remains a key differentiator and strategy for attracting and retaining excellent people, and underpins our belief in responsible capitalism.

Resilience in the Company's leadership structure has been enhanced by the recent addition of new corporate functions and managerial de-centralisation has empowered a new cohort of divisional executives, whilst at the same time integrating them in the Group's executive operating Board. Bolstering the 'bench strength' of the senior executive team not only supports execution of our strategy for growth through M&A and organic performance improvement, but also maximises the prospect of executive succession from within the expanding ranks of talent across the Company. Only two of the Group's top 10 executives have been in post for more than 10 years.

JTC's overall philosophy of 'Evolution not Revolution' is particularly important in the leadership context and is illustrated reassuringly by the diversity of ages, nationalities, professional backgrounds and tenure in management.

STRATEGIC DIRECTION

Our strategy for value creation in the current phase of the Company's evolution is to exploit the multitude of favourable macroeconomic conditions for both organic and acquired growth. The availability of low cost capital to accelerate growth by acquisition coincides with profound structural change as the rigour and complexity of new, pan-national regulatory policies force consolidation in our fragmented industry. Those same regulatory forces are driving organic growth in a global shift to outsourcing by the fund management industry to specialist administration providers like JTC, who are better able to manage the risks and costs of compliance. This is particularly pronounced in the alternative asset space, notably in the US, which plays to JTC's long experience of servicing Private Equity and Real Estate asset classes, alongside a holistic approach to protecting and nurturing private capital in real estate, financial and non-financial assets across countries and generations for our private clients.

Transformation of the regulatory landscape is occurring against a backdrop of forecast doubling of Global Assets under Management in the decade to 2025 with private wealth also growing strongly. North America and Asia-Pacific lead this growth and whilst we expect to further increase our presence in the US and Europe, we are more cautious in Asia where our existing footprint is sufficiently flexible to respond quickly when the take-up of structured wealth management accelerates in that market. In the meantime, your Board is well served by management's continuous strategic analyses of macroeconomic and geopolitical trends, jurisdictional risk and attractiveness, as we allocate capital for long-term returns.

Even though our strong cash flows mitigate the customary risks of leverage we aim to limit it to around two times EBITDA. Our conservation of capital is further assisted by our expectations for management re-investment and challenging earn-out hurdles in our acquisitions, together with our belief in the incentive alignment benefits of stock deals.

Our appetite for acquisitions remains sensitive to market dynamics such as competition from Private Equity which is driving price expectations in some markets and we have ultimately walked away from some larger opportunities where others seemed less concerned with durable value accretion. Our focus remains on deals which add scale and/or provide superior synergy benefits and cross-selling opportunities. We are however alert to transformational opportunities where our access to equity capital can be viewed as advantageous.

PURPOSE

Our purpose is to help maximise the potential of every client, colleague and partner with whom we work. JTC's values and ethical credentials have for decades made it a natural choice for socially responsible clients who seek positive social and environmental change amongst their wealth creation objectives.

ANNUAL GENERAL MEETING

The Board values the opportunity to engage with shareholders who, under normal circumstances, are very welcome to attend the AGM in person, but at present the health of the Company's shareholders, employees and officers is paramount. In light of the current Government measures to reduce the transmission of COVID-19, and specifically the avoidance of public gatherings, shareholders are advised not to attend the AGM. If the measures continue to be similar or even more restrictive then shareholders (other than those specifically required to form the quorum for the AGM) will be refused entry to the AGM.

Shareholders may submit any questions to the Board before the AGM and answers will be placed on the Company's website. Shareholders should submit questions up until 5pm on 22 May 2020 by emailing them to the Company Secretary at agm@jtcgroup.com.

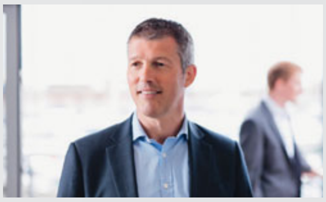
The Board urges all shareholders to appoint a proxy in order to vote on the matters being considered at the AGM.

I am grateful to all of our shareholders for their support in the year.

MIKE LISTON, OBE
NON-EXECUTIVE CHAIRMAN
21 April 2020

BOARD OF DIRECTORS

THE RIGHT SKILLS AND EXPERIENCE TO DELIVER OUR STRATEGY



	Mike Liston, OBE Non-Executive Chairman	**Nigel Le Quesne** Chief Executive Officer	**Martin Fotheringham** Chief Financial Officer
Appointment to Board	8 March 2018	12 January 2018 (Joined the Group in 1991)	12 January 2018 (Joined the Group in 2015)
Committee membership	Nomination Audit and Risk Remuneration	Not applicable	Not applicable
Experience	Extensive experience across public and private sector businesses. Chief Executive of Jersey Electricity plc between 1993 and 2008, subsequently holding a number of non-executive roles.	Key figure in the development of JTC over the last 29 years with extensive trust, fund and corporate administration experience.	Chartered Accountant with extensive management and corporate finance experience.
Relevant skills	Broad range of experience at board level, including eight years relevant industry experience	Extensive experience in leadership and management Commercial, strategic, communication and investor relations skills Experience of financial markets and fund management	Strong financial analysis skills Extensive experience in financial management and reporting Broad range of management experience
External appointments	Non-Executive Director and Chairman of the Audit Committee of Foresight Solar & Technology VCT Plc. Non-Executive Director of Foresight European Solar Fund GP Limited	Not applicable.	Not applicable.

DIRECTOR EFFECTIVENESS

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

Wendy Holley
Chief Operating Officer

19 July 2019
(Joined the Group in 2008)

Not applicable

Over 25 years' experience in financial services operations and HR.

Chartered FCIPD, MIAB

Broad range of management, project and business integration experience

Not applicable.

Dermot Mathias
Independent Senior Non-Executive Director

8 March 2018

Nomination
Audit and Risk (Chairman)
Remuneration

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

Strong financial skills

Extensive experience in leadership and management

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

Michael Gray
Independent Non-Executive Director

8 March 2018

Nomination (Chairman)
Audit and Risk
Remuneration (Chairman)

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

Extensive experience in the banking sector

Communication and management skills

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

Erika Schraner
Independent Non-Executive Director

18 November 2019

Nomination
Audit and Risk
Remuneration

Executive at IBM Corp. and Symantec Corp. Partner and Americas Operational Transaction Services leader (Tech Sector) at Ernst & Young (US). Partner, UK M&A Integration Leader & TMT M&A Advisory/Delivering Deal Value Leader at PwC LLP, London.

PhD in Management Science & Engineering

Extensive information technology and M&A experience

Non-Executive Director, Chair of the Audit Committee and a member of the Remuneration and Nomination Committees of Amino Technologies PLC.

MEETING ATTENDANCE

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

1. The maximum number of meetings that a member was eligible to attend.
2. Mr Gray was unable to attend the 25 November 2019 Board meeting due to an unavoidable prior commitment, but provided his feedback on the papers in advance.
3. Appointed to the Board on 18 November 2019.
4. Appointed to the Board on 19 July 2019.

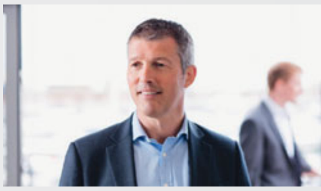
Member	Mike Liston	Nigel Le Quesne	Martin Fotheringham	Dermot Mathias	Michael Gray[2]	Erika Schraner[3]	Wendy Holley[4]
Member since	March 2018	January 2018	January 2018	March 2018	March 2018	November 2019	July 2019
Maximum no. of meetings[1]	7	7	7	7	7	1	3
No. of meetings attended	7	7	7	7	6	1	3
% of meetings attended	100%	100%	100%	100%	86%	100%	100%

EXECUTIVE TEAM

AN EXPERIENCED AND HIGHLY CAPABLE TEAM

Nigel Le Quesne
Chief Executive Officer

Martin Fotheringham
Chief Financial Officer



Wendy Holley
Chief Operating Officer

Iain Johns
Group Head of PCS

Jonathan Jennings
Group Head of ICS

William Byrne
Chief Risk Officer

Matthias Belz
Head of JTC Private Office

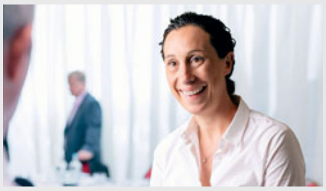
Dean Blackburn
Chief Commercial Officer

Kobus Cronje
ICS Global Head of Operations

Zoe Dixon-Smith
Group Director – Risk & Compliance

Carol Graham
Group Director Human Resources

Becky Henwood-Darts
Group Finance Director



Adam Jeffries
Chief Information Officer

Miranda Lansdowne
Company Secretary

Michelle Le Herissier
Managing Director – South Dakota

Tracey MacFarlane
Head of Operations

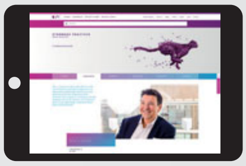
Emilio Miguel
Regional Head – Americas

Wouter Plantenga
ICS Head of Group Client Services

David Vieira
Chief Communications Officer

Paul Weir
Head of Private Client Services – Channel Islands

FOR MORE INFORMATION, VISIT US AT JTCGROUP.COM



BOARD COMPOSITION AND ROLES

As at 31 December 2019, our Board comprised the Chairman, three Non-Executive Directors and three Executive Directors. The details of their career background, relevant skills, Committee membership, tenure and external appointments can be found within their individual biographies on pages 54 and 55.

Further detail on the role of the Chair and members of the Board can be found below.

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

Any new appointments to the Board result from a formal, rigorous and transparent procedure, responsibility for which is delegated to the Nomination Committee (although decisions on appointments are a matter reserved to the Board). Further information on the work of the Nomination Committee can be found on pages 66 to 68.

ROLES	RESPONSIBILITIES
Chairman	• Leads the Board and is responsible for its effectiveness. • Sets agendas and ensures timely dissemination of information to the Board, to support sound decision making and allow for constructive discussion, challenge and debate, in consultation with CEO, CFO and Company Secretary. • Responsible for scrutinising the performance of the Executives and overseeing the annual Board effectiveness evaluation process. • Facilitates contribution from all Directors and ensures that effective relationships exist between them. • Ensures that the views of all stakeholders are understood and considered appropriately in Board discussion and decision making.
CEO	• Represents JTC to all stakeholders, including employees, clients, regulators and investors. • Develops and implements the Group's strategy, as approved by the Board. • Sets the cultural tone of the organisation. • Facilitates an effective link between the business and the Board to support effective communication. • Responsible for overall delivery of commercial objectives of the Group. • Promotes and conducts Group affairs with the highest standards of integrity, probity and corporate governance, in line with our strategic framework and values. The CEO's Review can be found on pages 4 to 7.
CFO	• Manages the Group's financial affairs. • Supports the CEO in the implementation and achievement of the Group's strategic objectives. • The CFO's Review can be found on pages 12 to 16.
SID	• In addition to his responsibilities as a Non-Executive Director, also: • Supports the Chairman in the delivery of his objectives. • Acts as an alternative contact for shareholders should they have a concern that is unresolved by the Chairman, CEO or CFO. • Leads the appraisal of the Chairman's performance with the Non-Executive Directors. • Undertakes a key role in succession planning for the Board, together with the Board Committees, Chairman and Non-Executive Directors.
NEDs	• Monitor the delivery of strategy by the Executive Committees within the risk and control framework set by the Board. • Satisfy themselves that internal controls are robust and that the external Audit is undertaken properly. • Engage with internal and external stakeholders and feed back insights to the Board, including in relation to employees and the culture of the Company. • Constructively challenge and assist in the development of strategy. • Have a key role in succession planning for the Board, together with the Board Committees, Chairman and SID. • Serve on various Committees of the Board.
COO	• Responsible for developing and implementing the operational strategy of the Group. • Leads and supports the post-acquisition integration team. • Responsible for 'people', culture & remuneration
Company Secretary	• Ensures sound information flows to the Board in order for the Board to function effectively and efficiently. • Advises and keeps the Board updated on Listing and Transparency Rule requirements and on best-practice corporate governance developments. • Facilitates a comprehensive induction for newly appointed Directors, tailored to their individual requirements. • Ensures compliance with Board procedures and provides support to the Chairman. • Co-ordinates the performance evaluation of the Board in conjunction with the Chairman. • Provides advice and services to the Board.

BOARD ACTIVITIES DURING THE YEAR

The Board meets regularly during the year as well as on an ad hoc basis, as required by business needs. The Board met seven times during the year and attendance is shown in the table on page 55.

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

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

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

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

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

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

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

FEBRUARY

- 2019 Group budget
- Board Reports and standing agenda items
- ICS Strategic Update (Deep Dive)
- Board Reports and standing agenda items

MARCH

- Approval of Annual Results, and all ancillary matters
- Approval of Final Dividend Recommendation
- Approval of AGM Notice
- Board Reports and standing agenda items

MAY

- Chief Information Officer's annual report on systems and cyber security
- PCS Strategic Update (Deep Dive)
- Board Reports and standing agenda items

JULY

- Review and approval of Auditors' Half-Year Review plan
- Review Chief Risk Officer's Report
- Review and approval of Compliance Monitoring Programme and internal audit function
- Review of the Conduct Risk Policy and Whistleblowing Policy and Procedure
- Review the Board evaluation programme
- Mid-year update from Group HR department
- Chief Information Officer's annual report on systems and cyber security (Deep dive)
- Regular Board Reports and standing agenda items

BOARD STATEMENTS

REQUIREMENT	BOARD STATEMENT
Compliance with the code	This Corporate Governance Report, including the sections which follow, sets out how the Company has applied the main principles of good governance as set out by the Code. The Directors consider that the Company has been compliant with the Code provisions as applied during the period.
Robust assessment of the principal and emerging risks facing the group	The risks from the Group Risk Register are discussed, debated and challenged, firstly by senior management and Executive Directors, and then by the Group Risk Committee, with a view to presenting the key risks to the Board. The Board has agreed that the chief risks will be presented in the Annual Report and Accounts as the 'Principal Risks'. There is an ongoing process for identifying, evaluating and managing the Principal Risks faced by the Company. Based on the review performed, the Board has not identified any significant failings or weaknesses during the year.
Annual review of systems of risk management and internal control	While the Board is ultimately responsible for the operation of an effective system of internal control and risk management appropriate to the business, the Audit and Risk Committee is responsible for reviewing the risk management systems and internal controls to ensure that they remain effective and that any identified weaknesses are appropriately dealt with. The systems of internal control and risk management that have been in place for the year are regularly reviewed by the Board. The Board is satisfied that these systems accord with the provisions of the Code. The process by which the Board reviews the effectiveness of the internal control and risk management systems is summarised in the Risk Management section of the Strategy Report.
Fair, balanced and understandable	The Annual Report and Consolidated Financial Statements, taken as a whole, are fair and balanced and understandable and provide the information necessary for Shareholders to assess the performance, strategy and business model of the Company.

SEPTEMBER

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

NOVEMBER

- Review and approval of the year end external audit timetable and scope
- Review and approval of revisions to the non-audit fee policy
- Review of tax strategy and policy framework
- Review of FX policy and practice
- Review Chief Risk Officer's report
- Board Reports and standing agenda items

2020

- Continued implementation and development of the group strategy
- Three year business planning 2021-2023
- Succession planning, talent acquisition and development
- Furthering information technology strategy

STAKEHOLDER OVERSIGHT

The Chairman ensures that the Board maintains an appropriate dialogue with shareholders. The CEO, CFO and Chief Communications Officer regularly meet with institutional investors to discuss strategic issues and to make presentations of the Company's results. Non-executive directors develop an understanding of the views of major shareholders through regular updates from the Chief Communications Officer. The Chief Risk Officer and Company Secretary also act as an important focal point for communications on corporate governance matters throughout the year. In light of COVID-19 restrictions shareholders are advised not to attend the AGM in person this year. Questions for the Board may be submitted up until 5pm on 22 May 2020 by emailing agm@jtcgroup and answers to the questions will be placed on the Company's website following the AGM.

STAKEHOLDER	Clients	Employees	Intermediaries
WHY IT IS IMPORTANT TO ENGAGE	Clients are the lifeblood of the business. The nature of our service offering means that we nurture and value long-term relationships, partnering with our clients to help them grow and achieve their aims. Client relationships typically last at least five years, with many lasting well over a decade and can even be multi-generational.	Our people are our most valuable asset and sit at the heart of the business. They hold the talent, expertise and energy to meet and exceed our clients' expectations and help the Group achieve its long-term goals.	As an independent administrator, we are able to offer best-in-class services to the clients of intermediary partners that are complementary to their own services. We seek to form long-term relationships with intermediaries, working to achieve mutually beneficial commercial growth.
HOW WE ENGAGE	The Group Heads of ICS and PCS keep the Board informed of new and evolving trends and the requirements of our client base. They are supported in providing a comprehensive overview of the international client landscape by the business development and marketing and risk teams and the Ambassador programme.	The Board receives regular People strategy updates from the COO, including details of our employee engagement results, updates on diversity and inclusion and cultural awareness initiatives, measurement and performance, and our succession planning and talent development initiatives.	The Board is kept informed of intermediary partners initiatives through the Executive Committees, with support from the Chief Commercial Officer, Chief Communications Officer and business development teams.
KEY INTERESTS		Our engagement is supported by three constantly evolving programmes. JTC Academy for learning and development, JTC Gateway for global mobility opportunities and JTC Wellbeing for physical, emotional and mental good health. All of these are supported and underpinned by our Ownership for All programmes.	We proactively develop, manage and monitor relationships with our intermediary partners, focussing on relationships and complementary services and using technology, such as Salesforce CRM, to make our engagement as efficient as possible.
OUTCOME OF ENGAGEMENT	By taking an entrepreneurial approach and delivering a first class service with a can-do attitude, we are able to retain and grow our clients in a way that adds value and is mutually beneficial.	Through our Shared Ownership culture and Guiding Principles we aim to help every member of the team maximise their individual potential, enjoy a balanced life and have the opportunity to share directly in the long-term growth and success of JTC.	By working with a range of high quality intermediaries we are able to grow the business organically, especially in terms of winning new clients and also offer our clients access to a wide range of ancillary services from top-class providers.

The Company is incorporated in Jersey and principally operates under the Companies (Jersey) Law 1991 (as amended). The Board recognises the importance of taking account of all stakeholder interests however and, following the publication of the revised version of the Code in July 2018, confirms that the provisions of section 172 CA 2006 have been considered in board discussions and decision-making. The Board is satisfied that due consideration is given to the interests of, and the impacts on, the workforce and other key internal and external stakeholders when making decisions and appropriate mechanisms to gather the views of the workforce are in place. Having reviewed the five distinct themes discussed by the guidance notes published by the GC100, including the Company's current status in respect to each of their considerations and recommendations, the Board is satisfied the arrangements it has in place are effective, however, all stakeholder engagement mechanisms are kept under review to ensure that they remain effective. Further details as to the methods by which the Board engages with stakeholders may be found at pages 37 to 47.

Regulators	**Government bodies**	**Charities**
We operate in a highly regulated market on a global scale and are currently registered, regulated or licensed by fourteen different regulatory bodies. We believe it is important to work collaboratively with regulators to help secure a positive and sustainable future for the industry.	JTC has a global footprint and currently operates 20 offices in 17 different jurisdictions and we market our services in many more countries. The long-term success of our business is enhanced through engagement with relevant government bodies, including promotional bodies for the financial services sector, as well as bodies that relate to employment, environmental, social and governance matters.	The jurisdictions and countries where we operate are more than just the homes of our clients, they are the homes of our employees, their families and their communities. Engaging with charities around the world, and in particular in the markets where our operations are most substantial, is an important way of giving back to those communities.
The Chief Risk Officer and Company Secretary, and other subject matter experts regularly update the Board on matters affecting the Group as a result of actions being taken by regional and national government bodies and agencies which implement and enforce laws and regulations.	We engage directly through membership of government trade bodies as well as contributing both time, expertise and experience to groups such as policy working parties. We also directly contribute to the public finances of the countries where we operate by ensuring timely payment of our relevant tax liabilities	We take an employee-led approach to charitable giving and seek to get involved with both international and local organisations that benefit the people and communities where we work. We also recognise the value of our client and intermediary relationships and where appropriate seek to support their charitable endeavours also.
We take a disciplined, timely and proactive approach in monitoring regulatory updates and responding to any regulatory requests and requirements. We work closely and transparently with regulators as circumstances dictate, including on convened working parties and through local professional associations.		Engaging directly with charities, both as JTC and where relevant on behalf of our clients, allows us to support the communities where we operate and make a difference to people's lives. We believe in maximising the potential of the individual and this provides a focus for our charitable engagement and giving.
By forming appropriate and engaged relationships with our regulators we are able to offer an even better and more informed service to our clients, mitigating risk by ensuring compliance with all relevant standards, regulations and laws.	By engaging directly with government bodies we are able to contribute to the countries and markets where we operate and positively represent the interests of JTC and its clients. We take a long-term partnership approach and respect the value and opportunity that comes from participating in each market where we do business.	

ENGAGING OUR PEOPLE

The Board aims to provide inspirational leadership that guides and empowers our people. Underlying this is an 'always-listening' approach that enables management to hear and respond in timely and focused ways, providing the support and resources employees need to achieve and to contribute to the delivery of consistently strong performance.

The Board considers JTC's embedded share ownership culture to be among our most meaningful forms of employee engagement. Everyone at JTC is an 'owner' of the business, and this is reflected in the open and honest communication between employees and management.

BOARD ENGAGEMENT MECHANISMS

O4A – EMPLOYEE SHARE OWNERSHIP PROGRAMME

PLC BOARD, COMMITTEE AND STRATEGY MEETINGS

EXECUTIVE BOARD, COMMITTEE AND STRATEGY MEETINGS

COMPANY AND SITE VISITS

JTC JOOGLE – EMPLOYEE INTRANET

JTC ACADEMY

JTC GATEWAY

JTC WELLBEING

JTC LIFEWORKS

LION DEVELOPMENT PROGRAMMES

JTC TOWNHALLS

Legend

Participants Attendees Reporting


Wider workforce
Management Teams
Executive Board
PLC Board

BOARD INDUCTION

"I am excited to join the Board of JTC. With its dynamic and innovative approach to business, underpinned by its strong culture centred around its people and unique shared ownership model, JTC is well positioned for continued growth and success. I am delighted to have this opportunity to play a part in that."

ERIKA SCHRANER

JTC's non-executive directors play a valued and necessary role in maximising board effectiveness, providing all stakeholders with greater assurance that the correct strategies and decisions are likely to be chosen and tested.

Following a formal and rigorous procedure led by the Nomination Committee, who then made recommendations to the Board for the appointment of a new director, Dr. Erika Schraner was appointed as an additional independent non-executive director in November 2019.

Erika brings to the Board a wealth of experience and expertise in professional services, with particular strength in the areas of commercial development, M&A and technology.

Following appointment, as part of JTC's induction programme which is designed to enable directors to understand their responsibilities and obligations and ensure they have the necessary resources for developing and updating their knowledge and capabilities, Erika was able to meet with key stakeholders and also visit, and talk with senior and middle management.

JTC's induction process is designed to ensure that new directors are swiftly able to build an understanding of the nature of the company, its business and the jurisdictions in which it operates, establish a relationship with key stakeholders.

JTC's global growth strategy is all about the smart improvement of its traditional businesses combined with the equally smart acquisition and integration of new ones. Erika brings immediately relevant skills to the Board as the company pursues a range of opportunities in attractive growth markets.

STEP 1. 2019 PROCESS PLANNING

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

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

STEP 2. SELF-ASSESSMENT QUESTIONNAIRES

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

STEP 3. ONE-TO-ONE MEETINGS

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

STEP 4. EVALUATION AND REPORTING

The Company Secretary compiled the individual responses, including analysis of themes and proposed actions. A report, setting out the findings of the evaluation was provided to the Chairman for consideration. The Chairman and CEO met to discuss the findings, with the results being tabled to the Nominations Committee and Board in September 2019.

STEP 5. AGREE ACTIONS AND MONITOR PROGRESS

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

BOARD EVALUATION

The effectiveness of the Board is reviewed at least annually, and conducted according to the guidance set out in the Code and FRC Guidance on Board Effectiveness.

In 2019, the performance and effectiveness of the Board and its committees was assessed by way of an internal evaluation. As a result of the assessment, it was concluded that the performance of each director continued to be effective and that both the Board and its committees continued to provide effective leadership and exert the required levels of governance and control, which aligned with observations made by the Chairman and Non-Executive Directors as part of the evaluation process and throughout the year.

EVALUATION FINDINGS

The key theme highlighted in the 2019 evaluation was positive Board discussion dynamics and a culture of open, constructive debate, undertaken by a respectful and cohesive, and appropriately challenging Board.

The agreed actions included adopting more succinct reporting to assist the Board's focused discussions, as well as the appointment and induction of two new directors, who were expected to join the Board in 2019. These matters were progressed with the appointments of Wendy Holley and Erika Schraner.

As part of the evaluation, consideration was given to the number of external positions held by the Non-Executive Directors. Directors', including the time commitment required for each. As a result of this review, the Nominations Committee did not identify any instances of overboarding and confirms that all individual Directors have sufficient time to commit to their role. The full list of external appointments held by our Directors can be found on pages 54 to 55. All of our Non-Executive Directors are considered to be independent.

BOARD INDUCTION PROGRAMME

We have an established induction programme in place which can be tailored to meet the requirements of individual Directors and includes the following elements/details:

- Pre-appointment process;
- Our business and how we are regulated, including performance;
- Strategy;
- Key operations and processes;
- Key stakeholder relationships;
- Customer delivery;
- Capital delivery and commercial;
- How the business is financed and financial performance including analyst and investor opinion;
- Our people and how we work, including health, safety and wellbeing, talent and succession and an overview of our Remuneration Policy;
- Risk and audit, including the Group risk profile and our approach to risk;
- Face-to-face meetings with key senior colleagues;
- Directors' duties; and
- Governance matters and Group policies.

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

INFORMAL BOARD INTERACTIONS

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

EVALUATION FINDINGS	EVALUATION
Balance of Debate	Continue to maintain focus on strategic, operational and reputational priorities as well as regulatory matters
Board Composition	Suggestions were made regarding desirable attributes in future potential candidates, including technology and sector /market experience
Talent Management and Succession Planning	Opportunity to apply more structure to succession planning and talent development discussions at the Nominations Committee and the Board
Matters Reserved for the Board	Opportunity to review the schedule of matters reserved for the Board and ensure that meetings have appropriate time allocated to them.
Remit of Board Committees	Opportunity to review the duties within the respective Committee Terms of Reference and ensure that Committee meetings have sufficient time allocated to them.

NOMINATION COMMITTEE

"The Committee has three key priorities: developing the talent pipeline, broadening the search for future directors, and looking at the long-term strategy and resourcing accordingly. The tone set at the top is important for the rest of the organisation and we are keen that the diversity seen throughout the wider organisation is encouraged and replicated at Board level, whilst ensuring that the board composition supports the Company in achieving its overall strategic aims."

MEMBERSHIP OF THE COMMITTEE

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

There were no changes to the Committee during the year however Erika Schraner was appointed as an additional Committee member on 3 March 2020. JTC (Jersey) Limited, the corporate Company Secretary, acts as secretary to the Committee.

COMMITTEE MEMBERS

Michael Gray – Committee Chairman, Independent Non-Executive Director

Mike Liston – Non-Executive Chairman

Dermot Mathias – Senior Independent Non-Executive Director

Erika Schraner – Independent Non-Executive Director – appointed March 2020

COMMITTEE MEETINGS IN 2019

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

	Maximum no. of meetings	Meetings attended	% of meetings attended
Michael Gray (Chair)	3	3	100%
Mike Liston	3	3	100%
Dermot Mathias	3	3	100%

DEAR SHAREHOLDERS

On behalf of the Board, I am pleased to present the Nomination Committee's Report for the financial year ended 31 December 2019.

It has been a busy year for the Nomination Committee. We had a number of changes to Board membership arising from the first formal annual review and assessment of Board effectiveness and composition, resulting in recommendations to appoint the Group's COO, Wendy Holley, as an additional Executive Director and Erika Schraner as a new Non-Executive Director.

By linking succession planning to Board strategy, the Nomination Committee has been able to support the Board in planning ahead to prepare for future challenges and ensure that the Board has a continuous balance of the right skills, knowledge and experience to satisfy the ongoing and anticipated strategic needs of the Group. Refreshment of the Board is an essential component of the evolutionary nature of our strategy, and over the past year we have taken steps to augment the diversity of skills and experience present on the Board. Our approach has been instrumental in ensuring the smooth transition of Board roles and orientation of the incoming directors.

It is intended that a further performance evaluation will be conducted in 2020 and reported on in the Company's 2020 Annual Report.

ROLE OF THE COMMITTEE

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

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

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

BOARD APPOINTMENTS IN 2019

Wendy Holley was appointed as an executive director with effect from 19 July 2019. Wendy joined JTC in 2008 and has over 25 years' experience in financial services operations. In her role as Chief Operating Officer, Wendy is responsible for evaluating and developing the operational strategy of the Group to ensure it builds the operational capabilities to support its growth prospects and deliver its financial targets. A significant part of her role includes acquisition integration.

Wendy has overseen the progressive development of JTC's operational capabilities. She is also a leading advocate of our shared ownership culture and will help the Board to even better connect with all our people, across our global network of offices. Her skills and experience will be invaluable to the Board and in particular make her an ideal candidate to facilitate employee representation with the Board, an approach that we recognise as being of increasing importance and one that very much aligns with JTC's well-developed stakeholder culture.

As part of our Board succession planning process, we appointed a new non-executive director, Erika Schraner. Prior to Erika's appointment, the Committee identified the necessary attributes for each specific non-executive director role which was set to correspond with Board strategy. The Committee reviewed lists of potential appointees, and shortlisted candidates for interview based upon the objective criteria identified at inception. A specialist third party firm, Drax Executive, was used to independently evaluate the shortlisted candidates' skills and experience, matching the requirements for the role, and candidates were required to demonstrate that they had sufficient time available to devote to the role. Once the preferred candidate had been identified, detailed external references were taken and interviews conducted by the Chairman, the CEO and other Board members, following which the Committee formally recommended the appointment of Erika Schraner to the Board. Erika was appointed as a non-executive director with effect from 18 November 2019.

Erika has a wealth of experience and expertise in professional services, with particular strength in the areas of commercial development, M&A and technology. The recruitment process enabled the Committee to determine that the skills and experience brought by Erika were complementary to those already present on the Board, and to conclude that her contribution and insights will benefit the Board over the coming years.

Further details of Wendy and Erika's experience and relevant skills can be found on pages 55 and 64.

PERFORMANCE EVALUATION

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

The 2019 evaluation took the form of the completion by each director of a questionnaire covering questions about Board culture, administration, strategy and operations, Board composition, committee structure and succession planning. One-to-one discussions were then held between the Chairman and each director, and senior management, to solicit feedback, followed by a closed session discussion of the Board and Committee evaluations led by the Chairman and Committee Chairs. A private meeting of the SID and CEO is held to evaluate the performance of the Chairman, taking into account the views of the executive directors. A report on the outcome of the evaluation was presented to the full Board at its September 2019 meeting.

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

As a Board, we are satisfied that all non-executive directors contribute effectively to Board debate, and guide, probe and, where necessary, challenge management's strategic plans and their execution. Each of the non-executive directors brings considerable expertise and experience accumulated in their

CORPORATE GOVERNANCE STATEMENT
Continued

past professional careers. Performance and training of the Board and its members is further supported by a full induction on appointment, and regular meetings with members of the senior management team where directors are encouraged to discuss operational matters and strategy.

Further details of the Board evaluation findings and the actions taken/agreed may be found at page 65.

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

In respect of independence, each non-executive director is free from any relationship or circumstance that could affect, or appear to affect, the exercise of their independent judgement. The quality of the debate at Board and committee meetings indicates that JTC's non-executives devote sufficient time to considering and are well informed on the matters relating to the business.

DIRECTORS AND THEIR OTHER INTERESTS

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

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

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

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

BOARD DIVERSITY

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

In line with JTC's Guiding Principles and commitment to operating a meritocratic approach to career progression the Board is generally opposed to the idea of stated quotas. However the Committee recognises and embraces the benefits of having a socially and professionally diverse Board. The Committee takes into account a variety of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity, and every effort is made to ensure that the talent pool from which new Board members are sought is sufficiently diverse in order to result in more balanced representation over time.

I am pleased to report that, following the appointment of Erika and Wendy, the Board now has 29% female representation. This will continue to have the attention of the Board to ensure that we have the appropriate level of diversity and balance throughout the organisation.

DIVERSITY AND INCLUSION

JTC is a people-led business that is inclusive, engaged and committed to developing our people and supporting their career progression through the business, providing a fulfilling and fair environment in which to work. In line with our Guiding Principles and our commitment to operating a meritocratic approach to career progression, we have an ambition to achieve an improved diversity balance at all levels. In terms of gender balance, our progress continues to track positively, as shown in the charts opposite, however the Board acknowledges that there is currently relatively low representation of female employees at the most senior levels of the organisation. At Director level and above, this currently stands at 38% vs 62% in favour of male employees. At other levels of the business, gender representation is more representative with, for example, middle management (Assistant Manager to Associate Director) figures standing at 57% female and 43% male. Improving the balance of our leadership requires close attention to succession planning so we can build a balanced pipeline of talent for the future. This will continue to have the attention of the Board to ensure that we have the appropriate level of diversity and balance throughout the organisation over time, and we are confident that we are moving in the right direction.

PRIORITIES FOR THE COMING YEAR

We have a strong Board and executive management with a broad range of experience which has driven the Company's success to date. The Committee and the Board believe that our directors are well qualified to further advance the interests of the Company's shareholders, as well as its people, clients and consumers, partners and the communities in which we work. To underpin our work to date, in the coming year we will continue to focus on our evolutionary strategy led succession planning agenda.

RE-ELECTION

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

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

SHAREHOLDER ENGAGEMENT

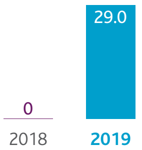
Both the Remuneration Committee and the Board as a whole recognise the benefits of and welcome the engagement of shareholders on a wide range of topics, including executive compensation, which may fall outside of the usual financial and strategic conversations, and I remain available to shareholders to discuss these issues throughout the year.

In light of the current Government measures to reduce the transmission of COVID-19 however, shareholders are advised not to attend the AGM in person on this occasion. Shareholders who wish to do so may submit any questions to the Board before the AGM and answers to the questions will be placed on the Company's website. Shareholders should submit questions up until 5pm on 22 May 2020 by emailing them to the Company Secretary at agm@jtcgroup.com.

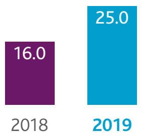
MICHAEL GRAY
NOMINATION COMMITTEE CHAIRMAN
21 April 2020

GENDER DIVERSITY

PLC BOARD: FEMALE +29%

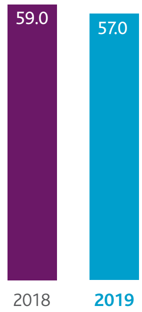


EXECUTIVE COMMITTEES*: FEMALE +30%



DIRECTORS*: FEMALE +3%

ASSISTANT MANAGER TO ASSOCIATE DIRECTOR*: FEMALE -2.1%



*ICS/PCS/Group Risk

COMMITTEE HIGHLIGHTS FROM THE YEAR

Key areas of Nominations Committee focus in 2019

March 2019

- Nomination Committee Report within the Annual Report and Accounts
- Continuing Office of Directors
- Preparations for the 2018 UK Corporate Governance Code

July 2019

- Board Effectiveness Report 2018/19
- Talent Development and Board Succession Planning
- Board Composition and Independence
- Diversity and Inclusion Update
- Executive appointment recommendation

November 2019

- NED appointment recommendation
- NED Tenure Review and Succession Planning
- Conflicts of Interest: Annual Review

AUDIT & RISK COMMITTEE

"The Committee supports the Board in taking a proactive role in detecting, understanding and acting on risk – be it financial, macroeconomic, regulatory, legal or cyber security-related – focusing on making sure that, between the Committee, the management team and the external auditor, efforts are concentrated on on what is most material in the best long-term interests of the Company."

COMMITTEE MEETINGS IN 2019

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

	Maximum no. of meetings	Meetings attended	% of meetings attended
Dermot Mathias (Chair)	5	5	100%
Mike Liston	5	5	100%
Michael Gray	5	5	100%

MEMBERSHIP OF THE COMMITTEE

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

There have been no changes in Committee during the year, however, Erika Schraner was appointed as a Committee member on 3 March 2020.

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

COMMITTEE MEMBERS

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

Mike Liston – Non-Executive Chairman

Michael Gray – Independent Non-Executive Director

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

DEAR SHAREHOLDERS

On behalf of the Board, I am pleased to present the Audit and Risk Committee's Report for the financial year ended 31 December 2019.

During the year the Committee comprised of the two independent non-executive directors and the non-executive Chairman, who was independent at appointment.

The Board reviewed the Committee's membership and terms of reference in preparation for the regulatory and governance changes introduced during the year and the change in emphasis brought about by the 2018 Code. The Board applied all of the principles and provisions of the Code throughout the year ended 31 December 2019, except that the Chair of the Board was a member of the Committee. The Board nevertheless considers the composition of the Committee to be appropriate given the Committee's activities and focus, and having regard to the relevant experience and background of Mr Liston. In applying the principle of the Code, the Board considers the independence and effectiveness of the Committee in discharging its functions in terms of the Code continue to be enhanced and not in the least compromised by Mr Liston's appointment.

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

I am pleased to report that, following her appointment as an independent non-executive director in November 2019 and induction, Dr Schraner was appointed as a member of the Committee on 3 March 2020.

At my request, meetings are attended by the Chief Risk Officer, the External Auditor and members of the Senior Management team.

The Committee met separately with the Auditors without Executive Management being present. I have met privately with the External Auditor and to discuss any matters they may wish to raise.

The Committee is satisfied that the External Auditor remains independent and objective in their work.

Meeting agendas are linked to the financial calendar and to the annual plan which is devised to ensure we discharge our responsibilities as documented in our Terms of Reference.

The annual plan is dynamic and therefore will evolve when the Committee feels that there is a need for greater focus on a specific area.

JTC (Jersey) Limited, our corporate Company Secretary, acts as Secretary to the Committee and I am satisfied that the Committee received information on a timely basis and that meetings were scheduled adequately to allow members to have an informed debate. In 2020 the Chief Risk Officer will attend all Audit and Risk Committee meetings by invitation, together with other Senior Managers, to discuss matters such as internal control and IT controls security.

ROLE OF THE COMMITTEE

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

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

- Monitoring the integrity of the consolidated financial statements
- Reviewing and challenging the application of accounting policies, including estimates and judgements made by management, and the clarity and completeness of disclosures
- Reviewing and assessing the internal audit function including approval of any appointments and the scope of their remit
- Overseeing the relationship with the External Auditor
- Monitoring the effectiveness of the Company's internal financial controls and risk management systems
- Giving due consideration to applicable laws and regulations
- Advising the Board on various statementsin the Annual Report, including those on viability, going concern, risk and controls, whistleblowing procedures and whether the Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance

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

HIGHLIGHTS FROM THE YEAR

The Audit Committee (the Committee) works to a structured agenda linked to events in the Group's financial reporting calendar. Throughout the year, the Committee continued to support the Board, playing a key role in overseeing the integrity of the Company's financial statements and the robustness of the Group's systems of internal control and financial and regulatory risk management. As in previous years, the Committee's primary focus was on the integrity of the Group's financial reporting activities. In considering the financial statements for 2019, the Committee concentrated on accounting and disclosures related to the valuation of goodwill and intangible assets. The Committee concluded that executive management had adopted an appropriate approach in all significant areas.

During the year, the Committee was updated frequently on the Group's IT strategy including an overview of the IT controls framework and infrastructure and the ability to quickly detect and defend against cyber attack. The Committee also spent time reviewing the disclosures made by management in respect of the new accounting standards IFRS 16 which were implemented at the start of the financial year. Time was dedicated to considering internal audit and the impact of the risk for the Group as a whole. The Committee is satisfied that the statements made by executive management on pages 28 to 35 of the Risk Management and Principal Risks sections of this Annual Report are appropriate based on what is currently known to management as at the date of this Report.

During the year, the Committee reviewed its Terms of Reference to ensure that they continue to be fit for purpose. The review was undertaken, with guidance from the Group General Counsel and the Company Secretary, in the context of changes to regulations and the UK Corporate Governance Code 2018 (the 2018 Code). Consideration was also given to the Financial Reporting Council's (FRC) guidance for audit committees and other sources of best practice.

COVID-19

The Board's statements with regards to the current COVID-19 situation may be found on page 31.

RISK ASSESSMENT

The principal risks and uncertainties facing the Company are set out in the Risk Management report section of the Strategic Report on pages 34 to 35.

The Board has delegated the day-to-day responsibility for designing, operating and monitoring the internal control and risk management framework and systems to the senior management team. The Committee evaluates the risk and control arrangements, reporting to the Board. The Committee is satisfied that there is robust review of the risks and that controls of significant risks operate

AUDIT & RISK COMMITTEE
Continued

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

INTERNAL CONTROLS

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

Whilst JTC's regulated entities adhere to many compliance and compliance monitoring requirements (variously characterised by regulators as 'internal audit'), the size and complexity of the Group is such that an enhanced more formal, independent internal audit function is now in active development.

WHISTLEBLOWING

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

EXTERNAL AUDIT

The Group's auditors are PricewaterhouseCoopers CI LLP, and they were reappointed as statutory auditor to the Group for the year ended 31 December 2019. The Committee has recommended to the Board that a resolution to reappoint PwC for the 2020 financial period be prepared and presented to shareholders. The audit partner is Mike Byrne, who has been the partner on the engagement since 2016. The Committee has reviewed the quality of the audit plan and related reports for the 2018 audit and is satisfied with the quality of these documents.

The Committee will review the effectiveness and quality of PwC's 2019 year-end audit. This review is intended to cover the quality of the service being provided, the competence of the staff and their understanding of the business and related financial risks. The Committee has reviewed the independence of the External Auditor and concluded that it complies with UK regulatory and professional requirements and that its objectivity is not compromised. As a Jersey incorporated company JTC is not required to comply with the Competition and Markets Authority requirement in relation to audit tenders every 10 years. The Committee will, however, continue to keep this under review as part of their review of effectiveness of the External Auditor.

The Committee ensures that the auditors are not awarded non-audit work if there is a risk that it might impair the objectivity and independence of the audit. The award of non-audit work to the External Auditors of £10,000 or more is subject to the prior approval of the Committee. Other than in exceptional circumstances non-audit fees should not exceed 70% of audit and assurance fees over a 3 year rolling period.

AUDIT FEES

Fees payable to the Auditor for audit and non-audit services are set out in note 6 to the Financial Statements on page 109. There were no fees paid for non-audit services in 2019.

EFFECTIVENESS

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

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

This is underpinned by the annual performance evaluation of the Board and its committees, referred to on pages 54 and 55. We believe that the Committee continues to operate effectively, with an appropriately balanced and engaged membership.

PRIORITIES FOR THE COMING YEAR

In the coming year, the Committee will continue to work together with the Board and the other committees to monitor and review the effectiveness of the Group's financial reporting and risk management and internal control framework. We will oversee an enhancement to the Group's internal audit function, as noted above and, in addition, we will continue to focus on the resilience of our cyber security and IT controls and on ensuring that all new accounting standards, relevant legislation and guidance, including the provisions of the 2018 Code, are being met.

SHAREHOLDER ENGAGEMENT

I welcome questions from shareholders on the Committee's activities. If you wish to discuss any aspect of this report, please contact me via the Company Secretary.

I regret that given current Government measures to reduce the transmission of COVID-19 it is unlikely I shall be able to meet with Shareholders at this year's AGM in person, however, Shareholders who wish to do so may submit any questions to the Board before the AGM. Answers to questions will be placed on the Company's website. Shareholders should submit questions up until 5pm on 22 May 2020 by emailing them to the Company Secretary at agm@jtcgroup.com.

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

DERMOT MATHIAS
AUDIT AND RISK COMMITTEE CHAIRMAN
21 April 2020

HIGHLIGHTS FROM THE YEAR

Significant issues and accounting judgements	Action taken by the committee/board
Revenue recognition, accrued income and trade receivables	Management maintains key controls over the largely quarterly billing cycles. The timings of the billing cycle are arranged to minimise accrued income balances at key reporting dates and thus give greater certainty over income which is still to be converted into cash. Management assesses the recoverability of all receivables at the year end and attest to the quality of assets considering past experience of the client, client type and liquidity issues of the client. We agreed with management's assessment that no additional provision for losses or impairment either to accrued income or trade receivables was needed.
Evaluation of impairment of intangible assets including goodwill and useful life of intangible asset	We considered the results of Management's impairment assessment which reviews triggers for impairment around asset lives, valuation and verification of assets. We considered the judgements taken in relation to asset lives and the methodology applied to consider asset verification and we were satisfied that no changes in treatment were needed. With regards to Goodwill, we consider the judgements taken in relation to short and long term growth rates and discount rates used and we were again satisfied that no changes in treatment were needed.
Share based payments	We have reviewed the methodology used for the accounting of share-based payments and are comfortable with the assessment by management as to the number of shares expected to vest under the terms of the Performance Share Plan. In doing so we have reviewed and are satisfied with management judgements and expectations around the achievement of performance targets.
Accounting for acquisitions	We have reviewed the judgements made and used by management in the allocation of the purchase price of the acquisition completed during the year. We are satisfied that the overall allocations between goodwill and identifiable intangible assets are reasonable and also the estimated useful lives of customer and contract intangible assets.

REMUNERATION COMMITTEE

"We are committed to ensuring that JTC's remuneration policy promotes the long-term success, ensuring alignment with shareholder value-creation with pay-for-performance set against challenging targets and stretching goals."

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the Committee's Report for the financial year ended 31 December 2019.

The Committee aims to present clear, succinct and informative reports relevant to the Company and its particular circumstances. To make it easier for all stakeholders to assess and understand each part of the Report and clearly explain the thinking and purpose behind the Committee's decisions, the 2019 Report is divided into:

MEMBERSHIP OF THE COMMITTEE

All Committee members are independent Non-Executive Directors, as defined under the Code, with the exception of the Chairman who was independent on his appointment. Full biographies of the Committee members can be found on pages 54 to 55. The Committee members have no personal financial interest, other than as shareholders, in the matters considered by the Committee.

There were no changes in the Committee during the year however Erika Schraner was appointed as a Committee member on 3 March 2020.

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

COMMITTEE MEMBERS

Michael Gray – Committee Chairman, Independent Non-Executive Director

Mike Liston – Non-Executive Chairman

Dermot Mathias – Senior Independent Non-Executive Director

Erika Schraner – Independent Non-Executive Director – appointed 3 March 2020

COMMITTEE MEETINGS IN 2019

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

	Maximum no. of meetings	Meetings attended	% of meetings attended
Michael Gray (Chair)	4	4	100%
Mike Liston	4	4	100%
Dermot Mathias	4	4	100%

MAIN RESPONSIBILITIES

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

THE COMMITTEE:

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

REMUNERATION FOR THE YEAR UNDER REVIEW

The Committee is conscious that executive compensation comes directly from shareholders' profits, and mindful of the importance of the relationship between pay and performance. The key aims of the remuneration policy are to promote the long-term success of JTC whilst ensuring alignment with shareholder value-creation.I am pleased to report that we received overwhelming shareholder support and approval of the Remuneration Policy at last year's AGM, and a summary of the voting is shown in the table below.

This is, I believe, testament to how we align our remuneration decisions with our business strategy, as well as the extensive shareholder consultation and engagement process undertaken pre-IPO. The full Policy can be found on page 80.

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

In reviewing Executive Directors' remuneration, our overriding considerations were alignment with the strategic objectives of the Group, the extent to which remuneration will attract, motivate and retain the talent needed to achieve long-term success and, of course, overall affordability.

In our At a Glance section, on page 77 we summarise the performance outcomes against our remuneration framework, in the context of how the Policy was applied in 2019. The annual bonus for the CEO and CFO will be 50% of salary (reduced at their request to increase funds available to reward employees' performance) and 10% for the COO.

The Committee believes that the outcomes of the 2019 annual bonus and PSP awards accurately reflect the performance of the Company over this period.

DIRECTOR CHANGES

Wendy Holley and Erika Schraner were appointed to the Board on 19 July 2019 and 18 November 2019, respectively. Details of their terms set out on pages 54 and 55 are in line with the announcements made on 22 July 2019 and 18 November 2019 and on page 55 of the 2019 Annual Report and Accounts.

CORPORATE GOVERNANCE DEVELOPMENTS

The Committee has reviewed the legislative and best practice developments in respect of director remuneration and welcomes change to raise the bar in this area. The introduction of the 2018 Code which seeks to broaden the role of the Committee, as well as to introduce additional measures concerning director pay, has been carefully considered by the Committee during the year. In July, the Committee received a detailed update on the wider workforce policies and practices. This supplements other regular updates; for example, at the time decisions are taken in respect of salary review for executive directors and the Executive Committee, the Remuneration Committee is updated on our global salary review budgets and trends.

Over the course of the year, preparations have been undertaken to ensure that the Committee is well placed to fully comply with the 2018 Code.

The Committee also reviewed its terms of reference to ensure that they continue to be fit for purpose and in line with best practice. The review was undertaken with guidance from the Group General Counsel and Company Secretary.

A copy of the terms of reference can be found on the Company's website www.jtcgroup.com.

PRIORITIES FOR THE COMING YEAR

We remain committed to delivering a leading and transparent remuneration framework, supported by strong governance processes, designed to drive the right behaviours across the whole organisation and deliver long-term success, meeting the needs of all our stakeholders.

COMMITTEE EVALUATION

The Committee's performance was assessed as part of the annual Board evaluation. I am pleased to report that the Committee is regarded as operating effectively and the Board takes assurance from the quality of the Committee's work. The findings of this year's evaluation of the performance of the Remuneration Committee can be found on page 65.

SHAREHOLDER ENGAGEMENT

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

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

MICHAEL GRAY
REMUNERATION COMMITTEE CHAIRMAN
21 April 2020

2019 AGM SHAREHOLDER VOTING

Resolution	Votes for	Votes against	Votes withheld
Approve Directors' Remuneration Report	91,538,065	180,717	2,941,583
	99.80%	0.20%	
Approve Remuneration Policy	90,970,146	180,717	3,509,502
	99.80%	0.20%	

REMUNERATION COMMITTEE
Continued

Key areas of Remuneration Committee focus in 2019
A summary of the matters considered at each meeting is set out below:

February
- Update on Remuneration Policy consultation
- Annual bonus outcome for 2018
- Directors' salary increase proposals

March
- PSP awards for 2019
- Final draft of Directors' remuneration report for 2018
- UK Corporate Governance Code

July
- Update on market practice and remuneration forward look UK Corporate Governance Code
- Update gender pay reporting 2018
- Reward and performance alignment compared with peers
- Executive Directors' benchmarking review
- Terms of reference for the Remuneration Committee

September
- Annual bonus 2020 – structure and targets Directors' remuneration report planning for 2019
- Review of mandatory shareholding requirements and update on sourcing for share schemes
- Remuneration report planning for 2020

WHO SUPPORTS THE COMMITTEE?

To ensure that the Company's remuneration practices are in line with best practice, the Committee has appointed independent external remuneration advisers, KPMG.

KPMG attends meetings of the Committee by invitation. By invitation, the Executive Directors and the Group Head of HR also attended the Committee meetings to provide advice and respond to specific questions. Such attendances specifically excluded any matter concerning their own remuneration. The Company Secretary acts as secretary to the Committee.

The Committee reviews the appointment of its advisers annually and is satisfied that the advice it receives is objective and independent. Fees for advice provided by KPMG to the Committee during the year were £67,562. Separate teams within KPMG also provided advisory services during the year.

DIRECTORS' INTERESTS IN SHARES

As at 9 April 2020 the Directors have significant shareholdings in the Company, as follows:

	Legally owned as at 31.12.2019	Unvested PSP awards	% interest in voting rights
Nigel Le Quesne*	10,509,128	166,282	9.17
Martin Fotheringham	718,586	127,083	0.63
Wendy Holley	578,618	28,902	0.50
Mike Liston	32,797	N/A	0.02
Dermot Mathias	25,863	N/A	0.02
Michael Gray	17,242	N/A	0.01

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

2019 REMUNERATION, AT A GLANCE

REMUNERATION OUTCOMES AS AT 31 DECEMBER 2019 (UNAUDITED)

Element	Nigel Le Quesne	Martin Fotheringham	Wendy Holley[1]
Base Salary as at 31 December 2019	£392,400	£300,000	£200,000
Pension	£39,240	£17,500	£10,000
Benefits	£11,608	£11,477	£1,491
Annual Bonus	£196,200	£150,000	£20,000
PSP (value of max. award at grant) (2)	£152,484	£116,528	£50,000
Total	£791,932	£595,505	£281,491

(1) Full annualised figures with no-prorations

(2) Face value of award at Grant

ANNUAL BONUS AWARD (UNAUDITED)

	Salary £	Max. Bonus % of salary	Bonus Awarded as % of max	% of salary	Bonus Received[1] £
Nigel Le Quesne	392,400	75%	67%	50%	196,200
Martin Fotheringham	300,000	75%	67%	50%	150,000
Wendy Holley [2]	200,000	12.5%	80%	10%	20,000

(1) The maximum annual bonus opportunity approved by the Committee was 75% of base salary for Nigel Le Quesne and Martin Fotheringham. At the Executive Directors' request the bonus was reduced to 50% of salary to provide a greater reward opportunity for employees.

(2) No bonus adjustment was made for Wendy Holley at the time of her appointment to the Board. Her future bonus opportunity will be based on a cap of 50% of base salary.

All cash bonus and Deferred Bonus Shares are subject to malus and clawback. Performance measures and weightings are set out in more detail on the following pages.

2019 PSP (UNAUDITED)

	Annual Salary	Max. Award (%)	Max. Award (£)	Share Award (100%)	Performance Measures[1]	Vesting Date	Hold Period
Nigel Le Quesne	£392,400	75	£294,300	98,100	TSR (50%) EPS (50%)	31.12.2022	2 years
Martin Fotheringham	£300,000	75	£225,000	75,000	TSR (50%) EPS (50%)	31.12.2022	2 years
Wendy Holley [2]	£200,000	25	£50,000	16,667	TSR (33%) EPS (33%) GP (34%)	31.12.2022	2 years

TSR = Total Shareholder Return

EPS = underlying Earnings Per Share

GP = Group Business Plan delivery

(1) We set a target of 10% revenue growth which is applied to the underlying EPS target. The target for the 19-21 LTIP's is 27.04p so this means that the 20-22 series target is 29.75p. therefore the EPS range is 23.8p to 29.75p.

The floor of 80% set would equate to a 25% entitlement. Thereafter the award would increase in value on a linear scale whereby on reaching 100% of the consensus target for the adjusted underlying EPS the full EPS element of the award would be earned. For 2020 the underlying EPS target parameters are:

- Floor (25% award) would be 80% * 29.75 pence = 23.80 pence
- 100% award would be earned for EPS of 29.75 pence

PSP awards are subject to malus and clawback. Performance measures and weightings are set out in more detail on page on the following pages.

EXECUTIVE PERFORMANCE

ALIGNING EXECUTIVE'S INCENTIVE PERFORMANCE MEASURES STRATEGY

The Company's remuneration policy is designed to promote the long-term success of JTC, ensuring alignment of executives' performance measures with shareholder value-creation and pay-for-performance set against challenging targets and stretching goals. We continually consider the performance measures we use for our incentives to ensure they support the delivery of our strategy.

VARIABLE COMPONENTS OF EXECUTIVE REMUNERATION

ANNUAL BONUS

The measures provide a fair balance of rewarding financial performance, client service excellence, industry innovation and maintaining JTC's unique culture, which are the foundations of our success.

Financial measures will typically account for the majority of the bonus. A range of targets is set by the Committee, taking into account factors such as the business outlook for the year. If non-financial or individual measures are included, where possible a performance range will be set. The detail of the measures, targets and weightings may be varied by the Committee year on year based on the Company's strategic goals. Each objective is categorised by specific measures for which maximum points were assigned. The achievement of the objectives has been illustrated in points and incorporates associated behaviours as set out in the Core Values of the Group.

The following table sets out the 2019 Annual Bonus outcomes for Nigel Le Quesne and Martin Fotheringham:

Measure	Threshold (min. points required to trigger a bonus)	Maximum (points required to achieve 100% of the 75% of salary cap)	Outcome (reflected as actual points achieved for each measure)
Financial	10	30	16
Risk	5	14	12
Management	5	20	14
Total	**20**	**64**	**42**

* The maximum annual bonus opportunity approved by the Committee was 75% of base salary for Nigel Le Quesne and Martin Fotheringham. At the Executive Directors' request the bonus was reduced to 50% of salary to provide a greater reward opportunity for employees.

This illustration shows 65% success against objectives and behaviours which provides for a 65% of salary bonus.

The following table sets out the 2019 Annual Bonus outcomes for Wendy Holley:

Measure	Threshold (min. points required to trigger a bonus)	Maximum (points required to achieve 100% of the 12.5% of salary cap)	Outcome (reflected as actual points achieved for each measure
Financial			
Risk	7	14	8
Management	7	20	14
Total	**14**	**34**	**22**

* The maximum annual bonus opportunity approved by the Committee was 12.5% of base salary for Wendy Holley

PSP

For the two PSP awards granted to the CEO and CFO since IPO 50% award will be based on 50% underlying EPS and 50% TSR versus comparable companies. The target for the 19-21 LTIP's is 27.04p so this would mean that the 20-22 series target would be 29.75p. The EPS range is 23.8p – 29.75p. The floor of 80% set would equate to a 25% entitlement. Thereafter the award would increase in value on a linear scale whereby on reaching 100% of the consensus target for the adjusted underlying EPS the full EPS element of the award would be earned. For 2020 the EPS target parameters are:

- Floor (25% award) would be 80% * 29.75 pence = 23.80 pence
- 100% award would be earned for underlying EPS of 29.75 pence

Performance Conditions for the COO will remain as they have for previous years of TSR (33%), underlying EPS (33%) and Group Performance (34%).

Such measures remain pursuant to the Performance Share Plan Rules which carry a three year vesting period, two year holding period and malus and clawback provisions.

The Committee is comfortable that the underlying EPS and TSR performance conditions are appropriately stretching for the higher incentive opportunity and the EPS growth targets are significantly higher than those set in similar incentive plans in most FTSE 350 companies.

PERSONAL OBJECTIVES

The Executive Directors' personal objectives focus on the delivery of financial performance, the strategic priorities for the business and the successful management of risk. Based on a review of achievement against the personal objectives set out below, the Committee awarded Nigel Le Quesne and Martin Fotheringham 65% of salary under this element. At the request of the Executive Directors the final award was reduced to 50% of their salary in order to increase the funds available to award staff bonuses.

Theme	Objective	Achievements in the year
Financial	Maintain organic and inorganic growth in revenue and earnings in-line with consensus	Achieve financial Consensus using adjusted underlying EPS
	Deliver opportunities for inorganic growth in accordance with the Group's disciplined M&A strategy	Net organic growth of 8% – 10% (gross 17-20%) at Group level
		Improve EBITDA margin in line with KPI Indentify and deliver key M&A acquistions in-line with JTC's targeted, disciplined acquisition strategy Acquisition of Exequitive Partners in key growth jurisdiction
Risk	Maintain JTC's excellent track record of successful risk management	Introduce Jurisdictional Strength Index Improve the risk and compliance framework and reporting
		Maintaining excellent relationships with all regulators
		Recruitment, selection and induction of new Chief Risk Officer
Management	Protect and promote JTC's unique culture and values, including the employee 'Ownership for All' programme Proactive stakeholder management	Sponsor the JTC 'Leading In Our Name' (LION) senior management development and succession planning programme Sponsor the 'O4A' programme and ensure that 20% of shares remain in employee ownership Act as principal liaison for all stakeholders, including shareholders and employees Launch Wellbeing programme for the benefit of all jurisdictions

Based on a review of achievement against the personal objectives set out below, the Committee awarded Wendy Holley 10% of salary under this element.

Theme	Objective	Achievements in the year
Risk	Ensure swift and successful integration of acquisitions during the period	Lead dedicated M&A integration teams to ensure swift and successful full integration in accordance with agreed plans
	Support the embedded risk culture across the Group	Oversee the improvements to operational reporting
Management	Oversee and sponsor employee engagement programmes Ensure corporate culture, Group structure and operations continue to be fit for purpose Improve further operational reporting and maintain disciplined cost control	Implement the JTC 'Leading In Our Name (LION) senior management development and succession planning programme Implement the 'Advance to Buy' programme Ensure that JTC's business continuity planning remains 'fit for purpose' and lead specific implementation teams Support the improvements of the ICS Jurisdictional Strength Index Launch Wellbeing programme for the benefit of all jurisdictions

REMUNERATION POLICY

EXECUTIVE PAY GAP REPORTING

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

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2019	Total FTE remuneration for all UK employees	23	12	8

Methodology:

This ratio shows that the CEO's pay is 12x greater than the median average of all of JTC's UK employees.

- Determine the total FTE remuneration for all the Company's UK employees for the relevant financial year
- Rank those employees from low to high, based on their total FTE remuneration
- Identify the employees whose remuneration places them at the 25th, 50th (median) and 75th percentile points

REMUNERATION POLICY

This section sets out our Remuneration Policy. The Policy applied with effect from 21 May 2019 when it was approved by shareholders at the Company's Annual General Meeting and will remain in effect for three years until 2022.

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

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

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

Our Policy is designed to maintain stability in the executive team and to ensure appropriate positioning against our comparator groups. We believe our approach to be balanced and that it will stand the test of time.

The Committee considers general pay and employment conditions of all employees within the Group and is sensitive to these, to prevailing market and economic conditions and to governance trends when assessing the level of salaries and remuneration packages of executive directors and other members of the Executive Committee.

Remuneration links corporate and individual performance with an appropriate balance between short and long term elements, and fixed and variable components. The Policy is designed to incentivise executives to meet the Company's key objectives. A significant portion of total remuneration is performance related, based on a mixture of internal targets linked to the Company's key business drivers which can be measured, understood and accepted by both executives and shareholders.

The Committee considers that the targets set for the different components of performance-related remuneration are both appropriate and sufficiently demanding in the context of the business environment and the challenges which the Group faces as well as complying with the provisions of the Code.

The Committee has the discretion to amend certain aspects of the Policy in exceptional circumstances when considered to be in the best interests of Shareholders. Should such discretion be used, this will be explained and reported in the DRR for the following year.

COMPONENT PARTS OF THE REMUNERATION PACKAGE

The key components of executive directors' remuneration for the Policy Period are summarised below:

NOTES TO THE POLICY TABLE

All PSP awards made in respect of the 2019 financial year onwards to Executive Directors are subject to malus and clawback provisions. The Committee may, in its absolute discretion, determine to reduce the number of shares to which an award or option relates or cancel it altogether. Alternatively, the Committee could impose further conditions on the vesting or exercise of an award or option.

REMUNERATION POLICY FOR OTHER EMPLOYEES

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

The Group regards membership of its share plans (as described at pages 82 and 83) as a key part of its reward strategy which also aligns with the interests of employees and other stakeholders. Most employees receive benefits such as individual medical cover, permanent health insurance and life assurance.

RECRUITMENT POLICY

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

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

TERMINATION POLICY

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

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

SHARE OWNERSHIP GUIDELINES

In accordance with good practice and further aligning Executive Directors with the long-term interests of the Company, Executive Directors are required to build or maintain a shareholding equivalent to 150% of their annual base salary. The Executive Directors each hold a significant shareholding, as detailed at page 76.

FIXED ELEMENTS OF REMUNERATION FOR EXECUTIVE DIRECTOR

Element of remuneration	NON-EXECUTIVE DIRECTOR FEES
Purpose and link to company strategy	Fees are set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its Committees, and to attract and retain Non-Executive Directors of the highest calibre with relevant commercial and other experience.
Operation	The fees paid to the Non-Executive Directors are determined by the Board as a whole. Additional fees are payable for acting as Senior Independent Director and as Chair of the Board's Audit and Risk Committee and Remuneration Committee.
Maximum opportunity	The fees paid to the Non-Executive Directors are determined by the Board as a whole. Additional fees are payable for acting as Senior Independent Director and as Chair of the Board's Audit and Risk Committee and Remuneration Committee.

Read more on page 84

REMUNERATION POLICY
Continued

Element & link to strategy	BASE SALARY	BENEFITS	PENSIONS
	Set at levels to attract and retain individuals of the calibre required to lead the business. Reflects the individual's role, experience and contribution.	Provides benefits sufficient to attract and retain Executives with the appropriate experience and expertise.	Sufficient to attract and retain Executives with the appropriate experience and expertise.
Operation	Reviewed annually with increases typically taking effect from 1 January.	Executive Directors are entitled to the following benefits: • Life assurance • Pension contributions • Private medical insurance • Certain de minimis benefits in kind	Executive Directors are eligible to receive employer contributions to the Group Occupational Retirement plan.
Maximum opportunity	There is no set maximum to salary levels or salary increases. Account will be taken of increases applied to colleagues as a whole when determining salary increases for the Executive Directors. However, the Committee retains the discretion to award higher increases where it considers it appropriate, especially where salary at the outset has been set at a relatively low level.	The cost of providing these benefits can vary in accordance with market conditions, which will, therefore, determine the maximum value.	Up to 10% of salary per annum.
Performance metrics	None	None	None
	Read more on page 84	Read more on page 84	Read more on page 84

ANNUAL BONUS	PERFORMANCE SHARE PLAN (PSP)	DEFERRED BONUS SHARE PLAN (DBSP)	EMPLOYEE INCENTIVE PLAN
Incentivise and reward the achievement of stretching one year key performance targets set by the Committee at the start of each financial year.	Incentivise and reward executive directors for the delivery of longer term financial performance and shareholder value. Share-based to provide alignment with Shareholder interests.	Incentivise performance in the reporting year through the setting of targets at the beginning of the year consistent with the Group's long-term strategy. The opportunity to defer the bonus and take it in shares aligns interests with Shareholders and discourages short-term decision-making.	The Company attaches considerable importance to the role of performance based bonuses to drive profitability and business growth and to the importance of wider all employee share and/or performance based incentives to align employees' interests with the interests of Shareholders. The EIP has been adopted to further those aims.
The annual bonus is earned by the achievement of one year performance targets set by the Committee at the start of each financial year and is delivered in cash or a combination of cash and Deferred Bonus Shares. The Committee retains the discretion to adjust the bonus outcomes to ensure that they reflect underlying business performance.	An annual conditional award of ordinary shares which may be earned after a single three year performance period, based on the achievement of stretching performance conditions. Executive directors normally hold vested PSP shares (net of any shares sold to meet tax and social security liabilities) for a period of two years post-vesting.	All employees of the Company and its subsidiaries including Executive Directors are eligible to participate in the DBSP. It is currently intended that Executive Directors, Senior Managers and certain managers below Senior Manager level will participate. The Executive Directors will participate to the extent that their annual bonus exceeds 50% of their base year annual salary.	All employees of the Company and its subsidiaries (excluding all Executive Directors and Senior Managers) will be eligible to be granted an award under the EIP at the discretion of the Committee. Executive Directors and Senior Managers are not be eligible to participate in the EIP.
Up to 100% of salary. In the event the Executive Directors are in receipt of a bonus equating to more than 50% of their base salary then this additional amount will be deferred into the DBSP for a further three years.	Up to 100% of salary in 2019 for the CEO and CFO. Up to 12.5% of salary in 2019 for the COO and Senior Management. In any financial year, the total market value of shares over which awards can be made under the PSP to any participant cannot normally exceed 150% of their annual base salary, but the plan rules will allow the Remuneration Committee the discretion to award up to 250% of annual base salary in exceptional circumstances.	The DBSP is designed to incentivise high performance and may include further financial and non-financial performance measures, the precise measures and targets will be reviewed by the Remuneration Committee each year.	The EIP will not include any individual limits but it is intended that, except potentially in exceptional cases, awards would typically be a fraction of the participant's salary.
Awards are based on financial, operational and individual goals set at the start of the year. The Committee reserves the right to make an award of a different amount produced by achievement against the measures if it believes the outcome is not a fair reflection of Company performance. The split between these performance measures will be determined by the Committee.	Performance is measured over 3 financial years. Performance measures are 50% TSR and 50% underlying EPS for the CEO and CFO. Performance measures for the COO are 33% TSR, 33% underlying EPS and 34% of the delivery of the Group Business Plan.	The vesting of an award and receipt of shares may be subject to the achievement of other conditions to be set by the Remuneration Committee at the date of grant.	The EIP is designed to incentivise high performance and may include financial and non-financial performance measures, the precise measures and targets will be reviewed by the Committee each year.

Read more on page 84
Read more on page 84
Read more on page 84
Read more on page 84

REMUNERATION POLICY
Continued

AUDITED SECTION OF THE REMUNERATION REPORT

The Annual Report on Remuneration and the Annual Statement will be put to an advisory Shareholder vote at the AGM on 26 May 2020. The information on pages 84 to 85 is audited.

SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

The table below sets out the total remuneration payable to each Executive Director for the year ended 31 December 2019.(1)

Element	Nigel Le Quesne	Martin Fotheringham	Wendy Holley	Mike Liston	Dermot Mathias	Michael Gray	Erika Schraner
Base Salary as at 31 December 2019	£392,400	£300,000	£90,959	N/A	N/A	N/A	N/A
Base fee	N/A	N/A	N/A	£100,000	£60,000	£60,000	£7,233
SID fee	N/A	N/A	N/A	N/A	£10,000	N/A	N/A
Committee Chair fee(s)	N/A	N/A	N/A	N/A	£5,000	£10,000	N/A
Pension	£39,240	£17,500	£4,548	N/A	N/A	N/A	N/A
Benefits	£11,608	£11,477	£1,491	N/A	N/A	N/A	N/A
Annual Bonus	£196,200	£150,000	£9,096	N/A	N/A	N/A	N/A
PSP (value of max. award at grant)	£152,484	£116,528	£13,102	N/A	N/A	N/A	N/A
Total	£791,932	£595,505	£119,196	£100,000	£75,000	£70,000	£7,233

(1) Pro-rated from the date of appointment

BASE SALARY(AUDITED)

The annual rate of base salaries of the executive directors for the year ended 31 December 2019 was:

	Base salary	Effective date	Increase %	Reason
Nigel Le Quesne	£392,400	1 January 2019	9	Reflects increased responsibilities following IPO.
Martin Fotheringham	£300,000	1 January 2019	9	Reflects increased responsibilities following IPO.
Wendy Holley	£200,000	1 January 2019	3	'Cost of living' increase.

The proposed annual rate of base salaries of the executive directors from 1 January 2020 will be:

	Base salary	Effective date	Increase %	Reason
Nigel Le Quesne	£420,000	1 January 2020	7	'Cost of living' and incremental increase to achieve parity with peers.
Martin Fotheringham	£306,000	1 January 2020	2	'Cost of living' increase.
Wendy Holley	£230,000	1 January 2020	15	Reflects increased responsibilities following appointment to Board.

2019 ANNUAL BONUS (AUDITED)

Further details, including information on the performance assessment of personal objectives are set out on pages 78 and 79.

	2019		2018	
		% of Max. Award		% of Max. Award
Nigel Le Quesne	£196,200	67	£144,000	80
Martin Fotheringham	£150,000	67	£110,000	80
Wendy Holley	£20,000	80	£16,473	N/A

2019 PSP AWARDS (AUDITED)

During the year ended 31 December 2019, executive directors received a conditional award of shares which may vest after a three year performance period which will end on 31 December 2021, based on the achievement of stretching performance conditions. The maximum levels achievable under these awards are set out in the table below:

	Annual Salary	Max. Award (%)	Max. Award (£)	Share Award (100%)	Performance Measures[1]			Vesting Date	Hold Period[2]
Nigel Le Quesne	£392,400	75	£294,300	98,100	TSR (50%)		EPS (50%)	31.12.2022	2 years
MartinFotheringham	£300,000	75	£225,000	75,000	TSR (50%)		EPS (50%)	31.12.2022	2 years
WendyHolley	£200,000	12.5%	£25,000	16,667	TSR (33%)	EPS (33%)	GP (34%)	31.12.2022	2 years

(1) Face value of award as at the date of grant on 3 April 2019

(2) Executive Directors are required to hold vested awards for a period of two years following vesting so as to further strengthen the long term alignment of executives' remuneration packages with Shareholders' interests and, if required, to facilitate the implementation of provisions related to clawback.

TOTAL SHARE AWARDS GRANTED (AUDITED)

The table below sets out details of the Executive Directors' outstanding share awards as at 31 December 2019.

	Award	Max. No. Shares	% vesting at threshold performance	End of performance period	Vest Date	Hold Period
Nigel Le Quesne	PSP 2018	68,182	25%	31.12.2021	31.12.2020	N/A
	PSP 2019	98,100	25%	31.12.2022	31.12.2021	2 years
	Total	**166,282**				
Martin Fotheringham	PSP 2018	52,083	25%	31.12.2021	31.12.2020	N/A
	PSP 2019	75,000	25%	31.12.2022	31.12.2021	2 years
	Total	**127,083**				
Wendy Holley	PSP 2018	12,235	25%	31.12.2021	31.12.2020	N/A
	PSP 2019	16,667	25%	31.12.2022	31.12.2021	2 years
	Total	**28,902**				
	Total	**322,267**				

PAY FOR PERFORMANCE – CEO

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

	2019	2018
Single total figure of remuneration	£791,932	£538,239
Annual Bonus award against maximum %	67%	80%
PSP vesting rates against maximum opportunity %	N/A	N/A

DIRECTORS' REPORT

This Directors' Report forms part of the management report as required under DTR 4. The Company has chosen to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report can be found on pages 4 to 47 and includes an indication of future likely developments in the Company, details of important events and the Company's business model and strategy. The Corporate Governance Report on pages 48 to 85 and the Directors' Responsibilities Statement on page 87 are incorporated into the Directors' Report by reference.

Additional information which is incorporated by reference into this Directors' Report, including information required in accordance with the Listing Rules 9.8.4R of the UK Financial Conduct Authority's listing rules, specifically the following disclosures, have been included elsewhere within the Annual Report and are incorporated into this Directors' Report by reference:

Disclosure	Page
Financial Risk Management	131
Future Developments in the business	7
Statement of directors' responsibilities including disclosure of information to the auditor	89
Shareholder information	
Viability statement	
Going concern statement	36

COMPANY STATUS

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

SUBSIDIARY COMPANIES

JTC operates through a number of subsidiaries in various different countries. The list of subsidiaries is available at note 33 to the Financial Statements.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

It is a requirement of Listing Rule 9.8.7R that as an overseas company with a premium listing JTC must comply with the Code or explain in its Annual Report and accounts any areas of non-compliance and the Company's reasons for this. As at the date of this Report, the Company complies with the UK Corporate Governance Code published by the Financial Reporting Council (the "Code") to the extent applicable to "smaller companies" (being those outside the FTSE 350) other than the following exception: the Chair of the Board was a member of the Audit and RIsk Committee. The Board nevertheless considers the composition of the Committee to be appropriate given the Committee's activities and focus, and having regard to the relevant experience and background of Mr Liston.

FORWARD-LOOKING STATEMENTS

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

RESULTS AND DIVIDENDS

In the year ended 31 December 2019, the Group delivered an underlying profit before tax of £20.5 million (2018: £17 million), an increase of 20%; and a statutory profit before tax of £17.6 million (2018: -£2.1 million), a change of -928.5%.

A summary of the dividends on ordinary shares for the financial year ended 31 December 2019 compared to the prior year is shown below:

Year	Dividend	Pence per share
2019	Final (recommended)	3.6p
2019	0.6	1.7p
2019	**Total**	**5.3p**
2018	Final (recommended)	2.0p
2018	0.6	1.0p
2018	**Total**	**3.0p**

The 2019 interim dividend of 1.7 pence per existing ordinary share (2018: 1.0 pence) was paid to shareholders on 25 October 2019.

Payment of the recommended final dividend for the year 31 December 2019, if approved at the 2020 AGM, will be made on 3 July 2020 to shareholders registered at the close of business on 5 June 2020. The shares will be quoted ex-dividend from 4 June 2020.

DIRECTORS

Details of the directors in office at the date of this Report are listed on pages 54 to 55. In accordance with the Code, each director will retire and submit himself or herself for election or re-election at the 2020 AGM.

As announced, Wendy Holley was appointed as an executive director with effect from 19 July 2019 and Erika Schraner was appointed as an independent non-executive director with effect from 18 November 2019.

Copies of the Executive Directors' service contracts are available to Shareholders for inspection at the Company's registered office and at the Annual General Meeting (AGM). Details of the Directors' remuneration and service contracts and their interests in the shares of the Company are set out on page 76.

APPOINTMENT AND REPLACEMENT OF DIRECTORS

Directors may be appointed by ordinary resolution of the Shareholders, or by the Board. Appointment of a Director from outside the Group is on the recommendation of the Nomination Committee, whilst internal promotion is a matter decided by the Board unless it is considered appropriate for a recommendation to be requested from the Nomination Committee. At every AGM of the Company, any of the Directors who have been appointed by the Board since the last AGM shall seek election by the members. Notwithstanding provisions in the Company's Articles of Association, the Board has agreed, in accordance with the UK Corporate Governance Code all of the Directors wishing to continue will retire and, being eligible, offer themselves for re-election by the Shareholders at the 2020 AGM.

DIRECTORS' INDEMNITY

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

POWERS OF THE DIRECTORS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Our statement on Director's Responsibilities has been provided on page 89 of this Report.

MATERIAL INTEREST IN SHARES

Up to year-end being 31 December 2020 and as at 9 April 2020, being the latest practicable date before the publication of the report, the following disclosures of major holdings in voting rights have been made to the Group pursuant to Rule 5 DTR.

Shareholder	% interest in voting rights
Liontrust Asset Management	9.70
Nigel Le Quesne	9.17
Fidelity Mgt & Research	7.98
Aberdeen Standard Investments (Standard Life)	7.56
Invesco	6.92

SHARE CAPITAL

General

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

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

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

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

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

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

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

ALLOTMENT OF SHARES

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

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

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

PURCHASE OF SHARES

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

ARTICLES OF ASSOCIATION

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

SHARE DEALING CODE

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

POST BALANCE SHEET EVENTS

Details of post-balance sheet events are given in note 40 of the financial statements.

DONATIONS AND POLITICAL EXPENDITURE

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

Group charitable donations	£
2019	103,203

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

COMMUNICATING WITH SHAREHOLDERS

The Company places considerable importance on communication with its shareholders, including its private shareholders. The Group CEO and the Group CFO are closely involved in investor relations and a senior executive has day to day responsibility for such matters. The views of the Company's major shareholders are reported to the Board by the Group CEO

DIRECTORS' REPORT
Continued

and the Group CFO as well as by the Chairman (who remains in contact with our largest shareholders) and are discussed at its meetings.

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

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

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

UK LISTING RULE 9.8.4

There are no disclosures required to be made under UK Listing Rule 9.8.4 which have not already been disclosed elsewhere in this Report.

Details of long term incentive plans can be found in the Directors' Remuneration Report on pages 74 to 85.

AUDITORS

PricewaterhouseCoopers CI LLP, which was re-appointed in 2019, has expressed its willingness to continue in office as the Group's Auditor and accordingly, resolutions to reappoint it and to authorise the Directors to determine its remuneration will be proposed at the AGM. These are resolutions 4 and 5 set out in the Notice of Meeting.

GOING CONCERN

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

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

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

DISCLOSURE TO THE AUDITORS

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

AGM

The AGM will be held on 26 May 2020 at 10.30am at JTC House, 28 Esplanade, St. Helier, Jersey, JE2 3QA. At that meeting, Shareholders will be asked to vote separately on the Annual Report and on the Report on Directors' Remuneration. Separate resolutions will also be proposed on every substantive issue. A poll will be held on each resolution to ensure that the votes of the Shareholders unable to attend the meeting are taken into account, and results of the voting will be placed on our website as soon as possible after the meeting.

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

On behalf of the Board

MIRANDA LANSDOWNE
JOINT COMPANY SECRETARY
JTC (JERSEY) LIMITED, COMPANY SECRETARY
21 April 2020

DIRECTORS' RESPONSIBILITY STATEMENT

"The corporate secretary is an important link between the Board, management, shareholders and other stakeholders. Good corporate governance ensures the Group not only conforms but performs."

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

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

Company law requires the Directors to prepare Group financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of their profit or loss for that period. In preparing each of the Group financial statements, the Directors are required to:

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

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

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

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

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

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

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

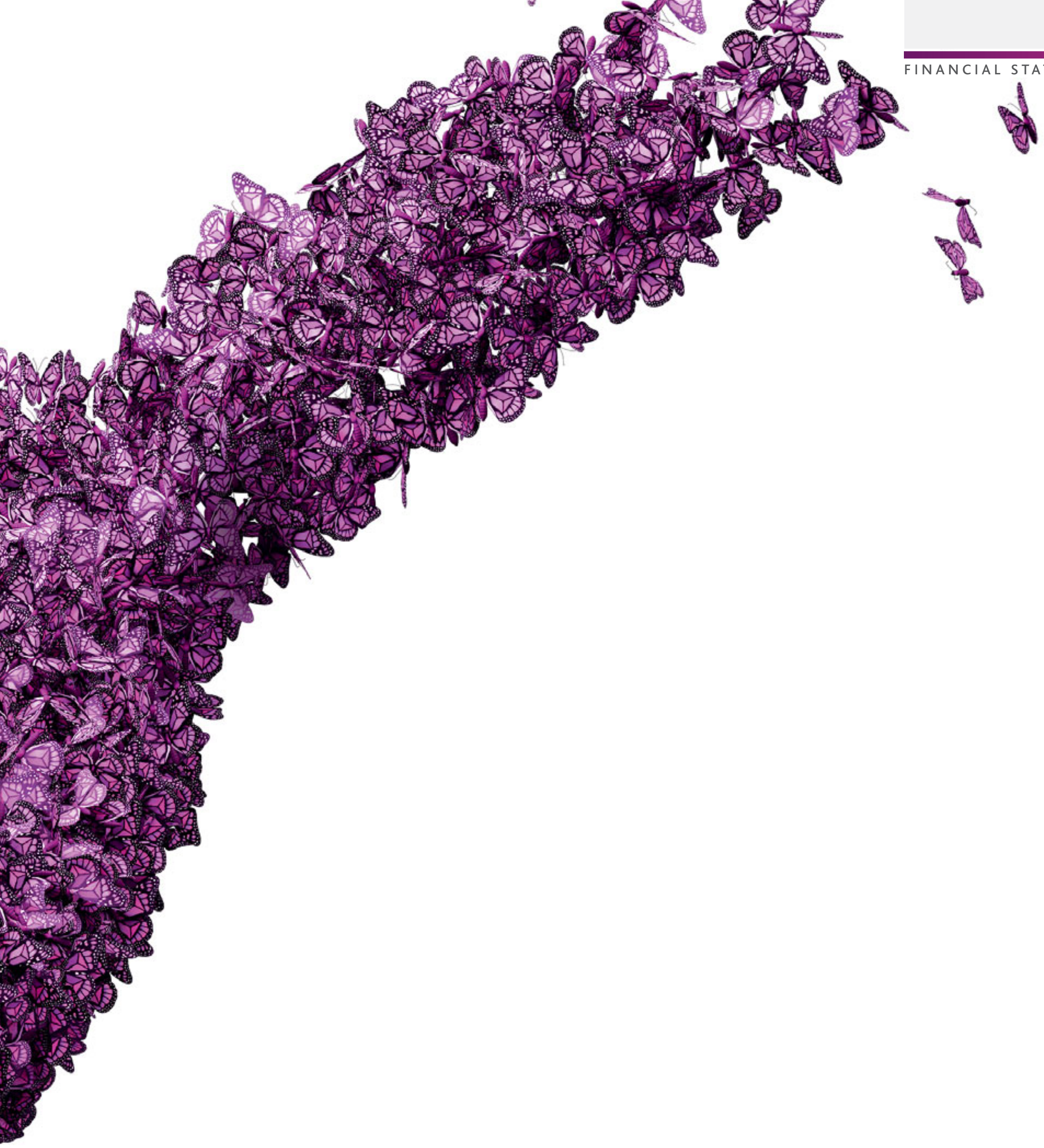
The Annual Report and Accounts is the responsibility of, and has been approved by, the directors.

We confirm that to the best of our knowledge:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report (contained on pages 4 to 47) includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The directors consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Approved by the Board on 21 April 2020 and signed on its behalf by:

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



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JTC PLC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of JTC PLC (the "company") and its subsidiaries (together "the group") as at 31 December 2019, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

The group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

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

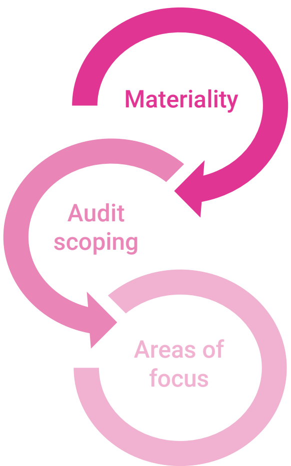
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

OUR AUDIT APPROACH

Overview



Materiality

- Overall group materiality for the consolidated financial statements was £882,000 which represents 5% of the group profit before tax.

Audit scope

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

Key audit matters

- Recoverability of work in progress ("WIP")
- Impairment of goodwill
- Business combinations
- Management's consideration of the potential impact of COVID-19 on the group

Audit scope

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

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

Materiality

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

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

Overall group materiality	£882,000 (2018: £661,500).
How we determined it	5% of group profit before tax (Prior year: group loss before tax adjusted for one-off costs relating to the initial public offering ("IPO") of the group).
Rationale for the materiality benchmark	The determination of materiality and the benchmark used is a matter of professional judgement. Profit before tax is the measure used by management to assess the performance of the business and to communicate results to market. This is a change from our prior year benchmark which adjusted group loss before tax for the one-off costs relating to the IPO, which was considered appropriate in the prior year as those costs were not seen as representative of the underlying performance of the group.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £44,000 (de minimis posting level calculated as 5% of overall materiality), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
Recoverability of work in progress ("WIP") Recoverability of WIP, where services are provided on a time spent basis for client matters which have not yet been billed, is considered a key audit matter. WIP is required to be stated at the amount which is recoverable. There is a significant level of judgement applied by management in assessing and determining the value of WIP at the year end. Therefore, there is a risk of material misstatement that WIP as at year end may not be recoverable and that revenue could be overstated. Accounting policies and disclosures in respect of revenue and WIP are set out in note 13 of the annual report.	We evaluated the design and implementation of controls around the billing process and quarterly valuation of WIP; For a sample of clients where WIP has been recognised, we confirmed subsequent billing and when possible the amounts recovered post year end; Where WIP was not billed post year end for the sample selected, we challenged management's judgement and rationale around the recoverability of the amounts through analysis of client agreements, communication with clients, billing and payment history to support the judgements made where required; Analytical procedures were performed to analyse the implied recovery of historic WIP for us to assess the reasonableness of the implied recovery of WIP on a sample basis at year end; and We assessed the provisions applied, the level of WIP write-offs and credit notes raised on post year end invoices, on a sample basis and challenged the rationale for those provisions raised and the impact on the year-end WIP balance. As a result of the procedures performed we have not identified any material issues in respect of the WIP balance at year end.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JTC PLC

Key audit matter	How our audit addressed the Key audit matter
Impairment of goodwill Various acquisitions by the group have generated a significant amount of goodwill being recognised on the consolidated balance sheet. The initial allocation of goodwill (calculated as the fair value of the consideration paid less the fair value of net assets acquired, less corresponding valuation of customer contract intangible assets) is determined in the year of acquisition. Management is required to perform annual impairment reviews in respect of the carrying value of goodwill on a cash generating unit ("CGU") basis. Management uses a discounted cash flow model to determine the value in use of each CGU to which goodwill is allocated. The annual impairment tests performed by management were considered significant to our audit due to the complexity of the assessment process and the judgments applied by management when determining the assumptions included in the assessment. These assumptions are based on estimates that are affected by expected future economic and market conditions in the geographical region and division within which a particular CGU operates. Accounting policies and disclosures relating to impairment of goodwill are set out in note 21 of the annual report.	We evaluated the design and implementation of controls around the preparation and review of impairment calculations. We evaluated the inputs, assumptions and approvals in the preparation of the forecast used by management in determining the value in use for each of the CGUs, including the appropriateness of the base case forecast. We challenged management's judgements, tested the underlying value in use calculation and compared forecast used in the calculation to management's approved forecasts and budgets; We challenged management's key assumptions for short- and long-term growth rates in the forecasts by comparing them to historical performance and challenging the basis of the forecast. We challenged the discount rates used in the calculation by considering the cost of capital for each CGU; We performed sensitivity analysis to identify the key assumptions in the value in use calculation and challenged management's rationale for the applied rates. We also performed sensitivity analysis to determine the extent to which a reduction in key assumptions would result in goodwill impairment and challenged management on the likelihood of such events occuring; and We assessed the mathematical accuracy of each discounted cash flow model and assessed whether the calculated value in use is higher/lower than the carrying amount; and We considered the adequacy of the disclosure in the consolidated financial statements of the impairment assessment of goodwill. As a result of the testing performed we have not identified any material issues in respect of the impairment of goodwill.
Business combinations The group has completed two business combinations during the year. Significant judgement is involved in calculating the fair value of acquired assets and the allocation of the purchase price to customer contracts. Judgements arise from the fact that there are a number of assumptions included in the valuation model used to determine the fair values of customer contract intangible assets. These include estimates for the economic useful lives of the intangible assets, projected future earning levels, growth rates, client attrition rates and discount rates. Judgement is also applied in considering whether acquisitions meet the definition of a business combination. Accounting policies and disclosures relating to the acquisitions are disclosed in note 31 of the annual report.	We evaluated the design and implementation of controls around the preparation, review and accounting for acquisitions. We challenged management on the assumptions used in the valuation models and purchase price allocations. This included benchmarking against comparable data. The most significant challenges were around attrition rates, useful economic life and future projections of revenue/EBITDA margins; We performed sensitivity analysis on the key assumptions used in the valuation model, including useful economic life, projected future earning levels, growth rates; We reconciled source data used in the models to underlying accounting records; and We obtained management's accounting judgement papers and challenged whether the valuations performed were appropriately accounted for in accordance with applicable financial reporting standards. As a result of the testing performed we have not identified any material issues in respect of the accounting for business combinations.

Key audit matter	How our audit addressed the Key audit matter
Management's consideration of the potential impact of COVID-19 on the group COVID-19 has emerged as a global pandemic during 2020. Management and the board have considered the potential impact of the non-adjusting post balance sheet events that have been caused by the pandemic, COVID-19, on the current and future operations of the group. In doing so, management has made estimates and judgements that are critical to the outcomes of these considerations with a particular focus on the group's viability and ability to continue as a going concern. As a result of the impact of COVID-19 on the global economy and the group, we have determined management's consideration of the potential impact of COVID-19 (including their associated estimates and judgements) to be a key audit matter.	In assessing management's consideration of the potential impact of COVID-19, we have undertaken the following audit procedures. We obtained management's latest assessment that supports the board's assessment and their conclusions with respect to the statements of viability and going concern respectively; We discussed with management and the board the critical estimates and judgements applied in this assessment so we could understand and challenge the rationale underlying factors incorporated and the sensitivities applied as a result of COVID-19; We considered the impact assessment provided to evaluate its consistency with our understanding of the operations of the group and the markets in which the group operates; and We reviewed the impact assessment stress testing to confirm that management and the board have considered adverse circumstances in the assessment of the potential impact of COVID-19 on the viability and going concern of the group. In discussing, challenging and evaluating the estimates and judgments made by management and the board in the impact assessment, we noted the following factors that were considered to be fundamental in their consideration of the potential impact of COVID-19 on the current and future operations of the group and which support the statements of viability and going concern respectively: • The group has a highly visible recurring revenue not linked to Assets under Administration (c. 90% of revenue is recurring with an average client lifespan of 10 years and negligible midlife attrition). • The group has the ability to deliver 'business as usual' service to clients under prolonged business continuity conditions. • The group controls the underlying assets of many of its clients and therefore the macroeconomic impact on Expected Credit Losses was considered low. • The group has prudent debt levels with a leverage level maintained within the guidance range of 1.5x to 2x underlying EBITDA to net debt. Based on our procedures and the information available at the time of the directors' approval of the consolidated financial statements we have not identified any matters to report with respect to both management and the board's consideration of the impact of COVID-19 on the current and future operations of the group, albeit acknowledging that the situation continues to evolve.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JTC PLC

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

USE OF THIS REPORT

This independent auditor's report, including the opinions, has been prepared for and only for the members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Company Law exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Listing Rules of the Financial Conduct Authority (FCA)

We have nothing material to add or draw attention to in respect of the following matters which we have reviewed based on the requirements of the Listing Rules of the FCA:

- The directors' confirmation that they have carried out a robust assessment of the principal and emerging risks facing the group, including a description of the principal risks, what procedures are in place to identify emerging risks, and an explanation of how those risks are being managed or mitigated.
- The directors' explanation 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 a review of the directors' statement that they have carried out a robust assessment of the principal and emerging risks facing the group and the directors' statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the group and its environment obtained in the course of the audit.

Additionally, we have nothing to report in respect of our responsibility to report when:

- The directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.
- The statement given by the directors that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the group's position and performance, business model and strategy is materially inconsistent with our knowledge of the group obtained in the course of performing our audit.
- The section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

MICHAEL BYRNE
FOR AND ON BEHALF OF PRICEWATERHOUSECOOPERS CI LLP
CHARTERED ACCOUNTANTS AND RECOGNIZED AUDITOR
JERSEY, CHANNEL ISLANDS
21 APRIL 2020

a. The maintenance and integrity of the JTC PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Revenue	4	**99,274**	77,254
Staff costs	5	**(46,699)**	(50,703)
Establishment costs		**(1,446)**	(4,705)
Other operating expenses	6	**(16,362)**	(15,638)
Credit impairment losses	12	**(1,253)**	(1,285)
Other operating income		**53**	343
Share of profit of equity-accounted investee		**146**	92
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")		**33,713**	5,358
Comprising:			
Underlying EBITDA		**31,686**	23,929
Non-underlying items	7	**(1,670)**	(18,571)
Impact of IFRS 16	3.2	**3,697**	–
		33,713	5,358
Depreciation and amortisation	8	**(10,752)**	(4,637)
Profit from operating activities		**22,961**	721
Other (losses)/gains	9	**(1,479)**	522
Finance income	10	**170**	103
Finance cost	10	**(4,013)**	(3,475)
Profit/(loss) before tax		**17,639**	(2,129)
Comprising:			
Underlying profit before tax		**20,398**	16,990
Non-underlying items	7	**(2,106)**	(19,119)
Impact of IFRS 16	3.2	**(653)**	–
		17,639	(2,129)
Tax	11	**(458)**	(1,728)
Profit/(loss) for the year		**17,181**	(3,857)
Earnings per ordinary share ("EPS")		**Pence**	Pence
Basic EPS	34.1	**15.43**	(3.87)
Diluted EPS	34.2	**15.35**	(3.87)

The notes on pages 103 to 148 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £'000	2018 £'000
Profit/(loss) for the year	**17,181**	(3,857)
Other comprehensive (loss)/income:		
Items that may be subsequently reclassified to profit or loss:		
Exchange difference on translation of foreign operations (net of tax)	**(1,375)**	1,334
Total comprehensive income/(loss) for the year	**15,806**	(2,523)

The notes on pages 103 to 148 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Assets			
Property, plant and equipment	20	**37,865**	6,406
Goodwill	21	**124,880**	104,835
Other intangible assets	21	**48,039**	41,835
Investment in equity-accounted investee	32	**1,124**	978
Other non-financial assets	22	**965**	1,536
Other receivables	15	**217**	244
Deferred tax assets	23	**103**	135
Total non-current assets		**213,193**	155,969
Trade receivables	12	**16,255**	16,142
Work in progress	13	**9,297**	7,084
Accrued income	14	**12,906**	9,309
Other non-financial assets	22	**2,992**	3,002
Other receivables	15	**6,266**	1,335
Cash and cash equivalents	16	**26,317**	32,457
Total current assets		**74,033**	69,329
Total assets		**287,226**	225,298
Equity			
Share capital	26.1	**1,141**	1,109
Share premium	26.1	**100,658**	94,599
Own shares	26.2	**(3,027)**	(2,565)
Capital reserve	26.3	**451**	(112)
Translation reserve	26.3	**1,069**	2,444
Retained earnings	26.3	**28,265**	13,426
Total equity		**128,557**	108,901
Liabilities			
Trade and other payables	17	**–**	4,713
Loans and borrowings	18	**86,681**	72,032
Lease liabilities	19	**28,616**	–
Deferred tax liabilities	23	**7,656**	6,010
Other non-financial liabilities	24	**518**	997
Provisions	25	**1,116**	1,038
Total non-current liabilities		**124,587**	84,790
Trade and other payables	17	**21,148**	19,398
Loans and borrowings	18	**508**	683
Lease liabilities	19	**2,875**	–
Other non-financial liabilities	24	**7,536**	8,254
Current tax liabilities	11	**1,942**	2,871
Provisions	25	**73**	401
Total current liabilities		**34,082**	31,607
Total equity and liabilities		**287,226**	225,298

The notes on pages 103 to 148 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 98 to 148 were approved by the Board of Directors on the and signed on its behalf by:

NIGEL LE QUESNE
CHIEF EXECUTIVE OFFICER

MARTIN FOTHERINGHAM
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Share capital £'000	Share premium £'000	Own shares £'000	Capital reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018 as originally presented		10	238	(1)	(1,213)	1,110	2,884	3,028
Adoption of new standards		–	–	–	–	–	(168)	(168)
Restated total equity at 1 January 2018		10	238	(1)	(1,213)	1,110	2,716	2,860
Loss for the year		–	–	–	–	–	(3,857)	(3,857)
Other comprehensive income for the year		–	–	–	–	1,334	–	1,334
Total comprehensive loss for the year		–	–	–	–	1,334	(3,857)	(2,523)
Issue of share capital	26.1	1,099	95,103	–	–	–	–	96,202
Cost of share issuance		–	(742)	–	–	–	–	(742)
Share-based payment expense	36.2	–	–	–	443	–	–	443
Movement in EBT and JSOPs		–	–	–	658	–	–	658
Movement of own shares	26.2	–	–	(2,564)	–	–	–	(2,564)
EBT12 gain on sale of shares	26.2	–	–	–	–	–	15,641	15,641
Dividends paid	27	–	–	–	–	–	(1,074)	(1,074)
Balance at 31 December 2018		1,109	94,599	(2,565)	(112)	2,444	13,426	108,901
Balance at 1 January 2019 as originally presented		**1,109**	**94,599**	**(2,565)**	**(112)**	**2,444**	**13,426**	**108,901**
Adoption of new standard	3.2	**–**	**–**	**–**	**–**	**–**	**1,792**	**1,792**
Restated total equity at 1 January 2019		**1,109**	**94,599**	**(2,565)**	**(112)**	**2,444**	**15,218**	**110,693**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**17,181**	**17,181**
Other comprehensive loss for the year		**–**	**–**	**–**	**–**	**(1,375)**	**–**	**(1,375)**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**(1,375)**	**17,181**	**15,806**
Issue of share capital	26.1	**32**	**6,093**	**–**	**–**	**–**	**–**	**6,125**
Cost of share issuance		**–**	**(34)**	**–**	**–**	**–**	**–**	**(34)**
Share-based payment expense	36.2	**–**	**–**	**–**	**694**	**–**	**–**	**694**
Movement in EBT		**–**	**–**	**–**	**(131)**	**–**	**–**	**(131)**
Movement of own shares	26.2	**–**	**–**	**(462)**	**–**	**–**	**–**	**(462)**
Dividends paid	27	**–**	**–**	**–**	**–**	**–**	**(4,134)**	**(4,134)**
Balance at 31 December 2019		**1,141**	**100,658**	**(3,027)**	**451**	**1,069**	**28,265**	**128,557**

The notes on pages 103 to 148 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Operating cash flows before movements in working capital	35.1	**34,261**	5,709
Increase in receivables		**(4,912)**	(3,436)
(Decrease)/increase in payables		**(5,751)**	4,565
Cash generated by operations		**23,598**	6,838
Income taxes paid		**(2,009)**	(907)
Net cash from operating activities		**21,589**	5,931
Comprising:			
Underlying net movement in cash from operating activities		**26,739**	18,601
Non-underlying cash items	35.2	**(5,150)**	(12,670)
		21,589	5,931
Investing activities			
Interest received		**171**	103
Payment for property, plant and equipment	20	**(2,009)**	(1,175)
Payment for intangible assets	21	**(1,417)**	(1,024)
Payment for business combinations	31	**(22,279)**	(31,176)
Loans to third parties		**(4,317)**	–
Net cash used in investing activities		**(29,851)**	(33,272)
Financing activities			
Share capital raised		**–**	20,000
Share issuance costs		**(33)**	(742)
Repayment of loan notes		**–**	(2,161)
Proceeds from sale of EBT12 shares	26.2	**–**	15,641
Sale and purchase of own shares	26.2	**(434)**	(2,565)
Dividends paid	27	**(4,134)**	(1,074)
Repayment of loans and borrowings		**(689)**	(56,689)
Proceeds from loans and borrowings	18.1	**15,509**	72,960
Loan arrangement fees		**(285)**	(1,318)
Interest paid on loans and borrowings		**(2,193)**	(1,718)
Facility fees paid on loans and borrowings		**(183)**	(93)
Principal paid on lease liabilities (2018: Principal paid on finance leases)		**(2,167)**	(18)
Interest paid on lease liabilities (2018: Interest paid on finance leases)		**(936)**	(3)
Net cash from financing activities		**4,455**	42,220
Net (decrease)/increase in cash and cash equivalents		**(3,807)**	14,878
Cash and cash equivalents at the beginning of the year		**32,457**	16,164
Effect of foreign exchange rate changes		**(2,333)**	1,415
Cash and cash equivalents at end of year	16	**26,317**	32,457

The notes on pages 103 to 148 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Continued

SECTION 1 – BASIS FOR REPORTING AND GENERAL INFORMATION

1. REPORTING ENTITY

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

The consolidated financial statements of the Company for the year ended 31 December 2019 comprise the Company and its subsidiaries (together the "Group" or "JTC") and the Group's interest in an associate.

The Company was admitted to the London Stock Exchange on 14 March 2018 (the "IPO") having obtained control of the entire share capital of JTC Group Holdings Limited ("JTCGHL") via a share exchange, and thus control of the Group, see note 26. The consolidated balance sheet at 31 December 2018 reflected the change in legal ownership of the Group, including the share capital of JTC PLC and the effects of the share exchange transactions.

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

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE AND BASIS OF MEASUREMENT

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

2.2. FUNCTIONAL AND PRESENTATION CURRENCY

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. CHANGES IN ACCOUNTING POLICIES AND NEW STANDARDS ADOPTED

The accounting policies set out in these consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

New standards and interpretations issued and effective from 1 January 2019

To the extent they are relevant, the Group has adopted, from 1 January 2019, all IFRS standards and interpretations including amendments that were in issue and effective for accounting periods beginning on 1 January 2019. These are as follows:

- IFRS 16 'Leases'
- IFRIC 23 'Uncertainty over Income Tax Treatments'
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
- Annual Improvements to IFRS Standards 2015–2017 Cycle
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

These standards and interpretations had no material impact for the Group, except for IFRS 16, as described below.

New standards and interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions, except for Definitions of a Business (Amendments to IFRS 3).

This amendment narrows the definition of a business and adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. For the Group, this amendment could result in more acquisitions being accounted for as asset acquisitions.

3.2. IFRS 16 'LEASES'

This note explains the impact of the adoption of IFRS 16 'Leases' on the Group's consolidated financial statements.

The Group has adopted IFRS 16 'Leases' retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 19.

To assess the impact of IFRS 16, Management have considered existing operating and finance leases as well as reviewing all other contracts in place within the business to ascertain if they fall within the definition of a lease. The most significant contracts identified are where the Group enters into leases for the rental of office space in different countries. Leases are negotiated for a variety of terms over which rentals are primarily fixed with break clauses and options to extend for further periods at the prevailing market rate. Any lease incentives are spread over the term of the lease. The break dates for the lease agreements vary.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 'Leases'. The liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019.

The incremental borrowing rate applied to each lease was determined considering the Group's borrowing rate and the risk-free interest rate, adjusted for factors specific to the country, currency and term of the lease. The incremental borrowing rates applied to individual leases ranged between 1.5% and 9.2%. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.1%.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application. The measurement principals of IFRS 16 are only applied after that date.

The right-of-use assets recognised relate only to leases for the rental of office space, other right-of-use assets were all considered to be low-value or short-term.

Practical expedients applied

In applying IFRS 16 for the first time, the Group used the following practical expedients permitted by the standard:

- The exclusion of initial direct costs in the measurement of the right-of-use asset for operating leases at the date of initial application.
- Reliance on previous assessments on whether leases are onerous instead of performing an impairment review.
- For operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, accounting for the lease expense on a straight-line basis over the remaining lease term.
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate leases.

The Group has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on the assessment it made in applying IAS 17 and IFRIC 4 'Determining whether an Arrangement Contains a Lease'.

Measurement of lease liabilities

The following is a reconciliation of total operating lease commitments at 31 December 2018 to the lease liabilities recognised at 1 January 2019:

	£'000
Operating lease commitments disclosed at 31 December 2018	37,698
Discount applied using the lessee's incremental borrowing rate at the date of initial application	(8,246)
Add: finance lease liabilities recognised at 31 December 2018	35
Less: Recognition exemptions	
– Leases with remaining lease term of less than 12 months	(330)
– Leases of low-value assets	(143)
Other adjustments relating to commitment disclosures	160
Total lease liabilities recognised under IFRS 16 at 1 January 2019	**29,174**

Of which:	
Current lease liabilities	2,631
Non-current lease liabilities	26,543
	29,174

Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were also onerous lease contracts that required adjustment to the right-of-use asset at the date of initial application.

Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Property, plant and equipment increased by £29.1m for right-of-use assets.
- Prepayments decreased by £0.1m.
- Provisions for onerous leases decreased by £0.1m.
- Provisions for rent-free periods decreased by £1.6m.
- Lease liabilities increased by £29.2m; £26.6m is shown in non-current liabilities and £2.6m in current liabilities.
- The net impact on retained earnings on 1 January 2019 was an increase of £1.8m.

Impact for the current financial year end

For the current financial year end, IFRS 16 has impacted as follows:

- EBITDA for the year to 31 December 2019 increased by £3.7m.
- Profit after tax for the year to 31 December 2019 decreased by £0.7m.
- The carrying value of non-current lease liabilities is £28.7m and £2.9m for current lease liabilities at 31 December 2019, see note 19.1.
- The carrying value of right-of-use assets is £30.2m at 31 December 2019, this is presented within property, plant and equipment, see note 20.
- Basic Earnings Per Share have decreased by 0.06p per share for the year to 31 December 2019 as a result of the adoption of IFRS 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Continued

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its "subsidiaries"). The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the consolidated income statement.

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

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

Company only financial statements

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

SECTION 2 – RESULT FOR THE YEAR

4. SEGMENTAL REPORTING

Revenue

Revenue is recognised in the consolidated income statement to the pro-rated part of the services rendered to the client at the reporting date.

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

Revenue comprises fees and commissions from providing corporate, fund and private client administration services to institutional and private clients. The contractual arrangements can be time based, based on a percentage of net asset value ("NAV"), fixed fees or service charges and can be billed in advance or in arrears.

Principal versus agent consideration

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

Other revenue

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

Rental income where the Group acts as lessor is recognised on a straight-line basis over the relevant term of the lease.

4.1. BASIS OF SEGMENTATION

The Group has a multi-jurisdictional footprint and the core focus of operations is on providing services to its institutional and private client base, with revenues from alternative asset managers, financial institutions, corporates, high-net-worth ("HNW") and ultra-high-net-worth ("UHNW") individuals and family office clients. Declared revenue is generated from external customers. Business activities include:

Fund services

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

Corporate services

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

Private client services

Supporting HNW and UHNW individuals and families, from 'emerging entrepreneurs' to established single and multi-family offices. Services include JTC's own comprehensive Private Office, as well as the formation and administration of trusts, companies, partnerships, and other vehicles and structures across a range of asset classes, including cash and investments.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Continued

4. SEGMENTAL REPORTING (CONTINUED)

4.2. SEGMENTAL INFORMATION

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

	ICS		PCS		Total	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000	**2019 £'000**	2018 £'000
Revenue	**54,824**	43,362	**44,450**	33,892	**99,274**	77,254
Direct staff costs	**(21,371)**	(16,465)	**(14,897)**	(10,782)	**(36,268)**	(27,247)
Other direct costs	**(157)**	(416)	**(1,592)**	(2,046)	**(1,749)**	(2,462)
Underlying gross profit	**33,296**	26,481	**27,961**	21,064	**61,257**	47,545
Underlying gross profit margin %	***60.7%***	*61.1%*	***62.9%***	*62.2%*	***61.7%***	*61.5%*
Indirect staff costs	**(5,221)**	(4,169)	**(4,760)**	(3,600)	**(9,981)**	(7,769)
Other operating expenses	**(12,471)**	(10,043)	**(7,318)**	(6,240)	**(19,789)**	(16,283)
Other income	**28**	219	**171**	217	**199**	436
Underlying EBITDA	**15,632**	12,488	**16,054**	11,441	**31,686**	23,929
Underlying EBITDA margin %	***28.5%***	*28.8%*	***36.1%***	*33.8%*	***31.9%***	*31.0%*

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

5. STAFF COSTS

EMPLOYEE BENEFITS

Short-term benefits

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

Defined contribution plans

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions. The Group has no further payment obligation once the contributions have been paid.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. If benefits are not expected to be settled wholly within one year of the end of the reporting period, then they are discounted.

Employee Benefit Trust ("EBT")

The Group is committed to the concept of shared ownership and it is this ethos that has historically led to the creation of EBTs to hold shares in the Company for the benefit of employees. All permanent employees of the Group automatically become beneficiaries once they complete their probationary period. Any awards that were made upon completion of a capital event were expensed to staff costs immediately. Due to the capital nature of these awards they are considered to be non-underlying.

	Note	**2019 £'000**	2018 £'000
Salaries and Directors' fees		**39,667**	31,925
Capital distribution from EBT12	7	**(407)**	13,211
Other short-term employee benefits		**1,216**	986
Defined contribution pension costs		**1,735**	1,355
Share-based payments	36.2	**694**	443
Training and other staff-related costs		**3,794**	2,783
		46,699	50,703

6. OTHER OPERATING EXPENSES

Other operating expenses are accounted for on an accruals basis.

	2019 £'000	2018 £'000
Third party administration fees	**1,789**	2,518
Legal and professional fees	**3,825**	4,140
Auditor's remuneration for audit services	**1,033**	795
Auditor's remuneration for other services:		
– Acquisitions	**–**	78
– IPO	**–**	285
Insurance	**607**	593
Travelling	**1,418**	961
Marketing	**890**	715
IT expenses	**4,436**	3,565
Other expenses	**2,364**	1,988
Other operating expenses	**16,362**	15,638

7. NON-UNDERLYING ITEMS

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

	Note	2019 £'000	2018 £'000
EBITDA		**33,713**	5,358
Non-underlying items within EBITDA:			
Capital distribution from EBT12(i)		**(407)**	13,211
Acquisition and integration costs(ii)		**2,041**	4,257
IPO costs		**36**	954
Office closures		**–**	56
One-off costs to reorganise Senior Management team		**–**	93
Total non-underlying items within EBITDA		**1,670**	18,571
Impact of IFRS 16	3.2	**(3,697)**	–
Underlying EBITDA		**31,686**	23,929

	Note	2019 £'000	2018 £'000
Profit/(loss) before tax		**17,639**	(2,129)
Total non-underlying items within EBITDA		**1,670**	18,571
Unwinding of discount on capital distribution(i)		**165**	190
Gain on bargain purchase(iii)		**(188)**	(457)
Impairment of customer relationship intangible asset(iv)		**459**	–
Loss on disposal of acquired fixed asset		**–**	564
Accelerated amortisation of loan arrangement fees		**–**	251
Total non-underlying items within profit before tax		**2,106**	19,119
Impact of IFRS 16	3.2	**653**	–
Underlying profit before tax		**20,398**	16,990

(i) Following the IPO in March 2018, the Group expensed £13.21m to staff costs being the discounted value of the total committed capital distributions from EBT12. During 2019, £0.4m was credited to staff costs in relation to leavers who forfeited their distributions.

(ii) During 2019, the Group completed two acquisitions (Exequtive and Aufisco) and expensed £0.82m of acquisition and integration expenditure (see notes 31.1 and 31.2). Also expensed in the year was £0.78m in relation to the acquisition of Minerva (see note 31.3) and £0.37m in relation to the acquisition of Van Doorn (see note 31.4). Acquisition and integration costs includes but is not limited to: travel costs, professional fees, legal fees, tax advisory fees, onerous leases, transitional services agreement costs, any client-acquired penalties, acquisition-related share-based payments and staff reorganisation costs.

(iii) The gain on bargain purchase arose on the acquisition of Aufisco (see note 31.2) (2018: gain on bargain purchase arose on the acquisition of BAML).

(iv) Impairment of customer relationship intangible asset separately identified on acquisition of NACT (see note 21.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8. DEPRECIATION AND AMORTISATION

	Note	2019 £'000	2018 £'000
Depreciation of property, plant and equipment[(i)]	20	**4,588**	942
Amortisation of intangible assets	21	**5,566**	3,247
Amortisation of contract assets	22	**598**	448
Depreciation and amortisation		**10,752**	4,637

(i) Depreciation has increased by £3.2m following the adoption of IFRS 16 'Leases` (see note 3.2) as a result of recognising right-of-use assets.

9. OTHER (LOSSES)/GAINS

	Note	2019 £'000	2018 £'000
Loan written back		**–**	30
Foreign exchange (losses)/gains		**(1,215)**	558
Net profit/(loss) on disposal of property, plant and equipment		**7**	(523)
Gain on bargain purchase		**188**	457
Impairment of customer relationship intangible asset	21.2	**(459)**	–
Other (losses)/gains		**(1,479)**	522

10. FINANCE INCOME AND FINANCE COST

Finance income includes interest income from loan receivables and bank deposits and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Finance costs include interest expenses on loans and borrowings, the unwinding of the discount on provisions, lease liabilities and contingent consideration and the amortisation of directly attributable transaction costs which have been capitalised upon issuance of the financial instrument and released to the consolidated income statement on a straight-line basis over the contractual term.

	2019 £'000	2018 £'000
Bank interest	**158**	90
Loan interest	**12**	13
Finance income	**170**	103
Bank loan interest	**2,065**	1,611
Loan note interest	**–**	48
Amortisation of loan arrangement fees	**376**	555
Unwinding of net present value discounts[(i)]	**1,259**	986
Other finance expense	**313**	275
Finance cost	**4,013**	3,475

(i) Unwinding of net present value discounts has increased by £0.9m following adoption of IFRS 16 'Leases` (see note 3.2) as a result of recognising lease liabilities.

11. INCOME TAX EXPENSE

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated using tax rates that are expected to apply when the liability is settled or the asset realised using tax rates enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the consolidated income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

	2019 £'000	2018 £'000
Current tax expense		
Jersey tax on current year profits	**323**	587
Foreign company taxes on current year profits	**903**	1,463
	1,226	2,050
Deferred tax expense (see note 23)		
Jersey origination and reversal of temporary differences	**17**	110
Temporary movements in relation to customer relationship intangible assets	**(787)**	(389)
Foreign company origination and reversal of temporary differences	**2**	(43)
	(768)	(322)
Total tax charge for the year	**458**	1,728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Continued

11. INCOME TAX EXPENSE (CONTINUED)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Jersey income tax to the profit/(loss) before tax is as follows:

	2019 £'000	2018 £'000
Profit/(loss) on ordinary activities before tax	**17,639**	(2,129)
Tax on profit/(loss) on ordinary activities at standard Jersey income tax rate of 10% (2018: 10%)	**1,764**	(213)
Effects of:		
Results from entities subject to tax at a rate of 0% (Jersey company)	**(1,403)**	1,073
Results from tax exempt entities (Foreign company)	**(204)**	(87)
Foreign taxes not at Jersey rate	**663**	788
Depreciation in excess of capital allowances (Jersey company)	**17**	110
Depreciation in excess of capital allowances (Foreign company)	**2**	(43)
Temporary difference arising on amortisation of customer relationships	**(787)**	(389)
Non-deductible (income)/expenses	**(14)**	72
Additional provisions	**–**	200
Consolidation adjustments	**412**	173
Other differences	**8**	44
Total tax charge for the year	**458**	1,728

Income tax expense computations are based on the jurisdictions in which profits were earned at prevailing rates in the respective jurisdictions.

The Company is subject to Jersey income tax at the general rate of 0%; however, the majority of the Group's profits are reported in Jersey by Jersey financial services companies. The income tax rate applicable to certain financial services companies in Jersey is 10%. It is therefore appropriate to use this rate for reconciliation purposes.

	2019 £'000	2018 £'000
Reconciliation of effective tax rates		
Tax on profit/(loss) on ordinary activities	**10.00%**	10.00%
Effect of:		
Results from entities subject to tax at a rate of 0% (Jersey company)	**(7.96%)**	(50.67%)
Results from tax exempt entities (Foreign company)	**(1.16%)**	4.11%
Foreign taxes not at Jersey rate	**3.76%**	(37.19%)
Depreciation in excess of capital allowances (Jersey company)	**0.10%**	(5.19%)
Depreciation in excess of capital allowances (Foreign company)	**0.01%**	2.02%
Temporary difference arising on amortisation of customer relationships	**(4.46%)**	18.36%
Non-deductible (income)/expenses	**(0.08%)**	(3.36%)
Additional provisions	**0.00%**	(9.44%)
Consolidation adjustments	**2.33%**	(8.15%)
Other differences	**0.05%**	(2.06%)
Effective tax rate	**2.60%**	(81.58%)

SECTION 3 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

This note provides information about the Group's financial instruments, including: accounting policies; specific information about each type of financial instrument; and, where applicable, information about determining the fair value, including judgements and estimation uncertainty involved.

Financial assets

The Group classifies its financial assets as either amortised cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") depending on the Group's business model objective for managing financial assets and their contractual cash flow characteristics.

As the Group's financial assets arise principally from the provision of services to clients (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest, they are classified at amortised cost.

Financial assets are recognised initially on the trade date which is the date that the Group became party to the contractual provisions of the instrument and are derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied takes into consideration whether there has been a significant increase in credit risk.

Financial assets comprise trade receivables, work in progress, accrued income, other receivables and cash and cash equivalents. For further details on impairment for each, see notes 12 to 16.

Financial liabilities

The Group classifies its financial liabilities as either amortised cost or FVTPL depending on the purpose for which the liability was acquired.

As the Group does not have any financial liabilities held for trading (derivatives), all other financial liabilities are classified as measured at amortised cost. Other financial liabilities include trade and other payables and borrowings.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method and are presented as current liabilities unless payment is not due within 12 months after the reporting period. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated income statement as finance income or finance cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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12. TRADE RECEIVABLES

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

2019	**Gross £'000**	**Loss allowance £'000**	**Net £'000**
<30 days	**8,724**	**(151)**	**8,573**
30 – 60 days	**1,474**	**(38)**	**1,436**
61 – 90 days	**1,199**	**(72)**	**1,127**
91 – 120 days	**731**	**(59)**	**672**
121 – 180 days	**1,042**	**(175)**	**867**
>180 days	**7,087**	**(3,507)**	**3,580**
Total	**20,257**	**(4,002)**	**16,255**

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

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

	2019 £'000	2018 £'000
Balance at the beginning of the year	**(3,659)**	(2,635)
IFRS 9 opening balance adjustment	**–**	(301)
Impairment losses recognised in the consolidated income statement	**(1,253)**	(1,285)
Amounts written off (net of any unused amounts reversed)	**910**	562
Total allowance for doubtful debts	**(4,002)**	(3,659)

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

13. WORK IN PROGRESS

	2019 £'000	2018 £'000
Total	**9,350**	7,132
Loss allowance	**(53)**	(48)
Net	**9,297**	7,084

Work in progress ("WIP") represents the net unbilled amount expected to be collected from clients for work performed to date. It is measured at the chargeable rate agreed with the individual clients less progress billed, less allowances for unrecoverable amounts and less expected credit losses. As these financial assets relate to unbilled work and have substantially the same risk characteristics as trade receivables, the Group has concluded that the expected loss rates for trade receivables <30 days, excluding specific provisions, is an appropriate estimation of the expected credit losses.

Sensitivity analysis

The total carrying amount of WIP (before ECL allowances) is £9.35m (2018: £7.13m). If Management's estimate of the recoverability of the WIP (the amount expected to be billed and collected from clients for work performed to date) is 10% lower than expected on the total WIP balance due to allowances for unrecoverable amounts, revenue would be £0.94m lower (2018: £0.71m lower).

14. ACCRUED INCOME

	2019 £'000	2018 £'000
Total	**12,927**	9,334
Loss allowance	**(21)**	(25)
Net	**12,906**	9,309

Accrued income across all the service lines represents the billable provision of services to clients which has not been invoiced at the reporting date. Accrued income is recorded based on agreed fees billed in arrears less expected credit losses. As these financial assets relate to unbilled work and have substantially the same risk characteristics as trade receivables, the Group has concluded that the expected loss rates for trade receivables <30 days is an appropriate estimation of the expected credit losses.

15. OTHER RECEIVABLES

	2019 £'000	2018 £'000
Non-current		
Loans receivable from employees	**153**	180
Loans receivable from related undertakings	**64**	64
Total non-current	**217**	244
Current		
Other receivables	**1,867**	1,335
Loans receivable from employees	**180**	–
Loans receivable from third parties	**4,219**	–
Total current	**6,266**	1,335
Total other receivables	**6,483**	1,579

Loans receivable from employees include the following: (i) a loan for £0.18m which is interest bearing (LIBOR +1.5%) and repayable on 31 December 2020 unless the employment contract is terminated at an earlier date; and (ii) £0.15m which is due from employees participating in the Advance to Buy ("A2B") programme; these are interest bearing at 3% per annum and repayable two years after the commencement date (in early 2021) unless the employment contract is terminated at an earlier date.

Loans receivable from Northpoint Byala IC (£53k) and Northpoint Finance IC (£11k) are unsecured and interest free and, as the repayment date is unspecified, these are non-current. Both are incorporated cell companies registered in Jersey, Channels Islands and are considered related parties due to common directorships.

Loans receivable from third parties are due from NES Financial ("NESF"), a business acquired by the Group on 2 April 2020. On 26 November 2019, the Group provided an unsecured interest free, short-term loan of $2m to secure exclusivity. On 5 December 2019, a further loan was extended for $3.5m which was secured, with interest payable at 3% per annum with a repayment date of 5 June 2021. Both of these loans have been settled post year end as part of the purchase consideration calculation (see note 40).

Other receivables are subject to the impairment requirements of IFRS 9 but as balances are primarily with related parties or part of a business combination, they were assessed to have low credit risk and no loss allowance is recognised.

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16. CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Cash attributable to the Group	**23,693**	26,354
Committed EBT capital distributions (restricted)	**2,624**	6,103
Total	**26,317**	32,457

For the purpose of presentation in the statement of cash flow, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Cash and cash equivalents are subject to the impairment requirements of IFRS 9 but, as balances are mainly held with reputable international banking institutions, they were assessed to have low credit risk and no loss allowance is recognised.

17. TRADE AND OTHER PAYABLES

	2019 £'000	2018 £'000
Non-current		
Other payables	–	4,472
Deferred consideration	–	241
Total non-current	–	4,713
Current		
Trade payables	**1,196**	1,008
Other taxation and social security	**646**	210
Other payables	**5,670**	4,939
Accruals	**5,176**	5,273
Deferred consideration	**8,460**	7,968
Total current	**21,148**	19,398
Total trade and other payables	**21,148**	24,111

Included in current other payables is £2.5m being the discounted value of capital distributions due from EBT12 to employees (2018: £3.0m).

Included in non-current other payables in the prior year was the discounted value of capital distributions due from EBT12 to employees of £2.85m.

Deferred consideration payable is discounted to net present value, split between current and non-current and is due by acquisition as follows: £7.64m for Exeqtive (see note 31.1), £0.56m for Aufisco (see note 31.2) and £0.26m for S&GFA (2018: £5.06m for Van Doorn, £1.96m for Minerva, £0.88m for NACT and £0.3m for S&GFA).

Due to their short-term nature, Management consider the carrying value of these financial liabilities to approximate to their fair value.

18. LOANS AND BORROWINGS

	2019 £'000	2018 £'000
Non-current		
Bank loans	**86,681**	71,494
Finance leases	–	30
Other loans	–	508
Total non-current	**86,681**	72,032
Current		
Finance leases	–	5
Other loans	**508**	678
Total current	**508**	683
Total loans and borrowings	**87,189**	72,715

18.1. BANK LOANS

The terms and conditions of outstanding bank loans are as follows:

Facility	Currency	Termination date	Interest rate(i)	2019 £'000	2018 £'000
Term facility	GBP	8 March 2023	LIBOR + 1.75%	**45,000**	45,000
Revolving facility	GBP	8 March 2023	LIBOR + 1.75%	**19,000**	19,000
Revolving facility	EUR	8 March 2023	EURIBOR + 1.75%	**23,836**	9,014
Total principal value				**87,836**	73,014
Issue costs				**(1,155)**	(1,520)
Total bank loans				**86,681**	71,494

(i) The initial interest rate margin was 2%; this can change as a result of net leverage calculations. As at 31 December 2019, the interest rate margin was 1.75% (2018: 1.75%).

Under the terms of the facility, HSBC Bank Plc ("HSBC") holds a charge against the shares of JTC PLC and other subsidiaries deemed to be obligors and, in the event of default, could place charges against the net assets held.

Movement in bank facilities during the year:

	At 1 January 2019 £'000	Drawdowns £'000	Amortisation release £'000	Effect of foreign exchange £'000	At 31 December 2019 £'000
Principal value	73,014	15,509	–	(687)	87,836
Issue costs	(1,520)	–	365	–	(1,155)
Total	**71,494**	**15,509**	**365**	**(687)**	**86,681**

On 9 March 2018, the Group entered into a five year loan facility agreement with HSBC for a total commitment of £55m (or its equivalent in EUR and USD) consisting of a term loan of £45m and a revolving facility commitment of £10m. The loan agreement was amended on 19 October 2018 to increase the total commitment to £100m and to introduce Barclays Bank Plc ("Barclays"), Santander UK Plc ("Santander") and the Bank of Ireland ("BOI") as incoming lenders with an additional revolving facility commitment of £15m each.

An amount of £45m from the loan facility was used to partially fund the repayment of the existing secured bank loan with HSBC and Royal Bank of Scotland Plc totalling £55.8m in March 2018. The issue costs of £251k associated with this loan have been written off, having previously been capitalised for amortisation over the term of the loan. On 25 September 2018 and 16 November 2018, further withdrawals were made for £9m and £19m respectively to partially fund the two acquisitions made by the Group during the prior year, see notes 31.3 and 31.4. On 22 March 2019, a further withdrawal was made for £15.5m (€17.9m) to partially fund the acquisition of Exeqtive, see note 31.1.

The cost of the facility depends upon net leverage, being the ratio of total net debt to underlying EBITDA (for LTM at average FX rates and adjusted for pro-forma contributions from acquisitions and synergies) for a relevant period. As at 31 December 2019, arrangement and legal fees amounting to £1.75m have been capitalised for amortisation over the term of the loan.

At 31 December 2019, the Group had available £12.1m of committed facilities currently undrawn (2018: £27m). All facilities are due to be repaid on or before the termination date of 8 March 2023.

On 9 January 2020, the revolving facility commitment was increased by £50m increasing the total facility commitment to £150m. The commitments were increased by bank as follows: £10m from Barclays, Santander and BOI and £20m from HSBC. The additional commitments are made on the same terms as the existing commitments.

18.2. COMPLIANCE WITH LOAN COVENANTS

The Company has complied with the financial covenants of its borrowing facilities during the 2019 and 2018 reporting period, see note 30.

18.3. OTHER LOANS

On 10 April 2017, the Group entered into a loan facility with Close Leasing Limited for £2.52m. The loan arrangement fee of £25k and an initial instalment of £194k were deducted from the cash received and the remaining balance due is being settled in 41 monthly instalments of £65k each.

18.4. FAIR VALUE

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is close to current market rates or the borrowings are short-term in nature.

19. LEASES

This note provides information for leases where the Group is a lessee.

The Group has changed its accounting policy for leases where the Group is the lessee. Note 3.2 explains the impact of the adoption of IFRS 16 'Leases' on the Group's consolidated financial statements.

Until 31 December 2018, contracts for the rental of office furniture and equipment leases where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in current and non-current loans and borrowings (see note 18). Each lease payment was allocated between the liability and finance cost. The finance cost was charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The office furniture and equipment acquired under the finance lease was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases for the rental of buildings where a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Rentals payable under such leases were charged to the consolidated income statement on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. When an operating lease was terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty was recognised as an expense in the period in which termination took place. Any incentives received from the lessor in relation to operating leases were recognised as a reduction of rental expense over the lease term on a straight-line basis.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rate applied to each lease was determined considering the Group's borrowing rate and the risk-free interest rate, adjusted for factors specific to the country, currency and term of the lease.

The Group can be exposed to potential future increases in variable lease payments based on an index or rate which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicle and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

19.1. AMOUNTS RECOGNISED IN THE CONSOLIDATED BALANCE SHEET

	Note	2019 £'000	2018 £'000
Right-of-use assets			
Buildings	20	**30,230**	29,139
Lease liabilities			
Current		**2,875**	2,631
Non-current		**28,616**	26,543
		31,491	29,174

In 2018, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 'Leases'. The assets were presented in property, plant and equipment and the liabilities as part of Group loans and borrowings. For adjustments recognised on adoption of IFRS 16 on 1 January 2019, please refer to note 3.2.

Sensitivity analysis

The Group has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition and right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments recognised in the consolidated balance sheet before transition. The discount rate determined on a lease-by-lease basis is a significant estimate. The incremental borrowing rate for each lease has been determined by considering the term of the arrangement, the value of the lease liability and the economic environment specific to the jurisdiction. Should the discount rate used for the calculation on each lease arrangement be increased by 1%, the right-of-use asset and lease liability recognised upon transition would both be £2m lower.

19.2. AMOUNTS RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement shows the following amounts relating to leases:

	2019 £'000	2018 £'000
Buildings right-of-use asset depreciation charge	**3,415**	–
Interest expense (included in finance cost)	**938**	–
Expense relating to short-term leases (included in establishment costs)	**136**	–
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other operating expenses)	**27**	–

The total cash outflow for leases in 2019 was £3.1m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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SECTION 4 – NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

20. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are initially recorded at cost and are stated at historical cost less depreciation and impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Leasehold improvements – over the period of the lease

Computer equipment – 4 years

Office furniture and equipment – 4 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

Assets under the course of construction are stated at cost. These assets are not depreciated until they are available for use.

	Computer equipment £'000	Office furniture and equipment £'000	Leasehold improvements £'000	Right-of-use assets £'000	Total £'000
Cost					
At 1 January 2018	2,639	927	6,071	–	9,637
Additions	372	256	843	–	1,471
Additions through acquisitions	114	277	514	–	905
Disposals	(372)	(254)	(581)	–	(1,207)
Exchange differences	6	–	42	–	48
At 31 December 2018	2,759	1,206	6,889	–	10,854
Adoption of new standards (see note 3.2)	–	–	–	29,139	29,139
At 1 January 2019	**2,759**	**1,206**	**6,889**	**29,139**	**39,993**
Additions	**477**	**680**	**1,269**	**4,018**	**6,444**
Additions through acquisitions	**24**	**38**	**–**	**1,069**	**1,131**
Disposals	**(40)**	**(71)**	**(32)**	**(499)**	**(642)**
Exchange differences	**(45)**	**(32)**	**(66)**	**(261)**	**(404)**
At 31 December 2019	**3,175**	**1,821**	**8,060**	**33,466**	**46,522**
Accumulated depreciation					
At 1 January 2018	1,938	735	1,460	–	4,133
Charge for the year	423	99	420	–	942
Disposals	(327)	(217)	(119)	–	(663)
Exchange differences	4	3	29	–	36
At 31 December 2018	2,038	620	1,790	–	4,448
Charge for the year	**430**	**237**	**513**	**3,415**	**4,595**
Disposals	**(41)**	**(69)**	**–**	**(141)**	**(251)**
Exchange differences	**(37)**	**(21)**	**(39)**	**(38)**	**(135)**
At 31 December 2019	**2,390**	**767**	**2,264**	**3,236**	**8,657**
Carrying amount					
At 31 December 2019	**785**	**1,054**	**5,796**	**30,230**	**37,865**
At 31 December 2018[(i)]	721	586	5,099	–	6,406

(i) The carrying value of office furniture and equipment included an amount of £162k where the Group was a lessee under finance leases. These leases expired during 2019.

21. INTANGIBLE ASSETS

Goodwill

Goodwill that arises on the acquisition of subsidiaries is considered an intangible asset. See note 31 for the measurement of goodwill at initial recognition; subsequent to this, measurement is at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, these are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date of acquisition. The estimated useful lives are as follows:

Customer relationships – 8.7 to 12 years

The estimated useful lives and residual value are reviewed at each reporting date and adjusted if appropriate, with the effect of any change in estimate being accounted for on a prospective basis.

Intangible assets acquired separately

Intangible assets that are acquired separately by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date that they are available for use. The estimated useful lives are as follows:

Regulatory licence – 12 years

Software – 4 years

Customer relationships – 10 years

The estimated useful lives and residual value are reviewed at each reporting date and adjusted if appropriate, with the effect of any change in estimate being accounted for on a prospective basis.

Intangible assets under the course of construction are stated at cost and are not depreciated until they are available for use.

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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21. INTANGIBLE ASSETS (CONTINUED)

The movements of the intangible assets and goodwill are as follows:

	Goodwill £'000	Customer relationships £'000	Regulatory licence £'000	Software £'000	Assets under construction £'000	Total £'000
Cost						
At 1 January 2018	76,183	23,274	245	2,786	–	102,488
Adjustments	27	–	–	–	–	27
Additions	–	–	–	623	81	704
Additions through acquisitions	28,110	21,604	–	45	–	49,759
Disposals	–	–	–	(40)	–	(40)
Exchange differences	515	1,155	6	22	–	1,698
At 31 December 2018	104,835	46,033	251	3,436	81	154,636
Transfers	**–**	**–**	**–**	**81**	**(81)**	**–**
Additions	**44**	**853**	**–**	**520**	**–**	**1,417**
Additions through acquisitions	**21,246**	**11,988**	**–**	**–**	**–**	**33,234**
Impairment charge	**–**	**(459)**	**–**	**–**	**–**	**(459)**
Exchange differences	**(1,245)**	**(635)**	**(13)**	**(3)**	**–**	**(1,896)**
At 31 December 2019	**124,880**	**57,780**	**238**	**4,034**	**–**	**186,932**
Accumulated amortisation						
At 1 January 2018	–	2,730	29	1,785	–	4,544
Charge for the year	–	2,743	20	484	–	3,247
Disposals	–	–	–	(7)	–	(7)
Exchange differences	–	157	3	22	–	182
At 31 December 2018	–	5,630	52	2,284	–	7,966
Charge for the year	**–**	**5,012**	**20**	**534**	**–**	**5,566**
Exchange differences	**–**	**487**	**(3)**	**(3)**	**–**	**481**
At 31 December 2019	**–**	**11,129**	**69**	**2,815**	**–**	**14,013**
Carrying amount						
At 31 December 2019	**124,880**	**46,651**	**169**	**1,219**	**–**	**172,919**
At 31 December 2018	104,835	40,403	199	1,152	81	146,670

21.1. GOODWILL

Goodwill impairment

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is monitored by Management at jurisdictional levels. Goodwill is allocated to CGUs for the purpose of impairment testing and this allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The aggregate carrying amounts of goodwill allocated to each CGU is as follows:

In the current year: **CGU**	**Balance at 1 Jan 2019 £'000**	**Post-acquisition adjustments £'000**	**Business combinations £'000**	**Exchange differences £'000**	**Total £'000**
Jersey	**64,006**	**(19)**	**–**	**–**	**63,987**
Guernsey	**10,598**	**–**	**–**	**–**	**10,598**
BVI	**752**	**–**	**–**	**–**	**752**
Switzerland	**2,349**	**–**	**–**	**(21)**	**2,328**
Cayman	**237**	**–**	**–**	**(6)**	**231**
Luxembourg	**7,273**	**–**	**21,246**	**(279)**	**28,240**
Netherlands	**15,281**	**–**	**–**	**(799)**	**14,482**
Dubai	**1,876**	**–**	**–**	**(61)**	**1,815**
Mauritius	**2,463**	**63**	**–**	**(79)**	**2,447**
Total	**104,835**	**44**	**21,246**	**(1,245)**	**124,880**

In the prior year: **CGU**	Balance at 1 Jan 2018 £'000	Post-acquisition adjustments £'000	Business combinations £'000	Exchange differences £'000	**Total £'000**
Jersey	54,337	–	9,669	–	64,006
Guernsey	10,598	–	–	–	10,598
BVI	752	–	–	–	752
Switzerland	1,077	–	1,208	64	2,349
Cayman	225	–	–	12	237
Luxembourg	7,204	–	–	69	7,273
Netherlands	1,990	27	13,159	105	15,281
Dubai	–	–	1,761	115	1,876
Mauritius	–	–	2,313	150	2,463
Total	76,183	27	28,110	515	104,835

Key assumptions used in discounted cash flow projection calculations

The recoverable amount of all CGUs has been determined based on a value in use calculation using cash flow projections. Projected cash flows are calculated with reference to each CGU's latest budget and business plan which are subject to a rigorous review and challenge process. Management prepare the budgets through an assessment of historical revenues from existing clients, the pipeline of new projects, historical pricing, and the required resource base needed to service new and existing clients, coupled with their knowledge of wider industry trends and the economic environment.

The year 1 cash flow projections are based on detailed financial budgets and years 2 to 5 on detailed outlooks prepared by Management. The revenue growth rate assumed beyond the initial five year period is between 0.3% and 2.5%, based on the expected long-term inflation rate of the relevant jurisdiction of the CGU (the "terminal value growth rate").

Management estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money. In assessing the discount rate applicable to the Group the following factors have been considered:

- Long-term treasury bond rate for the relevant jurisdiction
- The cost of equity based on an adjusted Beta for the relevant jurisdiction
- The risk premium to reflect the increased risk of investing in equities

The above assumptions have resulted in weighted average cost of capital ("WACC") of between 10.5% and 16.4%.

A summary of the values assigned to the key assumptions used in the value in use calculations are as follows:

- Revenue growth rate: up to 19.0%
- Terminal value growth rate: between 0.3% and 2.5%
- Discount rate: between 10.5% and 16.4%
- EBIT margin: between 31.3% and 63.0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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21. INTANGIBLE ASSETS (CONTINUED)

21.1. GOODWILL (CONTINUED)

Sensitivity analysis

Management believe that any reasonable changes to the key assumptions on which recoverable amounts are based would not cause the aggregate carrying amount to exceed the recoverable amount of the CGUs, except for the revenue growth rate in the Luxembourg CGU. For this CGU, should the revenue growth rate estimated by Management in their detailed outlook for years 1 to 5 be 4% lower, an impairment of £0.9m would be recognised.

Conclusion

The recoverable amount of goodwill determined for each CGU as at 31 December 2019 was found to be higher than its carrying amount.

21.2. CUSTOMER RELATIONSHIP INTANGIBLE ASSETS

The carrying amounts of the identifiable customer relationship intangible assets acquired separately and through business combinations are as follows:

			Carrying amount	
Acquisition	Note	Useful economic life ("UEL")	**2019 £'000**	2018 £'000
Signes[(i)]		10 years	**1,486**	1,853
KB Group[(i)]		12 years	**2,616**	2,965
S&GFA[(i)]		10 years	**2,198**	2,666
BAML[(i)]		10 years	**7,987**	9,100
NACT[(i)]		10 years	**1,703**	2,582
Van Doorn[(i)]		11.4 years	**6,500**	7,539
Minerva[(i)]		8.7 – 11.8 years	**12,323**	13,698
Exequtive	31.1	10 years	**9,111**	–
Aufisco	31.2	10 years	**1,928**	–
Sackville	21.2(b)	10 years	**799**	–
Total			**46,651**	40,403

(i) Acquisitions in previous years included: Signes S.a.r.l and Signes S.A. ("Signes"), Kleinwort Benson (Channel Islands) Fund Services Limited ("KB Group"), Swiss & Global Fund Administration (Cayman) Ltd ("S&GFA"), International Trust and Wealth Structuring Business of Bank of America ("BAML"), New Amsterdam Cititrust B.V. ("NACT"), Minerva Holdings Limited and MHL Holdings S.A. ("Minerva") and Van Doorn B.V. ("Van Doorn").

(a) Customer relationships acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. In 2019, the Group acquired Exequtive and Aufisco and recognised customer relationship intangible assets of £9.9m and £2.3m respectively, see notes 31.1 and 31.2.

Key assumptions in determining fair value

The fair value at acquisition was derived using the multi-period excess earnings method ("MEEM") financial valuation model. Management consider the key assumptions in this model to be:

- Year on year revenue growth
- The discount rate applied to free cash flow

Sensitivity analysis

Management carried out a sensitivity analysis on the key assumptions used in the valuation of new customer relationship intangible assets.

For Exequtive, an increase of 2% in year on year revenue growth would increase fair value by £0.56m and an increase in discount rate of 2% would decrease fair value by £0.59m.

Management estimate that any similar changes to these key assumptions for the other customer relationship intangible assets recognised in the year would not result in a significant change to fair value.

(b) Customer relationships acquired separately

On 12 February 2019, the Group entered into a facilitation and referral agreement and an outsourcing agreement with Sackville Bank and Trust Company Limited ("Sackville") whereby Sackville's clients would be referred to the Group as a provider of trust, custody and administration services.

The fair value of the customer relationships acquired is the consideration due, this is based on a percentage of revenue attributable to each client successfully introduced. The assets are being amortised over their estimated useful economic life of 10 years.

Amounts due from Sackville for £0.64m where clients were billed in advance of transferring to JTC have been offset against consideration due for customer relationships acquired of £0.78m. These amounts have been offset in accordance with the accounting policy for offsetting financial assets and financial liabilities, see section 3.

(c) Customer relationship intangible asset impairment

Management review customer relationship intangible assets for indicators of impairment at the reporting date. The only indicators identified were that actual revenues generated by BAML, KB Group, Minerva and NACT were lower than forecast.

An impairment assessment was performed on those assets with indicators and Management concluded that the only impairment was on the NACT customer relationship intangible asset. An in-depth review of the client relationships acquired from this business identified some customer relationships would be terminated sooner than originally anticipated due to an increasingly stringent regulatory environment, this resulted in an impairment of £0.46m.

All other customer relationship intangible assets were deemed to have a recoverable amount in excess of the carrying amount as at 31 December 2019.

22. OTHER NON-FINANCIAL ASSETS

Contract assets

Incremental costs of obtaining a contract (i.e. costs that would not have been incurred if the contract had not been obtained) are recognised as a contract cost within financial assets if the costs are expected to be recovered. The capitalised costs of obtaining a contract are amortised on a straight-line basis over the estimated useful economic life of the contract. The carrying amount of contract asset is tested for impairment in accordance with the policy described in note 21.

	2019 £'000	2018 £'000
Non-current		
Prepayments	**342**	693
Contract assets	**623**	843
Total non-current	**965**	1,536
Current		
Prepayments	**2,112**	2,054
Other receivables	**554**	495
Contract assets	**326**	453
Total current	**2,992**	3,002
Total other non-financial assets	**3,957**	4,538

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23. DEFERRED TAXATION

For the accounting policy on deferred income tax, see note 11.

The deferred taxation (assets) and liabilities recognised in the consolidated financial statements are set out below:

	Note	2019 £'000	2018 £'000
Intangible assets		**7,528**	5,869
Other origination and reversal of temporary differences		**25**	6
		7,553	5,875

		2019 £'000	2018 £'000
Deferred tax assets		**(103)**	(135)
Deferred tax liabilities		**7,656**	6,010
		7,553	5,875

The movement in the year is analysed as follows:

Intangible assets	Note	2019 £'000	2018 £'000
Balance at the beginning of the year		**5,869**	2,817
Recognised through business combinations		**2,648**	3,327
Recognised in the consolidated income statement	11	**(787)**	(389)
Foreign exchange (to other comprehensive income)		**(202)**	114
Balance at 31 December		**7,528**	5,869
Other origination and reversal of temporary differences			
Balance at the beginning of the year		**6**	(61)
Recognised in the consolidated income statement		**19**	67
Balance at 31 December		**25**	6

24. OTHER NON-FINANCIAL LIABILITIES

Deferred income
Fixed fees received in advance across all the service lines and up-front fees in respect of services due under contract are time apportioned to respective accounting periods, and those billed but not yet earned are included in deferred income in the consolidated balance sheet. As such liabilities are associated with future services, they do not give rise to a contractual obligation to pay cash or another financial asset.

Contract liabilities
Commissions expected to be paid over the term of a customer contract are discounted and recognised at the net present value. The finance cost is charged to the consolidated income statement over the contract life so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

	2019 £'000	2018 £'000
Non-current		
Contract liabilities	**518**	997
Current		
Deferred income	**6,930**	7,744
Contract liabilities	**606**	510
Total current	**7,536**	8,254
Total other non-financial liabilities	**8,054**	9,251

25. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the impact of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated income statement.

Dilapidations

The Group has entered into leases for rental agreements in different countries. The estimated cost of the dilapidations amount payable at the end of each tenancy, unless specified, is generally estimated by reference to the square footage of the building and in consultation with local property agents, landlords and prior experience. Having estimated the likely amount due, a country specific discount rate is applied to calculate the present value of the expected outflow. The discounted dilapidation cost has been capitalised against the leasehold improvement asset in accordance with IAS 16.

Onerous contracts

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. For 2018, present obligations arising under onerous contracts were recognised and measured as provisions. For 2019, following the adoption of IFRS 16, onerous lease balances have been adjusted against the right-of-use assets recognised at the date of initial application of this new accounting standard, see note 3.2.

	Note	Dilapidation provisions £'000	Onerous lease provisions £'000	Total £'000
At 1 January 2018		471	362	833
Additions		422	334	756
Unwind of discount		28	12	40
Amounts utilised		–	(210)	(210)
Impact of foreign exchange		7	13	20
At 31 December 2018		928	511	1,439
Release upon application of IFRS 16	3.2	**–**	**(103)**	**(103)**
Additions		**516**	**–**	**516**
Disposals		**(132)**	**(178)**	**(310)**
Unwind of discount		**11**	**1**	**12**
Amounts utilised		**(118)**	**(229)**	**(347)**
Impact of foreign exchange		**(16)**	**(2)**	**(18)**
At 31 December 2019		**1,189**	**–**	**1,189**

Analysis of total provisions:	**2019 £'000**	Total £'000
Amounts falling due within one year	**73**	401
Amounts falling due after more than one year	**1,116**	1,038
Total	**1,189**	1,439

Dilapidations provision

As part of the Group's property leasing arrangements there are a number of leases which include an obligation to remove any leasehold improvements (thus returning the premises to an agreed condition at the end of the lease) and to restore wear and tear by repairing and repainting. The provisions are expected to be utilised when the leases expire or upon exit.

Onerous lease provisions

The Group had identified onerous leases for premises in Jersey, Guernsey and Switzerland. Following transition to IFRS 16, for leases that have already commenced, no requirements are necessary. After commencement date, the Group appropriately reflects an onerous lease contract by applying the requirements of the policy described in note 19.

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SECTION 5 – EQUITY

26. SHARE CAPITAL AND RESERVES

26.1. SHARE CAPITAL

The Group's Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary shares are recognised as a deduction from equity, net of any tax effects.

	2019 £'000	Total £'000
Authorised		
300,000,000 Ordinary shares (2018: 300,000,000 Ordinary shares)	**3,000**	3,000
Called up, issued and fully paid		
114,068,353 Ordinary shares (2018: 110,895,327 Ordinary shares)	**1,141**	1,109

Ordinary shares have a par value of £0.01 each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at Shareholders' meetings of JTC PLC.

Movements in share capital	Note	No.	Par value £'000
Share issue for IPO Offer		106,896,552	1,069
Acquisition of Van Doorn	29.4	1,121,077	11
Acquisition of Minerva	29.3	2,877,698	29
At 31 December 2018		110,895,327	1,109
Acquisition of Exequtive	29.1	**1,925,650**	**20**
PLC EBT issue		**1,128,210**	**11**
Acquisition of Aufisco	29.2	**119,166**	**1**
Movement in the year		**3,173,026**	**32**
At 31 December 2019		**114,068,353**	**1,141**

Movements in the current year

On 29 March 2019, the Company issued and admitted an additional 1,925,650 Ordinary shares at fair value to satisfy the share consideration payable for its acquisition of Exequtive, see note 31.1.

On 1 October 2019, the Company issued an additional 1,128,210 Ordinary shares in order for PLC EBT to satisfy future exercises of awards granted to beneficiaries.

On 26 November 2019, the Company issued an additional 119,166 Ordinary shares at fair value to satisfy the share consideration payable for its acquisition of Aufisco, see note 31.2.

Movements in the prior year

The Company was incorporated on 12 January 2018 with an authorised share capital of £10,000 divided into 1,000,000 shares of £0.01 each. Immediately prior to Admission, the Group undertook a reorganisation (the "Reorganisation") of its corporate structure that resulted in the Company being the ultimate holding company of the Group and JTCGHL becoming a direct subsidiary of the Company. In connection with the Reorganisation and the IPO Offer, the authorised share capital of the Company was increased from £10,000 divided into 1,000,000 Ordinary shares to £3,000,000 divided into 300,000,000 Ordinary shares (known as "PLC shares").

The Reorganisation was effected pursuant to a Share Exchange Agreement, whereby all of the shares in, and remaining Loan Notes issued by JTCGHL, were transferred to the Company and the Company issued an additional 99,097,573 Ordinary shares to such Shareholders and noteholders, following which the Company became the sole shareholder of JTCGHL.

On 14 March 2018, the Directors authorised the issue of 99,097,573 Ordinary shares at par for the Reorganisation and a further 6,896,552 Ordinary shares at par for the IPO Offer and Admission.

The IPO Offer comprised the sale by Original Shareholders of 77,173,702 Ordinary shares and 6,896,552 New Ordinary Shares at £2.90 per share, raising gross proceeds of £243.8m. These were admitted to the Official List of the UK Listing Authority with a Premium Listing and approval to trade on the Main Market of the London Stock Exchange.

Following the IPO, the Company settled a new EBT, known as the JTC PLC Employee Benefit Trust ("PLC EBT"). A capital appointment of £1.5m was made from EBT12 to PLC EBT and 741,345 Ordinary shares in the Company were purchased to be held by PLC EBT.

On 28 September 2018, the Company issued and admitted an additional 1,121,007 Ordinary shares at fair value to satisfy the share consideration payable for its acquisition of Van Doorn, see note 31.4.

On 20 November 2018, the Company issued an additional 2,877,698 Ordinary shares at fair value to satisfy the share consideration payable for its acquisition of Minerva, see note 31.3.

26.2. OWN SHARES

Own shares represent the shares of the Company that are unallocated and held by PLC EBT and previously share ownership trusts ("SOPs") and EBT12 (together the "Trusts"). Own shares are recorded at cost and deducted from equity. When shares vest unconditionally, are cancelled or are reissued they are transferred from the own shares reserve at their cost. Any consideration paid or received by the Trusts for the purchase or sale of the Company's own shares is shown as a movement in shareholders' equity.

	SOPs No.	EBT12 No.	PLC EBT No.	PLC EBT £'000
At 1 January 2018	29,122	84,000	–	–
IPO movements	(29,122)	(84,000)	474,500	1,500
Acquisition of Minerva	–	–	101,179	406
Acquisition of Van Doorn	–	–	115,000	461
Purchase of own shares	–	–	50,666	199
At 31 December 2018	–	–	741,345	2,565
Acquisition of Exeqtive	**–**	**–**	**173,482**	**–**
PLC EBT issue	**–**	**–**	**1,128,210**	**11**
Purchase of own shares	**–**	**–**	**117,630**	**450**
Movement in year	**–**	**–**	**1,419,322**	**462**
At 31 December 2019	**–**	**–**	**2,160,667**	**3,027**

Movements in the current year

On 29 March 2019, as part of the acquisition of Exeqtive, 173,482 Ordinary shares were contributed to PLC EBT.

On 1 October 2019, the Company issued an additional 1,128,210 Ordinary shares for PLC EBT.

During the year, shares were purchased for PLC EBT using surplus cash held and following capital appointments from EBT12 using its surplus cash from leavers who forfeited their capital distributions.

Movements in the prior year

Under the share exchange agreement (see note 26.1), the shares and loan notes held by EBT12 were converted into PLC shares and then sold for £15.64m upon IPO. Following the IPO, PLC EBT was settled by a capital appointment of £1.5m. Subsequent to this, purchases were made as part of the acquisitions of Minerva and Van Doorn and also from surplus cash held from EBT12 where leavers had forfeited their capital distributions.

26.3. OTHER RESERVES

Capital reserve

This reserve is used to record the gains or losses recognised on the purchase, sale, issue or cancellation of the Company's own shares, which may arise from capital transactions by the Group's employee benefit trusts as well as any movements in share-based awards to employees.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Retained earnings

Retained earnings includes accumulated profits and losses.

27. DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Interim dividends are recognised when paid.

The following dividends were declared and paid by the Company for the year:

	2019 £'000	Total £'000
Interim dividend for 2018 of 1p per qualifying ordinary share	**–**	1,074
Final dividend for 2018 of 2p per qualifying ordinary share	**2,235**	–
Interim dividend for 2019 of 1.7p per qualifying ordinary share	**1,899**	–
Total dividend declared and paid	**4,134**	1,074

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SECTION 6 – RISK

28. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

The following are the critical judgements that Management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Recognition of customer relationship intangibles

In 2019, the Group entered into transactions with Exeqtive and Aufisco, see notes 31.1 and 31.2. IFRS 3 'Business Combinations' requires Management to identify assets and liabilities purchased including intangible assets. Following their assessment, Management concluded that the only material intangible asset meeting the recognition criteria is customer relationships. The customer relationship intangible assets recognised through these acquisitions were £9.86m and £2.28m respectively.

Extension options on leases

Many of the leases for office space contain extension options as these provide operational flexibility. The Group will assess at each reporting period if they are reasonably certain that an extension option will be exercised. Such assessment involves management judgement and is based on the information available at the time the assessments are made. This includes the following factors: the length of time remaining before the option is exercisable, current trading, future trading forecasts and business plans for the jurisdiction, taking into account any potential business combinations. As at the reporting date, Management have assessed the extension options available in their leases and have deemed they cannot be reasonably certain at this time that they would exercise the extension options.

28.2. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The following are the critical estimates that Management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Recoverability of work in progress ("WIP")

To assess the fair value of consideration received for services rendered, Management are required to make an assessment of the net unbilled amount expected to be collected from clients for work performed to date. To make this assessment, WIP balances are reviewed regularly on a by-client basis and the following factors are taken into account: the ageing profile of the WIP, the agreed billing arrangements, value added and status of the client relationship. See note 13 for the sensitivity analysis.

Incremental borrowing rate for transition to IFRS 16

On adoption of IFRS 16, the incremental borrowing rate determined for each lease to measure the lease liability at the present value of the remaining lease payments and right-of-use assets that is an amount equal to the lease liability is considered a significant estimate by Management. See note 19.1 for sensitivity analysis. Incremental borrowing rate for transition to IFRS 16.

Goodwill impairment – key assumptions in calculating the recoverable amount for each CGU

Goodwill is tested annually for impairment and the recoverable amount of CGUs is determined based on a value in use calculation using cash flow projections containing key assumptions. See note 21.1 for the sensitivity analysis.

Fair value of customer relationship intangibles

The customer relationship intangible assets are valued using the MEEM financial valuation model. Cash flow forecasts and projections are produced by Management and form the basis of the valuation analysis. Other key estimates and assumptions used in the modelling to derive the fair values include: year on year growth rates, client attrition rates, EBIT margins, the useful economic life of the customer relationships and the discount rate applied to free cash flow. See note 21.2 for the sensitivity analysis.

29. FINANCIAL RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group is exposed to risks that arise from the use of its financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows. All are classified as measured at amortised cost:

	Note	2019 £'000	2018 £'000
Financial assets			
Trade receivables	12	**16,255**	16,142
Work in progress	13	**9,297**	7,084
Accrued income	14	**12,906**	9,309
Other receivables	15	**6,483**	1,579
Cash and cash equivalents	16	**26,317**	32,457
		71,258	66,572
Financial liabilities			
Trade and other payables	17	**21,148**	24,111
Loans and borrowings	18	**87,189**	72,715
Lease liabilities	19	**31,491**	–
		139,828	96,826

General objectives, policies and processes

The Board has overall responsibility for determining the Group's financial risk management objectives and policies and, whilst retaining ultimate responsibility for them, it delegates the authority for designing and operating processes that ensure effective implementation of the objectives and policies to Management, in conjunction with the Group's finance department.

The financial risk management policies are considered on a regular basis to ensure that these are in line with the overall business strategies and the Board's risk management philosophy. The overall objective is to set policies to minimise risk as far as possible without adversely affecting the Group's financial performance, competitiveness and flexibility.

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29. FINANCIAL RISK MANAGEMENT (CONTINUED)

29.1. MARKET RISK

Market risk arises from the Group's use of interest-bearing, tradeable and foreign currency financial instruments. It is the risk that changes in interest rates (interest rate risk) or foreign exchange rates (currency risk) will affect the Group's future cash flows or the fair value of the financial instruments held. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk management

Foreign currency risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in the currency will, where possible and ensuring no adverse impact on local regulatory capital adequacy requirements (see note 30), be transferred from elsewhere in the Group.

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities when the revenue or expenses are denominated in a different currency from the Group's functional and presentation currency of pounds sterling ("£"). For trading entities that principally affect the profit or net assets of the Group, the exposure is mainly from Euro, United States dollar and South African rand. The loans and borrowings of the Group are denominated in £ and Euro.

As at 31 December 2019, the Group's exposure to the Group's material foreign currency denominated financial assets and liabilities are as follows:

	£		Euro		United States dollar		South African rand	
Net foreign currency assets/(liabilities)	**2019 £'000**	2018 £'000	**2019 £'000**	2018 £'000	**2019 £'000**	2018 £'000	**2019 £'000**	2018 £'000
Trade receivables	**10,790**	12,199	**2,866**	1,215	**2,455**	2,530	**3**	5
Work in progress	**6,821**	4,479	**1,617**	2,081	**592**	222	**–**	–
Accrued income	**5,308**	3,266	**1,327**	854	**6,152**	5,110	**67**	45
Other receivables	**986**	583	**398**	195	**4,812**	574	**–**	–
Cash and cash equivalents	**7,673**	14,618	**8,514**	9,999	**9,088**	6,155	**608**	1,192
Trade and other payables	**(6,903)**	(12,253)	**(10,171)**	(7,554)	**(2,476)**	(2,419)	**(777)**	(1,186)
Loans and borrowings	**(63,353)**	(63,666)	**(23,836)**	(9,014)	**–**	–	**–**	–
Lease liabilities	**(23,903)**	–	**(5,044)**	–	**(683)**	–	**(381)**	–
Total net exposure	**(62,581)**	(40,774)	**(24,329)**	(2,224)	**19,940**	12,172	**(480)**	56

In order to implement and monitor this policy, Management receive a monthly analysis showing cash reserves by individual Group entities and in major currencies together with information on expected liabilities due for settlement. The effectiveness of this policy is measured by the number of resulting cash transfers made between entities and any necessary foreign exchange trades. Management consider this policy to be working effectively but will continue to regularly assess if a foreign currency hedge is appropriate.

Foreign currency risk sensitivity

The following table illustrates the possible effect on comprehensive income for the year and net assets arising from potential changes in the Euro, United States dollar and South African rand exchange rates. A strengthening or weakening of pounds sterling by 20% is considered an appropriate variable for the sensitivity analysis given the scale of foreign exchange fluctuations over the last three years.

		Effect on comprehensive income and net assets	
	Strengthening/ (weakening) of pound sterling[(i)]	**2019 £'000**	2018 £'000
Euro	+20%	**4,055**	370
United States dollar	+20%	**(3,323)**	(2,029)
South African rand	+20%	**80**	(9)
Total		**812**	(1,668)
Euro	(20%)	**(6,082)**	(556)
United States dollar	(20%)	**4,985**	3,043
South African rand	(20%)	**(120)**	14
Total		**(1,217)**	2,501

(i) Holding all other variables constant.

Interest rate risk management

The Group is exposed to interest rate risk as it borrows all funds at floating interest rates. The interest rates are directly linked to LIBOR and/or EURIBOR plus a margin based on the leverage ratio of the Group, the higher the leverage ratio the higher the margin on LIBOR and/or EURIBOR. The risk is managed by the Group maintaining an appropriate leverage ratio and through this ensuring that the interest rate is kept as low as possible.

The interest fluctuations are low which minimises the Group's exposure to interest rate fluctuations. As a result, no hedging instruments have been put in place. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate risk sensitivity

The following sensitivity analysis has been determined based on the floating rate liabilities.

The Group considers a reasonable interest rate movement in LIBOR to be 50 basis points based on recent historical changes to interest rates. If interest rates had been higher/lower by 50 basis points and all other variables were held constant, the Group's profit for the year ended 31 December 2019 would decrease/increase by £0.43m (2018: £0.36m).

29.2. CREDIT RISK MANAGEMENT

Credit risk is the risk of financial loss to the Group should a customer or counterparty to a financial instrument fail to meet its contractual obligations. The Group's principal exposure to credit risk arises from contracts with customers and therefore the following financial assets: trade receivables, work in progress and accrued income (together "customer receivables").

The Group manages credit risk for each new customer by giving consideration to the risk of insolvency or closure of the customer's business, current or forecast liquidity issues and general creditworthiness (including past default experience of the customer or customer type).

Subsequently, customer credit risk is managed by each of the Group entities subject to the Group's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are monitored and followed up continuously. Provisions are made when there is objective evidence that the Group will not be able to bill the customer in line with the contract or collect the debts arising from previous invoices. This evidence can include the following: indication that the customer is experiencing significant financial difficulty or default, probability of bankruptcy, problems in contacting the customer, disputes with a customer, or similar factors. This analysis is performed on a customer-by-customer basis.

Credit risk in relation to other receivables is considered for each separate contractual arrangement by Management. As these are primarily with related parties the risk of the counterparty defaulting is considered to be low.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Cash and cash equivalents are held mainly with banks which are rated 'A-' or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd for long-term credit rating.

The financial assets are subject to the impairment requirements of IFRS 9, for further detail of how this is assessed and measured, see notes 12 to 16.

Credit risk exposure

Trade receivables, work in progress and accrued income result from the provision of services to a large number of customers (individuals and corporate), spread across different industries and geographies. The gross carrying amount of financial assets represents the maximum credit exposure and as at the reporting date this can be summarised as follows:

	Total 2019 £'000	**Loss allowance 2019 £'000**	**Net 2019 £'000**	Total 2018 £'000	Loss allowance 2018 £'000	Net 2018 £'000
Trade receivables	**20,257**	**(4,002)**	**16,255**	19,801	(3,659)	16,142
Work in progress	**9,350**	**(53)**	**9,297**	7,132	(48)	7,084
Accrued income	**12,927**	**(21)**	**12,906**	9,334	(25)	9,309
Other receivables	**6,483**	**–**	**6,483**	1,579	–	1,579
Cash and cash equivalents	**26,317**	**–**	**26,317**	32,457	–	32,457
	75,334	**(4,076)**	**71,258**	70,304	(3,732)	66,572

For the ageing of trade receivable and the provisions thereon at the year end, including the movement in the provision, see note 12.

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29. FINANCIAL RISK MANAGEMENT (CONTINUED)
29.3. LIQUIDITY RISK MANAGEMENT
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk to maintain adequate reserves by regular review around the working capital cycle using information on forecast and actual cash flows.

The Board is responsible for liquidity risk management and they have established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. Regulation in most jurisdictions also requires the Group to maintain a level of liquidity so the Group does not become exposed.

Liquidity tables
The tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment years. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2019	<3 months £'000	3 – 12 months £'000	1 – 5 years £'000	>5 years £'000	Total contractual cash flow £'000
Loans and borrowings[(i)]	**462**	**2,114**	**92,321**	**–**	**94,897**
Trade payables and accruals	**13,294**	**–**	**518**	**–**	**13,812**
Deferred consideration for acquisitions	**823**	**5,382**	**–**	**–**	**6,205**
Lease liabilities	**930**	**2,790**	**12,531**	**23,205**	**39,456**
	15,509	**10,286**	**105,370**	**23,205**	**154,370**

2018	<3 months £'000	3 – 12 months £'000	1 – 5 years £'000	>5 years £'000	Total contractual cash flow £'000
Loans and borrowings[(i)]	390	1,952	78,685	–	81,027
Trade payables and accruals	11,941	–	5,469	–	17,410
Deferred consideration for acquisitions	6,003	1,965	242	–	8,210
	18,334	3,917	84,396	–	106,647

(i) This includes the future interest payments not yet accrued and the repayment of capital upon maturity.

30. CAPITAL MANAGEMENT

Risk management

The Group's objective for managing capital is to safeguard the ability to continue as a going concern, while maximising the return to Shareholders through the optimisation of the debt and equity balance and to ensure capital adequacy requirements are met for local regulatory requirements at entity level.

Loan covenants

As disclosed in note 18, the Group has bank loans which require it to meet leverage and interest cover covenants. In order to achieve the Group's capital risk management objective, the Group aims to ensure that it meets financial covenants attached to bank borrowings. Breaches in meeting the financial covenants would permit the lender to immediately recall the loan. In line with the loan agreement the Group tests compliance with the financial covenants on a quarterly basis.

Under the terms of the loan facility, the Group is required to comply with the following financial covenants:

- Leverage (being the ratio of total net debt to underlying EBITDA (for LTM at average FX rates and adjusted for pro-forma contributions from acquisitions and synergies for a relevant period), must not be more than 3.5:1)
- Interest cover (being the ratio of EBITDA to net finance charges, must not be less than 4:1)

The Group has complied with these covenants throughout the reporting period.

Capital adequacy

Individual regulated entities within the Group are subject to regulatory requirements to ensure adequate capital and liquidity to meet local requirements in Jersey, Guernsey, the Isle of Man, the UK, the US, Switzerland, the Netherlands, Luxembourg, Mauritius, South Africa and the Caribbean; all are monitored regularly to ensure compliance. There have been no breaches of applicable regulatory requirements during the reporting period.

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SECTION 7 – GROUP STRUCTURE

31. BUSINESS COMBINATIONS

A business combination is defined as a transaction or other event in which an acquirer obtains control of one or more businesses. Where the business combination does not include the purchase of a legal entity but the transaction includes acquired inputs and processes applied to those inputs in order to generate outputs, the transaction is also considered a business combination.

The Group applies the acquisition method to account for business combinations. The consideration transferred in an acquisition is measured at the fair value of assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. The identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. Acquisition-related costs are recognised in the income statement as non-underlying items within operating expenses.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a gain on bargain purchase.

When the consideration transferred includes an asset or liability resulting from a contingent consideration arrangement, this is measured at its acquisition-date fair value. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in the consolidated income statement.

31.1 EXEQUTIVE PARTNERS S.A. ("EXEQUTIVE")

On 25 March 2019, JTC entered into an agreement to acquire 100% of the share capital of Exeqtive from Primitivo S.à.r.l, De Gorzen S.à.r.l, Tika Holdings S.à.r.l, Pimpiri S.à.r.l and Stichting Administratiekantoor Employee Benefit Jomaroma. Exeqtive was a privately owned Luxembourg-based provider of domiciliation and corporate administration services.

The acquired business contributed revenues of £4.72m and profit before tax of £2.25m to the Group for the period from 1 April to 31 December 2019. If the business had been acquired on 1 January 2019, the consolidated pro-forma revenue and profit for the year for the Group would have been £100.86m and £18.83m respectively.

(a) Identifiable assets acquired and liabilities assumed on acquisition

The following table shows, at fair value, the recognised assets acquired and liabilities assumed at the acquisition date:

	€'000	£'000
Property, plant and equipment	72	62
Intangible assets	11,530	9,863
Trade receivables	1,351	1,156
Accrued income	35	30
Other receivables	160	137
Cash and cash equivalents	2,431	2,079
Assets	**15,579**	**13,327**
Deferred income	2,361	2,019
Deferred tax liabilities	2,883	2,466
Current tax liabilities	569	487
Trade and other payables	423	362
Liabilities	**6,236**	**5,334**
Total identifiable net assets	**9,343**	**7,993**

Deferred tax liabilities have been recognised in relation to identified customer relationship intangible assets, the amortisation of which is non-deductible against Luxembourg Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

(b) Consideration

Total consideration is satisfied by the following:

	€'000	£'000
Cash consideration	18,637	15,943
Equity instruments (1,925,650 Ordinary shares issued at fair value)	6,660	5,697
Contingent consideration discounted to fair value (70% cash, 30% equity)	8,883	7,599
Fair value of total consideration	**34,180**	**29,239**

Contingent consideration of €9m is payable within 20 business days of the adoption of the 2019 audited financial statements for Exequtive business and is contingent on it maintaining agreed targets for underlying EBITDA and revenue. Based on the historical performance of the business and Management's view of expected future revenue, it is anticipated this will be paid in full. The amount payable has been discounted to its present value of €8.9m.

(c) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	€'000	£'000
Total consideration	34,180	29,239
Less: Fair value of identifiable net assets	(9,343)	(7,993)
Goodwill	**24,837**	**21,246**

(d) Impact on cash flow

	€'000	£'000
Cash consideration paid	18,340	15,688
Less: Cash balances acquired	(2,431)	(2,079)
Net cash outflow from acquisition	**15,909**	**13,609**

(e) Acquisition-related costs

The Group incurred acquisition-related costs of £0.36m for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

31.2. AUFISCO B.V. ("AUFISCO")

On 1 April 2019, Van Doorn CFS B.V. (now JTC Institutional Services (Netherlands) B.V. ("JTC Institutional"), see note 31.4) entered into a facilitation and referral agreement with Aufisco B.V. and Oak Tree Management B.V. ("Aufisco" or the "Sellers") whereby Aufisco will refer, introduce and recommend its clients to JTC Institutional as a replacement provider of the trust, custody and administration services and JTC Institutional will offer employment contracts to Aufisco staff.

Management concluded that the transaction should be accounted for as a business combination as the acquired inputs (skilled workforce and customer relationship intangible assets) and processes (expertise, industry knowledge and operational processes) applied to those inputs had the ability to generate outputs (revenue).

The results of the acquired business have been consolidated from 1 July 2019 as Management concluded this was the date control was obtained by the Group, this being the date that access was gained to the customer relationships being transferred.

The transaction has contributed revenues of £0.6m (€0.69m) to the Group for the period from 1 July to 31 December 2019. If the transaction has completed on 1 January 2019, the consolidated pro-forma revenue for the year for the Group would have been £1.08m (€1.23m).

(a) Identifiable assets acquired and liabilities assumed on acquisition

The following table shows, at fair value, the recognised of assets acquired and liabilities assumed at the acquisition date:

	€'000	£'000
Intangible assets	2,375	2,125
Assets	**2,375**	**2,125**
Deferred tax liabilities	203	182
Liabilities	**203**	**182**
Identifiable net assets	**2,172**	**1,943**

Deferred tax liabilities have been recognised in relation to identified customer relationship intangible assets, the amortisation of which is non-deductible against Netherlands Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

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31. BUSINESS COMBINATIONS (CONTINUED)
31.2. AUFISCO B.V. ("AUFISCO") (CONTINUED)
(b) Consideration
Total consideration is satisfied by the following:

	€'000	£'000
Cash consideration	800	716
Equity instruments (119,166 Ordinary shares issued at fair value)	500	447
Contingent consideration	658	589
Fair value of total consideration	**1,958**	**1,752**

Contingent consideration of £0.59m (€0.66m) was paid in March 2020.

(c) Negative goodwill
Negative goodwill arising from the acquisition has been recognised as follows:

	Note	€'000	£'000
Total consideration		1,958	1,752
Less: Fair value of identifiable net assets		(2.172)	(1,943)
Foreign exchange translation to average rate		–	3
Negative goodwill	7	**(214)**	**(188)**

Negative goodwill represents a bargain purchase and is supported by the significant synergies Management expect to be realised and the transaction price being impacted by the Sellers' wish to find alternative servicing arrangements for their clients.

(d) Impact on cash flow
No cash was acquired so the net cash outflow from the transaction during the reporting period was the cash consideration of £0.72m (€0.8m).

(e) Acquisition-related costs
The Group incurred acquisition-related costs of £41k for professional, legal and advisory fees. These costs have been recognised in other operating expenses in the Group's consolidated income statement (see note 6) and are treated as non-underlying items to calculate underlying EBITDA (see note 7).

31.3. MINERVA HOLDINGS LIMITED AND MHL HOLDINGS S.A. ("MINERVA")
On 5 September 2018, the Group acquired 100% of the share capital of Minerva, a global provider of private client, corporate, fund and treasury services, operating in Jersey, Dubai, Mauritius, Switzerland, the UK and Singapore.

The fair value of consideration was £32.8m for acquired identifiable net assets of £17.8m resulting in goodwill of £15m. Contingent consideration of £2m was payable in the six months following completion, contingent on the Minerva business maintaining an underlying EBITDA target. On 21 May 2019, contingent consideration of £2m was paid as the target was maintained.

Within the acquired identifiable net assets were customer relationship intangibles of £13.7m, spilt across the following jurisdictions: Jersey £9.74m (UEL 11.8 years), Mauritius £1.8m (UEL 10 years), Dubai £1.4m (UEL 10 years) and Switzerland £0.74m (UEL 8.7 years). Deferred tax liabilities of £1.4m were recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Corporation Tax in the different jurisdictions and therefore creates temporary differences between the accounting and taxable profits.

31.4. VAN DOORN CFS B.V. ("VAN DOORN")
On 17 August 2018, JTC entered into an agreement with International Capital Group B.V. to purchase 100% of the share capital of Van Doorn, a Netherlands-based provider of corporate and fiduciary services.

The fair value of consideration was £19.37m (€21.61m) for acquired identifiable net assets of £6.21m (€6.93m) resulting in goodwill of £13.16m (€14.68m).

Contingent consideration of £5m (€5.5m) was paid in February 2019 as the business performed successfully, exceeding the revenue and underlying EBITDA targets set for 2018.

Within the acquired identifiable net assets were customer relationship intangibles of £7.54m (€8.6m) with a UEL of 11.4 years. Deferred tax liabilities of £1.93m (€2.15m) were recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Netherlands Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

On 7 October 2019, Van Doorn changed its name to JTC Institutional Services Netherlands B.V.

32. INTEREST IN EQUITY-ACCOUNTED ASSOCIATE

The Group's interests in an equity-accounted investee solely comprises an interest in an associate. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the carrying amount of the investment is adjusted to recognise the Group's share of post-acquisition profits or losses in the consolidated income statement within EBITDA, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 21.

The Group has a 42% (2018: 42%) interest in Kensington International Group Pte. Ltd ("KIG"), a company incorporated in Singapore. KIG provides corporate, fiduciary, trust and accounting services and is a strategic partnership for the Group, providing access to new clients and markets in the Far East. The associate has share capital consisting of Ordinary and preference shares, which are held directly by the Group. The country of incorporation is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. KIG is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's interest in KIG.

The summarised financial information for KIG, which is accounted for using the equity method, is as follows:

Summarised income statement	**2019 £'000**	2018 £'000
Revenue	**4,695**	3,639
Gross profit	**3,673**	2,762
Profit/(loss) for the year	**394**	(47)
Other comprehensive income for the year	**15**	15
Total comprehensive income/(loss) for the year	**409**	(32)

Summarised balance sheet	**2019 £'000**	2018 £'000
Total non-current assets	**418**	516
Total current assets	**2,974**	2,133
Total assets	**3,392**	2,649
Total current liabilities	**1,969**	1,572
Net assets less current liabilities	**1,423**	1,077

Reconciliation of summarised financial information	**2019 £'000**	2018 £'000
Opening net assets	**1,077**	813
Profit/(loss) for the year	**394**	(47)
Other comprehensive income	**15**	15
Increase in equity	**–**	225
Foreign exchange differences	**(63)**	71
Closing net assets	**1,423**	1,077
Group's share of closing net assets	**602**	456
Goodwill	**522**	522
Carrying value of investment in associate	**1,124**	978

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33. SUBSIDIARIES

The Group's subsidiaries at 31 December 2019 which, in the opinion of Management, principally affect the profit or the net assets of the Group are listed below. Unless otherwise stated, the Company owns 100% of share capital consisting solely of Ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Where the shareholding and voting rights are equal to or less than 50%, Management have concluded that it is appropriate to include these entities as subsidiaries in the consolidation, in accordance with the basis of consolidation accounting policy described in note 3.3. The interests in subsidiaries not 100% owned are attributed to the Company and no minority interest is recognised.

Name of subsidiary	Country of incorporation and place of business	Activity	% holding
JTC Fund Solutions (Jersey) Limited	Jersey	Trading	100
JTC Group Holdings Limited	Jersey	Holding	100
JTC Group Limited	Jersey	Head office services	100
JTC (Jersey) Limited	Jersey	Trading	100
JTC Fund Services (UK) Limited	United Kingdom	Trading	100
JTC Group Holdings (UK) Limited	United Kingdom	Holding	100
JTC Trust Company (UK) Limited	United Kingdom	Trading	100
JTC UK (Amsterdam) Limited	United Kingdom	Holding	100
JTC (UK) Limited	United Kingdom	Trading	100
JTC Miami Corporation	United States	Trading	50
JTC Trustees (USA) Ltd	United States	Trading	100
JTC Fund Solutions (Guernsey) Limited	Guernsey	Trading	100
JTC Global AIFM Solutions Limited	Guernsey	Trading	100
JTC Fund Solutions RSA (Pty) Ltd	South Africa	Trading	100
JTC Fiduciary Services (Singapore) Pte Limited	Singapore	Trading	100
JTC (BVI) Limited	British Virgin Islands	Trading	100
Exequtive Management S.à r.l.	Luxembourg	Trading	100
Exequtive Partners S.A.	Luxembourg	Trading	100
Exequtive Services S.à r.l.	Luxembourg	Trading	49
JTC Global AIFM Solutions SA	Luxembourg	Trading	100
JTC Luxembourg Holdings S.à r.l.	Luxembourg	Holding	100
JTC (Luxembourg) S.A.	Luxembourg	Trading	100
JTC Signes S.à r.l.	Luxembourg	Trading	100
JTC Signes Services SA	Luxembourg	Trading	100
JTC (Suisse) SA	Switzerland	Trading	100
JTC Trust Company (Switzerland) SA	Switzerland	Trading	100
JTC Trustees (Suisse) Sàrl	Switzerland	Trading	100
JTC Trustees (IOM) Limited	Isle of Man	Trading	100
Autumn Productions B.V.	Netherlands	Trading	100
Global Tax Support B.V.[(i)]	Netherlands	Trading	–
JTC Holdings (Netherlands) B.V.	Netherlands	Holding	100
JTC Institutional Services Netherlands B.V.	Netherlands	Trading	100
JTC (Netherlands) B.V.	Netherlands	Trading	100
JTC Trust Company (New Zealand) Limited	New Zealand	Trading	100
JTC (Cayman) Limited	Cayman Islands	Trading	100
JTC Fund Services (Cayman) Ltd	Cayman Islands	Trading	100
JTC Fiduciary Services (Mauritius) Limited	Mauritius	Trading	100
JTC Corporate Services (DIFC) Limited	Dubai	Trading	100

(i) As the parent company JTC Group Holding (UK) Limited has a call option to purchase Global Tax Support B.V. for €1 from its parent, Management consider they have control of this entity and it has, therefore, been consolidated.

SECTION 8 – OTHER DISCLOSURES

34. EARNINGS PER SHARE

Basic Earnings Per Share
The calculation of basic earnings per share is based on the profit for the year divided by the weighted average number of Ordinary shares for the same year.

Diluted Earnings Per Share
The calculation of diluted Earnings Per Share is based on basic Earnings Per Share after adjusting for the potentially dilutive effect of Ordinary shares that have been granted. For the period ended 31 December 2018, as the Group made a loss, the potential impact of any dilutive Ordinary shares is not calculated as the impact would be anti-dilutive.

Underlying basic Earnings Per Share
The calculation of underlying basic Earnings Per Share is based on the profit for the period adjusted for non-underlying items and the impact of IFRS 16, divided by the weighted average number of Ordinary shares.

Adjusted underlying basic Earnings Per Share
The calculation of adjusted underlying basic Earnings Per Share is calculated on the same basis as underlying basic Earnings Per Share but with profit for the period being adjusted to remove the unwinding of net present value discounts, the amortisation of both customer relationship intangible assets and loan arrangement fees and the temporary differences arising on the amortisation of customer relationships.

The Group calculates basic, diluted, underlying basic and adjusted underlying basic Earnings Per Share ("EPS"). The results can be summarised as follows:

	Note	2019 Pence	2018 Pence
Basic EPS	34.1	**15.43**	(3.87)
Diluted EPS	34.2	**15.35**	(3.87)
Underlying basic EPS	34.3	**17.91**	15.32
Adjusted underlying basic EPS	34.4	**22.33**	19.23

34.1. BASIC EARNINGS PER SHARE

	2019 £'000	2018 £'000
Profit/(loss) for the year	**17,181**	(3,857)

	No.	No.
Issued ordinary shares at 1 January	**110,153,982**	–
Effect of shares issued on IPO	**–**	99,008,837
Effect of shares issued to acquire business combinations	**1,346,281**	622,920
Effect of movement in treasury shares held	**(147,395)**	–
Weighted average number of Ordinary shares (basic):	**111,352,868**	99,631,757
Basic EPS	**15.43**	(3.87)

34.2. DILUTED EARNINGS PER SHARE

	2019 £'000	2018 £'000
Profit/(loss) for the year	**17,181**	(3,857)

	Note	No.	No.
Weighted average number of Ordinary shares (basic)	34.1	**111,352,868**	99,631,757
Effect of share-based payments issued		**539,647**	–
Weighted average number of Ordinary shares (diluted):		**111,892,515**	99,631,757
Diluted EPS		**15.35**	(3.87)

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34. EARNINGS PER SHARE (CONTINUED)
34.3. UNDERLYING BASIC EARNINGS PER SHARE

	Note	2019 £'000	2018 £'000
Profit/(loss) for the year		**17,181**	(3,857)
Non-underlying items:			
– included within operating expenses	7	**1,670**	18,571
– included within other (losses)/gains	7	**271**	107
– included within finance costs	7	**165**	441
Impact of IFRS 16	3.2	**653**	–
Underlying profit for the year		**19,940**	15,262

	Note	No.	No.
Weighted average number of Ordinary shares (basic)	34.1	**111,352,868**	99,631,757
Underlying basic EPS		**17.91**	15.32

34.4. ADJUSTED UNDERLYING BASIC EARNINGS PER SHARE

	Note	2019 £'000	2018 £'000
Underlying profit for the year	34.3	**19,940**	15,262
Amortisation of customer relationship intangible assets	21	**5,012**	2,743
Amortisation of loan arrangement fees	10	**376**	555
Unwinding of net present value discounts (excluding the impact of IFRS 16)		**323**	986
Temporary difference arising on amortisation of customer relationships	11	**(787)**	(389)
Adjusted underlying profit for the year		**24,864**	19,157

	Note	No.	No.
Weighted average number of Ordinary shares (basic)	34.1	**111,352,868**	99,631,757
Adjusted underlying basic EPS		**22.33**	19.23

35. CASH FLOW INFORMATION

35.1. OPERATING CASH FLOWS

	2019 £'000	2018 £'000
Operating profit	**22,961**	721
Adjustments for:		
Depreciation of property, plant and equipment	**4,588**	943
Amortisation of intangible assets	**6,164**	3,694
Share-based payment expense	**694**	443
Share of profit of equity-accounted investee	**(146)**	(92)
Operating cash flows before movements in working capital	**34,261**	5,709

35.2. NON-UNDERLYING ITEMS WITHIN NET CASH FROM OPERATING ACTIVITIES

	2019 £'000	2018 £'000
Net cash from operating activities	**21,589**	5,931
Non-underlying items:		
Capital distribution from EBT12	**2,976**	7,543
IPO costs	**36**	954
Acquisition and integration costs	**2,138**	4,024
Office closures	**–**	56
Other	**–**	93
Total non-underlying items within net cash from operating activities	**5,150**	12,670
Underlying net cash from operating activities	**26,739**	18,601

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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35. CASH FLOW INFORMATION (CONTINUED)

35.3. FINANCING ACTIVITIES

Changes in liabilities arising from financing activities:

	Note	Lease liabilities due within one year £'000	Lease liabilities due after one year £'000	Finance leases due within one year £'000	Finance leases due after one year £'000	Borrowings due within one year £'000	Borrowings due after one year £'000	Total £'000
At 1 January 2018		–	–	–	–	56,364	63,341	119,705
Cash flows:								
Acquired on acquisition		–	–	5	48	–	–	53
Drawdowns		–	–	–	–	–	72,960	72,960
Repayments		–	–	–	(18)	(56,000)	(689)	(56,707)
Loan notes settled on IPO		–	–	–	–	–	(62,202)	(62,202)
Accrual of loan note interest		–	–	–	–	–	48	48
Other non-cash movements(i)		–	–	–	–	314	(1,456)	(1,142)
At 31 December 2018		–	–	5	30	678	72,002	72,715
Adoption of new standard	3.2	**2,631**	**26,543**	**–**	**–**	**–**	**–**	**29,174**
Cash flows:								
Drawdowns		**–**	**–**	**–**	**–**	**–**	**15,509**	**15,509**
Repayments		**(146)**	**(2,9)**	**(5)**	**(30)**	**(170)**	**(519)**	**(3,792)**
Other non-cash movements(i)		**390**	**4,995**	**–**	**–**	**–**	**(311)**	**5,074**
At 31 December 2019		**2,875**	**28,616**	**–**	**–**	**508**	**86,681**	**118,680**

(i) Other non-cash movements include the amortisation of loan arrangement fees, foreign exchange movement, additions and disposals of lease liabilities relating to right-of-use assets and the unwinding of net present value discounts.

35.4. NET DEBT

	Note	**2019 £'000**	2018 £'000
Bank loans	18	**(86,681)**	(71,494)
Finance leases	18	**–**	(35)
Other loans	18	**(508)**	(1,186)
Trapped cash(i)		**(3,007)**	(2,294)
Committed capital distributions(ii)		**(2,624)**	(6,103)
Less: Cash and cash equivalents		**26,317**	32,457
Total net debt		**(66,503)**	(48,655)

(i) Trapped cash represents the minimum cash balance to be held to meet regulatory capital requirements.

(ii) Committed capital distribution from EBT12 to employees.

36. SHARE-BASED PAYMENTS

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

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

36.1. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS

(a) Pre-IPO

Prior to Admission to the London Stock Exchange, the Group operated a number of equity-settled share-based remuneration schemes and also made awards of its own equity instruments to employees in the following circumstances: for promotion, for employees joining the business, for the retention of key employees following acquisition and to incentivise key employees. Awards that had not vested prior to the IPO were converted into the equivalent number of JTC PLC shares upon listing.

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

	No.	2019 £'000	No.	2018 £'000
Outstanding at the start of the year	**652,398**	**300**	8,168	800
Awarded	**–**	**–**	9,013	300
Exercised	**–**	**–**	(8,168)	(800)
Forfeited	**–**	**–**	–	–
Converted at the IPO	**–**	**–**	652,398	–
Outstanding at the end of the year	**652,398**	**300**	652,398	300

(b) Post-IPO

Following Admission to the London Stock Exchange, the Group implemented and made awards to eligible employees under two equity-settled share-based payment plans; it also continues to make awards when employees join the business, for the retention of key employees following acquisition and to incentivise key employees. Details of the share plans are as follows:

Performance share plan ("PSP")

Executive Directors and Senior Managers may receive awards of shares, which may be granted annually under the PSP. The maximum policy opportunity award size under the PSP for an Executive Director is 150% of annual base salary; however, the plan rules allow the Remuneration Committee the discretion to award up to 250% of annual base salary in exceptional circumstances. The Remuneration Committee determines the appropriate performance measures, weightings and targets prior to granting any awards. Performance conditions include Total Shareholder Return ("TSR") relative to a relevant comparator group and the Company's absolute underlying Earning Per Share performance.

On 18 September 2018, the Group granted 156,970 of the Company's shares to Executive Directors and Senior Management ("PSP1"), these awards have a set limit for Executive Directors of 75% of the annual base salary and have a fair value of £0.53m. Vesting of the PSP1 awards is subject to continued employment and achievement of performance conditions measured over a three year period from 14 March 2018, being the date of the IPO, to 14 March 2021. If conditions are met, the awards will vest on 14 March 2021.

On 3 April 2019, the Group granted 253,518 of the Company's shares to Executive Directors and Senior Management ("PSP2"), these awards have a set limit for Executive Directors of 75% of the annual base salary and have a fair value of £0.61m. Vesting of the PSP2 awards is subject to continued employment and achievement of performance conditions measured over a three year period from 1 January 2019 to 31 December 2021. If conditions are met, the awards will vest on 31 December 2021.

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

	No.	£'000
Outstanding at the beginning of the year	**156,970**	**534**
Awarded	**253,518**	**614**
Outstanding at the end of the year	**410,488**	**1,148**

36. SHARE-BASED PAYMENTS (CONTINUED)

36.1. DESCRIPTION OF SHARE-BASED PAYMENT ARRANGEMENTS (CONTINUED)

Deferred bonus share plan ("DBSP")

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

On 12 April 2019, the Group granted 49,756 of the Company's shares to Directors as part of the annual bonus award for performance during the financial year ended 31 December 2018 ("DBSP1"). The DBSP1 awards vest on 31 December 2020 subject to continued employment up to this date. The fixed amount awarded being £0.15m will be expensed over the three year vesting period.

In April 2020, the Group will grant shares to Directors as part of the annual bonus award for performance during the financial year ended 31 December 2019 ("DBSP2"). The number of shares awarded will be determined at the grant date. The DBSP2 awards vest on 31 December 2021 subject to continued employment up to this date. The fixed amount awarded being £0.31m will be expensed over the three year vesting period.

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

	No.	£'000
Outstanding at the beginning of the year	–	–
Awarded	49,756	149
Forfeited	(3,947)	(12)
Outstanding at the end of the year	45,809	137

Other awards

The Group has continued to make awards to employees joining the business. The grant date of each award is the start date of employment with the fair value being a fixed amount stated in an employee's offer letter. The number of shares awarded is determined by the market value at the grant date. The awards will vest on the second anniversary of the grant date subject to continued employment.

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

	No.	£'000
Outstanding at the beginning of the year	3,668	15
Awarded	22,245	80
Outstanding at the end of the year	25,913	95

36.2. EXPENSES RECOGNISED DURING THE YEAR

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

	2019 £'000	2018 £'000
PSP awards	382	142
DBSP awards	146	50
Other awards	166	251
Total share-based payments expense	694	443

37. COMMITMENTS

The Group leases various offices and some equipment under non-cancellable operating leases expiring within 3 months to 18 years. Leases are negotiated for a variety of terms over which rentals are fixed, with break clauses and options to extend for further periods at the prevailing market rate.

Until 31 December 2018, rental expenses relating to operating leases were shown accounted for on an accruals basis and shown in the consolidated income statement. From 1 January 2019, on adoption of IFRS 16 'Leases' (see note 3.2), except for short-term and low-value leases, the Group has recognised lease liabilities, measured at the present value of remaining lease payments (see note 19) and a right-of-use asset at an amount equal to the lease liability (see note 20).

Commitments for minimum lease payments under non-cancellable operating leases	2019 £'000	2018 £'000
Within one year	–	3,499
In the second to fifth years inclusive	–	10,109
After five years	–	24,090
	–	37,698

	2019 £'000	2018 £'000
Total rental expense relating to operating leases	–	3,587

38. FOREIGN CURRENCY

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the consolidated income statement in the year in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations with a functional currency other than pounds sterling are translated at exchange rates prevailing on the balance sheet date.

Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used.

Income and expense items relating to entities acquired during the financial year are translated at the average exchange rate for the period under the Group's control. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity in the translation reserve.

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 July 2014 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Continued

39. RELATED PARTY TRANSACTIONS
Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

39.1. KEY MANAGEMENT PERSONNEL
The Group has defined key management personnel as Directors and members of Senior Management who have the authority and responsibility to plan, direct and control the activities of the Group. The remuneration of key management personnel in aggregate for each of the specified categories is as follows:

	2019 £'000	2018 £'000
Salaries and other short-term employee benefits	**2,371**	1,795
Capital distribution from EBT12	**–**	841
Post-employment and other long-term benefits	**124**	66
Share-based payments	**383**	194
Total payments	**2,878**	2,896

39.2. OTHER RELATED PARTY TRANSACTIONS
Loan receivable balances due from related undertakings are disclosed in note 15.

The Group's associate, KIG (see note 32), has provided £0.71m of services to Group entities during the year (2018: £0.8m).

During 2018, the Group was charged by CBPE Capital LLP, the Group's private equity partner up to the point of the IPO, £10k for the provision of Non-Executive Directors and £5k for associated travel and expenses.

39.3. ULTIMATE CONTROLLING PARTY
JTC PLC is the ultimate controlling party of the Group.

40. EVENTS OCCURRING AFTER THE REPORTING PERIOD
There have been a number of subsequent events from 31 December 2019 to the date of issue of these financial statements. They are as follows:

(a) Acquisition of Sanne private client business
On 13 March 2020, JTC (Jersey) Limited entered into an agreement to acquire the Private Client Services division of Sanne Fiduciary Services Limited, a fully owned subsidiary of Sanne Group PLC. The acquisition is structured for the clients representing £5.3m of annualised revenue to be transferred into a new entity which will be acquired by JTC once regulatory approval and other completion deliverables are met. The maximum consideration payable is £12m and is calculated depending on the revenue linked to transferring clients. As part of the transaction the employees of the division will also be transferring to JTC.

(b) Acquisition of NES Financial ("NESF")
On 2 April 2020, JTC entered into an agreement with NESF, a US based technology enabled market leading provider of specialist fund administration services to purchase 100% of their share capital for an initial consideration of £32.3m ($40.0m) to be satisfied by the issue of 7,453,178 Ordinary shares and $0.25m of cash. The acquisition represents a key part of the Group's ongoing growth strategy and in particular its focus on developing its ICS business in the United States and a commitment to acquire and develop technology capabilities that drive future growth and operating efficiencies.

The transaction has an earn out which gives the NESF shareholders the opportunity to receive an additional 14,253,070 Ordinary shares upon achievement of an underlying EBITDA target over a two year period post closing. The transaction is subject to shareholder and regulatory approvals which are expected before the end of Q2, 2020.

In addition, JTC has agreed to invest US$1m to acquire 20% of the share capital of Harmonate. Harmonate is a Software as a Service (SaaS) business based in Silicon Valley which delivers supervised machine learning for the consumption, contextualisation and delivery of data.

For both acquisitions detailed in (a) and (b) above, at the date the consolidated financial statements were authorised for issue, it was impracticable to disclose the information required by IFRS 3 'Business Combinations' as some of the required information was not available.

(c) Coronavirus ("COVID-19")
The continuing escalation of the Covid-19 global pandemic is having an unprecedented impact on the global economy. Whilst acknowledging a possible slowdown in client activities in the short-term, the directors remain confident that the Group maintains the ability to respond rapidly and adapt in order to support and service clients effectively. To date the Group has seen limited impact on the overall performance, but as the situation continues to evolve, it is not possible to quantify the financial impact on the Group at this stage. Covid-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the consolidated financial statements as a result.

INVESTOR RELATIONS INFORMATION

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GLOSSARY

DEFINED TERMS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Annual Report

ADVANCE TO BUY
Advance to Buy, or the 'A2B' programme, has been created to help staff purchase JTC shares directly, independent of eligibility or participation in other parts of the Ownership for All programme (e.g. the EBT, DBSP or PSP)

ADJUSTED UNDERLYING BASIC EPS
Underlying basic EPS but with profit adjusted to remove the unwinding of net present value discounts, the amortisation of both customer relationship intangible assets and loan arrangement fees and the temporary differences arising on the amortisation of customer relationships

AEOI
Automatic Exchange of Information

AIFMD
The Alternative Investment Fund Managers Directive (2011/61/EU)

AML
Anti-Money Laundering

ALTERNATIVE PERFORMANCE MEASURE (APM)
A financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework

ARTICLES OF ASSOCIATION
The Articles of Association of the Company

AUFISCO
Aufisco B.V. and Oak Tree Management B.V.

AUDIT AND RISK COMMITTEE
The Audit and Risk Committee of the Board of the Company

BAML
Bank of America Merrill Lynch Wealth Management's International Trust and Wealth Structuring business

BEPS
The Base Erosion and Profit Shifting Project of the OECD

BOARD
The Board of JTC PLC

BREXIT
The withdrawal of the United Kingdom from the European Union

CAGR
Compound Annual Growth Rate

CAPITAL EMPLOYED
Total of working capital ("WC") in the balance sheet, property, plant and equipment and intangibles (including acquisition-related and other assets)

CAPITAL EXPENDITURE (CAPEX)
Investment in property, plant, equipment and software not related to acquisitions

CASH COLLECTION/CONVERSION
The ratio of net cash from operating activities compared with EBITDA

CBPE CAPITAL LLP
Close Brothers Private Equity (JTC's private equity partner from 2012 to 2018)

CCO
Chief Commercial Officer

CEO
Chief Executive Officer

CFO
Chief Financial Officer

CFT
Combatting the Financing of Terrorism

CGU
Cash-generating unit

CIMA
The Cayman Islands Monetary Authority

CO
Compliance Officer

COMPANY
JTC PLC

COSO-ERM FRAMEWORK
The Committee of Sponsoring Organisations' Enterprise Risk Management-Integrated Framework

CRS
Common Reporting Standard

CRO
Chief Risk Officer

CSR
Corporate Social Responsibility

CSSF
The Luxembourg Commission for the Supervision of the Financial Sector or Commission de Surveillance du Secteur Financier

DBSP
Deferred Bonus Share Plan

EBIT
Profit/(loss) before interest and tax

EBITDA
Profit/(loss) from operating activities before depreciation, amortisation, interest and tax

EBT
Employee Benefit Trust

EBT12
Jersey Trust Company Employee Benefit Trust 2012

ECL
Expected credit loss

E4A
'Equity for All' – JTC's programme to promote wide employee share ownership in the Company

EPS
Earnings Per Share

ESG
Environmental, Social and Governance

EUR OR €
The single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time

EURIBOR
Euro Interbank Offered Rate

EXEQUTIVE
Exequtive Partners S.A.

FATCA
The Foreign Account Tax Compliance Act

FCA
Financial Conduct Authority

FDI
Foreign Direct Investment

FIRST TRADING DATE
14 March 2018, the date on which trading in the Offer Shares of the Company on the premium listing segment of the Official List of the FCA and trading on the main market of the London Stock Exchange commenced

FRC
Financial Reporting Council

FTEs
Full-Time Equivalents

FVOCI
Fair value through other comprehensive income

FVTPL
Fair value through profit or loss

FX
Foreign exchange

GBP, £ OR STERLING
The lawful currency of the United Kingdom

GDPR
The General Data Protection Regulation (2016/679) on data protection and privacy for all for all individuals within the European Union and the European Economic Area

GENERAL MEETING
The general meeting of the Company

GROUP
The Company and its subsidiaries from time to time

GHB
Group Holdings Board

GFSC
The Guernsey Financial Services Commission

GSC
Global Service Centre

HNW/UHNW
High net worth individual(s)/ultra high net worth individual(s)

IASB
International Accounting Standards Board

ICS
Institutional Client Services

IFRS
International Financial Reporting Standards as adopted by the European Union

IFRSIC
IFRS Interpretations Committee

ILM
The organisation formerly known as the Institute of Leadership and Management

IPO
Initial Public Offering

ISAE 3403
Assurance standard developed by the International Auditing and Assurance Standards Board and supported by the International Federation of Accountants.

Type I: Documenting a 'snapshot' of the organisation's controls

Type II: Documenting over a period of time (typically six months) showing controls have been managed over time

JFSC
The Jersey Financial Services Commission

JSOP
JTC share ownership plan

LIBOR
The London Inter-bank Offered Rate is an average value of the interest rate which is calculated from estimates submitted by the leading global banks on a daily basis

LSE
London Stock Exchange

LTIP
Long-Term Incentive Plan

LTM
Last twelve months

M&A
Merger and acquisition

MANAGEMENT
The Directors of JTC Group Holdings Limited

MEEM
Multi-period excess earnings method financial valuation model

MINERVA
Minerva Holdings Limited and MHL Holdings S.A.

MLRO/MLCO
Money Laundering Reporting Officer/ Money Laundering Compliance Officer

NACT
New Amsterdam Cititrust B.V.

NET DEBT
Total debt and total committed capital distributions less cash and cash equivalents

NET LEVERAGE
Total net debt divided by underlying EBITDA (for the LTM at average FX rates) adjusted for pro-forma contribution from acquisitions and synergies

NPV
Net present value

NOMINATION COMMITTEE
The Nomination Committee of the Board of the Company

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

GLOSSARY
Continued

OECD
Organisation for Economic Co-operation and Development

O4A
Ownership for All, the evolution of JTC's shared ownership programme for all employees post IPO

PII
Professional Indemnity Insurance

PLC EBT
JTC PLC Employee Benefit Trust

PCS
Private Client Services

PDMR
Person Discharging Managerial Responsibility

PRO-FORMA
Taking into account a full year's trading

PSP
Performance Share Plan

PWC
PricewaterhouseCoopers CI LLP

RECOMMENDATION FOR SIGNING (RFS)
A JTC internal control tool ensuring that decisions made by the business are thoroughly documented, reviewed and approved at an appropriate level on a 'six-eyes' basis

REMUNERATION COMMITTEE
The Remuneration Committee of the Board of the Company

SACKVILLE
Sackville Bank and Trust Company Limited

S&GFA
Swiss & Global Fund Administration (Cayman) Ltd

SHARES
The Ordinary shares in the capital of the Company

SHAREHOLDER
Any holder of Ordinary shares at any time

SME
Small and medium sized enterprise

STEP
Society of Trust and Estate Practitioners

TSR
Total Shareholder Return

UNDERLYING EBITDA
EBITDA excluding one-off charges or non-recurring credits within operating expenses that are non-underlying and the impact of IFRS 16

UNDERLYING EBITDA MARGIN
Underlying EBITDA divided by revenue, and expressed as a percentage

UNDERLYING BASIC EARNINGS PER SHARE
Profit for the year is adjusted for non-underlying items and the impact of IFRS 16 then divided by the weighted average number of Ordinary shares.

UNDERLYING GROSS PROFIT
Gross profit (being revenue less direct staff and other direct costs) excluding one-off charges or non-recurring credits that are non-underlying and the impact of IFRS 16

UNDERLYING GROSS PROFIT MARGIN
Underlying gross profit divided by revenue, and expressed as a percentage

UNDERLYING PROFIT/(LOSS) FOR THE YEAR
Loss for the year excluding one-off charges or non-recurring credits within operating expenses, other gains and finance costs that are non-underlying and the impact of IFRS 16

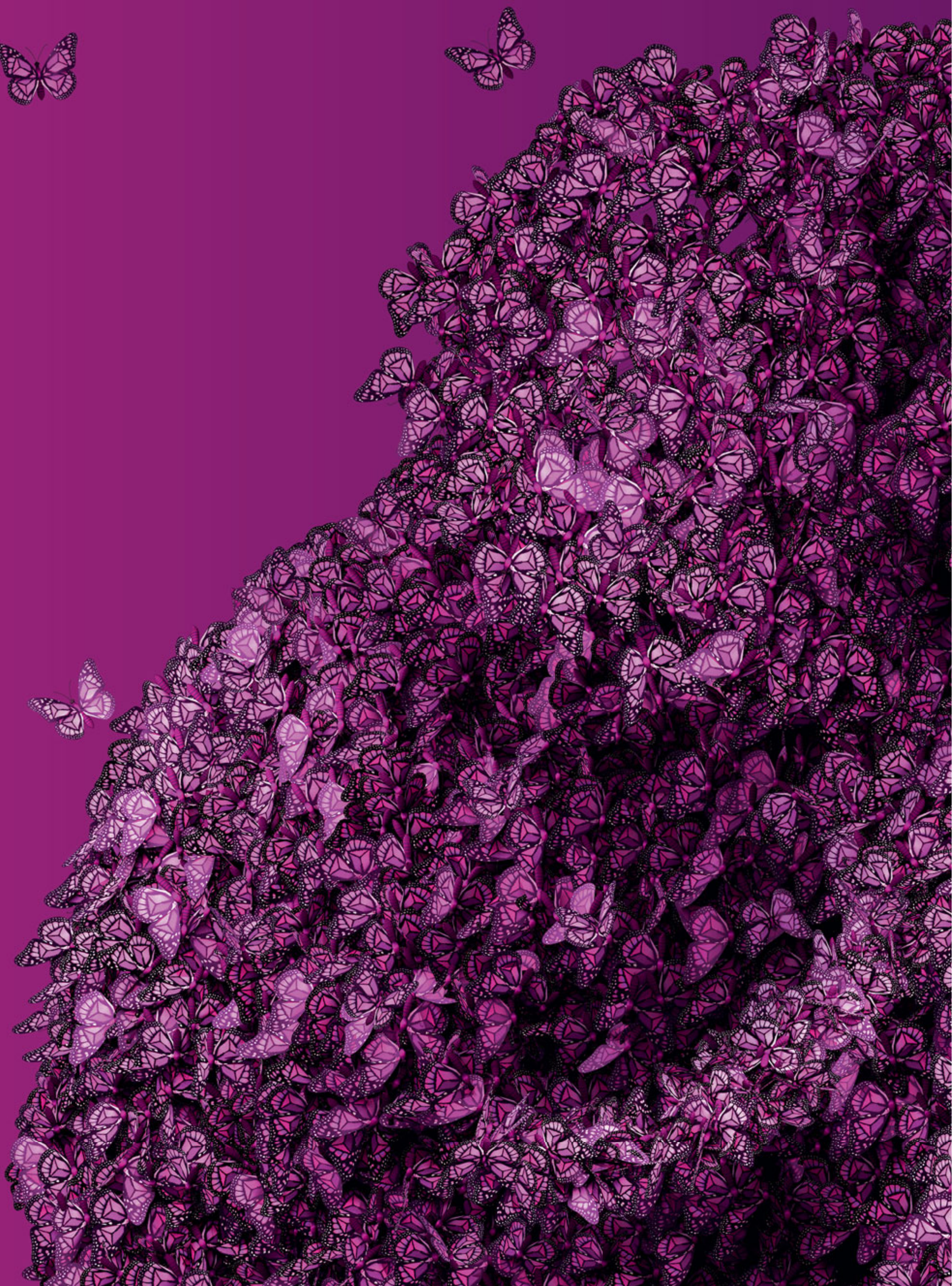
UBO
Ultimate Beneficial Owner

USD OR $
The lawful currency of the United States

UK CORPORATE GOVERNANCE CODE OR THE CODE
The UK Corporate Governance Code 2018

VAN DOORN
Van Doorn CFS B.V.

WACC
Weighted average cost of capital



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