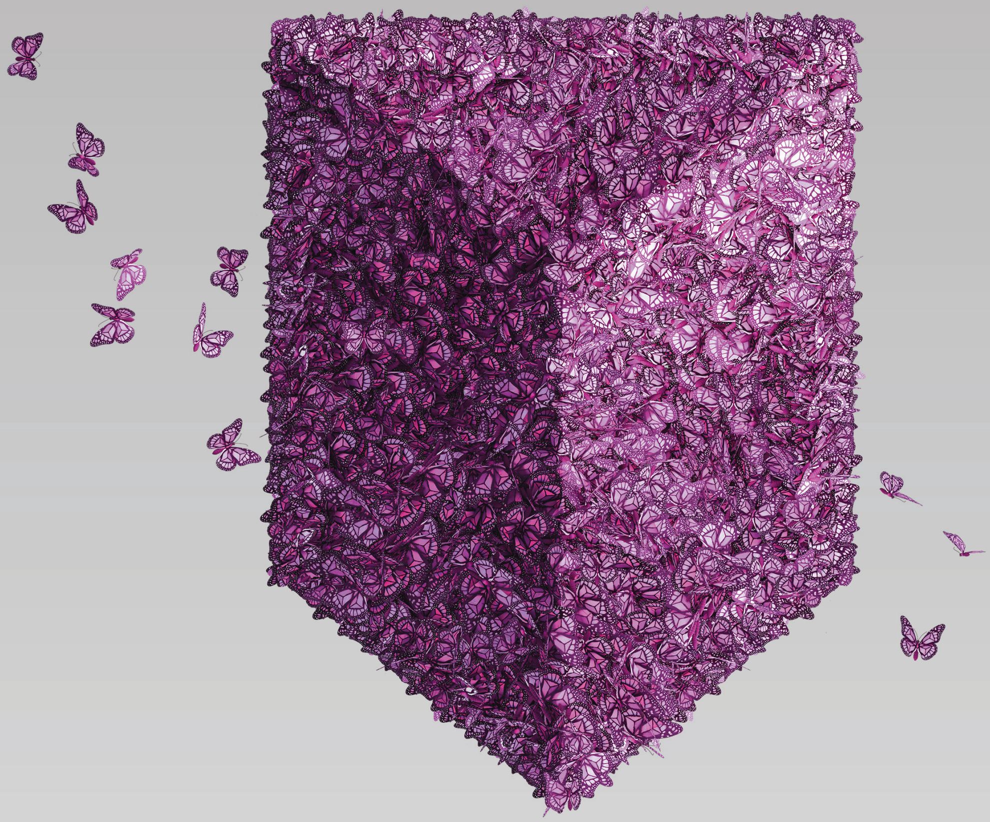


JTC PLC

PROSPECTUS

MARCH 2018

JTC

FUND SERVICES | CORPORATE SERVICES | PRIVATE WEALTH SERVICES

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you should immediately consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus (the **Prospectus**) relating to JTC PLC (the **Company**) and has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the **FCA**) made under section 73A of the Financial Services and Markets Act 2000, as amended (**FSMA**). This Prospectus has been approved by the FCA in accordance with section 87A of FSMA and has been made available to the public as required by the Prospectus Rules.

Applications have been made to the FCA for all of the ordinary shares of £0.01 each in the capital of the Company (the **Ordinary Shares**), issued and to be issued in connection with the Offer, to be admitted to the premium listing segment of the Official List of the FCA (the **Official List**) and to London Stock Exchange plc (the **London Stock Exchange**) for such Ordinary Shares to be admitted to trading on its main market for listed securities (together **Admission**). Admission to trading on the London Stock Exchange constitutes admission to trading on a regulated market. It is expected that Admission will become effective and that unconditional dealings will commence in the Ordinary Shares on the London Stock Exchange at 8.00 a.m. on 14 March 2018. No application has been made, or is currently intended to be made, for the Ordinary Shares to be admitted to listing or traded on any other stock exchange.

A copy of this document has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the registrar has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability from the discharge of its functions under that law.

The Company and the Directors (whose names appear on page 33 of this document) accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Prospective investors are advised to examine all the risks that might be relevant in connection with an investment in Ordinary Shares. Prospective investors should read the entirety of this Prospectus and, in particular, the section entitled "*Risk Factors*", for a discussion of certain risks and other factors that should be considered in connection with any investment in Ordinary Shares.

JTC

JTC PLC

(incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 125550)

Prospectus

Offer of 77,173,702 Existing Ordinary Shares and 6,896,552 New Ordinary Shares in each case at a price of 290 pence per Ordinary Share

Admission of all the Ordinary Shares to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange

Financial adviser and broker

Zeus Capital

Zeus Capital Limited

Sponsor

Stockdale

Stockdale Securities Limited

Joint global co-ordinators and bookrunners

Zeus Capital — Numis

Zeus Capital Limited and **Numis Securities Limited**

Ordinary share capital immediately following Admission

Ordinary Shares of £0.01 each issued and fully paid

Number	*Amount*
106,896,552	£1,068,965.52

Zeus Capital Limited (**Zeus Capital**) has been appointed as financial adviser, broker and joint global co-ordinator and bookrunner to the Company, Zeus Capital is authorised and regulated in the United Kingdom by the FCA and is acting exclusively for the Company and no one else in connection with the Offer and Admission. Zeus Capital will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Offer and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Zeus Capital or for providing any advice in relation to the Offer or Admission, the contents of this Prospectus or any transaction or arrangement referred to herein.

Numis Securities Limited (**Numis Securities**) has been appointed as joint global co-ordinator and bookrunner to the Company, Numis Securities is authorised and regulated in the United Kingdom by the FCA and is acting exclusively for the Company and no one else in connection with the Offer and Admission. Numis Securities will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Offer and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities or for providing any advice in relation to the Offer or Admission, the contents of this Prospectus or any transaction or arrangement referred to herein.

Stockdale Securities Limited (**Stockdale Securities** or the **Sponsor**) has been appointed as sponsor to the Company. Stockdale Securities is authorised and regulated in the United Kingdom by the FCA in respect of regulated activities and is acting exclusively for the Company and no one else in connection with the Offer and Admission. Stockdale Securities will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to the Offer and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stockdale Securities or for providing any advice in relation to the Offer or Admission, the contents of this Prospectus or any transaction or arrangement referred to herein.

Zeus Capital, Numis Securities and Stockdale Securities and their respective affiliates may have engaged in transactions with, and provided various investment, banking, financial advisory and other services to the Company, for which it would have received customary fees. Zeus Capital, Numis Securities and/or Stockdale Securities and/or any of their respective affiliates may provide such services to the Company or members of the Group in the future.

Apart from the responsibilities and liabilities, if any, which may be imposed on Zeus Capital, Numis Securities and Stockdale Securities by FSMA or the regulatory regime established thereunder or by the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, each of Zeus Capital, Numis Securities and Stockdale Securities accepts no responsibility whatsoever for, and makes no representation or warranty, express or implied, in relation to, the contents of this Prospectus, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, the Company or any other person in connection with the Company, the Ordinary Shares or the Offer and nothing contained in this Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Zeus Capital, Numis Securities and Stockdale Securities accordingly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this Prospectus or any such statement.

Unless required to do so by law or regulation, the Company does not envisage publishing any supplementary prospectus or an update statement, as the case may be.

Recipients of this Prospectus may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information in it for any purpose other than considering an investment in Ordinary Shares. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

This Prospectus does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful and, in particular, is not for distribution in Australia, Canada, Japan, the Republic of South Africa, New Zealand or, subject to certain exceptions, the United States. The Ordinary Shares have not been, and will not be, registered under the Securities Act, or with any securities regulatory authority of any state or jurisdiction of the United States or under applicable securities laws in Australia, Canada, Japan, the Republic of South Africa or New Zealand. The Ordinary Shares offered by this Prospectus may not be offered or sold, directly or indirectly, in or into the United States or to, or for the account or benefit of, any persons within the United States except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Ordinary Shares are being offered and sold outside the United States in "offshore" transactions exempt from the registration requirements of the Securities Act in reliance on Regulation S and in the United States to qualified institutional buyers as defined in and pursuant to Rule 144A under the Securities Act or another exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Ordinary Shares offered by this Prospectus have not been approved or disapproved by the SEC, any state securities commission in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Offer or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Prior to making any decision as to whether to invest in the Ordinary Shares, prospective investors should read this Prospectus in its entirety. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company, the Ordinary Shares and the terms of the Offer, including the merits and risks involved. Prospective investors also acknowledge that: (i) they have not relied on Zeus Capital, Numis Securities or Stockdale Securities or any person affiliated with Zeus Capital, Numis Securities or Stockdale Securities in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this Prospectus.

No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised. Neither the delivery of this Prospectus nor any subscription, sale or purchase made under it shall, under any circumstances, create any implication that there has been no change in the business affairs of the Company or the Group since the date of this Prospectus or that the information in this Prospectus is correct as of any time subsequent to its date.

None of the Company, Zeus Capital, Numis Securities, Stockdale Securities or any of their respective representatives is making any representation to any prospective investor in the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Prospectus should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

In connection with the Offer, Zeus Capital, Numis Securities and/or any of their respective affiliates acting as investor for their own account may subscribe for or purchase Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account(s) in Ordinary Shares, any other securities of the Company or other related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to Ordinary Shares being issued, offered, subscribed, sold, purchased or otherwise dealt with should be read as including any issue, offer or sale to, or subscription, purchase or dealing by, Zeus Capital, Numis Securities and/or any of their respective affiliates acting as investor for their own account(s). Neither Zeus Capital nor Numis Securities intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

NOTICE TO CERTAIN INVESTORS

The Ordinary Shares are subject to selling and transfer restrictions in certain jurisdictions. Prospective investors should read the restrictions described under paragraph 10 of Part 2 (*Details of the Offer*). Each investor in Ordinary Shares will be deemed to have made the relevant representations described in that paragraph.

The distribution of this Prospectus and the offer of the Ordinary Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken by the Company, the Selling Shareholders, Zeus Capital, Numis Securities or Stockdale Securities to permit a public offering of the Ordinary Shares or to permit the possession or distribution of this Prospectus (or any other offering or publicity materials in connection therewith).

In particular, no actions have been taken to allow for a public offering of the Ordinary Shares under the applicable securities laws of Australia, Canada, Japan, the Republic of South Africa, New Zealand or the United States. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (**MiFID II**); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the **MiFID II Product Governance Requirements**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the **Target Market Assessment**). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Zeus Capital and Numis Securities will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

INTERPRETATION

Certain terms used in this Prospectus are defined in Part 10 (*Definitions*) and certain technical and other items are defined and explained in Part 11 (*Glossary*).

All references to time in this Prospectus are to Greenwich Mean Time unless otherwise stated.

AVAILABLE INFORMATION

For so long as the Ordinary Shares sold in the Offer are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), nor exempt from reporting pursuant to Rule 12g3 2(b) under the Exchange Act, furnish, on request, to any holder or beneficial owner of any restricted securities, or any prospective purchaser designated by any holder or beneficial owner, the information required to be delivered to those persons pursuant to Rule 144A(d)(4) under the Securities Act.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of the words 'not applicable'.

Section A – Introduction and warnings		
Element		
A.1	Introduction	This summary should be read as an introduction to this Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.
A.2	Consent for intermediaries	Not applicable – there will be no resale or final placement of securities by financial intermediaries.

Section B – Issuer		
Element		
B.1	Legal and commercial name	The Company's legal and commercial name is JTC PLC.
B.2	Domicile/Legal Form/Legislation/ Country of Incorporation	The Company is incorporated with limited liability by shares in Jersey, a public company under the Companies (Jersey) Law 1991 (as amended) with registered number 125550. The principal legislation under which the Company operates is the Companies (Jersey) Law 1991 (as amended).
B.3	Current Operations/ Principal Activities and Markets	The Group is a leading independent and international provider of fund, corporate and private wealth services. Clients include alternative asset managers, financial institutions, corporates and private clients. The Group has a multi-jurisdictional footprint with a presence in Europe (Jersey, Guernsey, the UK, Luxembourg, Netherlands, Switzerland and Isle of Man), South Africa (where the Group's global service centre provides back and middle office outsourced services), Mauritius, the USA (Miami, New York and South Dakota) and the Caribbean (Cayman Islands and BVI) and across Asia-Pacific through an alliance with Kensington Trust Group, providing coverage across Hong Kong, Labuan, Malaysia, New Zealand and Singapore. In the year ended 31 December 2017, the Group reported revenue of £59.79 million (2016: £51.08 million, 2015 (18 month period): £56.17 million) and underlying EBITDA before non acquisition share based payments of £14.81 million (2016: £12.07 million; 2015: £12.88 million).

		The funds services business of the Group (**Fund Services**) is responsible for the administration of a wide variety of fund types (both listed and unlisted) across a diverse range of asset classes, including real estate, private equity, renewables, hedge, debt and other alternatives. Clients include a wide spectrum of fund managers from "first fund" market entrants to large institutional managers. This business line of the Group represented approximately 32 per cent. of the Group's revenues in the financial year ended 31 December 2017. The corporate services business of the Group (**Corporate Services**) provides company secretarial and administration services to a broad range of corporate clients spanning SMEs, public companies, multinationals, sovereign wealth funds, family offices and private clients requiring a corporate service. This business line of the Group represented approximately 40 per cent. of the Group's revenues in the financial year ended 31 December 2017. The private wealth and family office business of the Group (**Private Wealth Services**) provides a range of private client services, including the formation and administration of vehicles such as trusts, companies and partnerships on behalf of predominantly HNWIs and UHNWIs, including private wealth and family offices. This business line of the Group represented approximately 28 per cent. of the Group's revenues in the financial year ended 31 December 2017. The Group's growth strategy is focussed on organic and inorganic growth with a view to both continuing to build scale in its existing markets and expanding into new markets. Although the Group has closed some of its smaller offices in the past year, it continues to provide services in those jurisdictions through other offices and has been able to decrease spend on staff and office space through the closures. The key drivers of the Group's organic growth strategy include growing market share through increasing revenue from existing clients, attracting new clients and expanding service provision through the continued development of new services delivered by the global JTC network and platform. The organic growth strategy is complemented by the Group's proven acquisition strategy. The Group has successfully identified, completed and integrated 12 acquisitions since 2010.
B.4a	Significant Trends	The drivers of growth in the market in which the Group operates are long-term and structural and primarily comprise regulation (an increasing demand for services driven by greater regulation), outsourcing (demand for specialists due to increasing operational complexity), globalisation (clients are increasingly global and demand a global provider), wealth creation (continuing growth in GDP and middle classes in developing countries) and industry consolidation (the industry is still fragmented and there is scope for further consolidation). Regulatory developments include the European Alternative Investment Fund Managers Directive (**AIFMD**), MiFID II and the US Foreign Account Tax Compliance Act (**FATCA**), as well as the generally greater regulatory and compliance demands on, and scrutiny of, asset managers and corporates. The Directors believe that such regulatory developments applicable to asset managers, investors and financial institutions creates revenue opportunities for specialist administrators such as the Group, as does the increasing demand for compliance and oversight provided independent of the manager, driven by an increased focus on transparency and the management of conflicts of interest. Political pressure driven by fiscal challenges is promoting and forcing greater cooperation and data sharing between territories. The governance burden placed on corporates has resulted in outsourced company

		secretarial services enjoying an expansion, as companies look to external specialist partners to support their corporate governance function. The end markets that the Group and its competitors provide administration services to are fragmented in nature. The Directors expect that mergers and acquisitions within the Group's market are likely to continue, offering the Group opportunities to add further geographic and asset class scale through acquisitions, in line with its inorganic growth strategy.
B.5	Description of Issuer's Group	Following the completion of the Reorganisation, the Group comprises the Company and its subsidiaries and subsidiary undertakings.
B.6	Shareholders	As at the date of this Prospectus (and before the Reorganisation), each of Nigel Le Quesne, Martin Fotheringham, Wendy Holley, Iain Johns, Anthony Underwood-Whitney and Philip Burgin holds 3 per cent. or more of the issued share capital of the Company. Immediately prior to Admission, following completion of the Reorganisation (but before the sale of Ordinary Shares under the Offer), the following persons will hold, directly or indirectly, 3 per cent. or more of the issued share capital of the Company.

Shareholder	*Number of Ordinary Shares*	*Percentage of issued Ordinary Share capital*
CBPE Capital	42,654,162	42.65
Nigel Le Quesne[1, 2]	21,314,547	21.31
Philip Burgin[1, 3]	6,510,076	6.51
Anthony Underwood-Whitney[1, 4]	3,243,416	3.24
The JTC Group Holdings Limited Share Ownership Plan 2012[5]	4,927,310	4.93
The JTC Group Holdings Limited Share Ownership Plan II 2012[5]	4,346,528	4.35
The JTC Group Holdings Limited Share Ownership Plan 2013[5]	7,881,909	7.88
The Jersey Trust Company Employee Benefit Trust 2012	5,531,944	5.53

[1] Including interests in each of the existing Share Plans
[2] Including shares held by Ocean Drive Holdings Limited, a company in which Nigel Le Quesne is beneficially interested
[3] Including shares held by SoBe Limited, a company in which Philip Burgin is beneficially interested
[4] Including shares held by TUW (Malbec) Limited, a company in which Anthony Underwood-Whitney is beneficially interested
[5] Gross number of shares held by the relevant plans, including those shares in which individuals have a beneficial interest

		Immediately following Admission, insofar as is known to the Company, the following parties will, directly or indirectly, be interested in 3 per cent. or more of the issued share capital of the Company:

Shareholder	*Number of Ordinary Shares*	*Percentage of issued Ordinary Share capital*
Nigel Le Quesne	10,444,128	9.77
FMR Investment Management (UK) Limited	7,950,000	7.44
Old Mutual Global Investors (UK) Limited	7,835,250	7.33
12 West Capital Management LP	6,305,270	5.90
Invesco Asset Management Limited	5,870,690	5.49
FIL Investment Services (UK) Limited	5,218,586	4.88
Schroder Investment Management Limited	5,172,414	4.84
Standard Life Investments Limited	4,445,000	4.16
Slater Investments Ltd	4,379,311	4.10
Liontrust Investment Partners LLP	4,008,621	3.75
Franklin Templeton Fund Management Limited	3,620,690	3.39
Lombard Odier Asset Management (Europe) Limited	3,284,483	3.07

Following Admission, no Shareholder will have any special voting rights over any Ordinary Shares and all Ordinary Shares will rank *pari passu* in all respects with all other Ordinary Shares.

B.7	Selected key historical financial information	The selected financial information set out below has been extracted without material adjustment from the historical financial information set out in Part 7 (*Financial Information*) of this Prospectus:

Consolidated Income Statement

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Revenue	56,175	51,085	59,792
Staff costs	(32,093)	(27,200)	(32,006)
Establishment costs	(3,487)	(3,422)	(4,082)
Other operating expenses	(13,060)	(10,193)	(14,491)
Other operating income	157	243	434
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	7,692	10,513	9,647
Comprising:			
Underlying EBITDA	12,807	11,779	14,422
Non-underlying items	(5,115)	(1,266)	(4,775)
	7,692	10,513	9,647
Depreciation and amortisation	(1,844)	(2,147)	(2,894)
Profit from operating activities	5,848	8,366	6,753
Revenue growth year on year		36%	17%
Underlying EBITDA %	22.8%	23.1%	24.1%

The percentage rate for revenue growth year on year is calculated by reference to a pro-rated amount for the 18 month period ending 31 December 2015.

Consolidated Balance Sheet

	31 December 2015 £'000	*31 December 2016 £'000*	*31 December 2017 £'000*
Assets			
Total non-current assets	86,354	88,275	105,335
Total current assets	32,434	40,245	43,596
Total assets	118,788	128,520	148,931
Equity			
Total equity	(22,857)	(24,441)	3,028
Total non-current liabilities	131,326	138,554	68,609
Total current liabilities	10,319	14,407	77,294
Total equity and liabilities	118,788	128,520	148,931

Consolidated Cash Flow Statement

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Operating profit:	5,848	8,366	6,753
Adjustments for:			
Depreciation of tangible assets	752	775	1,052
Amortisation of intangible assets	1,092	1,372	1,842
Share-based payment expense	92	418	517
Acquisition costs	1,515	194	678
Foreign exchange	9	792	257
Operating cash flows before movements in working capital	9,308	11,917	11,099
Movements in working capital	(935)	(1,649)	(401)
Net cash from operating activities	8,373	10,268	10,698
Net cash used in investing activities	(16,578)	(3,467)	(9,692)
Net cash from/(used in) financing activities	15,567	(2,854)	545
Net increase in cash and cash equivalents	7,362	3,947	1,551
Cash and cash equivalents at the beginning of the year/period	5,147	11,483	15,765
Effect of foreign exchange rate changes	(1,026)	335	(1,152)
Cash and cash equivalents at end of year/period	11,483	15,765	16,164

Certain significant changes to the Group's financial condition and results of operation occurred during the Historical Period (the 18 month period to 31 December 2015, the financial year ended 31 December 2016 and the financial year ended 31 December 2017.

In 2015, the Group made three notable acquisitions within the Institutional Client Services division: (i) Signes, the Luxembourg-based administration business providing services to institutional investors, (ii) Swiss & Global Fund Administration (Cayman) Ltd, GAM (Switzerland) Holding AG's Cayman-based fund administration business, and (iii) Kleinwort Benson's Fund Administration business, based in Jersey, Guernsey and South

		Africa. These acquisitions added significant presence in existing and new jurisdictions and enhanced the Group's global fund servicing capabilities. These businesses have all been fully integrated into JTC's global platform. The Private Client Services division made no acquisitions in 2015 or 2016. The Group experienced strong revenue growth in 2016. Revenue increased by 36 per cent. year on year, driven by the combination of organic growth (measured as in period revenue from non-acquired businesses) and acquisition growth. The organic growth performance was driven by strong performances in Jersey and the Americas. In 2017, the Group achieved revenue growth of 17 per cent. with organic growth of 11 per cent. In July 2017, the Group acquired New Amsterdam Cititrust B.V., a Netherlands based service provider to funds, corporates and private clients. In September 2017, the Group acquired Merrill Lynch Wealth Management's International Trust and Wealth Structuring business, expanding JTC's Private Client Services expertise and geographic reach in the Americas. The Group has maintained a gross profit margin of between 55 per cent. and 57 per cent. in the Historical Period. The gross profit margin fell in 2017, partly due to the acquired businesses, in particular the business purchased as part of acquisition of the Merrill Lynch Wealth Management's International Trust and Wealth Structuring business, which the Directors consider is capable of improved performance as part of the Group. A key metric for the business is the underlying EBITDA margin before non acquisition related share based payments which has improved steadily over the 42 month period. It was 22.9 per cent. in 2015, 23.6 per cent. in 2016 and 24.8 per cent. for the year ended 31 December 2017. In the year ended 31 December 2017, the business incurred £2.0 million of costs associated with acquiring, integrating and re-organising acquired businesses (£1.3 million in the year ending 31 December 2016 and £3.0 million in the eighteen months ending 31 December 2015). The main costs included within this were professional advisory fees, transition services costs and redundancy costs. The Group incurred costs in closing its offices in Malta, Argentina and Brazil. The balance of the 2017 non underlying costs comprise £1.8 million of costs relating to preparation for Admission and £0.2 million of costs incurred in reorganising the senior management team prior to Admission (there is an additional £0.1 million of cost which will be recorded in the period up to Admission). Legal dispute costs incurred in the 18 month period to 31 December 2015 relate to costs incurred supporting a legal case brought against a new employee by a previous employer. The bad debts write off and associated legal costs in the same accounting period refer to costs incurred in settling a long standing client dispute. The cost comprised £0.7 million of legal fees and £0.5 million of debtor write off. Depreciation and amortisation costs of approximately £2.9 million in the year ended 31 December 2017 consist of £0.5 million of computer software amortisation, £1.3 million of amortisation of customer contracts acquired through acquisitions, leasehold improvement depreciation of £0.6 million, £0.4 million of depreciation of computer equipment and £0.1 million of office furniture and equipment depreciation. The total bank loan amount drawn-down at 31 December 2017 was £55.5 million, consisting of a term loan, acquisition facility and revolving credit facility. The interest charge decreased in 2017 as a result of the Group having a decreased interest margin under the terms of its banking facility. Loan note interest represented amounts accrued to pay institutional and management investors.

		The loss before tax for the Group was £10.3 million for the 18 month period ended 31 December 2015, £2.9 million for the year ended 31 December 2016 and £3.6 million for the year ended 31 December 2017. There has been no significant change in the financial or trading position of the Group since 31 December 2017, being the latest date to which the historical financial information in Part 7 (*Financial Information*) was prepared.
B.8	Selected pro forma financial information	The unaudited pro forma net assets statement set out in Part 8 (*Unaudited Pro Forma Financial Information*) has been prepared to illustrate the effects of the Offer on the net assets of the Group, had the Offer taken place as at 31 December 2017. The pro forma net assets statement has been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Rules and should be read in conjunction with the notes set out in Part 8 (*Unaudited Pro Forma Financial Information).* Because of its nature, such statement addresses a hypothetical situation and does not represent the Group's financial position or results as at 31 December 2017. No account has been taken of any results or other activity since 31 December 2017.
B.9	Profit forecast/ estimate	Not applicable – no profit forecasts or estimates have been made.
B.10	Audit report – qualifications	Not applicable – there are no qualifications made in the audit report.
B.11	Insufficient working capital	Not applicable – the Company is of the opinion that, taking into account the bank facilities available to the Group, the working capital available to the Company and its Group is sufficient for its present requirements that is, for at least 12 months from the date of this Prospectus.

Section C – Securities		
Element		
C.1	Description of the Offer	The Offer comprises an offering to certain institutional and other investors of 77,173,702 Existing Ordinary Shares and 6,896,552 New Ordinary Shares. The nominal value of the total issued ordinary share capital of the Company immediately following Admission will be £1,068,965.52 divided into 106,896,552 Ordinary Shares of £0.01 each, which will be issued fully paid. When admitted to trading, the Ordinary Shares will have an ISIN of JE00BF4X3P53, SEDOL number BF4X3P5 and will trade under the symbol "JTC".
C.2	Currency of Issue	British pounds sterling.
C.3	Issued Share Capital	As at the date of this Prospectus, the issued share capital of the Company is £9,024.27 comprising 902,427 Ordinary Shares of £0.01 each. Following the Reorganisation, the issued share capital will be £1,000,000 comprising 100,000,000 Ordinary Shares of £0.01 each. On Admission, there will be 106,896,552 Ordinary Shares of £0.01 each in issue. All Ordinary Shares in issue on Admission will be fully paid.
C.4	Rights attaching to the Ordinary Shares	The Ordinary Shares will rank *pari passu* in all respects with each other, including for voting and dividend rights and rights on a return of capital. Subject to the provisions of the Articles, the issue of certain specific kinds of securities for cash must first be offered to current members on a *pro rata* basis. The members may, by way of special resolution, grant authority to the Board to allot shares as if the pre-emption rights set out in the Articles did not apply.

		Except in relation to dividends which are declared and rights on a liquidation of the Company, the Shareholders have no rights to share in the profits of the Company. The Ordinary Shares are not redeemable. However, the Company may purchase or contract to purchase any of the Ordinary Shares on or off-market, subject to the Jersey Companies Law and the requirements of the Listing Rules.
C.5	Restrictions on transfer	If the certificated shares being transferred are only partly paid, the Board is entitled to refuse to register the transfer without giving any reason for the refusal as long as it does not prevent dealings in shares from taking place on an open and proper basis. The Board can also refuse to register the transfer of a certificated share if: (a) the transfer form is not lodged, properly stamped (if stamping is required), at the registered office (or any other place chosen by the Board) together with the appropriate share certificate for the shares being transferred and any other evidence of transfer that the Board reasonably asks for; (b) the transfer is for more than one class of shares; or (c) the transfer is to more than four transferees.
C.6	Admission to trading	Applications have been made to the FCA for all of the Ordinary Shares, issued and to be issued in connection with the Offer, to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on its main market for listed securities. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other exchange.
C.7	Dividend Policy	At the outset, the Board intends to pay out an annual maximum payment of 25 per cent. on an annualised basis of post tax earnings and thereafter to adopt a progressive dividend policy which will seek to maximise shareholder value and reflect the strong earnings potential and cash flow characteristics of the Group, while allowing it to retain sufficient capital to fund ongoing operating requirements and to execute the Group's long term organic and inorganic growth strategy.

Section D – Risks		
Element		
D.1	Key information on the key risks specific to the Issuer or its industry	Whilst the Group operates robust procedures and processes to ensure services are delivered in accordance with defined administration agreements with clients, errors or breaches may occur resulting in the invocation of the Group's contractual protections and potentially give rise to a claim against the Group. Acting in a fiduciary capacity on client structures, such as by providing director or trustee services, carries specific legal obligations, a breach of which could give rise to a claim against the Group and/or regulatory sanctions. Defence against claims or any settlement of a claim may be covered by professional indemnity insurance (**PII**), although a successful claim in excess of, or not covered by, the Group's PII cover could have a material adverse effect on the Group's business, results of operations or financial condition. The Group has experienced rapid growth over the last seven years. The failure of one or more of the Group's larger clients, or failure to attract new clients and/or to undertake further inorganic growth, could represent a potential limitation on the Group's ability to meet its growth targets and adversely impact on the Group's results of operation or financial condition.

		Failure to make or to implement necessary expansion and upgrades of the Group's systems and infrastructure in a timely manner whilst maintaining client service levels could cause a loss of clients or a reduction in the rate of growth of the Group's client base. Further, unless growth results in an increase in revenues that is proportionate to the increase in costs associated with this growth, operating margins and profitability would be adversely affected. The Group may face increased competition and price pressure in the markets and jurisdictions in which it operates. If the Group matches or exceeds any reduction in price by its competitors, the Group's margins could be negatively impacted; or if the Group does not match or remain within a competitive margin of its competitors' pricing, the Group may lose market share and/or experience a decline in revenue. The Group operates predominantly on a time and materials basis and charges its clients based on a mix of contractually fixed and variable fees. The exact proportion of variable fees is different across divisions and jurisdictions depending on client preferences and sector norms. Certain clients, sectors and jurisdictions may experience lower than expected activity levels which could significantly reduce expected revenue from existing structures and impact the Group's financial results. The successful implementation of the Group's strategy depends on the Group's ability to retain the senior management team and to recruit, attract, motivate and retain other qualified employees. The loss of key members of the senior management team and other skilled personnel could have a material adverse effect on the Group's competitive position and could impact upon its relationships with existing clients. The secure management and transmission of confidential client data is integral to service delivery. Networks may be vulnerable to unauthorised access, computer viruses and other security breaches. Third parties who circumvent security measures could wrongfully use Group or client confidential data or cause interruptions or malfunctions in operations. Notwithstanding the investments made by the Group and its service providers to protect against security breaches, it may not be possible to implement security measures that protect against all security risks. A breach of confidentiality either by the actions of a member of staff or as a result of unauthorised access could result in claims against the Group from both clients and regulatory bodies and/or result in the Group having to pay damages which could have a material adverse effect on the Group's reputation, business, results of operations and financial condition. Should there be an impact on the Group's reputation as a result, this could lead to a further impact on business, results of operations and financial condition. Under the Group's current transfer pricing policies, management fees are paid to JTC Group Limited from its subsidiaries, a consequence of which is that the majority of the Group's profits are recorded in Jersey. Whilst the Group's head office and majority of operations and employees are based in Jersey, the existing transfer pricing policies operating within the Group could be challenged and lead to the application of new transfer pricing provisions resulting in higher tax rates for the Group than would otherwise be the case, claims from national tax bodies for the historic payment of tax in certain regions and a stream of the Group's profits to be subject to taxation in multiple jurisdictions. Future growth and geographic expansion could bring a greater proportion of the Group's profits into the scope of higher tax rate jurisdictions, increasing the Group's overall effective tax rate and increasing the risk to the Group from any challenge to its transfer pricing policies.

		Any change in the laws and regulations governing the Group's business or the operations of its clients, or in the interpretation of these by the regulatory bodies in the jurisdictions in which the Group operates, could negatively impact the services which the Group is able to offer or could impact the demand for such products and services from the Group's clients. A deterioration in the economic conditions in the markets in which the Group operates would adversely affect demand for the Group's services and, as such, the Group's financial condition, operations and business prospects. The success of the Group's business depends in part on its ability to identify and respond to evolving macro-economic and sector trends in demographics and client preferences. Failure to identify or effectively respond to changing requirements and preferences of its client base could adversely affect the Group's business. The regulatory environment in which the Group operates gives rise to significant legal and compliance costs, and the Group dedicates substantial management and other resource to ensuring and monitoring compliance. Non-compliance with regulatory requirements could potentially result in substantial monetary damages and fines, a negative effect on the Group's reputation, increased regulatory compliance requirements, enforced suspension of operations and in extreme cases, withdrawal of licences or authorisations to operate particular businesses or criminal prosecution in certain circumstances. There are risks to the business associated with regulatory breach and the impact of regulatory change. The regulatory risks to the Group cover both regulations that the Group has to comply with and also those regulations that its clients are required to adhere to. Any change in the laws and regulations governing the Group's business or the operations of its clients, or in the interpretation of these by the regulatory bodies in the jurisdictions in which the Group and its clients operate, could negatively impact the services which the Group is able to offer or could impact the demand for such services from the Group's clients.
D.3	Key information on the key risks specific to the Ordinary Shares	There has been no prior public trading market for the Ordinary Shares and an active trading market may not develop or, if developed, might not be sustained. If an active trading market is not developed or sustained, the liquidity and trading price of the Ordinary Shares could be adversely affected. The share price of publicly traded companies can be highly volatile, including for reasons related to differences between expected and actual operating performance, corporate and strategic actions taken by such companies or their competitors, speculation about the business and management of such companies and general market conditions and regulatory changes. The issue of additional shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise will in most circumstances dilute all other shareholdings.

Section E – Securities		
Element		
E.1	Net Proceeds/ Expenses	Through the sale of 77,173,702 Existing Ordinary Shares pursuant to the Offer, it is expected that the Selling Shareholders will receive, in aggregate, net proceeds of approximately £218.2 million (after deducting commissions of approximately £5.6 million). Additionally, the issue of 6,896,552 New Ordinary Shares by the Company is expected to raise approximately £15.1 million of net proceeds for the Company (after deducting commissions and other estimated Offer-related fees and expenses of approximately £4.9 million).
E.2a	Reasons for the offer/Use of Proceeds	The Directors believe the Offer and Admission will enhance client and investor awareness of the Group, provide the Group with a long-term framework to support future growth and investment, create a liquid market in the Ordinary Shares for Existing Shareholders and assist in the incentivisation and retention of key management and employees. In addition, the Directors believe that continuity and stability of independent ownership as a public company will be beneficial for the Group's client acquisition and retention strategy. The Company intends to use the net proceeds of the Offer receivable by the Company of approximately £15.1 million to repay approximately £11.5 million of the Existing Facility originally dated 23 March 2012 and amended and restated on 26 September 2014 between JTC Group (Malbec) Limited, HSBC Bank plc and the Royal Bank of Scotland plc and for general working capital and corporate purposes. The Offer will also provide the Selling Shareholders with net proceeds of approximately £218.2 million.
E.3	Terms and Conditions of the Offer	The Offer comprises 77,173,702 Existing Ordinary Shares and 6,896,552 New Ordinary Shares to be issued or sold at the Offer Price. Admission is expected to become effective, and dealings in the Ordinary Shares are expected to commence on the London Stock Exchange, at 8.00 a.m. on 14 March 2018. The Offer is subject to the satisfaction of conditions contained in the Placing and Sponsor Agreement. These conditions include conditions which are customary for transactions of this type (including Admission becoming effective by no later than 8.00 a.m. on 14 March 2018 (or such later time and/or date as the Company and the Banks may agree, not being later than 8.00 a.m. on 28 March 2018) and the Placing Agreement not having been terminated prior to Admission). The Offer will not be underwritten. In the event that demand for the Offer Shares being offered exceeds the number of Offer Shares made available in the Offer, allocations in respect of the Offer may be scaled down in any manner at Zeus Capital's and Numis Securities' discretion, in consultation with the Company, and applicants under the Offer may be allocated Offer Shares having an aggregate value which is less than the sum applied for. Zeus Capital and Numis Securities, in consultation with the Company, may allocate such shares at their discretion and there is no obligation on Zeus Capital and Numis Securities to allocate such shares proportionately. None of the Ordinary Shares may be offered for subscription, sale or purchase or be delivered, or be subscribed, sold or delivered, and this Prospectus and any other offering material in relation to the Offer and the Ordinary Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction

		or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration. Under the Offer, the Offer Shares are being offered for sale or subscription (as appropriate) to certain institutional and other investors in the United Kingdom and elsewhere outside the United States in reliance on Regulation S under the Securities Act and in the United States to qualified institutional buyers as defined in and pursuant to Rule 144A under the Securities Act or another exemption from or in a transaction not subject to the registration requirements of the Securities Act.
E.4	Material Interests	There are no interests known to the Company that are material to the Offer or Admission or which are conflicting interests.
E.5	Selling Shareholder/ sale arrangements	77,173,702 Existing Ordinary Shares will be sold by the Selling Shareholders pursuant to the Offer. The Offer will provide the Selling Shareholders with net proceeds of approximately £218.2 million. The Directors and certain senior managers and employees (together interested in 22,869,403 Existing Ordinary Shares at Admission, representing 21.4 per cent. of the Ordinary Shares) have undertaken to the Company and Zeus Capital and Numis Securities that, subject to certain limited exceptions (including transfers to connected persons and disposals by way of acceptance of a recommended offer of the entire issued share capital of the Company), they will not (and will use their best endeavours to procure that their connected persons do not) dispose of any Ordinary Shares or interest in Ordinary Shares or any rights relating to such Ordinary Shares (the **Restricted Interests**) at any time from Admission until the expiry of 12 months from Admission (**Lock-in Period**) without the prior written consent of Zeus Capital and Numis Securities. In addition, each of the Directors and each such senior manager and employee has also undertaken to the Company and to Zeus Capital and Numis Securities not to (and to use their best endeavours to procure that their connected persons do not) dispose of the Restricted Interests for the period of 12 months following the expiry of the Lock-in Period other than through Zeus Capital or Numis Securities with a view to maintaining an orderly market in the Ordinary Shares.
E.6	Dilution	The New Ordinary Shares will represent approximately 6.5 per cent. and the Existing Ordinary Shares will represent approximately 93.5 per cent. respectively of the enlarged issued share capital of the Company immediately following Admission.
E.7	Estimated expenses charged to investor	Not applicable. Other than in respect of expenses of, or incidental to, Admission and the Offer which will be paid by the Company, there are no commissions, fees or expenses to be charged to investors by the Company under the Offer.

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Prior to investing in the Ordinary Shares, prospective investors should consider carefully the factors and risks associated with any such investment in the Ordinary Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Group, its business and industry and the Ordinary Shares summarised in the section of this Prospectus entitled "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events, and depend on circumstances, that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus entitled "Summary" but also, among other things, the risks and uncertainties described below.

The risks and uncertainties described below represent those the Directors consider to be material as at the date of this document. However, these risks and uncertainties are not the only ones facing the Group. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently consider to be immaterial, may individually or cumulatively also materially and adversely affect the business, results of operations, financial condition and/or prospects of the Group. If any or a combination of these risks actually occurs, the business, results of operations, financial condition and/or prospects of the Group could be materially and adversely affected. In such case, the market price of the Ordinary Shares could decline and investors may lose all or part of their investment. Investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances.

The following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in Ordinary Shares and should be used as guidance only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Company's business, prospects, results of operation and financial position.

1. RISKS RELATING TO THE GROUP

Fiduciary risk

As with similar businesses in the sector, the Group acts in a fiduciary capacity on client asset and investment structures. This may include providing trustee services and/or acting as directors on multiple administered entities across multiple asset classes where responsibility for decision making is assumed. Undertaking a fiduciary role carries specific legal obligations, a breach of which could give rise to a claim against the Group and its employees, and/or regulatory sanctions. The procedures and processes operated by the Group have been developed to address the risks associated with the delivery of fiduciary services and the standard terms of business of the Group attempt to cap liability except in cases of fraud, or in respect of any other liability which cannot lawfully be excluded. Furthermore, defence against claims or any settlement of a claim may be covered by professional indemnity insurance (**PII cover**) up to the limit of the policy. However a successful claim in excess of, or not covered by, the Group's PII cover could have a material adverse effect on the Group's business, results of operations or financial condition. In this regard, there is a risk that the Group's PII cover is not of a sufficient level or scope to protect the Group against a large potential claim that may arise. Furthermore, the Group may be unable to obtain PII cover in the future on acceptable terms, or without substantial premium increases, particularly if there is deterioration in its claims experience history.

Performance risk

The Group's clients are engaged in complex activities involving financial instruments and multi-jurisdictional structures. Whilst the Group's employees are trained and experienced in providing services relating to such activities and deliver services within a procedural environment designed and tested to prevent errors, this complexity means that it is difficult to eliminate the possibility of employees making errors. Errors could include, among other things, incorrectly processing client information or incorrect processing of payments. Staff are required to exercise their judgement in the course of providing services to clients and this too may result in errors. Employee errors could subject the Group to financial losses and/or regulatory sanctions and, in the case of negligence, fraud and wilful misconduct, seriously harm the Group's reputation with existing and prospective clients.

Misconduct or negligence by employees could include engaging in unauthorised or improper transactions or activities on behalf of clients or the Group, or improperly using confidential information. Although the Group operates robust procedures based on six eye principles dictating that at least three employees must review and approve key decisions and transactions, any errors or fraud may be difficult to prevent or detect, and the Group may not be able to recover the losses caused by these activities. In addition, errors, poor employee performance or fraud could expose the Group and/or its clients to financial losses (which may not be covered by the Group's PII cover) and/or regulatory sanctions. This could expose the Group to claims from clients and damage the Group's reputation with existing and prospective clients, and therefore have a material adverse effect on the Group.

Importance of ability to maintain and develop existing client relationships

A large proportion of the Group's fee billing is from servicing existing clients and their structures. Organic growth is dependent (in part) upon being able to deliver further services to such existing clients. Whilst the Group attempts to capture more of the spend of existing clients, there can be no guarantee that existing client relationships will continue to grow or that key clients will not choose to move the servicing of their existing structures to a competitor. The failure to retain contracts and structures with existing clients or gain new or increased revenue from these clients could impact the Group's competitive position and growth prospects.

Ability to continue winning new clients

Whereas some of the Group's competitors have traditionally relied upon new work referrals from their parent company (often a banking group) or an affiliated law firm, as an independent group, the Group has pursued a strategy of generating referrals through a variety of onshore and offshore advisers that it has been able to build relationships with. The Group is, in part, dependent upon these relationships to win new client mandates. If the Group is unable to sustain these relationships, this could have a material adverse effect on the Group's business, results of operations or financial condition.

Growth and acquisition risks

The Group has experienced rapid growth over the last seven years. Continued growth may require continued investment across certain of the Group's key jurisdictions in personnel and facilities. The Group may not be successful in adding all of the additional facilities and other resources that may be necessary.

The failure of one or more of the Group's larger clients, or failure to attract new clients and/or to undertake further inorganic growth, could represent a potential limitation on the Group's ability to meet its growth targets and adversely impact on the Group's results of operation or financial condition. Failure to make or to implement necessary expansion and upgrades of the Group's systems and infrastructure in a timely manner whilst maintaining client service levels could cause a loss of clients or a reduction in the rate of growth of the Group's client base. Further, unless growth results in an increase in revenues that is proportionate to the increase in costs associated with this growth, operating margins and profitability would be adversely affected. In each case, this may have a material adverse effect on the Group's business.

The Group has made a number of significant acquisitions since 2010, the largest being Kleinwort Benson's fund administration business in 2015, and the Group's overall growth strategy is focussed on acquisitions as well as organic growth. Although the markets in which the Group operates are still fragmented, there is no guarantee that the Group will succeed in identifying suitable acquisition opportunities in the future, that it will be able to purchase the targets which it has identified due to competing possible acquirers or that transactions will be capable of being executed on advantageous terms, or at all.

Acquisitions also give rise to inherent execution and integration risk. The process of integration may produce unforeseen operating difficulties and expenditures and may absorb significant attention of the Group's management that would otherwise be available for the ongoing development of the business. In addition, acquisitions also involve a number of other risks including unforeseen liabilities, difficulties in realising costs or revenues, loss of key employees and client relationship issues. Accordingly, the Group may not obtain the intended benefits from any acquisitions that the Group has made or may pursue in the future.

Failure to adequately protect the Group from losses resulting from acquisitions, including losses resulting from unsuccessful integration of future acquisitions, could damage the Group's reputation and brand, and could have an adverse effect on the Group's business, financial condition and results of operations. Furthermore, the Group's acquisition strategy and the costs of integrating acquired businesses may involve capital outlays that could impact the financial position and funding structure of the Group, as well as having an effect on the Group's ability to finance its long-term working capital requirements.

Asset class risk

The Group provides services across a range of different asset classes and markets, including real estate and private equity, any of which may underperform or overperform relative to the others and/or to past performance which may adversely affect the Group's overall financial performance.

Individual asset classes are susceptible to fluctuations in performance driven by, among other things, macroeconomic factors, changing regulatory obligations, changing taxation legislation, and shifts in client preferences and demands. New or evolving asset classes may present new risks that may be difficult to assess. The existence of one, or a combination of, these factors could have a negative impact on the Group's ability to deliver expected growth rates and financial performance.

Jurisdictional factors

The Group offers services in a range of jurisdictions. All operations in these jurisdictions are required to implement centrally approved procedures but, as new locations are established, there is a risk that the culture and processes applied by the Group may not be immediately embedded within the new location which could result in, for example, unapproved client take-on or regulatory breaches. In addition, further global expansion of the Group's operations may lead to operational difficulties in central oversight of the regional offices.

Any adverse change in the legal or regulatory environment in the jurisdictions in which the Group operates may adversely impact the Group's operating results or ability to achieve growth in those jurisdictions. If regulatory or tax authorities change their policy or approach in a jurisdiction in which the Group operates, clients may withdraw or reduce the exposure of their structures and entities to such jurisdiction. It is possible that the Group may exit a jurisdiction in the context of reduced or eliminated demand for its services, which could have significant costs and restrict the types of available asset and investment structures. As a result, there could be a significant impact to the Group and its clients in the form of, amongst other things, increased regulatory burden and increased taxation costs, leading to reduced profitability.

Certain geographical markets in which the Group operates may present more significant risks in relation to money laundering, bribery and corruption and conflicts of interests risks than those in more established markets. Addressing these risks may also result in increased costs of the client take-on processes or put the Group at a competitive disadvantage if it chooses to maintain a higher standard of compliance than that prescribed by the regulations in such markets. Furthermore, the increasing importance of such jurisdictions could result in a shift in the risk profile of the Group's client base, increasing the risk of regulatory damage.

Extreme weather events may occur in certain regions, for example hurricanes in the Caribbean. These may have a material adverse impact upon the conduct of business by the Group in certain international jurisdictions and thus on the Group's results of operations or financial condition.

Dependency on key personnel and the ability to attract skilled and qualified employees

The Group is dependent upon key senior management personnel (including the Chief Executive Officer, Nigel Le Quesne) who have extensive experience and knowledge of the Group, the Group's markets, product offering, client base and the structures administered by the Group. The successful implementation of the Group's strategy depends on the retention, and continued services, of the senior management team and the Group's ability to attract, motivate and retain other highly qualified employees.

If members of the Group's senior management depart, or otherwise become unable to perform their services for the Group, the Group may not be able to find effective replacements in a timely manner, or at all, and the Group's business may be disrupted or damaged. While the Group conducts an annual assessment of remuneration packages to ensure market position is maintained, there can be no guarantee that the Group's business model, strategy and remuneration packages will remain effective in securing applications (and subsequently acceptances of employment) from a high calibre of candidates in all Group jurisdictions and this could diminish the quality of the services that the Group is able to provide to its clients.

The departure of key personnel from the Group without adequate replacement may have a material and adverse effect on the Group's performance. There is no guarantee that senior management and key staff will remain with the Group after the expiry of the incentives created by the Share Plans. This could negatively impact the Group's ability to retain existing clients and structures. In particular, the loss of key members of senior management and other skilled personnel could have a material adverse effect on the Group's competitive position and threaten its relationship with existing clients on whom a significant proportion of the Group's growth strategy is reliant. Even if the Group's ability to retain existing clients was not affected, the loss of key employees could restrict the Group's potential to capture additional work from such clients and therefore impact upon the Group's targets and revenues. Additionally, growth aspirations in certain jurisdictions may be curtailed by limitations on the employment pool, a risk that may become more acute as the Group grows in scale.

Business continuity/IT security

The Group employs multiple IT and communications systems in support of its operations, these systems are reliant on its infrastructure in the Channel Islands, Switzerland, Luxembourg and the Cayman Islands and all sit under the control of its dedicated technology support team and supported by vendor service and support contracts. All business systems and their associated data are hosted on high availability back end infrastructure duplicated across multiple data centres in Jersey, which are themselves subject to formal change control processes. As with all computer and communication systems they can be subject to failure or performance degradation, however, the design of the core infrastructure (including backbone triangulation, data replication and back up protocols) is such that no application, database or repository is at risk of a single point of failure. Data is backed up periodically with last known good positions being replicated at end of day between sites and there is a formal back-up retention policy in place. The systems and data are subject to disaster recovery planning and the loss of client service is mitigated by the Group's business continuity protocols which can be tested only against identifiable scenarios.

The Group is heavily dependent on the capacity and reliability of the IT and communication systems that support its operations. A large part of services are delivered through electronic means, including via public and private communications networks. These IT and communications systems and networks can be subject to performance degradation or failure for reasons within or outside the control of direct suppliers. Where foreseeable, such causes may be mitigated by the Group's business continuity protocols, however these can be tested only against identifiable scenarios.

Any loss of operational capability or disruption of the IT and communication systems on which the Group relies could have a material adverse effect on its ability to deliver services to clients and may lead to direct or indirect financial losses, loss of clients, claims from clients or regulatory investigations and sanctions, any of which, individually or collectively, may have a negative effect on the Group's reputation, business, results of operations and financial condition.

The secure management and transmission of confidential client data is integral to service delivery. Networks may be vulnerable to unauthorised access, computer viruses and other security breaches. Third parties who circumvent security measures could wrongfully use Group or client confidential data or cause interruptions or malfunctions in operations. Notwithstanding the investments made by the Group and its service providers to protect against security breaches, it may not be possible to implement security measures that protect against all security risks.

A breach of confidentiality either by the actions of a member of staff or as a result of unauthorised access could result in claims against the Group from both clients and regulatory bodies and/or result in the Group having to pay damages which could have a material adverse effect on the Group's reputation, business, results of operations and financial condition. Should there be an impact on the Group's reputation as a result, this could lead to a further impact on business, results of operations and financial condition.

Reputation of the Group

The Group's reputation is key to its future success in terms of the services it provides, the way in which it conducts its business, its regulatory status, its ability to attract and retain key staff and clients and the financial results it achieves. Failure to meet the expectations of its clients, employees, regulators, intermediaries and/or Shareholders may have a material adverse effect on the Group's reputation. Any damage to the Group's reputation from this or from any negative publicity surrounding the Group, its prospects or its competitive position may have a harmful impact on the Group's ability to win new work or on the Group's ability to maintain existing client relationships and contracts, and on the Group's attempts to retain key staff or attract new staff. Therefore, any damage to the Group's reputation could have a material adverse effect on the Group's business, results of operations and financial condition.

Disputes and litigation risk

The Group's activities expose it to the risks of potential disputes, legal proceedings or claims from clients and other parties. The Group has taken and intends to continue to take such precautions as it considers appropriate to avoid or minimise the likelihood of such disputes, legal proceedings or claims and any resulting financial loss to the Group. However, there can be no assurance that disputes will not arise or that claimants in any litigation proceedings will not be able to devote substantially greater financial resources to any proceedings or that the Group will prevail in any such litigation. Any disputes, claims or litigation, whether or not determined in the Group's favour or settled by the Group and notwithstanding the PII cover maintained by the Group to meet such claims, may be costly and may divert the efforts and attention of the Group's management and other personnel from normal business operations and may have a material and adverse effect on the Group.

The Group's compliance procedures might be not be effective or rigorously adhered to

The Group's ability to comply with applicable laws and regulations governing service delivery is largely dependent on the Group's compliance and reporting systems, the ongoing training of staff, and the Group's ability to attract and retain qualified compliance personnel. Whilst the Group does, and will continue to, take steps to establish and maintain adequate systems and controls, should the Group fail to effectively maintain and adhere to these compliance procedures (as a result of insufficient qualified personnel or otherwise), it will increase the likelihood that the Group becomes subject to litigation from clients and investors in the Group's clients and investigations by regulatory agencies. In addition, the Group's compliance procedures may not be adequate to detect errors or defaults.

Contractual risk

The Group administers clients and their structures in accordance with its standard terms of business and specific client agreements which typically specify the particular scope of services the Group is responsible for providing under that mandate. Whilst the Group operates robust procedures and processes to ensure services are delivered in accordance with this contractual framework, errors or breaches may occur resulting in the invocation of the Group's contractual protections and potentially give rise to a claim against the Group. Examples include the incorrect inputting of payment instructions, which could result (*inter alia*) in interest or bank charges, or foreign exchange transposition risks.

Financing risk

The Group will have a new financing facility put at in place on Admission. The Group will have to comply with a number covenants under the New Facility. Compliance with these covenants may place certain restrictions upon the operation of the Group and its ability to make dividend payments in accordance with JTC's dividend policy. Failure to comply with such covenants or to maintain repayments in accordance with the terms of such borrowing facilities may lead to enforcement action by the lenders with the result that the Company could suffer a loss of capital and, in certain situations, be subject to winding-up proceedings.

Pricing risk

The Group may face increased competition and price pressure in the markets and jurisdictions in which it operates. While the Group does not focus on price as its primary means of competition, the Group recognises that price is an important competitive factor for its business. The Group's competitors may seek to compete aggressively on price in order to protect or gain market share. To the extent that the Group matches or exceeds any reduction in price by its competitors, its business, financial conditions and results of operations could be materially and adversely affected. In addition, to the extent that the Group does not match or remain within a competitive margin of its competitors' pricing, or if the Group otherwise seeks to implement price increases, the Group may lose market share and experience a decline in revenue, which could materially and adversely affect the Group's business, financial conditions and results of operations. Factors outside of the Group's control, including adverse economic conditions or political developments, may also adversely affect the Group's pricing strategy. Pricing issues may also arise as the Group enters new markets which may be more price sensitive, resulting in an erosion of margin or an inability to grow the business as anticipated.

Variable fee risk

The Group charges its clients based on a mix of contractually fixed and variable fees, such fees being predicated on a time and materials basis. The exact proportion of variable fees is different across divisions and jurisdictions depending on client preferences and sector norms. Certain clients, sectors and jurisdictions may experience lower than expected activity levels on a given structure, which could significantly reduce expected revenue from existing structures and impact the Group's financial results. A small number of fund clients (approximately 15 per cent.) are charged fees calculated on net asset value/ basis points.

Currency fluctuations could materially adversely affect the Group's results

Conducting business across multiple jurisdictions may expose the Group to financial risks associated with fluctuations in exchange rates, primarily, at present, between pounds sterling, euro, US dollar, South African Rand and Swiss francs. Whilst the Group hedges its exposure by matching local expense invoices against income received in the same local currencies, exchange rate fluctuations could have a material adverse effect on the Group's profitability or the price competitiveness of its services. The Group may not be able to compensate for, or hedge against, such adverse effects and therefore adverse exchange rate movements could have a material adverse effect on the Group's business, results of operations or financial condition.

Transfer pricing risk

Under the Group's current transfer pricing policies, management fees are paid to JTC Group Limited in Jersey from its operating subsidiaries, a consequence of which is that the majority of the Group's profits are recorded in Jersey. The existing transfer pricing policies operating within the Group could be challenged and lead to the application of new transfer pricing provisions resulting in higher tax rates for the Group than would otherwise be the case, claims from national tax bodies for the historic payment of tax in certain regions and a stream of the Group's profits to be subject to taxation in multiple jurisdictions.

Future growth and geographic expansion is likely to bring a greater proportion of the Group's profits into the scope of higher tax rate jurisdictions, increasing the Group's overall effective tax rate and increasing the risk to the Group from any challenge to its transfer pricing policies.

2. RISKS RELATING TO THE GROUP'S INDUSTRY

Regulatory risk

The Group has chosen to deliver fiduciary and administration services principally from regulated financial centres. Although there are benefits to this strategy, including business reputation, acceptability for institutional clients and barriers to entry for less well-structured competitors, there are also risks to the business associated with regulatory breach and the impact of regulatory change including possible structure redundancy. The regulatory risks to the Group cover both regulations that the Group has to comply with and also those regulations that its clients are required to adhere to. Any change in the laws and regulations governing the Group's business or the operations of its clients, or in the interpretation of these by the regulatory bodies in the jurisdictions in which the Group and its clients operate, could negatively impact the products and services which the Group is able to offer or could impact the demand for such products and services from the Group's clients. Regulatory change could increase the Group's regulatory compliance costs which may reduce the Group's margins. Whilst regulatory change is a key driver of the Group's business and can raise barriers to entry and impact competition, such change could also have an adverse effect on the Group's results of operations, financial condition and growth prospects.

If a regulated business fails to comply with any applicable laws, rules or regulations in the ruling territory, that business may be subject to investigations, censures (which may take the form of both private warnings and public censures), fines, cease-and-desist orders, suspension of business, suspensions of personnel or other sanctions including revocation or variation of licences and/or registrations with the respective regulatory agencies, criminal penalties and civil lawsuits. In addition regulatory approval may be required prior to any expansion of business activities either within an existing jurisdiction or into a new jurisdiction, or prior to an investor taking a controlling position (as determined in accordance with applicable regulation) in the Group. Such regulatory sanctions may have a material adverse effect on the Group's ability to retain existing clients and to deliver services due under existing agreements. Losing its regulatory licence or having variations to its licence or other regulatory sanctions imposed on it as a result of regulatory breach would negatively impact the Group's reputation, business, results of operations and financial condition.

The environment of evolving and expanding regulation represents a future cost associated with the identification of regulatory changes and procedural assimilation of control processes to address them. This cost increases as the Group enters additional jurisdictions. It is not possible to predict the future impact of possible changes. Further regulatory risk arises from the rapidly evolving regulatory environment and from regulatory authorities around the world assuming an increasingly active and assertive role in supervising and enforcing regulations in the jurisdictions in which the Group operates.

An example of regulation that impacts the Group is the National Risk Assessment of Money Laundering and Terrorist Financing. The Financial Action Financial Action Task Force (**FATF**), the global standard setter on countering money laundering and terrorist financing, now requires all countries to identify, assess and understand money laundering and terrorist financing risks, and take action and apply resources aimed at ensuring risks are mitigated effectively. Many countries have responded to the international standard by undertaking a national risk assessment (**NRA**) and publishing action plans. Like many other jurisdictions in Europe, Jersey has opted to use the World Bank national risk assessment tool as the basis for its NRA. The Jersey Financial Crime Strategy Group has made a statement that Jersey intends to conduct a National Risk Assessment of Money Laundering and Terrorist Financing. It is anticipated that costs (both financial and in terms of management time) will be incurred by the Group in adopting processes designed to comply with any new regime or reporting requirements that arise from this risk assessment. In addition, failure by the Group to comply with any such new regime or requirements may result in the Group being subject to investigation, penalties or lawsuits as well as exposing the Group to potential reputational damage.

Political risk and risk of changes in international tax regulations

The industry in which the Group operates is susceptible to changes to government policy and approach regarding international tax regulations which could cause certain asset classes to lose favour with clients and investors. In these circumstances, demand for the Group's services may be reduced or there may be a significant increase in the Group's regulatory or litigation burden and risk.

Examples of such changes include the UK Criminal Finance Act (**CFA**) which was given Royal Assent on 27 April 2017. The CFA creates two new offences for companies of failing to prevent facilitation of tax evasion, both in the UK and overseas, and provides that a company may be held criminally liable for the actions of its staff, agents or other persons associated with it, unless it can demonstrate it had reasonable "prevention procedures" in place.

While the Group has produced guidance to assist and advise all the Group's offices on the expected standard of professional conduct in relation to taxation and intends to launch further policies and procedures designed to ensure the Group prevents the criminal facilitation of tax evasion by any associated person, there can be no assurance that such procedures will be effective. Failure by the Group to prevent such facilitation of tax evasion could result in the Group being subject to potential lawsuits or investigations which may have an impact of the Group's reputation or result in the Group incurring costs, even in the event that the Group is not found to be liable.

Redundancy of structures

Regulatory change or political initiatives to protect fiscal revenues can render previously legitimate structures either uneconomic, unpalatable or illegal. Any significant adverse changes whether or not limited to a specific business area could have a material impact upon the Group's business.

Regulatory capital requirements

Regulated members of the Group may be required to comply with applicable requirements to maintain certain levels of capital.

Failure by certain members of the Group to comply with applicable regulatory capital requirements could result in the relevant regulator taking action which could have material adverse financial implications and adversely affect the Group's reputation and business.

Vicarious reputational risk

It is in the nature of providing fiduciary and outsourced administration services to entities which are closely connected to clients either in name or through ownership that the structures under the governance of the service provider, and as such the reputation of the service provider itself, can be affected by the independent actions of the client. This potential exposure has increased with the global flow of information via the internet and social media through which adverse comments, whether substantiated or not, can reach a wide audience very quickly and without appropriate balance or context.

Robust client acceptance procedures mitigate the risk of client actions resulting in such reputational damage, but service providers are unable to control unsubstantiated adverse comments and this represents a growing risk to the industry, in terms of reputational damage and the costs of representation. Any negative publicity, particularly that caused by fraudulent behaviour or misconduct, surrounding the Group's client base could in turn damage the Group's own reputation, its ability to meet growth targets and its business and financial condition.

Macro-economic factors

As a service industry, the fund, corporate and private client services sector is dependent upon continued commercial activity by existing and potential clients. The Group's financial performance is therefore impacted by macro-economic factors such as GDP, interest rate fluctuations, inflation rates, availability of credit, equity market conditions, consumer confidence, unemployment rates and changes in fiscal and monetary policy globally. A deterioration in the economic conditions in the markets in which the Group operates, both directly and indirectly, would adversely affect demand for the Group's services and, as such, the Group's financial condition, operations and business prospects. During periods of recession, client activity tends to be suppressed with activity within existing structures and the establishment of new structures slowing. Furthermore in situations where fees are charged on an ad valorem basis, declining portfolio values can also have a direct impact on fee levels.

The diversity of the Group's operations, the business/asset specialisms developed together with the Group's typical fee model provide a degree of insulation from such macro-economic factors, particularly with the emergence of specialist asset classes which offer investment opportunities during recessionary periods. Nevertheless the Group's business, results of operations or financial condition are linked to wider macro-economic factors and renewed global recession could have an adverse impact on the Group.

The success of the Group's business depends in part on its ability to identify and respond to evolving macro-economic and sector trends in demographics and client preferences. Failure to identify or effectively respond to changing requirements and preferences of its client base could adversely affect the Group's business.

Risks relating to the withdrawal of the UK from membership of the EU

On 23 June 2016, the United Kingdom voted to leave the EU. The terms of the UK's departure from the EU (**Brexit**) and of any transitional period remain unclear, as does its impact on the UK regulatory framework. Much of the regulatory framework that applies to UK authorised persons is derived from EU legislation. While the UK is currently required to implement and apply such legislation, this may no longer be the case following Brexit. As such, Brexit may have a significant impact on UK financial services legislation and the regulatory environment in which the Group and certain of its client operate.

Where the Group operates outside the UK it carries out its business through a specific licensed entity in the relevant jurisdiction. The ability of regulated entities within the Group to continue to do business between the UK and the remaining Member States after Brexit may be subject to separate arrangements between the UK and the remaining Member States. There can be no assurance that any such arrangements will be concluded and, if they are concluded, on what terms.

The Group's business in the UK is a relatively minor part of its operations.

Anti-money laundering/bribery and corruption

The Group is subject to anti-money laundering and bribery and corruption laws (**ABC laws**) which govern the conduct of all client business and the operations of the Group itself. In accordance with the Group's regulated status, there is a requirement to operate and test robust procedures to assure compliance with applicable ABC laws in each relevant jurisdiction. Notwithstanding the continued operation of such procedures by the Group, there remains the risk that through the failure of the Group's control framework, the illegal actions of a client or other party, or employee fraud or negligence, the Group might handle the proceeds of crime or that a structure administered by the Group might be used in layering or integrating the proceeds of crime.

The consequences of being found guilty of an offence under ABC laws include fines, cease-and-desist orders and imprisonment (for individuals) or censure, fines, cease-and-desist orders, suspension of business or other sanctions including revocation of licences and/or registrations with the respective regulatory agencies, criminal penalties and civil lawsuits (for companies). The direct and indirect impact of such consequences could have a material adverse effect on the Group's reputation, business, results of operations and/or financial condition.

ABC laws have become an increasing focus for regulators internationally in recent years. Enforcement of ABC laws has become more stringent, resulting in several landmark fines against financial institutions.

Data protection and cyber security

The Group is subject to regulation regarding the use of personal data. The Group processes personal data in respect of customers, employees and others as part of its business and therefore must comply with applicable data protection laws. The Group seeks to ensure that procedures are in place to procure compliance with applicable data protection law by its employees and third-party service providers, and also implements security measures to help prevent cyber-theft. Notwithstanding such efforts, the Group is exposed to the risk that personal data could be wrongfully obtained, or wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection laws. If the Group or any of the third-party service providers on which it relies failed to process personal data in a compliant manner, or if any loss or wrongful processing of personal data were to occur, the Group could be subject to investigative and enforcement action by relevant regulatory authorities, could be subject to claims or complaints from the person to whom the data relates, or could face liability (including criminal liability) under data protection laws. A cyber attack could also lead to journalistic investigation. Any of these events could result in reputational damage for the Group and also its clients, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The General Data Protection Regulation (**GDPR**) was published in the Official Journal of the EU on 4 May 2016 and will apply from 25 May 2018. The GDPR will replace the current EU data protection directive and national implementing legislation. The GDPR increases significantly the administrative burden on businesses in relation to data protection compliance. It will increase the territorial scope of the existing EU data protection framework and impose stronger sanctions on those who breach it, empowering national data protection authorities to impose fines of up to 4 per cent. of annual turnover, or 20 million euros (whichever is the greater), the highest level fines applying in relation to breaches of data export rules and non-compliance with data subject rights in particular. It will also necessitate changes in the ways in which personal data is collected and used, and the requirements relating to obtaining an individual's consent to process their personal data will be more stringent. The GDPR is likely to increase the regulatory burden on the Group in processing customer, employee and other personal data in the conduct of its business and will increase the potential sanctions for breach.

Client asset fraud

The provision of fiduciary and administration services will generally necessitate the service provider having control over client assets such as bank accounts and registered investments. The Group operates robust procedures to control the transfer of client assets, based on six eye approval principles in accordance with the Group's Recommendation for Signing or Recommendation for Payment procedures, key control tools which ensure that decisions made by the business divisions are thoroughly documented, reviewed and approved at the appropriate level. These procedures also help identify, manage and monitor client, transactional, operational and internal risks in the business, allowing only senior employees to authorise the transfer of funds or assets. However, such controls cannot eliminate the risk of internal fraud committed by a member of staff and the Group is at risk of such conduct.

Measures taken by the Group to verify the probity and integrity of all staff on joining the business mitigate this risk, but in the event that a staff member commits fraud by transferring client assets without authority the Group would be exposed to claims by the client and possible regulatory sanctions which could have material financial implications and adversely affect the reputation of the Group.

Competition

The Group operates in the fund, corporate and private client services industry which is well developed and highly competitive. The Group has a number of competitors in its respective locations of operation and across the key business areas.

The strategy of the Group has been to focus on high value-added services delivered across a broad range of business areas and jurisdictions. Whilst the Directors believe that the Group has, and continues to develop, a strong business proposition in its chosen jurisdictions, there are no assurances that the strength of the Group's competitors will not improve or that the Group will win new mandates or retain existing client relationships.

Sector consolidation

The fund, corporate and private client services industry may undergo a period of consolidation and the Group's current and potential competitors (including banks, financial institutions and other professional services firms) may pursue strategic acquisitions to enable them to penetrate the market the Group currently occupies and to acquire market share at the Group's expense. Existing and/or increased competition could adversely affect the Group's market share and/or force the Group to consider price reductions, which could have a material adverse effect on the Group's business, results of operations or financial condition. The inability of the Group to maintain its competitiveness may also have a material adverse effect on the Group's business, results of operations or financial condition.

Reversal of the trend towards higher levels of outsourcing from the Group's target clients

The trend towards higher levels of outsourcing amongst the Group's existing and target clients is expected to continue, driven by increasing regulatory requirements and complexity, increasing transparency requirements and growing demand for international structures. Nonetheless, there is a risk that the Group's existing and target clients seek to reverse the trend towards higher levels of outsourcing and seek to administer their own structures in-house. Such a shift in the industry could reduce the numbers of clients and structures that the Group could potentially provide services to, and could have a material adverse effect on the Group's business, results of operations or financial condition.

The market for outsourced administration services is dependent upon clients choosing to utilise internal resources in a focussed way, outsourcing non-core functions to industry specialists. A significant change in utilisation levels of internal resources amongst fund managers and institutions could result in a redeployment of spare resource to fulfil outsourced capabilities and this could impact the sector in general.

Applicable law and regulations may discourage potential investors from acquiring interests in the Company of 10 per cent. or more and/or potential acquisition proposals and delay, deter or prevent a change of control of the Company, which may in turn reduce the value of the Ordinary Shares

The Group has a number of subsidiaries which are regulated by a local regulatory body. As a result of the application of local regulation, a person seeking to acquire or increase its holding of Ordinary Shares may require prior approval by the applicable regulatory body.

For example, in Jersey any person who proposes to acquire 10 per cent. or more of the Ordinary Shares, or currently holds above that level and subsequently triggers certain higher thresholds, would be required to make an application to the JFSC financial services regulatory division seeking a confirmation from the JFSC that it has no objection to the relevant person becoming a "shareholder controller" or triggering one of the other thresholds.

Further, in the UK, the prior approval of the PRA or FCA (as applicable) under section 178 of FSMA is required of any person proposing to acquire or increase its "control" of a firm which is authorised and regulated under FSMA. In the context of the FCA authorised companies within the Group, the test for a "controller" is a person who holds 10 per cent. or more of the shares or voting power in the UK authorised company or the parent undertaking of the UK authorised company. A person is also regarded as acquiring control over the UK authorised company if that person has the ability to exercise significant influence over the management of the UK authorised company or its parent. Accordingly, any person who proposes to acquire 10 per cent. or more of the Ordinary Shares would become a controller of the Company and prior approval by the FCA would be required.

A non-exhaustive summary of the regulatory requirements applicable to persons holding, or intending to hold, shares in the Company is set out in Part 3 (*Shareholder Regulatory Obligations*) of this document. Investors should seek their own legal advice in all applicable jurisdictions if they are intending to acquire a substantial amount of shares in the Company.

The Articles contain provisions whereby if any person or persons fail to comply with any direction issued by any relevant regulatory authority, then the Company may, *inter alia*, sell the relevant person's (or persons') shares in the market on their behalf to comply with such direction. Further details of these provisions are set out in paragraph 4 of Part 9 (*Additional Information*) of this document.

The regulatory requirements applicable to the Group may change and may, in their current or any future form, discourage potential investors from acquiring interests in the Company of 10 per cent. or more (or indeed any interests in Ordinary Shares) and may also delay, deter or prevent a change of control of the Company, including through transactions, and in particular unsolicited transactions, that some or all of the Shareholders might consider to be desirable. This may in turn reduce the value of the Ordinary Shares. Disposals of any relevant person's (or persons') shares in the market, as a result of complying with any direction issued by the JFSC (or indeed any other relevant regulatory authority), may have a similar effect.

Additional costs incurred in the Company's transition to a public company and the Group's management being required to devote substantial time to new compliance matters

As a newly listed public company, the Company will incur significant legal, accounting and other expenses, including costs resulting from public company reporting obligations and the rules and regulations regarding corporate governance practices, including the listing requirements of the London Stock Exchange. There can be no assurance that, under changed ownership, and in an environment where the entire Group is subject to greater scrutiny and disclosure requirements, it will be able to manage its operations in the same manner as it has done as a private business under private ownership. In particular, the Group will be subject to increased regulatory obligations as a result of being listed and management will need to devote a substantial amount of time to ensure that the Group's business complies with all of these requirements. In addition, the reporting requirements, rules and regulations will increase the Group's legal and financial compliance costs and make some activities more time-consuming and costly.

3. RISKS RELATING TO THE OFFER AND THE ORDINARY SHARES

There has been no public trading market for the Ordinary Shares, and an active trading market may not develop or be sustained

Prior to Admission, there has been no public trading market for the Ordinary Shares and Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. An active trading market for the Ordinary Shares might not develop or, if developed, might not be sustained. If an active and liquid trading market is not developed or sustained, the liquidity and trading price of the Ordinary Shares could be materially adversely affected and investors may have difficulty selling their Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Offer Price, perhaps substantially and for a substantial period. As a result of fluctuations in the market price of the Ordinary Shares, investors may not be able to sell their Ordinary Shares at or above the Offer Price, or at all.

The price of the Ordinary Shares may fluctuate significantly in response to a number of factors, many of which may be out of the Group's control, and investors could lose all or part of their investment

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the company that issued them. The market price of the Ordinary Shares may prove to be highly volatile, which may prevent Shareholders from being able to sell their Ordinary Shares at or above the price they paid for them. The Offer Price may not be indicative of prices that will prevail in the trading market and investors may not be able to sell the Ordinary Shares at or above the price they paid. The market price for the Ordinary Shares could fluctuate significantly for various reasons, many of which are outside the Group's control. These factors could include: variations in operating results in the Group's reporting periods; cyclical fluctuations in the performance of the Group's business; changes in financial estimates by securities analysts; changes in market valuations of similar companies; announcements by the Group of significant contracts, acquisitions, joint ventures or capital commitments; speculation, whether or not well-founded, regarding the intentions of the Group's major Shareholders or significant sales of shares by any such Shareholders or short selling of the Ordinary Shares; speculation, whether or not well-founded, regarding possible changes in the Group's management team; loss of one or more major client; additions or departures of key employees; any shortfall in revenue or net profit or any increase in losses from levels expected by securities analysts; and future issues or sales of Ordinary Shares. Any or all of these events could result in a material decline in the price of the Ordinary Shares. Investors may not be able to sell their Ordinary Shares at or above the Offer Price, or at all.

The issue of additional shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise will in most circumstances dilute all other shareholdings

The Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Group may, for these and other purposes, such as in connection with its share plans, issue additional equity or convertible equity securities. To the extent that such issues take place on a non-pre-emptive or partially non-pre-emptive basis, the Company's Shareholders will suffer dilution in their percentage ownership and/or the price of the Ordinary Shares may be adversely affected.

Future substantial sales of Ordinary Shares, or the perception that such sales might occur, could depress the market price of the Ordinary Shares

Subject to or following the expiry of the lock-in/restricted sale arrangements (described in paragraph 8 of Part 2 (*Details of the Offer*)), the Selling Shareholders, the Company or one or more of the Directors could sell a substantial number of Ordinary Shares in the public market. Such sales, or the perception that such sales could occur, may materially adversely affect the market price of the Ordinary Shares. This may make it more difficult for Shareholders to sell their Ordinary Shares at a time and price that they deem appropriate, and could also impede the Company's ability to issue equity securities in the future. During the periods immediately prior to and following the end of the periods of sales restriction provided for by these arrangements, the market price of the Ordinary Shares may fall in anticipation of a sale of Ordinary Shares. Following the expiry of these arrangements, there will be no contractual restriction on the sale of the Ordinary Shares owned by the Shareholders who were previously subject to them. The Group cannot predict whether a substantial number of Ordinary Shares in addition to those which will be available in the Offer will be sold in the open market following the expiration or waiver of these restrictions. In particular, there can be no assurance that after the restrictions expire, such Shareholders will not reduce their holdings of the Ordinary Shares.

Holders of Ordinary Shares in jurisdictions outside the UK may not be able to exercise their pre-emption rights unless the Company decides to take additional steps to comply with applicable local laws and regulations of such jurisdictions

In the case of certain increases in the Company's issued share capital, the Company's existing Shareholders are generally entitled to pre-emption rights pursuant to the Articles unless such rights are waived by a special resolution of the Shareholders. Holders of Ordinary Shares outside Jersey and the UK may not be able to exercise their pre-emption rights over Ordinary Shares unless the Company decides to comply with applicable local laws and regulations. The Company cannot assure any Shareholders outside Jersey and the UK that steps will be taken to enable them to exercise their pre-emption rights, or to permit them to receive any proceeds or other amounts relating to their pre-emption rights.

The Company's ability to pay dividends in the future depends, among other things, on the Group's financial performance and is therefore not guaranteed

The ability of the Company to pay a dividend on the Ordinary Shares will depend on, *inter alia*, the solvency of the Company. Before any dividend or distribution can be paid by the Company, the Jersey Companies Law requires the Directors authorising a distribution or dividend to certify that, in their opinion, the Company will be able to discharge its liabilities as they become due immediately after the payment of that dividend or distribution and will be able to do so for the next 12 months. If at the time any dividend payment is to be authorised, or at any time before any dividend payment is to be made, the Directors believe that the solvency test cannot be passed, then no payment may be made to holders of the Ordinary Shares.

Exchange rate fluctuation may impact on the value of and the investment in the Ordinary Shares or any dividends in foreign currency terms

The Ordinary Shares will be quoted and any dividends to be paid in respect of them will be paid in pounds sterling. An investment in Ordinary Shares by an investor in a jurisdiction whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of the pound sterling in relation to such foreign currency will reduce the value of the investment of the Ordinary Shares or any dividends in foreign currency terms.

Applicable laws may discourage potential acquisition proposals and delay, deter or prevent a change of control of the Company, which may in turn reduce the value of the Ordinary Shares

Under change of control regimes, some of the Group Companies which are regulated have disclosure and/ or consent requirements for new shareholders (particularly if the new shareholder(s) meet a certain level of 'control' of the particular entity. Please see further in Part 3 (*Shareholder Regulatory Obligations*) of this Prospectus.

These laws may change. In addition, a more onerous regime may apply to particular types of companies. If the regulated Group Companies vary their regulatory permissions, they may become subject to these more onerous regimes. These laws may, in their current or any future form, discourage potential acquisition proposals and may delay, deter or prevent a change of control of the Company, including through transactions, and in particular unsolicited transactions, that some or all of the Shareholders might consider to be desirable. This may, in turn, reduce the value of the Ordinary Shares.

PRESENTATION OF INFORMATION

1. General

Investors should rely only on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Offer other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors or the Banks. No representation or warranty, express or implied, is made by the Banks or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Banks or any selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4.1 of the Prospectus Rules, neither the delivery of this Prospectus nor any sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Offer, the Company or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the Prospectus Rules, the Company will update the information provided in this Prospectus by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors of the Offer occurs prior to Admission or if it is noted that this Prospectus contains any mistake or substantial inaccuracy. The Prospectus and any supplement thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules. If a supplement to this Prospectus is published prior to Admission, investors shall have the right to withdraw their subscriptions and/or purchases made prior to the publication of such supplement. Such withdrawal must be done within the time limits set out in the supplement (if any) (which shall not be shorter than two clear Business Days after publication of such supplement).

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of an investment in Ordinary Shares for an indefinite period of time.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Banks or any of their representatives that any recipient of this Prospectus should subscribe for or purchase any of the Shares.

Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this Prospectus and, in particular, the section headed "Risk Factors". Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this Prospectus, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on the Prospectus.

Investors who subscribe for or purchase Ordinary Shares in the Offer will be deemed to have acknowledged that: (i) they have not relied on the Banks or any person affiliated with the Banks in connection with any investigation of the accuracy of any information contained in this Prospectus for their investment decision; and (ii) they have relied only on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors or the Banks.

None of the Company, the Directors, the Selling Shareholders, the Banks or any of their representatives is making any representation to any offeree or purchaser of Ordinary Shares regarding the legality of an investment by such offeree or purchaser.

In connection with the Offer, Zeus Capital, Numis Securities/or and any of their respective affiliates acting as investor for their own account may subscribe for or purchase Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account(s) in Ordinary Shares, any other securities of the Company or other related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to Ordinary Shares being issued, offered, subscribed, sold, purchased or otherwise dealt with should be read as including any issue, offer or sale to, or subscription, purchase or dealing by, Zeus Capital, Numis Securities and/or any of their respective affiliates acting as investor for their own account(s). Neither Zeus Capital nor Numis Securities intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Zeus Capital, Numis Securities and/or any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to the Selling Shareholders or the Company, for which they would have received customary fees. Zeus Capital, Numis Securities and/or any of their respective affiliates may provide such services to the Selling Shareholders, the Company and any of their respective affiliates in the future.

2. Presentation of financial information

The Group's consolidated historical financial information included in Part 7 (*Financial Information*) of this Prospectus has been prepared in accordance with the requirements of the Prospectus Directive Regulation and the Listing Rules and in accordance with IFRS. The significant accounting policies are set out within note 4 (*Significant accounting policies*) of the Group's consolidated historical financial information in Part 7 (*Financial Information*).

Certain non-IFRS measures have been presented in this Prospectus, as the Directors believe that these provide important alternative measures with which to assess the Group's performance. These measures include EBITDA, underlying EBITDA, EBITDA margin, underlying EBITDA margin, EBITDA cash conversion, Organic revenue and Organic gross profit. Such measures as presented in this Prospectus may not be comparable to similarly titled measures of performance presented by other companies, and they should not be considered as substitutes for, or superior to, measures calculated and presented in accordance with IFRS.

EBITDA and underlying EBITDA

The Group defines EBITDA as profit or loss for the period before tax, finance costs, finance income, other gains and losses, depreciation and amortisation. Underlying EBITDA as used by the Group in this document (other than in Part 7 (*Financial Information*)) is arrived at by making further adjustments to EBITDA for the historic share based payment expense (acquisition and non-acquisition) and also for certain costs contained within the Group's operating profit which management believe to be exceptional (and not representational) in nature by virtue of their size or incidence or those having a distortive effect. This is calculated by the Group as set out on page 85 as "Underlying EBITDA before non acquisition share based payments".

EBITDA margin and underlying EBITDA margin

The Group defines EBITDA margin and underlying EBITDA margin as EBITDA and underlying EBITDA divided by total revenue respectively, expressed as a percentage.

EBITDA cash conversion

The Group defines EBITDA cash conversion as cash generated by operations divided by EBITDA.

Organic revenue and Organic gross profit

The Group defines Organic revenue as total revenue deriving from clients that did not come to the Group directly as a result of an acquired business. Organic gross profit is defined as gross profit excluding the gross profit contributed by the clients which came to the Group directly as a result of an acquired business. Organic revenue and Organic gross profit are reconciled to Revenue and Gross profit respectively in Part 5 (*Operating and Financial Review*).

3. Market, industry and economic data

This Prospectus contains information regarding the Group's business and the market in which it operates and competes, which the Company has obtained from third party sources. All information from a third party is sourced where it appears.

The third party data used herein includes statistical and market information reproduced from Boston Consulting Group, PricewaterhouseCoopers, Deloitte and Capgemini.

Where information has been sourced from a third party it has been accurately reproduced as at the date of extraction and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading as at the date of extraction. Such information has not been audited or independently verified by the Company or any other third party and can be updated by such third party.

4. Rounding

Certain figures and percentages in this Prospectus have been subject to rounding adjustments. Accordingly, any apparent discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

5. Currencies

Unless otherwise indicated in this Prospectus, all references to:

- "British pounds sterling", "pounds sterling" or "£" are to the lawful currency of the UK;
- "U.S. dollars", "dollars" or "$" are to the lawful currency of the United States;
- "SA Rand" or "South African Rand" are to the lawful currency of South Africa; and
- "euro" or "€" are to the lawful currency adopted by certain of the European Union's member states.

Unless otherwise indicated, the financial information contained in this Prospectus has been expressed in pounds sterling. For all members of the Group incorporated in Jersey, Guernsey and the UK, the functional currency is pounds sterling and the Group presents its financial statements in pounds sterling.

6. Forward-looking statements

Some of the statements in this document include forward looking statements which reflect the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Group's services). These statements include forward looking statements both with respect to the Group and the sectors and industries in which the Group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward looking nature.

All forward looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of this document entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document. Any forward looking statements in this document reflect the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy.

These forward looking statements speak only as of the date of this document. Subject to any obligations under the Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules or MAR, the Company undertakes no obligation to publicly update or review any forward looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward looking statements attributable to the Group or individuals acting on behalf of the Group are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

7. No incorporation of website information

The contents of the Company's website do not form part of this Prospectus and prospective investors should not rely on them.

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Michael Liston	*Non-Executive Chairman*
	Nigel Le Quesne	*Chief Executive Officer*
	Martin Fotheringham	*Chief Financial Officer*
	Dermot Mathias	*Senior Independent Non-Executive Director*
	Michael Gray	*Independent Non-Executive Director*

Further information on the Directors is contained in Part 4 (Directors, Senior Management and Corporate Governance) of this document.

Company Secretary	JTC (Jersey) Limited PO Box 1075 JTC House 28 Esplanade St Helier Jersey Channel Islands JE4 2QP
Registered Office	PO Box 1075 JTC House 28 Esplanade St Helier Jersey Channel Islands JE4 2QP
Financial adviser, broker, joint global co-ordinator and bookrunner	Zeus Capital Limited 82 King Street Manchester M2 4WQ
Joint global co-ordinator and bookrunner	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Sponsor	Stockdale Securities Limited 100 Wood Street London EC2V 7AN
Jersey Solicitors to the Company	Carey Olsen 47 Esplanade St Helier Jersey JE1 0BD
UK Solicitors to the Company	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
UK Solicitors to the sponsor and joint bookrunners	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Auditors	PricewaterhouseCoopers CI LLP 37 Esplanade St Helier Jersey JE1 4XA

Registrars	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES
Financial public relations advisers to the Company	Powerscourt London 1 Tudor Street London EC4Y 0AH
Bankers	The Royal Bank of Scotland International Limited 71 Bath St, St Helier Jersey Channel Islands JE4 8PJ

EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

All times are London times. Each of the times and dates in the table below is indicative only and is subject to change without further notice.

	Time and date
Publication of prospectus	9 March 2018
Admission and commencement of dealings in Ordinary Shares on the London Stock Exchange	8.00 a.m. 14 March 2018
CREST accounts credited with uncertificated shares	14 March 2018
Despatch of definitive share certificates (where applicable)	28 March 2018

OFFER STATISTICS

Offer Price (per Ordinary Share)	290 pence
Number of Ordinary Shares in issue as at the date of this Prospectus	902,427
Number of Ordinary Shares which will be in issue after the Reorganisation (immediately prior to Admission)	100,000,000
Number of Ordinary Shares being offered in the Offer	
● to be sold by the Selling Shareholders	77,173,702
● to be issued by the Company	6,896,552
Percentage of the Company's issued share capital at Admission subject to the Offer	78.6
Number of Ordinary Shares in issue immediately following Admission	106,896,552
Estimated net proceeds of the Offer receivable by the Company	approximately £15.1 million
Estimated net proceeds of the Offer receivable by the Selling Shareholders	approximately £218.2 million
Expected market capitalisation of the Company at the Offer Price on Admission	£310.0 million

PART 1

INFORMATION ON THE GROUP

1. INTRODUCTION

JTC is a leading independent provider of fund, corporate and private client services and is one of a relatively small number of such providers with global scale and reach.

The Group, which was founded in 1987, has enjoyed 30 years of revenue growth and has experienced strong growth in profits. Revenue CAGR was 23 per cent. between 2007 and the financial year ended 31 December 2017. In the year ended 31 December 2017, the Group reported revenue of £59.79 million (2016: £51.08 million, 2015 (18 month period): £56.17 million) and underlying EBITDA of £14.81 million (2016: £12.07 million; 2015: £12.88 million). The total assets under administration (**AuA**) of the Group are in the region of US$85 billion.

The Group has in excess of 4,800 clients, which include alternative asset managers, financial institutions, corporates, families and UHNWIs. The Group employs over 550 people globally and operates in 17 different jurisdictions. The Group's multi-jurisdictional footprint provides a presence in international financial centres in Europe (Jersey, Guernsey, the UK, Luxembourg, Netherlands, Switzerland and Isle of Man), Africa (South Africa where the Group's global service centre provides back and middle office outsourced services, and Mauritius), the USA (Miami, New York and South Dakota) and the Caribbean (Cayman Islands and BVI) and, through a joint venture, JTC Kensington, across Asia-Pacific (Hong Kong, Singapore, Malaysia, Labuan and New Zealand).

For management purposes, the Group is divided into two operational divisions based on the type of client serviced: the institutional client services division (**Institutional Client Services**) which covers Fund Services and Corporate Services for corporate and institutional entities and the private client services division (**Private Client Services**) which covers Private Wealth Services and Corporate Services provided to family offices, HNWIs and UHNWIs.

Fund Services is responsible for the administration of a wide variety of fund types (both listed and unlisted) across a diverse range of asset classes, including real estate, private equity, renewables, hedge, debt and other alternatives. Clients include a wide spectrum of fund managers from "first fund" market entrants to large institutional managers. This business line of the Group represented approximately 32 per cent. of the Group's revenues in the financial year ended 31 December 2017.

The Corporate Services business provides company secretarial and administration services to a broad range of corporate clients spanning SMEs, public companies, multinationals, sovereign wealth funds, family offices and private clients requiring a corporate service. This business line of the Group represented approximately 40 per cent. of the Group's revenues in the financial year ended 31 December 2017.

The Private Wealth Services business provides a range of private client services, including the formation and administration of vehicles such as trusts, companies and partnerships on behalf of predominantly HNWIs and UHNWIs, including private wealth and family offices. This business line of the Group represented approximately 28 per cent. of the Group's revenues in the financial year ended 31 December 2017.

The Group has high quality recurring revenues[1] from a well-diversified client base, with no client accounting for more than 3.2 per cent. of revenue in the financial year ended 31 December 2017. Furthermore, the top 10 clients accounted for approximately 18 per cent. of revenue in that period.

The Group's growth strategy is focussed on organic and inorganic growth with a view to both continuing to build scale in its existing markets and expanding into new markets. Although the Group has closed some of its smaller offices in the past year, it continues to provide services in those jurisdictions through other offices and has been able to decrease spend on staff and office space through the closures. The key drivers of the Group's organic growth strategy include growing market share through increasing revenue from

1 The Group defines recurring revenue as revenue earned from a client in a financial period who was also a client in the previous financial period

existing clients, attracting new clients and expanding service provision through the continued development of new services and the expansion of the global JTC network and platform. Underpinning the Group's organic growth strategy is its proven acquisition strategy. The Group has successfully identified, completed and integrated 12 acquisitions over a seven year track record. The Group's growth strategy is supported by the long term and structural drivers in the markets in which it operates, including increasing regulation and compliance complexity, globalisation, increasing wealth and the trend towards greater outsourcing.

JTC PLC has been established to be the holding company for the Group with effect from completion of the Reorganisation which will occur immediately prior to Admission.

2. HISTORY OF THE GROUP

Introduction

JTC was established in Jersey in 1987 by certain of the partners of Crills, a local law firm. The Chief Executive Officer, Nigel Le Quesne, joined in 1991 and was the fifth employee of the Group. The business has grown organically year-on-year from formation providing fund, corporate and private wealth services to institutional and private clients. In the period prior to the investment by CBPE Capital (described below) the Group established operations in the UK, BVI, Switzerland, Luxembourg and Guernsey and made its first acquisition in 2010.

JTC was one of the first professional services firms in the industry to recognise the importance of shared ownership in promoting behaviours which are consistent with a high level of client service. In 1998 management seeded the first JTC Employee Benefit Trust with an initial 5 per cent., subsequently increasing to 18 per cent., interest in the Group, allowing all permanent employees to benefit from their efforts and the Group's resulting financial performance.

Development of the Group's business and acquisition history

Nigel Le Quesne has led the business since 1998 and headed a management buy-out in 2008, resulting in the Group being wholly owned by management and all other staff.

The Group's first acquisition was of the business of Caversham Fiduciary Services in Jersey in 2010, which represented an important strategic step for JTC. Since that date, the Group has completed and integrated 11 further acquisitions.

CBPE Capital invested in JTC in July 2012, providing the Group with capital to allow the business to continue to take advantage of positive market drivers and industry conditions. Following this investment, JTC increased its geographical network and bolstered its capabilities enabling it to meet client demand for a global provider in its sector. CBPE Capital currently holds approximately 40 per cent. of the equity in JTC Group Holdings with the balance held primarily by management and the existing Employee Share Ownership Plans and the existing Employee Benefit Trust.

In 2013, JTC established an alliance with Kensington Trust Group, providing coverage across Hong Kong, Labuan, Malaysia, New Zealand and Singapore. JTC Kensington provides the Group with an Asian platform, and offers Asian and Australasian clients global access through JTC's network of offices. The Board's intention is that this alliance will continue in the future after Admission and the Group has been in discussions about increasing its stake in JTC Kensington from the current level of 42.3 per cent..

In 2015, JTC acquired Signes, a Luxembourg administration business and Swiss & Global Fund Administration (Cayman) Ltd in the Cayman Islands. It also completed its acquisition of Kleinwort Benson's Fund Administration business, taking the Group's global headcount to over 450 staff at that point. This important acquisition, in the view of the Board, considerably strengthened the Group's position as a leading global provider of fund administration services.

In September 2017, JTC acquired the Merrill Lynch Wealth Management's International Trust and Wealth Structuring business. In addition to adding significantly to the Group's assets under administration, the acquisition reinforced the Group's ongoing commitment to the Americas region while strengthening the depth of its global service offering. The transaction also enabled JTC to strengthen its existing relationship with Bank of America Merrill Lynch (**BAML**) both through interaction with their extensive financial advisor network and JTC's inclusion on their panel of recommended partners for new business.

The move to the Group's new global headquarters 'JTC House' in Jersey in 2017, in its 30th anniversary year, also marked a significant milestone in the evolution of the Group. This new, well appointed and modern office acts as the hub for the Group's global operations across its network.

Over its 30 year history, the Group has enjoyed strong growth in both revenue and profits. Revenue increased by 23 per cent. per annum between 2007 and 2017 whilst underlying EBITDA increased by 19 per cent. per annum in the same period. In the year ended 31 December 2017, the Group reported revenue of £59.79 million (2016: £51.08 million, 2015 (18 month period): £56.17 million) and underlying EBITDA of £14.81 million (2016: £12.07 million; 2015: £12.88 million). This is illustrated in the graph below[2].

The Group administers structures with assets under administration of approximately US$85 billion for a range of clients[3].

Values and shared ownership

JTC's cultural values have played a key role in the Group's long history of providing a high level of client service and are an integral part of how its business operates. These values act to guide management and staff in the way they work, how they communicate and share information and knowledge and in their relationships with the Group's clients and stakeholders. JTC's stated cultural values are *Accessibility, Integrity, Commercial awareness, Personality, Engagement* and *Innovation.* The Directors consider that these cultural values define the Group as an organisation and consider that they are an important factor in the Group achieving future success.

As described above, in 2012 CBPE Capital acquired a minority shareholding in the Group. At this time, all employees received a distribution from the employee benefit trust. All of the continuing management team and 100 per cent. of eligible employees then elected to reinvest their distribution in JTC Group Holdings (the parent company of the Group prior to the Reorganisation).

In 2014, JTC's culture of shared ownership was further embedded with the 'Equity for All' scheme which enabled any permanent member of staff to make additional equity investments proportionate to their seniority and further benefit from the Group's success.

The Board considers that JTC's approach to equity participation represents a key competitive advantage in the professional services market over businesses where employees are restricted to cash based compensation and where equity participation is more limited. The Group's cultural values and shared

2 The 18 month period from 1 June 2014 to 31 December 2015 has been pro-rated to a 12 month period for the purposes of this graph. Underlying EBITDA numbers have been prepared as shown in accordance with the relevant accounting standards prevailing at the applicable time.

3 Group data as at 30 September 2017.

ownership result in a strong entrepreneurial approach among staff and aids the retention of key personnel at all levels of the Group, with the objective of driving financial performance and acquisition of market share.

Further details of the existing share plans, the impact of the IPO and the proposed new share schemes for JTC post Admission are set out under Share Plans at paragraph 10 of this Part 1 *(Information on the Group)* below.

3. BUSINESS MODEL AND BUSINESS LINE OVERVIEW

JTC has predictable, non-cyclical, recurring revenues from long term structures with an average life of between 7 and 15 years depending on the type of services provided. These long-term structures provide a high level of visibility both for revenue and for cash flows.

The majority of the Group's income is generated from fees predicated on a time and materials basis or fixed fee basis, with just approximately 15 per cent. of revenue charged as a fixed percentage of net asset value administered in the financial year ended 31 December 2017. This acts to mitigate JTC's exposure to fluctuations in performance of individual asset classes and macroeconomic events.

In the financial year ended 31 December 2017, the Group's recurring revenue from existing clients was 91.4 per cent.. The typical term of the structures that the Group services is 7-10 years in Fund Services, over 10 years in Corporate Services, and around 15 years in Private Wealth Services. JTC enjoys high levels of client loyalty and many of its clients have remained with the Group across multiple structure cycles in one or more of the Group's service lines. Costs associated with switching providers are high, both in terms of transition costs and perceived business disruption risks. In addition, the Directors believe that the level and quality of service that JTC offers provides a differentiating factor and increases customer loyalty to the Group. The combination of client loyalty and the largely predictable nature of the activities carried out by the Group means that a high proportion of the Group's revenues recurs each year.

As stated above, the Group is divided into two operational divisions based on the type of client serviced: Institutional Client Services which covers Fund Services and Corporate Services for corporate and institutional entities and the Private Client Services which covers Private Wealth Services and Corporate Services provided to family offices, HNWIs and UHNWIs.

This operational structure, including the percentage of attributed group revenue for the year ended 31 December 2017, is illustrated in the diagram below.

A description of the business comprising each of Fund Services, Corporate Services and Private Wealth Services is set out below.

Fund Services

Fund Services represented approximately 32 per cent. of the Group's revenues in the financial year ended 31 December 2017.

Fund Services provides a full spectrum of services for the launch and administration of a wide variety of fund types (listed and unlisted, closed and open ended) across a diverse range of asset classes including real estate, renewable energy, private equity and hedge funds. Clients include Legal & General, M&G, Santander and Berkeley Group.

This business line offers a multi-jurisdictional platform with presence in the key funds markets of Cayman, Guernsey, Jersey, Luxembourg, South Africa and the UK. The Group's Global Service Centre in South Africa provides back and middle office services to support this business line.

Services include fund launches, fund administration, fund accounting and net asset value calculation, listing services, corporate governance, company secretarial services, transfer and register agency, regulatory and investor reporting and AIFM services for Non-EU and EU AIFMs. In addition, JTC Listing Services Limited is a Category 1 and 2 member of the International Stock Exchange (**ISE**) offering the ability to sponsor specialist debt securities and investment funds on the ISE, a recognised stock exchange.

Fees are charged for fund set-up, investment structuring, maintenance and ultimate closure. Set-up and closure fees are typically charged on either a time spent or fixed fee basis. Ongoing maintenance charges are driven by activity based revenues charged on a time basis, process based revenues on an ad-valorem basis taking into account the relevant AuA and non-executive director fees. Fund types are predominantly closed ended structures which typically have a life cycle of 7 to 10 years.

As for the business of the Group as a whole, management have an ambitious growth strategy for Fund Services to build on the existing platform both organically and through acquisition-led growth. The particular strategy is to strengthen the onshore fund administration capability (UK, US, Luxembourg and South Africa), further develop and utilise the scaleable platform presented by the Global Service Centre in South Africa, capitalise further upon the AIFM service proposition and to increase the profile of JTC Fund Services through a targeted business development programme.

Corporate Services

Corporate Services represented approximately 40 per cent. of the Group's revenues in the financial year ended 31 December 2017.

Corporate Services provides company secretarial and administration services to a broad range of corporate clients from small and medium sized enterprises to multinational corporations and sovereign wealth funds across a range of different structures as well as servicing family offices, UNHWIs and HNWIs who require a "corporate" service for business and investments. These structures include real estate holding vehicles, investment holding vehicles, joint ventures and acquisition structures. This business line also provides services for international and local pension plans, employee share incentive plans, employee share ownership plans and deferred compensation plans.

Fees typically comprise an annual service charge, time based fees and ad hoc fees. The annual service charge is levied against each structure and includes such elements as trustee, director and service fees. A corporate client structure will typically have a life cycle of approximately 10 years.

The growth strategy for this business line comprises the further development of the Group's position as a leading provider of services for real estate, delivery of focussed expansion outside of Jersey and achieving greater scale in Luxembourg.

Private Wealth Services

Private Wealth Services represented approximately 28 per cent. of the Group's revenues in the financial year ended 31 December 2017.

Private Wealth Services provides a range of private client services for predominantly HNW and UHNW individuals and families, from "emerging entrepreneurs" to established single and multi-family offices. The Group is involved in the formation and administration of trusts, companies, partnerships and other vehicles and structures across a range of asset classes, including cash and investments.

Typical services include the formation of entities across different jurisdictions, provision of trustees, formation and administration of private companies, acting as director and company secretary of such companies, acting as council member for foundations, ongoing administration, transaction management and execution, financial accounting and tailored reporting. The Group has developed innovative products to support this business line, primarily JTC Edge, a technology purpose built for HNWIs, UHNWIs and single/multi-family offices.

Fees are charged for set-up, maintenance and closure, predominantly on a time basis.

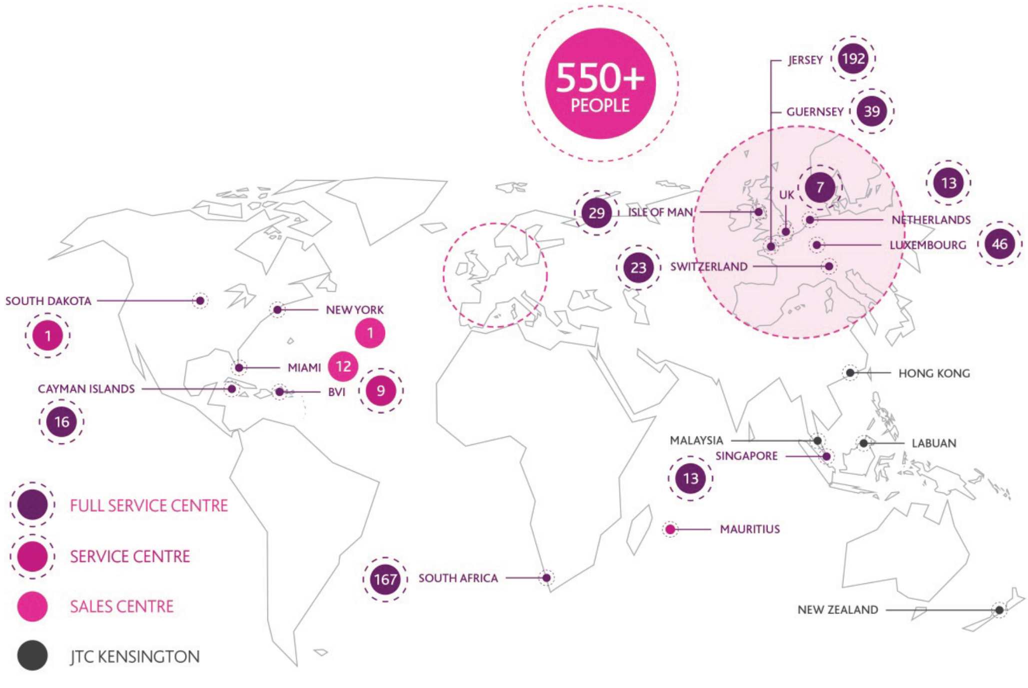
The growth strategy for this business line is to enlarge market share for clients in emerging markets such as the Americas, Africa and Asia, to maximise performance in more mature markets (principally Jersey and Guernsey) and to introduce new differentiated service offerings including a business succession planning service, build out JTC Edge, support clients with solutions to deal with the increased burden of reporting and regulatory compliance and to target opportunities arising from the withdrawal of some financial institutions from private client administration.

Operational Management

Both of the two business divisions, Institutional Client Services and Private Client Services, are led by a global board made up of senior business managers with jurisdictional, market and asset class expertise, and are supported by a dedicated team providing bespoke service solutions. The Group's model allows for bespoke client teams to be provided across jurisdictions whilst ensuring that the client can maintain one point of contact if they require.

4. GLOBAL PLATFORM

The Group has a well invested global platform that supports its operations in multiple centres around the world. An overview of its international footprint is shown below.



Source: Company information. Headcount as at 01.01.2018

The Group employs over 550 people globally and operates in 17 different jurisdictions. The Group's multi-jurisdictional footprint provides a presence in international financial centres in Europe (Jersey, Guernsey, the UK, Luxembourg, Netherlands, Switzerland and Isle of Man), South Africa (where the Group's global service centre provides back and middle office outsourced services) and Mauritius, the USA (Miami, New York and South Dakota) and the Caribbean (Cayman Islands and BVI) and, through a joint venture, JTC Kensington, across Asia-Pacific (Hong Kong, Singapore, Malaysia, Labuan and New Zealand).

The Directors consider that as it is currently configured the Group has the necessary coverage in all key jurisdictions to support JTC's growth strategy.

5. REGULATORY OVERVIEW

As a group with regulated businesses in different jurisdictions, JTC is subject to a multi-jurisdictional regulatory framework. The Group is required to operate within its regulatory governance and risk management parameters to ensure that applicable licence conditions are satisfied in the context of an evolving regulatory environment.

Specifically, the Group's regulators require it to comply with certain licence conditions in order to obtain and maintain regulated status, including restrictions on outgoing financial flows and minimum regulatory capital and liquidity requirements which may result in trapped cash in the relevant regulated entities. To obtain authorisation a regulated business must be able to demonstrate sufficient technical capabilities in relation to the services to be regulated and present an effective regulatory governance and risk management framework which can deliver the necessary reporting outputs and declarations.

The Group has regulated or authorised subsidiaries in the following jurisdictions:

Country	*Regulator*
Jersey	Jersey Financial Services Commission
Guernsey	Guernsey Financial Services Commission
Luxembourg	Commission de Surveillance du Secteur Financier and the Ordre des Experts Comptables
United Kingdom	Financial Conduct Authority
BVI	British Virgin Islands Financial Services Commission
Cayman Islands	Cayman Islands Monetary Authority
Mauritius	Mauritius Financial Services Commission
Switzerland	L'Association Romande des Intermediaires Financiers
Netherlands	De Nederlandsche Bank
USA	South Dakota Division of Banking
South Africa	South African Financial Services Board
Isle of Man	Isle of Man Financial Services Authority

The Group also holds approximately 42.3 per cent. of the share capital of Kensington International Group Pte Ltd. Kensington Trust Singapore Limited is a wholly owned subsidiary of Kensington International Group Pte Ltd. Kensington Trust Singapore is a licensed trust company and is regulated by the Monetary Authority of Singapore.

The Group has a team of over 20 well qualified and experienced risk and compliance professionals. The Group's executive risk committee has oversight over all of the Group's operations.

The Group submits regular reports and declarations to the appropriate regulatory bodies in order to maintain compliance with the applicable licences. In addition, regulatory bodies typically conduct periodic regulatory visits which may be themed towards a particular element of service provision or more generally on regulatory themes (e.g. AML).

The above regulatory features can represent significant barriers to entry for new entrants in the markets in which the Group operates, particularly as the regulatory landscape continues to evolve with cross border regulation and control.

The Group also maintains the appropriate insurances (such as professional indemnity insurance) which provide protections against certain losses in relation to client services, excluding negligence. Further details of the Group's risk and compliance function are set out under "*Risk Management and compliance*" below.

The following table outlines the various regulatory licences held by the Group (including, for this purpose, JTC Kensington):

Country	*Regulator*	*Company*	*Licence*
Jersey	Jersey Financial Services Commission	JTC (Jersey) Limited	Authorised to conduct a wide range of trust company and fund services business.
		Jersey Trust Company Limited	Authorised to conduct trust company business and in particular acting as or fulfilling or arranging for another person to act as shareholder or unitholder as a nominee for another person.
		JTC Corporate Services Limited	Authorised to conduct trust company business and in particular (i) acting as or fulfilling or arranging for another person to act as or fulfil the function of trustee of an express trust; and (ii) acting as or fulfilling or arranging for another person to act as shareholder or unitholder as a nominee for another person.
		JTC Foundations Limited	Authorised to conduct trust company business and in particular acting as or fulfilling the function of or arranging for another person to act as or fulfil the function of a member of the council of a foundation.
		JTC Trustees Limited	Authorised to conduct trust company business and in particular (i) acting as or fulfilling or arranging for another person to act as or fulfil the function of trustee of an express trust; and (ii) acting as or fulfilling or arranging for another person to act as shareholder or unitholder as a nominee for another person.
		JTC Securities Limited	Authorised to conduct trust company business and in particular acting as or fulfilling or arranging for another person to act as shareholder or unitholder as a nominee for another person.
		Castle Directors Limited	Authorised to conduct trust company business and in particular acting or fulfilling the function of or arranging for another person to act as or fulfil the function of director or alternate director of a company.
		JTC Directors Limited	Authorised to conduct trust company business and in particular acting or fulfilling the function of or arranging for another person to act as or fulfil the function of director or alternate director of a company.

Country	*Regulator*	*Company*	*Licence*
Jersey	Jersey Financial Services Commission	JTC Listing Services Limited	Authorised to conduct trust company business and in particular acting or arranging for another person to act as secretary, alternate, assistant or deputy secretary of a company.
		Red Shield Secretaries Limited	Authorised to conduct trust company business and in particular (i) acting or fulfilling the function of or arranging for another person to act as or fulfil the function of director or alternate director of a company; (ii) acting or arranging for another person to act as secretary, alternate, assistant or deputy secretary of a company; and (iii) acting as or fulfilling or arranging for another person to act as shareholder or unitholder as a nominee for another person.
		Red Shield Nominees Limited	Authorised to conduct trust company business and in particular acting as or fulfilling or arranging for another person to act as shareholder or unitholder as a nominee for another person.
		Caledonia Financial Services Limited	Authorised to conduct trust company business and in particular (i) acting or fulfilling the function of or arranging for another person to act as or fulfil the function of director or alternate director of a company; and (ii) acting or arranging for another person to act as secretary, alternate, assistant or deputy secretary of a company.
		Caledonia Trustees Limited	Authorised to conduct trust company business and in particular acting as or fulfilling or arranging for another person to act as or fulfil the function of trustee of an express trust.
		JTC Fund Solutions (Jersey) Limited	Authorised to conduct a wide range of trust company and fund services business.
Guernsey	Guernsey Financial Services Commission	JTC Fund Solutions (Guernsey) Limited	Authorised to conduct controlled investment business in or from within the Bailiwick of Guernsey and in particular (i) promotion, (ii) subscription, (iii) registration, (iv) dealing, (v) management, (vi) administration, (vii) advising and (viii) custody.
			Authorised to conduct fiduciary business in or from within the Bailiwick of Guernsey, including the provision of (i) trust services, (ii) corporate administration, (iii) foundation administration and (iv) executorship services. Jointly licensed with Breton Limited (JTC Fund Solutions (Guernsey) Limited is the lead licensee).

Country	*Regulator*	*Company*	*Licence*
Guernsey	Guernsey Financial Services Commission	JTC Global AIFM Solutions Limited	Authorised to conduct controlled investment business in or from within the Bailiwick of Guernsey and in particular (i) promotion, (ii) subscription, (iii) registration, (iv) dealing, (v) management, (vi) administration, (vii) advising and (viii) custody.
		Breton Limited	Authorised to conduct fiduciary business in or from within the Bailiwick of Guernsey, including the provision of (i) trust services, (ii) corporate administration, (iii) foundation administration and (iv) executorship services. Jointly licensed with JTC Fund Solutions (Guernsey) Limited (JTC Fund Solutions (Guernsey) Limited is the lead licensee).
Luxembourg	Luxembourg Ordre des Experts-comptables	JTC Signes S.à r.l.	Authorised to conduct accounting services and act as chartered accountant (expert-comptable) under the Luxembourg law of 10 June 1999 on chartered accountants, as amended.
	Luxembourg Commission de Surveillance du Secteur Financier	JTC (Luxembourg) S.A.	Authorised to act as registrar agent, domiciliation agent and family office and provide company incorporation and management services under the Luxembourg law of 5 April 1993 on the financial sector, as amended.
		JTC Global AIFM Solutions S.A.	Authorised to act (i) as a management company under chapter 16 of the Luxembourg law of 17 December 2010 on undertakings for collective investment and (ii) as alternative investment fund manager under the Luxembourg law of 12 July 2013 on alternative investment fund managers.
BVI	British Virgin Islands Financial Services Commission	JTC (BVI) Limited	Authorised to carry on trust business and company management business.
		JTC Trustees (BVI) Limited	Authorised to act as Trustee for JTC (BVI) Limited's BVI Trusts.
		JTC Corporate Services (BVI) Limited	Authorised to engage in providing corporate director services.
		JTC Directors (BVI) Limited	
Switzerland	L'Association Romande des Intermediaires Financiers	JTC (Suisse) SA	Registered for anti-money laundering purposes.
		CM (Suisse) Trust Company S.à r.l.	
		JTC (Geneva) S.à r.l.	

Country	*Regulator*	*Company*	*Licence*
South Africa	South African Financial Services Board	JTC Fund Solutions RSA (Pty) Ltd	Authorised to act as an authorised financial services provider.
Cayman Islands	Cayman Islands Monetary Authority	JTC (Cayman) Limited	Authorised with a company management licence.
		JTC Corporate Services (Cayman) Limited	
		JTC Directors (Cayman) Limited	
		JTC Fund Services (Cayman) Ltd	Authorised with a mutual fund administrator licence.
United Kingdom	Financial Conduct Authority	JTC Fund Services (UK) Limited	Authorised to provide investment services and to operate collective investment schemes.
	Her Majesty's Revenue and Customs	JTC (UK) Limited	Registered for anti-money laundering purposes.
Mauritius	Mauritius Financial Services Commission	JTC (Mauritius) Limited	Registered with a management licence.
United States	South Dakota Division of Banking	JTC Trustees (USA) Limited	Authorised to act as a chartered public trust company.
Netherlands	Dutch National Bank	JTC (Netherlands) B.V.	Authorised (with two of its subsidiaries, NACT Management B.V. and DA Management B.V.) to operate as a trust office.
Isle of Man	Isle of Man Financial Services Authority	JTC Trustees (IOM) Limited	Authorised to provide trust and company services.
Singapore	Monetary Authority of Singapore	Kensington Trust Singapore	Authorised to act as a licensed trust company.

6. MARKET

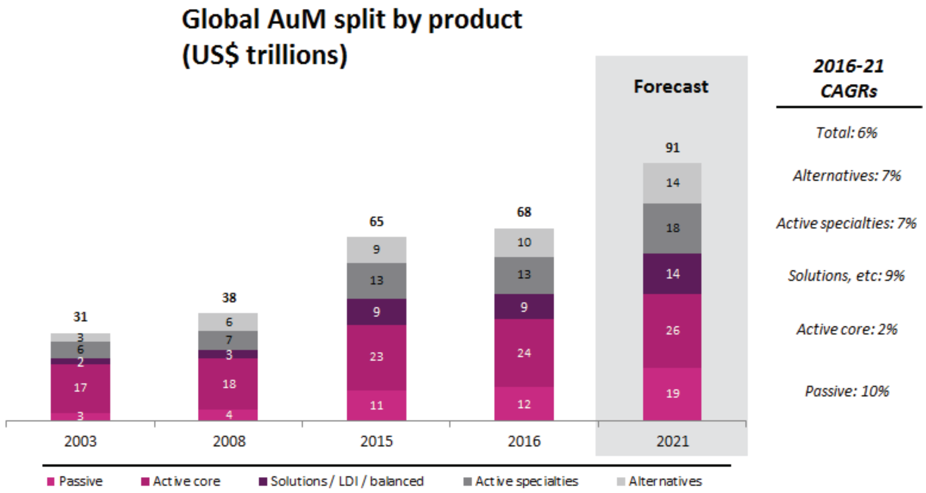
Overview

The Group operates in a fragmented global industry covering a wide variety of end markets. This includes fund managers (covering a diverse range of asset classes), services to a wide range of corporates (spanning SMEs, public companies, SWFs) and private clients. This degree of fragmentation means that the addressable market is difficult to quantify.

Market size and growth

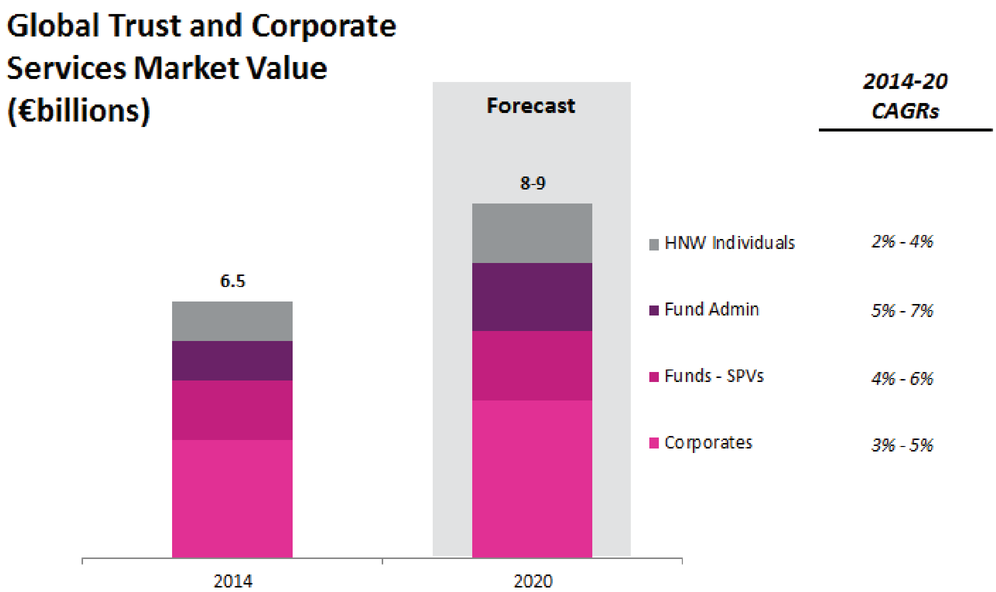
Growth in global AuM, and the make-up of that growth, provides a good overview of some of the opportunities within key markets that the Group operates in. The chart below produced by Boston Consulting Group (**BCG**)[4] in July 2017 shows global AuM split by product. Over the period stated, there has been a migration of investments from traditional active core products to passive investments and alternative assets. The chart demonstrates the expectation that this trend will continue.

4 Source: Boston Consulting Group report entitled "Global Asset Management 2017: The Innovator's Advantage" dated July 2017



Alternatives and specialties typically command higher fees, given the added complexity and costs of operations. The Group has strong exposure to the alternatives market through its private equity, real estate and related fund administration operations. BCG expects alternatives to grow at a 7 per cent. CAGR from 2016-2021. A report by Strategy& and PwC in 2015 forecasted growth in alternative assets of 11 per cent. p.a. to 2020[5].

The market and growth rates for trust and corporate services are therefore linked to the wider asset management industry. Funds and corporate structures require administration by a business that is regulated in the same region that the fund or corporate structure is domiciled. According to a Bain & Company market report[6], the global market for trust and corporate services was approximately €6.5bn in 2014, and is expected to grow to €8-9bn in 2020, equivalent to 3 per cent. – 5 per cent. growth per annum. The chart below produced by Bain & Company[7] shows forecast global trust and corporate services market value in 2020 and compared to actual figures for 2014.



Note: Special purpose vehicle services exclude hedge funds. Source: Bain & Company interviews with industry executives and experts.

5 Source: Strategy& and PwC report entitled "Alternative investments: It's time to pay attention" dated 2015
6 Source: Bain & Company report entitled "The Coming Shakeout in Trust and Corporate Services" dated 2017
7 Source: Bain & Company report entitled "The Coming Shakeout in Trust and Corporate Services" dated 2017

Market drivers

The drivers of growth in this market are long-term and structural. These primarily comprise:

- *Regulation*: an increasing demand for services driven by greater regulation
- *Outsourcing*: demand for specialists due to increasing operational complexity
- *Globalisation*: clients are increasingly global and demand a global provider
- *Wealth creation*: continuing growth in GDP and middle classes in developing countries
- *Industry consolidation*: the industry is still fragmented and there is scope for further consolidation.

Regulation

Since the financial crisis, there has been an increasing shift towards greater regulation, both within the financial services industry and more broadly.

Investors require accurate disclosure of information and regulators have tightened the requirements for accurate and timely information disclosure and reporting. Increased regulation such as Alternative Investment Fund Managers Directive (**AIFMD**), the Dodd-Frank Act, the introduction of Common Reporting Standards (**CRS**), the Foreign Account Tax Compliance Act (**FATCA**) and the Markets in Financial Instruments Directive II (**MiFID II**) means that asset managers, corporates and financial institutions must meet the requirements of increasingly complex current and future regulatory changes. The growing complexity of global regulation and greater demands on compliance put pressure on the operations of asset managers, corporates and institutions. The staff and lost opportunity costs required to ensure compliance are increasing, as are the reputational risks from non-compliance.

In addition to the tightening global and European regulatory environment, for the Group's current and potential clients in the UK, reporting requirements, complexity of regulation and legislation may become more onerous in the context of Brexit.

For these reasons, the Directors consider that clients have increasingly turned to specialist providers such as JTC to assist with outsourcing administrative and other services to cope with regulatory burden and requirements for independent oversight. The continually developing global regulatory framework both creates multiple revenue opportunities for the larger specialist administrators such as the Group and increases the barriers to entry for new entrants.

Outsourcing

The Directors are of the view that there is a discernible trend by funds, alternative asset managers, corporates and private clients to shift towards outsourcing administration services to specialist providers, who are able to provide knowledge and experience of multiple jurisdictions, along with the full suite of services required for compliant and efficient operation. The Directors consider that institutional and private clients initially used outsourced service providers primarily to reduce direct and lost opportunity costs. More recently, the Directors have observed outsourcing being used to increase innovation in enterprises through the creation of additional capacity without any associated increased cost. This view is supported by the results of Deloitte's Global Outsourcing Survey 2016[8].

Increasing regulation and operational complexity are the key drivers behind this shift to outsourcing from self-administration, with funds and asset managers wanting to de-risk the chance of non-compliance through outsourcing to specialist providers. In this way, clients can expect to remain compliant and have a "one-stop-shop" service provider throughout their life cycle (from set up to dissolution).

In addition, in a market where fund managers' margins are continually under pressure through competition from low cost passive and index funds, managers must seek cost savings through efficiency initiatives. Fund managers have continued to take advantage of outsourcing to reduce costs within the back-office, middle-office and support functions.

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8 Source: Deloitte presentation entitled "Deloitte's 2016 Global Outsourcing Survey" dated May 2016

The Group works with clients to provide seamless outsourcing services, customising the information outputs and formats to individual requirements. JTC's Global Service Centre employs over 160 staff with specialisms in providing administration and accounting services to private equity funds, asset managers and global wealth management entities, meaning that clients receive a bespoke, tailored service.

Globalisation

Greater data sharing and co-operation between different jurisdictions means that institutions are becoming increasingly global. Equally, the Group's experience suggests that UHNWIs and family offices typically have a more international footprint than they did previously.

The Directors consider that there is an increasing requirement for administrators who have a global footprint. These global administrators can take advantage of the demand from multi-national clients and different customer segments for an international service across many jurisdictions with knowledge of the regulatory nuances in each region.

Merger and acquisition activity (**M&A**) is often used to achieve this goal of global scale. For example, the Group has acquired selectively and strategically in order to expand its global footprint. The successful integration of acquisitions made to date means that JTC can offer clients a multi-jurisdictional platform.

Wealth creation

Global wealth continues to grow, with Asia-Pacific, North America and Europe contributing equally to the global increase in wealth, particularly in HNWIs, who saw wealth grow 8.2 per cent. in 2016 according to the 2017 World Wealth Report[9]. The report predicts that HNWI wealth growth will be 5.9 per cent. p.a. to 2025. The Strategy& and PWC report referred to above[10] predicts that investment by the mass affluent and high net-worth investors will grow by a compound annual growth rate of 13 per cent. from 2015 to 2020. The Board intend to continue to exploit global wealth creation trends in the developed and, increasingly, the developing markets (such as Asia, Latin America and Africa).

Competitive landscape

The industry in which the Group and its competitors operate is still relatively fragmented. The market is, however, slowly consolidating, and players are growing in scale and becoming more specialised. The Directors believe that JTC's breadth of services and relationships with funds, corporates and private clients provides a competitive edge as they all require specialist skill-sets. The structures that JTC operates are often bespoke and highly customised. The lack of homogeneity means that automation of the operations and accounting work is more difficult and requires higher levels of resource with specialist skills. This differentiated and bespoke service is often higher margin work than for the less complex traditional funds (mutual funds, etc). JTC management consider its most direct competitors to be SANNE, SGG Group, Alter Domus, Aztec, Estera, Intertrust and IPES.

Industry Consolidation

Historically, the market in which JTC operates comprised of smaller, local offices often either part of, or spun out from, larger services firms (accounting, legal or banks). In recent years there has been a reduction in activity by these firms and a number of exits have occurred with consolidation driven by increasingly complex and demanding regulatory requirements, which act as a barrier to new entrants. Non-core assets of banks and other financial institutions have come to market on a relatively regular basis and have facilitated consolidation.

Recent examples of acquisitions include:

- SGG Group's acquisition of First Names Group from AnaCap Financial Partners (2017/2018)
- the Group's acquisition of Bank of America Merrill Lynch's International Trust and Wealth Structuring business (2017)

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9 Source: Capgemini World Wealth Report dated 2017.

10 Source: Strategy& and PwC report entitled "Alternative investments: It's time to pay attention" dated 2015

- Vistra's acquisition of the corporate services business of Deutsche Bank (2017)
- the sale of the Capita Asset Services businesses to Link Administration Holdings (2017)
- SANNE's acquisition of FLSV Fund Administration Services LLC (2016)

Despite industry consolidation in recent years, the market remains fragmented and opportunities for further consolidation by the most successful acquirers continue to exist. Larger players, such as JTC, are well placed to undertake consolidation through roll-ups and purchases of books of business.

In the last five years, the Group has followed its "local to global" strategy, taking its concentrated, Channel Islands based expertise and expanding globally. The Group has built global scale and can provide services to clients across many jurisdictions. The Group has successfully purchased and integrated 12 acquired businesses since 2010. Its global footprint provides a differentiated service, whilst its regional expertise enables it to provide a thorough understanding of the relevant jurisdictions and key intermediaries.

M&A is expected to continue to be a core part of the Group's growth strategy. Its robust M&A function, coupled with its systems and processes, make it well placed to source, complete and integrate opportunities quickly and efficiently when they arise.

The outlook for the Group's markets remains encouraging and the Board expects growth trends to continue driven by structural and secular factors. The Group continues to broaden its geographic and service reach to benefit from the strongest growth markets globally. The Group's multi-asset class focus, coupled with its geographic and service line diversity, and largely time and materials or fixed fee charging profile provides a degree of insulation from adverse, regional or macro-economic factors. The Board considers that the structural growth trends in the industry presently show little sign of slowing.

7. KEY STRENGTHS

The Directors believe that the key strengths of the Group are its:

- **Consistent financial performance with long track record of growth**. JTC has a 30 year track record of revenue growth, having grown through a combination of organic expansion and M&A activity. The revenue CAGR for the period 2007 to 2017 was 23 per cent.. The Directors believe there is potential for this level of growth to be maintained in the future;
- **High quality recurring revenues with cashflow visibility**. JTC has predictable, non-cyclical recurring revenues from long term client structures. Fees are typically charged on a fixed fee based or a time and materials basis, with, in the financial year ended 31 December 2017, just 15 per cent. of revenue charged as a percentage of net asset value. Approximately 91 per cent. of revenue from existing client groups recurs from one year to the next based on 2016-2017 billing data. JTC is cash generative, benefitting from a low effective tax rate (as a percentage of underlying EBITDA) and requiring modest recurring capital expenditure. JTC's EBITDA cash conversion stands at 93 per cent. for the financial year ended 31 December 2017;
- **Diversification across clients, services and jurisdictions**. The Group has significant diversification of its revenue streams across a broad range of blue chip clients, geographies and service lines. This provides a natural hedge against a downturn in trading conditions in any one of the Group's markets. No one client accounts for more than 3.2 per cent. of revenue. Clients include Legal & General, M&G, Santander and Berkeley Group;
- **Long term structural market demand drivers**. JTC operates in a market affected by (i) the increasingly complex regulatory environment, (ii) the requirements to outsource to ensure compliance and reduce costs and (iii) continuing globalisation. The Group has presence in multiple jurisdictions, enabling it to support existing clients and win new business, leveraging the positive market dynamics;
- **Successful track record of M&A and integration with further consolidation potential**. The Group has a successful track record in sourcing, executing and integrating its chosen acquisitions, having completed 12 acquisitions since 2010. JTC has invested in a technology platform which allows integration in a quick and efficient manner with minimal disruption. The fragmented market means that further acquisition opportunities exist and M&A will continue to be a core part of the Group's growth strategy;

- **Well invested business with capacity to support future growth**. JTC has grown rapidly over the last five years and invested in its cost base. Headcount has increased from around 180 to over 550 and the Directors believe that the business has the central infrastructure and expertise to support significant further growth for limited additional cost. JTC's current EBITDA margins reflect the level of investment in the business and the fixed cost base means that margins have the potential to expand as revenues grow;
- **Strong compliance and risk management culture**. An emphasis on compliance and risk management is fundamental to the success of the Group within an industry where reputational risk is high. JTC has a robust and well established compliance and risk management framework and relationships with all the relevant regulators;
- **Experienced management team; culture of shared ownership ensures continued incentivisation**. The senior management team has strength and depth, with involvement both in winning new business and maintaining client relationships. The Chief Executive Officer, Nigel Le Quesne, has a long-term commitment to the business, having been at JTC for over 25 years;
- **Cultural alignment with clients through service focus**. The Directors believe that the application of tailored service and client-specific customised solutions mitigates against the commoditisation of services provided, differentiates JTC from its competition and supports the Group's margins; and
- **Shared ownership**. People are central to JTC. In 1998, the management created the JTC Employee Benefit Trust, in essence making employees into stakeholders. This enabled JTC to attract and retain key staff, keeping them motivated and dedicated to its clients and core values. In 2014 this commitment to shared ownership was embedded further into JTC's culture with the Equity for All Scheme, allowing all permanent members of staff the opportunity to enhance their investment in the future of the business in proportion to their seniority in the business. This is designed to ensure alignment across the whole Group and a staff base who are dedicated to driving the business forward.

8. GROUP STRATEGY

The Group has enjoyed strong growth in both revenue and profits over its 30 year history. Revenue increased by 23 per cent. per annum between 2007 and 2017, whilst underlying EBITDA increased by 19 per cent. per annum in the same period.

The Board's objectives are to further grow revenues and to improve operating margins by leveraging the Group's existing scalable operating platform. With this in mind, the Group's strategy is focussed on both organic growth and acquisition growth through entering new markets and building scale in existing markets.

Organic growth strategy

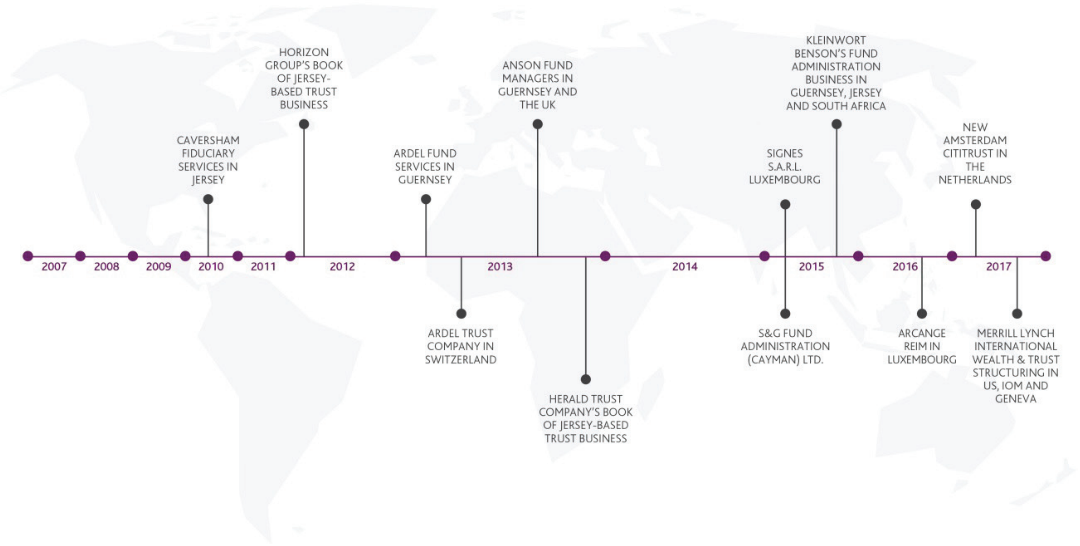
The key drivers of the Group's organic growth strategy include:

- **Current market share development**. This covers expansion of existing client relationships through cross-selling between divisions and geographies and continuing new client wins through direct referrals, intermediary referrals and direct targeting;
- **Expansion of core service and product offering**. This should provide increased revenue opportunities through the delivery of new and innovative client tools and solutions. Building scale affords the opportunity to achieve further economies of scale; and
- **Expansion of global network and platform**. By developing JTC's presence in key jurisdictions, JTC can support its operational growth and revenue stream diversification, capitalising on key high growth markets outside of the Group's current network.

Traditionally, some of the Group's competitors have relied mainly on new business referrals from their parent company such as in the case of an affiliated bank or law firm. As an independent group, JTC has a strong track record of establishing and expanding its intermediary network of onshore and offshore advisers, through which new business is often referred. As the Group has grown in scale and reputation, it has increasingly established new client relationships through a direct approach.

Acquisition growth strategy

JTC has a long track record of success in completing and integrating acquisitions. This is demonstrated by the timeline below.



The Group's acquisition growth strategy is to build upon what has been achieved to date, with the aim of both building scale in its existing markets and entering new markets. The Group has developed a disciplined approach to acquisitions with an established process for the assessment of acquisition opportunities, from initial assessment, due diligence and documentation through to the deployment of a dedicated integration team to facilitate a swift transition onto the JTC platform.

The Group continually identifies and assesses potential targets, specifically:

- Smaller, earnings enhancing acquisitions, adding incremental EBITDA or geographic capability; and
- Larger scale, international opportunities, including bank based client books or businesses.

A potential acquisition will be assessed on a number of indicators, including:

- The opportunity to add operational scale in existing and/or complementary jurisdictions;
- The capability to strengthen the Group's existing service delivery platform;
- The opportunity to acquire a skilled workforce;
- The cost synergy potential (rationalisation of systems and central functions) and cross-selling opportunities for the combined business; and
- The ability to strengthen client relationships where there are common clients.

The Group is aware of a number of acquisition opportunities currently in the market and will continue to review such opportunities on an ongoing basis.

9. EMPLOYEES

As at 31 December 2017, the Group employed over 550 people. The number of people employed in the two business divisions was 520, with the remaining 48 employees in the Group's head office overseeing the Group's finance, HR, strategy, compliance, risk, legal, regulatory, IT and M&A integration and support roles. Central management are also responsible for delivering the strategic objectives of the Group and ensuring the quality of ongoing client service and regulatory compliance.

The Group's employee policies are intended to maximise employee retention and minimise staff turnover. Remuneration packages comprise salaries plus cash bonuses and/or employee share ownership.

The Group regards membership of its share plans (as described further in paragraph 10 below) 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.

The Group has a good record of employee relations, with no history of industrial disputes. The Group's policy is to develop and retain its employees. In particular, the Directors consider that the Group has a relatively low level of regretted employee turnover, when adjusted to remove retirements, termination and those under probational arrangements. Given the nature of the services the Group provides, the Group also seeks to employ people with market experience and direct asset management expertise where specialist knowledge is required. This includes accountants, lawyers and chartered secretaries.

Training and the JTC Academy

As part of its staff development programmes, employees are supported through professional qualification and training courses. Approximately 70 per cent. of staff hold or are studying for a professional qualification (including chartered secretary, accountancy and legal qualifications). Succession planning and the development of administration teams are delivered through the Group's academy and professional training programme. A commitment to continual professional development maintains knowledge, skills and management capabilities and ensures that the Group's businesses understand and adapt to regulatory developments and general market trends across multiple jurisdictions.

The JTC Academy is at the centre of this commitment to professional development and training. It provides a structured development programme to staff, giving access to materials and training which is tailored to particular job roles, performance and ambitions. The key elements of the JTC Academy are technical, management and professional training which are also tailored to the requirements of the individual.

In-house technical training sessions offered by the JTC Academy include induction programmes and teach-ins, technical updates, refreshers and 'lunch and learn' sessions. In some cases these are delivered in conjunction with external training partners.

JTC has received recognition and accreditation for its learning initiatives and programmes, being shortlisted for the CIPD 'Best Learning and Development Strategy' Award in 2017 and receiving accreditation from the Institute of Leadership and Management in 2017.

The following table shows the Group's number of employees by jurisdiction as at 31 December 2015, 2016 and 2017:

	as at 31 December		
Location	*2015*	*2016*	*2017*
BVI	13	12	9
Cayman	15	14	16
Guernsey	53	54	39
Isle of Man	–	–	29
Jersey	194	196	192
Latin America	13	12	–
Luxembourg	48	49	46
Malta	2	4	–
Netherlands	–	–	13
Singapore	–	–	13
South Africa	88	136	167
Switzerland	12	10	23
UK	26	8	7
USA	8	6	14
Total	472	501	568

The following table shows the Group's employee numbers by business division and head office as at 31 December 2017:

Division	
Institutional Client Services	350
Private Client Services	170
Head Office	48
Total	568

10. SHARE PLANS

Core to the Group's culture is the concept of shared ownership, recognising the importance of appropriate senior management and employee incentivisation and offering equity to employees at all levels to embed this culture within JTC.

Since the first employee benefit trust launch in 1998, which was made available to employees at all levels, JTC has successfully launched a number of additional equity incentive schemes. All of these have reinforced the culture of shared ownership and responsibility. The Directors believe that shared ownership is a key differentiating factor for staff retention, incentivisation, ownership of responsibilities and development of its employee base. It has assisted integration of acquired businesses, both through aligning new employees with JTC values and culture and through providing an equivalent remuneration and benefits package for previously owner-managed companies acquired by the Group. This will continue to be an important aspect of JTC after Admission.

Set out below is a summary of the Group's existing operative plans, the impact of Admission on them and the new plans that the Company intends to adopt.

Existing Plans

- *Employee Benefit Trust* (*EBT2*): established in 2012 at the time of CBPE Capital's investment and operated as a discretionary trust. All of the Ordinary Shares in EBT2 will be sold as part of the Offer. On Admission, participating employees will become entitled to receive a series of distributions which will be phased over two years to incentivise staff retention provided that some cash in the EBT will be used to acquire Ordinary Shares (not exceeding one per cent. of the issued share capital at Admission) to seed the new employee benefit trust of the Company being established in connection with the new share plans of the Company to apply from Admission. Any employees leaving before the end of the two year period will forfeit a relative proportion of their distribution. The distributions will be determined according to a points system which is based on seniority, length of service and individual performance.
- *Share Ownership Plan* (*Equity for All* or *E4A*): established in 2014, this allows individual employees to buy shares in JTC Group Holdings (the parent company of the Group prior to the Reorganisation) during set periods in the financial year at a predetermined price. E4A is open to permanent JTC employees on a voluntary application basis and uses a trust vehicle to hold shares on behalf of the beneficiaries. On Admission, the beneficiaries will either receive cash or Ordinary Shares. Those of the current senior employees (identified as the top 50 employees) who are beneficiaries of this plan have agreed with the trustees that the trustees will collectively sell down a maximum of 50 per cent. of their current economic shareholding in the Offer.
- *Share Ownership Plan 2012 & Share Ownership Plan 2012 II:* at the time of the CBPE Capital investment in 2012, existing shareholders reinvested a proportion of their proceeds and were allocated further shares based on performance measures. On Admission, the beneficiaries will either receive cash or Ordinary Shares. Those of the current senior employees (identified as the top 50 employees) who are beneficiaries of this plan have agreed with the trustees that the trustees will collectively sell down a maximum of 50 per cent. of their current economic shareholding in the Offer.

Post Admission arrangements

The Company proposes to adopt three new share plans on Admission. In addition, certain changes will be made to the structure and operation of remuneration packages with a move towards greater variable remuneration through a new annual bonus scheme. The Share Plans and remuneration structure have been developed in the light of the following principles:

- employee share ownership is a key part of the Group's culture and should be maintained;
- collective performance and individual performance should both be rewarded; and
- employees should be encouraged and rewarded for outperformance. There is also a desire to increase the level of performance-related pay as a proportion of total remuneration.

Summary of the new incentive plans

Annual Bonus Plan

The Executive Directors will be eligible to participate in an annual performance-based bonus plan.

Initial awards to the Executive Directors will be a maximum of 50 per cent. of annual base salary. The performance measures will relate to both financial and non-financial metrics and will be set by the Remuneration Committee each year.

Employees below the Executive Directors will be eligible for a similar discretionary annual bonus but with lower maximum opportunities.

Performance Share Plan (PSP)

The purpose of the PSP is to drive sustainable long term performance and align the interests of Executive Directors with those of shareholders.

Following Admission, Executive Directors and Senior Management 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 will be 150 per cent. of annual base salary but the plan rules will allow the Remuneration Committee the discretion to award up to 250 per cent. of annual base salary in exceptional circumstances. For any initial awards, it is intended that the limit for Executive Directors will be 75 per cent. of the annual base salary.

Vesting of any awards will be subject to continued employment and achievement of performance conditions measured generally over a period of at least 3 years. Performance conditions for the initial awards may include TSR relative to a relevant comparator group and a profit based measure. Following Admission, the Remuneration Committee will determine the appropriate performance measures, weightings and targets prior to granting any awards.

Deferred Bonus Share Plan (DBSP)

The Company attaches considerable importance to the role of performance-based bonuses to drive profitability and business growth and to the importance of the senior managers' interests being aligned with the interests of shareholders. Executive Directors and the Senior Management are eligible for an annual bonus designed to incentivise high performance based on financial and non-financial performance measures.

In line with market practice, a portion of the bonus due, as determined by the Remuneration Committee, may be deferred into shares before it is paid. In addition certain employees (including managers below Senior Management) may be selected to participate in the DBSP.

Employee Incentive Plan (EIP)

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 based incentives to align employees' interests with the interests of Shareholders.

Employees (excluding all Executive Directors and Senior Managers) will be eligible for an annual award under the EIP which will entitle them to a cash payment equal to the value of dividends paid on unallocated shares held by a new employee benefit trust.

The EIP is intended to be a replacement for EBT2 and payments to participants will be determined according to a points system which is based on seniority, length of service and individual performance and normally made at the same time as annual bonuses are paid.

Further details of both the annual bonus plan and the new share plans are set out in paragraph 5 of Part 9 (*Additional Information*) of this document.

11. RISK MANAGEMENT AND COMPLIANCE

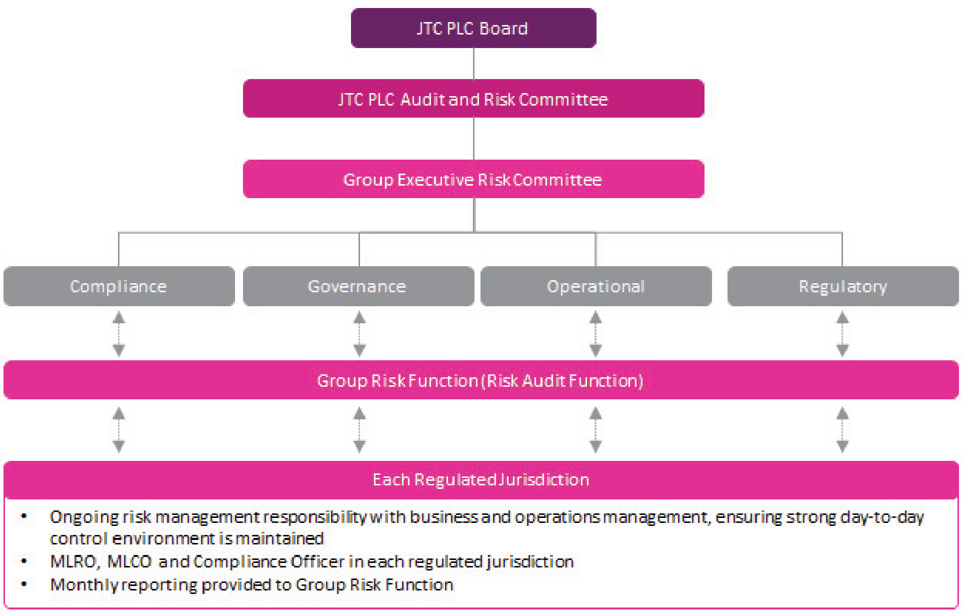
The Group has a strong focus on risk management and compliance. Risk is considered at all levels, from strategic planning by the senior executive team to every action taken in each jurisdiction. Operating in a regulated environment, JTC has taken, and continues to take, compliance with laws and regulations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

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

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

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

The risk, regulatory and compliance functions of the Group will, with effect from Admission, be structured as follows:



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

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

The Group Executive Risk Committee meets quarterly and is responsible for overseeing the Group's internal risk audit and accreditation arrangements. It also manages the remit of the Group Risk Function's audit of each regulated jurisdiction's risk management and compliance processes, as part of the JTC Compliance Monitoring Plan. The Group Risk Function routinely carries out spot checks on the different jurisdictions to ensure the compliance and adherence to these procedures. The Group Executive Risk Committee is mandated under clear terms of reference which include oversight of client acceptance, dealing with exceptional cases and quality assurance protocols. The Group Executive Risk Committee supervises the Group Risk Function. The Group Risk Function in turn monitors the risk sub-groups in each regulated jurisdiction, ensuring standards are maintained and procedures adhered to.

The Group maintains high standards of compliance in respect of client on-boarding, anti-money laundering and fulfilment of jurisdictional regulatory requirements. JTC routinely invests time and resources to ensure its risk management and compliance framework, procedures and processes are up to date and robust throughout a client lifecycle, from inception of a new structure through to closure or cessation of business with that client. The Group Risk Function also carries out frequent independent transaction monitoring. The Directors believe a culture of compliance is embedded within its staff and service teams.

The Group maintains KYC and AML procedures based on best practice and the legal and regulatory requirements of the jurisdictions in which it operates. It has a thorough understanding of the different frameworks in place in the different jurisdictions and has established procedures to ensure these are satisfied as efficiently as possible. Specific jurisdictional requirements are defined, approved and implemented through central controls maintained by the Group Risk Function.

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

- high level of jurisdictional director control over processes;
- dedicated Group monitoring function;
- defined authority mandates and terms of reference;
- controls ensuring separation of transaction approval and payment;
- regularly updated cyber security policies and protections;
- a strong IT platform and business continuity arrangements;
- a rigorous human resource screening and on-boarding process;
- experienced and well trained employees;
- regular risk and compliance updates and training; and
- long term employee and client relationships.

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

12. INFORMATION TECHNOLOGY

The Group is committed to technology investment and IT security to ensure that it provides the best possible service to its clients and protects their data. JTC continually develops and maintains its technology infrastructure, ensuring it selects and supports the systems that clients and their structures require.

The Group's information technology offering and core application suite has been set up to support staff across all offices in all jurisdictions, providing the systems and services for all staff to operate effectively and serve JTC clients with quality and consistency. JTC's policy is to ensure that applications are consolidated and systems are uniform across the Group, enabling optimal working practices, procedures and client service whilst reducing costs. Over the last three years, JTC has spent approximately £3 million on IT infrastructure improvements and upgrades, a reflection of JTC's commitment to technology.

Infrastructure and systems

The JTC IT environment is built using multiple complementary technologies with a focus on resilience and scalability, ensuring the systems are available to service the existing staff base and have the capacity to allow for the Group's continued expansion.

JTC works with two core technology vendors to ensure continued support, maintenance and monitoring of the IT infrastructure and network. Both of these vendors have more than 7 years' experience with JTC, have supported the Group through its expansion to date and provide 24/7 support and monitoring.

All core IT infrastructure is held virtually, using standard Microsoft and Citrix technologies and infrastructure. JTC has two main datacentres, one in Jersey and one in Guernsey, with regular, routine backups ensuring JTC has sufficient disaster recovery capability. In addition, JTC has ancillary datacentres in Geneva, the Cayman Islands and two in Luxembourg to adhere to data protection and jurisdictional regulatory requirements. All JTC jurisdictional offices are connected to JTCs network through multiple connections to ensure connectivity and provide system resilience.

JTC conducts routine "Disaster Recovery" testing on its IT infrastructure to ensure the systems and services are available in the event of a power or communications outage at one of the datacentres. At the last test, all systems responded satisfactorily as expected and there was no disruption to "business as usual" with no degradation in performance. Following the severe impact of Hurricane Irma on the BVI in September 2017, the Group was able to able to restore its operations and functionality in that location within 24 hours of the event.

Core applications

JTC combines trusted blue-chip software solutions with bespoke, in-house products, developed to service client needs in a differentiated manner. Recognising that customisation and adaption is important for many client structures and reporting requirements, JTC works closely with clients and software providers to ensure the optimal information monitoring and reporting solutions are provided.

JTC's core applications include Investran and Viewpoint. Investran is a market leading fund administration and accounting software developed by SunGard for asset managers. This offers scalable and robust portfolio accounting capability. It is well established and used by many of the largest funds, managers and administration providers around the world. Viewpoint is an independent, integrated administration and accounting software tool for administering companies, partnerships and unit trusts which provides global capability and paperless service, increasing efficiency and consistency for multi-jurisdictional clients.

JTC has developed a purpose built technology for UHNWI and HNWI clients and family offices, JTC Edge, which provides a consolidated view of the client's financial and non-financial assets and is available through desktop, mobile and tablet applications. It also offers a readily-accessible document management tool for clients.

IT and Cyber Security

JTC takes cyber security very seriously and attaches the same importance to managing the risks to its IT assets as it does to managing the Group's regulatory, financial and operational risks.

The Board has overall responsibility for and ownership of the cyber security policy for the Group. The Group's cyber security policy aims to prevent unauthorised access to the Group's network, theft of confidential information (Group or client), damage to the Group's information assets or disruption to the Group's operational effectiveness.

The Group's cyber security policy is based on the following pillars:

- ***Network security***

  To protect against external and internal threats, all network connections are constantly scanned for malware and malicious content. The Group uses leading antivirus and malware checking software, with different solutions used for the network perimeter and internally to create an additional layer of defence. External firewalls are in place and internal network traffic is monitored to detect and ensure rapid response to network intrusions. In addition, JTC engages an independent third party to conduct full penetration tests on the IT network. Such tests are conducted at least annually. The most recent test was conducted in November 2017. The Group's policy is that any findings from these tests are addressed immediately.

- ***Removable media***

  The management and control of removable media (storage devices that can be removed from a computer) and external drives is an important defence against potential theft of confidential client or Group information. The Group's default position is that the use of removable media is prohibited, with software installed to prevent its use. Permitted usage requires prior approval, is carefully monitored and limited in duration. All media introduced to the Group's networks is scanned for malicious content prior to any data transfer.

- ***Remote working***

  Authorisation for remote access requires prior approval by the relevant line manager, IT Director and HR Director. Devices and information exchanges are protected by appropriately configured virtual network tools.

- ***Secure configuration***

  The Group has a policy of removing and disabling redundant functionality from the network and systems to ensure the Group's network is protected against weakness. The Group uses up to date operating systems, browsers and applications and has automated software update tools. The Group uses monitoring tools to identify unauthorised hardware and conducts regular vulnerability scanning against networked devices.

- ***Management of user privileges***

  The Group only provides users with the rights and permissions to the systems, services and information resources that they require to undertake their role. Temporary access is permitted by exception only for business needs. User accounts are carefully managed and strict and regularly updated password controls are in place. Unusual or unauthorised activity is investigated promptly and appropriate disciplinary action taken accordingly.

- ***Education and awareness***

  Comprehensive training is provided to all users across the organisation as part of their induction process to embed the culture of IT risk management. JTC works with a specialist third party firm to improve staff awareness and to provide updates on new topics and threats. All users are required to attend training and are provided with regular updates on the latest emerging issues facing the Group.

- ***Incident management***

  The Group has a robust process for dealing with security incidents with comprehensive back up procedures to ensure minimal disruption to the Group.

  JTC Group's Head Office and Global Service Centre currently hold the ISAE3402 Type-2 accreditation, which audits operational controls and procedures, and is working to achieve the industry standard IT security certification.

13. INSURANCE

The Group maintains insurance cover to protect its business in the event of claims. In particular, regulated businesses are required to carry professional indemnity insurance that meets specified requirements. The Group meets all of these requirements and maintains a good relationship with insurers based on transparent risk management procedures.

The Directors monitor and regularly review the Group's insurance coverage and believe that the Group's current insurance coverage is appropriate for its business, in respect of its level and applicable excesses and deductibles, considering the Group's business location as well as the scale of its business activities.

14. REASONS FOR THE LISTING, THE OFFER AND USE OF PROCEEDS

The Directors believe the Offer and Admission will raise client and investor awareness of the Group and will provide it with a long-term framework to support future growth and investment.

The Directors believe the Offer and Admission will position the Group for its next stage of development by:

- enhancing the Group's public profile and status with clients, investors and business partners, including adviser intermediaries who are able to refer new business to the Group;
- ensuring the continuity and stability of independent ownership as a public company that the Directors consider will be beneficial for the Group's client acquisition and retention strategy;
- assisting in the incentivisation and retention of key management and employees;
- providing the Company with access to the capital markets as necessary in the future;
- creating a liquid market in the Ordinary Shares for Shareholders; and
- providing CBPE Capital with a full realisation of its investment in JTC and the other Selling Shareholders with a partial realisation of their investment in JTC.

The issue of the New Ordinary Shares under the Offer will raise net proceeds for the Company of approximately £15.1 million (after the deduction of commissions and amounts in respect of estimated fees and expenses for which the Group is liable, in aggregate, of approximately £4.9 million).

The Company intends to use the net proceeds of the Offer receivable by the Company of approximately £15.1 million to:

- repay approximately £11.5 million of the £59.5 million Existing Facility (the balance of which will be repaid by the New Facility); and
- for general working capital and corporate purposes.

In addition, the Offer will provide the Selling Shareholders with net proceeds of approximately £218.2 million. Further details of the Selling Shareholders are set out in Part 2 (*Details of the Offer*) of this document.

15. CURRENT TRADING AND PROSPECTS

Historical financial information for the year ended 31 December 2017 is set out in Part 7 (*Financial Information*) of this Prospectus. Since 31 December 2017 the Group has continued to trade well and in line with the Board's expectations.

The Group currently has a strong pipeline of business. In addition, the revenue for the financial period ended 31 December does not include approximately £2.7 million of fee income expected to be received in the current financial period in respect of client mandates signed up during that historical financial period.

Since 1 January 2018, the Group has signed up new mandates representing approximately £1.3 million of expected revenue[11] with an estimated further pipeline of £1.3 million of anticipated fees on new mandates won by the Group since that time, but where formal engagement letters have yet to be entered into[12]. Further, the Group has a very encouraging pipeline of enquiries for potential new client mandates across both of its business divisions.

The Board continues to implement the Group's strategy, as set out in this Part 1 (*Information on the Group*) and remains confident about the future prospects of the Group.

16. DIVIDENDS AND DIVIDEND POLICY

At the outset, the Board intends to pay out an annual minimum payment of 25 per cent. on an annualised basis of post tax earnings and thereafter to adopt a progressive dividend policy which will seek to maximise Shareholder value and reflect the strong earnings potential and cash flow characteristics of the Group, while allowing it to retain sufficient capital to fund ongoing operating requirements and to execute the Group's long term organic and inorganic growth strategy.

The ability of the Company to pay dividends is dependent on a number of factors and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. In this regard, please see the "Risk Factors" section of this Prospectus.

17. TAXATION

The attention of investors is drawn to the information regarding taxation set out in paragraph 12 of Part 9 (*Additional Information*), of this Prospectus. The information is intended only as a general guide to the current tax position under Jersey and UK taxation law for certain types of investor. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.

11 Based on the Group's estimates for the period of 1 January to 12 February 2018
12 Based on the Group's estimates for the period of 1 January to 12 February 2018

PART 2

DETAILS OF THE OFFER

1 THE OFFER

The Offer comprises an offer of 84,070,254 Ordinary Shares. Of these:

- 6,896,552 are New Ordinary Shares being offered for subscription by the Company; and
- 77,173,702 are Existing Ordinary Shares being offered for sale by the Selling Shareholders.

The Company will raise £20.0 million of primary gross proceeds and the Selling Shareholders will raise secondary gross proceeds of £223.8 million. The Company will not receive any proceeds from the sale of Existing Ordinary Shares (the full net proceeds of which will be paid to the Selling Shareholders). The number of New Ordinary Shares to be issued pursuant to the Offer will represent approximately 6.5 per cent. of the Company's enlarged share capital immediately following Admission.

Immediately following Admission, 52.4 per cent. of the Ordinary Shares will be held in public hands. When admitted to trading, the Ordinary Shares will be registered with ISIN number JE00BF4X3P53 and SEDOL number BF4X3P5 and the Ordinary Shares will be traded under ticker symbol "JTC".

Under the Offer, the Offer Shares will be offered to certain institutional and professional investors in the United Kingdom. The Offer Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in the United States to qualified institutional buyers as defined in and pursuant to Rule 144A under the Securities Act or another exemption from or in a transaction not subject to the registration requirements of the Securities Act.

Certain restrictions that apply to the distribution of this Prospectus and the Offer Shares in jurisdictions outside the United Kingdom are described in paragraph 10 (Selling and Transfer Restrictions) of this Part 2 (*Details of the Offer*).

The New Ordinary Shares being issued or sold pursuant to the Offer will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. The Ordinary Shares will, immediately on and from Admission, be freely transferable, subject to the Articles.

The rights attaching to the Offer Shares issued or sold pursuant to the Offer will be uniform in all respects, including the right to vote and the right to receive all dividends and other distributions declared, made or paid in respect of the Company's share capital after Admission.

Completion of the Offer will be subject, *inter alia*, to the satisfaction of certain conditions contained in the Sponsor and Placing Agreement, including Admission occurring and the Sponsor and Placing Agreement not having been terminated. The Offer cannot be terminated once dealings in the Ordinary Shares have commenced. The Offer Shares subject to the Offer have not been underwritten.

The following table sets out the number of Ordinary Shares the Selling Shareholders are selling in the Offer and the interests of the Selling Shareholders following Admission:

		Existing Ordinary Shares to be sold under the Offer		*Ordinary Shares owned following Admission*[1]	
Selling Shareholder	*Relationship with/position with the Group*	*Number of Ordinary Shares*	*Percentage of issued Ordinary Share capital*	*Number of Ordinary Shares*	*Percentage of issued Ordinary Share capital*
CBPE Capital	Investor	42,654,162	42.65	0	0.00
Nigel Le Quesne	Director/employee	6,585,277	6.59	6,629,554	6.20
Ocean Drive Holdings Limited[2]	Entity connected to Director/employee	3,970,270	3.97	3,814,574	3.57
Philip Burgin	Employee	3,295,052	3.30	642,309	0.60
SoBe Limited[3]	Entity connected to employee	1,997,546	2.00	380,485	0.36
Anthony Underwood Whitney	Senior Management	868,392	0.87	1,105,805	1.03
TUW (Malbec) Limited[4]	Entity connected to Senior Management	543,786	0.54	613,206	0.57
Vincent Goy	Employee	281,785	0.28	1,004,033	0.94
Saffron Harrop	Employee	979,681	0.98	0	0.00
SLH (Malbec Limited)[5]	Entity connected to employee	578,496	0.58	0	0.00
Eric Biren	Employee	664,549	0.66	676,122	0.63
The JTC Group Holdings Limited Share Ownership Plan 2012[6]	Group Share Plan	2,236,698	2.24	0	0.00
The JTC Group Holdings Limited Share Ownership Plan II 2012[7]	Group Share Plan	2,222,394	2.22	0	0.00
The JTC Group Holdings Limited Share Ownership Plan 2013[8]	Group Share Plan	4,300,095	4.30	0	0.00
The Jersey Trust Company Employee Benefit Trust 2012	Employee Benefit Trust	5,531,944	5.53	0	0.00

1 Includes in the case of Directors and Senior Management, their connected persons and in the case of all employees includes the Ordinary Shares distributed as described in footnotes 6, 7 and 8 below
2 A company in which Nigel Le Quesne is beneficially interested
3 A company in which Philip Burgin is beneficially interested
4 A company in which Anthony Underwood-Whitney is beneficially interested
5 A company in which Saffron Harrop is beneficially interested
6 This share plan holds it entire holding on behalf of certain of the Group's employees. Immediately following Admission, the Ordinary Shares retained by this share plan will be distributed to such individual employees and the share plan will cease to hold any Ordinary Shares
7 As in the case of footnote 6
8 As in the case of footnote 6

2 ALLOCATION

Allocations under the Offer will be determined at the discretion of Zeus Capital and Numis Securities following consultation with the Company. All Ordinary Shares issued or sold pursuant to the Offer will be issued or sold, payable in full, at the Offer Price. Subject to Zeus Capital, Numis Securities and the Company agreeing allocations, there is no minimum or maximum number of Ordinary Shares which could be applied for and multiple subscriptions by investors are permitted.

No commissions, fees, expenses or taxes will be charged to investors by the Company or the Selling Shareholders under the Offer. The position in relation to UK stamp duty and stamp duty reserve tax is described in paragraph 12 (*Taxation*) of Part 9 (*Additional Information*).

Upon being notified of its allocation of Offer Shares (whether orally or in writing, which includes email) by Zeus Capital or Numis Securities (as the case may be), a prospective investor will be contractually committed to acquire the number of Offer Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from such commitment. Dealing may not begin before notification is made. A number of factors have been considered in determining the Offer Price and the basis of allocation, including the prevailing market conditions, the level and nature of demand for the Offer Shares, the prices bid to acquire the Offer Shares and the objective of establishing an orderly and liquid after-market in the Ordinary Shares. The Offer Price and the number of Offer Shares have been established at a level determined in accordance with these arrangements, taking into account indications of interest received from prospective investors.

In the event that demand for the Offer Shares being offered exceeds the number of Offer Shares made available in the Offer, allocations in respect of the Offer may be scaled down in any manner at Zeus Capital's and Numis Securities' discretion, in consultation with the Company, and applicants under the Offer may be allocated Offer Shares having an aggregate value which is less than the sum applied for. Zeus Capital and Numis Securities, in consultation with the Company, may allocate such shares at their discretion and there is no obligation on Zeus Capital and Numis Securities to allocate such shares proportionately.

3 REASONS FOR THE OFFER

The Directors believe that the Offer and Admission will position the Group for its next stage of development and will provide it with an optimal capital structure for future growth. In particular, the Directors believe that the Offer and Admission will:

(a) enhance the Group's public profile and status with existing and potential clients, investors and business partners, including adviser intermediaries who are able to refer new business to the Group;

(b) ensure the continuity and stability of independent ownership as a public company that the Directors consider will be beneficial for the Group's client acquisition and retention strategy;

(c) provide access to the capital markets to aid future growth if required;

(d) create a liquid market in the Ordinary Shares for Existing Shareholders;

(e) assist in the incentivisation and retention of key management and employees; and

(f) provide CBPE Capital with a full realisation of its investment in the Company and the other Selling Shareholders with an opportunity for a partial realisation of their respective shareholdings in the Company.

The Group will receive approximately £20.0 million from the subscription of New Ordinary Shares in the Offer before commission and other fees and expenses incurred in connection with the Offer of approximately £4.9 million. As a result, the Group will receive net proceeds of approximately £15.1 million from the Offer.

4 FINANCIAL IMPACT OF THE OFFER AND USE OF PROCEEDS

The Company intends to use the net proceeds of the Offer receivable by the Company of approximately £15.1 million to repay approximately £11.5 million of the Existing Facility (with the balance to be repaid by the New Facility) and for general working capital and corporate purposes.

5 LISTING, DEALING AND SETTLEMENT ARRANGEMENTS

The Offer is subject to the satisfaction of certain conditions contained in the Sponsor and Placing Agreement, including Admission occurring and becoming effective by 8.00 a.m. on 14 March 2018 (or such later date as Zeus Capital, Numis Securities, the Sponsor and the Company may agree), and to the Sponsor and Placing Agreement not having been terminated in accordance with its terms. Further details of the Sponsor and Placing Agreement are set out in paragraph 7 (*Sponsor and Placing Arrangements*) of this Part 2 (*Details of the Offer*) and paragraph 10 (*Sponsor and Placing Agreement*) of Part 9 (*Additional Information*).

Application has been made to the FCA for all the Ordinary Shares to be listed on the premium listing segment of the Official List and application has been made to the London Stock Exchange for all the Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

It is expected that dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 14 March 2018. Settlement from that date will be on a two-day rolling basis.

Each investor will be required to undertake to pay the Offer Price for the Offer Shares issued or sold to such investor in such manner as shall be directed by Zeus Capital and Numis Securities.

It is expected that Offer Shares allocated to investors in the Offer will be delivered in uncertified form and settlement will take place through CREST on Admission; no temporary documents of title will be issued. Dealings in advance of crediting at the relevant CREST stock account shall be at the sole risk of the persons concerned.

6 CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. With effect from Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholders so wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Investors applying for Ordinary Shares in the Offer may, however, elect to receive Ordinary Shares in uncertificated form if that investor is a system-member (as defined in the Regulations) in relation to CREST.

7 SPONSOR AND PLACING ARRANGEMENT

The Company, the Selling Shareholders, the Directors, Zeus Capital, Numis Securities and the Sponsor have entered into the Sponsor and Placing Agreement pursuant to which the Sponsor has agreed to act as sponsor to the Company in connection with Admission (as required by Listing Rule 8) and both Zeus Capital and Numis Securities have agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the New Ordinary Shares to be issued by the Company and purchasers for those Existing Ordinary Shares to be sold by the Selling Shareholders, in each case under the Offer. Further details of the Sponsor and Placing Agreement are set out in paragraph 10 (*Sponsor and Placing Agreement*) of Part 9 (*Additional Information*).

8 LOCK-UP ARRANGEMENTS

The Directors and certain senior managers and employees (together interested in 22,869,403 Ordinary Shares at Admission, representing 21.4 per cent. of the Ordinary Shares) have undertaken to the Company and Zeus Capital and Numis Securities that, subject to certain limited exceptions (including transfers to connected persons and disposals by way of acceptance of a recommended offer of the entire issued share capital of the Company) they will not (and will use their best endeavours to procure that their connected persons do not) dispose of any Ordinary Shares or interest in Ordinary Shares or any rights relating to such Ordinary Shares at any time from Admission until the expiry of 12 months from Admission without the prior written consent of Zeus Capital and Numis Securities. In addition, each of the Directors and each such senior manager and employee has also undertaken to the Company and to Zeus Capital and Numis Securities not to (and to use their best endeavours to procure that their connected persons do not) dispose of the Restricted Interests for the period of 12 months following the expiry of the Lock-in Period other than through Zeus Capital or Numis Securities with a view to maintaining an orderly market in the Ordinary Shares.

9 WITHDRAWAL RIGHTS

If the Company is required to publish any supplementary prospectus, applicants who have applied for Ordinary Shares pursuant to the Offer shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their application to acquire Offer Shares in its entirety. The right to withdraw an application to acquire Offer Shares in these circumstances will be available to all investors under the Offer. If the application is not withdrawn within the stipulated period, any application to apply for Offer Shares under the Offer will remain valid and binding.

10 SELLING AND TRANSFER RESTRICTIONS

The distribution of this Prospectus and the offer of Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction (other than the United Kingdom) that would permit a public offering of the Offer Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the Offer. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the Offer Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

No Offer Shares have been marketed to, or are available for purchase in whole or in part by, the public in the United Kingdom or elsewhere in conjunction with the Offer. This Prospectus does not constitute a public offer or the solicitation of a public offer in the United Kingdom to subscribe for or to buy any securities in the Company or any other entity.

10.1 **European Economic Area**

Save in relation to the United Kingdom, in relation to each EEA State which has implemented the Prospectus Directive (each a **Relevant Member State**), no Ordinary Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Ordinary Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a "qualified investor" as defined under the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Member State; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares will result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Offer will be deemed to have represented, warranted, acknowledged and agreed that it is a "**qualified investor**" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of any Ordinary Shares to the public**" in relation to any Ordinary Shares in any Relevant Member State means the communication to persons in any form and by any means presenting sufficient information on the terms of the Offer and any

Ordinary Shares to be offered so as to enable an investor to decide to acquire any Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Ordinary Shares being offered outside the United Kingdom to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Banks has been obtained to each such proposed offer or resale. The Company, the Selling Shareholders, Zeus Capital, Numis Securities and the Sponsor and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Banks of such fact in writing may, with the prior consent of the Banks, be permitted to acquire Ordinary Shares in the Offer.

10.2 United States

The Ordinary Shares have not been and will not be registered under the Securities Act or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S and in the United States to qualified institutional buyers as defined in and pursuant to Rule 144A under the Securities Act or another exemption from or in a transaction not subject to the registration requirements of the Securities Act.

10.3 Investor representations and warranties in relation to the Securities Act

Each investor, by accepting delivery of this Prospectus and the Ordinary Shares, will be deemed to have represented, warranted, agreed and acknowledged that:

(a) The investor understands that the Ordinary Shares have not been, nor will they be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold or transferred in, into or within the United States absent registration or an exemption from registration under the Securities Act.

(b) The investor either:

  (i) (A) is aware that the sale of the Ordinary Shares to it is being made pursuant to and in accordance with Regulation S; and (B) it is purchasing such Ordinary Shares in an “offshore transaction” as defined in, and meeting the requirements of Regulation S and is, and at the time the Ordinary Shares are acquired will be, outside the United States; or

  (ii) is a qualified institutional buyer as defined in Rule 144A under the Securities Act and has executed a US investor representation letter in a form satisfactory to the Company.

(c) The investor understands that the Company, Zeus Capital, Numis Securities, the Sponsor, the Selling Shareholders their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements.

10.4 Australia

This Prospectus does not constitute a prospectus or other disclosure document under Chapter 6D of the Australian Corporations Act 2001 (the **Corporations Act**) and has not been, and will not be, lodged with the Australian Securities and Investments Commission.

This Prospectus does not purport to include the information required of a disclosure document under Chapter 6D of the Corporations Act. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Ordinary Shares must not be issued or distributed directly or indirectly in or into Australia, and no Ordinary Shares may be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after their issue, except in circumstances where disclosure to investors is not required under Part 6D.2 of, and who are investors who are "wholesale clients" within the meaning of section 761 of, the Corporations Act.

Each purchaser of Ordinary Shares will be deemed to have acknowledged the above and, by applying for Ordinary Shares under this Prospectus, gives an undertaking to the Company not to offer, sell, transfer, assign or otherwise alienate those securities to persons in Australia (except in the circumstances referred to above) for 12 months after their issue.

10.5 **Other overseas territories**

Investors in other jurisdictions should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to purchase any Ordinary Shares under the Offer.

11 TERMS AND CONDITIONS OF THE OFFER

These terms and conditions apply to investors agreeing to subscribe for New Ordinary Shares or purchase Existing Ordinary Shares under the Offer. Each investor agrees with each of the Company, the Selling Shareholders and the Banks to be bound by these terms and conditions as being the terms and conditions upon which Ordinary Shares will be issued or sold under the Offer.

11.1 **Agreement to acquire Offer Shares**

Conditional on (i) Admission occurring on or prior to 14 March 2018 (or such later date as Zeus Capital, Numis Securities, the Sponsor and the Company may agree), and (ii) the investor being allocated Offer Shares, each investor agrees to become a member of the Company and agrees to acquire Offer Shares at the Offer Price. The number of Offer Shares allocated to such investor under the Offer will be in accordance with the arrangements described in paragraph 2 (*Allocation*) of this Part 2 (*Details of the Offer*). To the fullest extent permitted by law, each investor acknowledges and agrees that it will not be entitled to exercise any rights to rescind or terminate or, subject to any statutory withdrawal rights, otherwise withdraw from, such commitment.

11.2 **Payment for Offer Shares**

Each investor undertakes to pay the Offer Price for the Offer Shares issued to or acquired by such investor in such manner as shall be directed by Zeus Capital and Numis Securities. In the event of any failure by any investor to pay as so directed by Zeus Capital and Numis Securities, the relevant investor will be deemed thereby to have appointed Zeus Capital and Numis Securities or any nominee of Zeus Capital and Numis Securities to sell (in one or more transactions) any or all of the Offer Shares in respect of which payment will not have been made as directed by Zeus Capital and Numis Securities and indemnifies on demand and Numis Securities and/or any relevant nominee of Zeus Capital and Numis Securities in respect of any liability for stamp duty and/or stamp duty reserve tax (**SDRT**) arising in respect of any such sale or sales.

Liability for stamp duty and SDRT is described in paragraph 12 (*Taxation*) of Part 9 (*Additional Information*).

11.3 **Representations and warranties**

Each investor and, in the case of sub-paragraphs (j) and (l) below, any person confirming an agreement to subscribe for or to purchase Offer Shares on behalf of an investor or authorising Zeus Capital and Numis Securities to notify the investor's name to the Registrars, represents, warrants and acknowledges to each of the Company, the Sponsor, the Selling Shareholders, Zeus Capital and Numis Securities that:

(a) the content of this Prospectus is exclusively the responsibility of the Company and the Directors and that neither the Selling Shareholders, Zeus Capital, Numis Securities, the Sponsor nor any person acting on their behalf or any of their respective affiliates is responsible for or will have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company or any member of the Group and will not be liable, for any decision by an investor to participate in the Offer based on any information, representation or statement contained in this Prospectus or otherwise;

(b) in agreeing to subscribe for or purchase Offer Shares under the Offer, the investor is relying on this Prospectus and any supplementary prospectus that may be issued by the Company, and not on any other information or representation concerning the Group, the Selling Shareholders, the Offer Shares or the Offer. Such investor agrees that none of the Company, the Selling Shareholders, Zeus Capital, Numis Securities, the Sponsor nor any of their respective officers, partners, directors or employees will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation. This paragraph 11.3 of this Part 2 (*Details of the Offer*) will not exclude any liability for fraudulent mispresentation;

(c) Zeus Capital, Numis Securities and the Sponsor are not making any recommendations to investors or advising any of them regarding the suitability or merits of any transaction they may enter into in connection with the Offer, and each investor acknowledges that participation in the Offer is on the basis that it is not and will not be a client of Zeus Capital, Numis Securities or the Sponsor and that Zeus Capital, Numis Securities and the Sponsor are acting for the Company and no one else, and they will not be responsible to anyone else for the protections afforded to their respective clients, and that Zeus Capital and Numis Securities will not be responsible to anyone other than the Company for providing advice in relation to the Offer, the contents of this Prospectus or any transaction, arrangements or other matters referred to herein, and Zeus Capital, Numis Securities and the Sponsor will not be responsible to anyone other than the relevant parties to the Sponsor and Placing Agreement in respect of any representations, warranties, undertakings or indemnities contained in the Sponsor and Placing Agreement or for the exercise or performance of the rights and obligations of Zeus Capital, Numis Securities and the Sponsor thereunder, including any right to waive or vary any condition or exercise any termination right contained therein;

(d) if the laws of any place outside the United Kingdom are applicable to the investor's agreement to subscribe for or purchase Offer Shares, such investor has complied with all such laws and none of the Company, the Selling Shareholders, the Sponsor, Numis Securities or Zeus Capital will infringe any laws outside the United Kingdom as a result of such investor's agreement to subscribe for or purchase Offer Shares or any actions arising from such investor's rights and obligations under the investor's agreement and under the Articles to subscribe for or purchase Offer Shares (and, in making this representation and warranty, the investor confirms that it is aware of the selling and transfer restrictions set out in paragraph 10 (*Selling and Transfer Restrictions*) of this Part 2 (*Details of the Offer*));

(e) the investor understands that no action has been or will be taken in any jurisdiction other than the United Kingdom by the Company or any other person that would permit a public offering of the Offer Shares, or possession or distribution of this Prospectus, in any country or jurisdiction where action for that purpose is required;

(f) the investor is located in the United Kingdom and is (a) a person having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**); or (b) a high net worth body corporate, unincorporated association or partnership or trustee of a high value trust as described in Article 49(2) of the Order, or is otherwise a person to whom an invitation or inducement to engage in investment activity may be communicated without contravening section 21 of FSMA;

(g) the investor is not a national, resident or citizen of Australia, Canada, Japan, the Republic of South Africa or New Zealand (the **Restricted Jurisdictions**) or a corporation, partnership or other entity organised under the laws of any of the Restricted Jurisdictions, that the investor will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in the Restricted Jurisdictions or to any national, resident or citizen of the Restricted Jurisdictions and the investor acknowledges that the Ordinary Shares have not been and will not be registered under the applicable securities laws of any of the Restricted Jurisdictions and that the same are not being offered for subscription or sale, and may not, directly or indirectly, be offered, sold, transferred or delivered, in the Restricted Jurisdictions;

(h) the investor is participating in the Offer in compliance with the selling and transfer restrictions set out in paragraph 10 (*Selling and Transfer Restrictions*) of this Part 2 (*Details of the Offer*), including the representations and acknowledgements contained therein. In particular, the investor acknowledges that the Ordinary Shares have not been and will not be registered under the Securities Act, or qualified for sale under the laws of any state or other jurisdiction of the United States, and may not be offered, sold, resold or transferred in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;

(i) the investor is liable for any capital duty, stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by it or any other person on the acquisition by it of any Offer Shares or the agreement by it to acquire any Offer Shares;

(j) in the case of a person who confirms to Zeus Capital or Numis Securities, on behalf of an investor, an agreement to subscribe for or purchase Offer Shares and who authorises Zeus Capital or Numis Securities to notify the investor's name to the Registrars, that person represents and warrants that he, she or it has authority to do so on behalf of the investor;

(k) the investor has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the **Money Laundering Regulations**) and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Money Laundering Regulations;

(l) the investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depositary receipts and clearance services);

(m) if the investor is acquiring Offer Shares as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgement or representations and agreements on behalf of each such account; and

(n) in the case of a person who confirms to Zeus Capital or Numis Securities, on behalf of an investor which is an entity other than a natural person, an agreement to subscribe for or to purchase Ordinary Shares and who authorises the notification of such investor's name to the Registrars, that person warrants that he, she or it has authority to do so on behalf of the investor.

The Company, the Selling Shareholders, the Sponsor, Numis Securities and Zeus Capital and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings.

11.4 Supply and disclosure of information

If the Company, the Selling Shareholders, the Sponsor, Numis Securities or Zeus Capital or any of their agents request any information about an investor's agreement to subscribe for or purchase Ordinary Shares, such investor must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

11.5 **Miscellaneous**

(a) The rights and remedies of the Company, the Selling Shareholders, the Sponsor, Numis Securities and Zeus Capital under these terms and conditions are in addition to any rights and remedies which would otherwise be available to them, and the exercise or partial exercise of one will not prevent the exercise of others.

(b) On application, each investor may be asked to disclose, in writing or orally, to Zeus Capital and Numis Securities:

- if he or she is an individual, his or her nationality; or
- if he, she or it is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

(c) All documents will be sent at the investor's risk. They may be sent by post to such investor at an address notified to Zeus Capital and Numis Securities.

(d) Each investor agrees to be bound by the Articles (as amended from time to time) once the Ordinary Shares which such investor has agreed to subscribe for or purchase have been issued or transferred to such investor.

(e) The contract to subscribe for or purchase Offer Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, English law. For the exclusive benefit of the Company, the Selling Shareholders, the Sponsor, Zeus Capital and Numis Securities, each investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an investor in any other jurisdiction.

(f) In the case of a joint agreement to subscribe for or purchase Offer Shares, references to an investor in these terms and conditions are to each of such investors and any investors' liability is joint and several.

The Company, the Selling Shareholders, the Sponsor, Numis Securities and Zeus Capital expressly reserve the right to modify the Offer (including, without limitation, its timetable and settlement) at any time before the Offer Price and allocations are determined.

PART 3

SHAREHOLDER REGULATORY OBLIGATIONS

1. Shareholder Regulatory Obligations

Shareholders should be aware that as a result of the regulatory licences and authorisations issued to members of the Group as set out in Part 1 (*Information on the Group)* of this document, they will need to comply with all legislation and codes of practice in each of the jurisdictions in which members of the Group are regulated.

Set out below is a summary of certain important regulatory information in relation to the holding and disposal of shares in the Company and thus indirectly holding and disposing of shares in the regulated Group companies.

This summary is not exhaustive, it is intended to cover the principal jurisdictions where the Group operates a business which is locally regulated (and not all jurisdiction where the Group currently or may in the future conduct regulated activities) and the relevant legislation and codes of practice may change.

It is the responsibility of all Shareholders to comply with all legislation and codes of practice applicable to them and as such all Shareholders should (i) obtain their own legal advice in all relevant jurisdictions; and (ii) make all necessary notifications and requests for approval in all relevant jurisdictions, before acquiring or disposing of shares in the Company.

2. Jersey

No person can become a shareholder controller (as defined below) of any Jersey regulated companies in the Group without first making an application to the JFSC financial services regulatory division pursuant to Article 14 of the Financial Services (Jersey) Law 1998 (**FSJL**) seeking a confirmation from the JFSC that it has no objection to that person becoming a shareholder controller.

For these purposes a "shareholder controller" means a person who, either alone or with any associate or associates (which is widely defined):

(i) directly or indirectly holds 10 per cent. or more of the share capital issued by a Jersey regulated company;

(ii) is entitled to exercise or control the exercise of not less than 10 per cent. of the voting power in general meeting of a Jersey regulated company or of any other company of which it is a subsidiary; or

(iii) has a holding in the company directly or indirectly which makes it possible to exercise significant influence over the management of the relevant Jersey regulated company.

An application will also need to be made to the JFSC financial services regulatory division pursuant to Article 14 of the FSJL seeking a confirmation from the JFSC that it has no objection to the shareholding of any shareholder controller of any Jersey regulated companies being increased or reduced past 50 per cent., 33 per cent. and 20 per cent. thresholds.

A notification must also be made to the JFSC if a person ceases to be a shareholder controller.

3. Guernsey

No person may become a controller (defined below) of the Guernsey regulated company in the Group holding a licence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000, unless advance written notification has been given to the GFSC of the proposed change of controller and the consent of the GFSC has been obtained. Where a person is to become a controller pursuant to an on-market acquisition of shares, the notification should be submitted, and the consent of the GFSC obtained, before the trade is effected.

For these purposes:

"controller", in relation to a company, means, among other things, a shareholder controller (defined below) or an indirect controller (defined below);

"indirect controller", in relation to a company, means a person in accordance with whose directions or instructions any director of that company or of any other company of which that company is a subsidiary, or any controller of that company, is accustomed to act; and

"shareholder controller", in relation to a company, means a person who, alone or with associates, is entitled to exercise, or control the exercise of, 15 per cent. or more of the voting power in general meeting of that company or of any other company of which that company is a subsidiary.

A notification must also be made to the GFSC if a person ceases to be a controller and if a shareholder directly or indirectly acquires control of 5 per cent. or more of the shares in any Guernsey regulated company in the Group.

4. United Kingdom

In the UK, prior approval of the FCA is required under section 178 of FSMA where any person proposes to acquire or increase "control" of an FCA authorised person (JTC Fund Services (UK) Limited). Regulatory approval is also required where a person who is already a controller of such a firm proposes to increase its control where it meets or exceeds certain thresholds set out in FSMA. No change in control approvals apply to firms registered with HMRC for anti-money laundering (which applies to JTC (UK) Limited).

"Control" of an FCA authorised firm is acquired if a person:

(A) acquires 10 per cent. or more of the shares or voting power, directly or indirectly, in that FCA authorised firm or in its parent undertaking; or

(B) is otherwise able to exercise significant influence over the management of the FCA authorised firm by virtue of the acquirer's shares or voting power in the UK regulated firm or its parent undertaking.

A controller must also notify the FCA if it ceases to be a controller or if the percentage of shares or voting power held by it in the FCA authorised firm decreases below certain thresholds set out in FSMA.

When determining a person's level of control, that person's holding of shares or entitlement to voting power will be aggregated with the holdings or entitlements of any person with whom he or she is "acting in concert".

5. Luxembourg

Any natural or legal person, or such persons acting in concert, who has taken the decision to acquire, directly or indirectly, a "qualifying holding" in JTC (Luxembourg) S.A. or JTC Global AIFM Solutions S.A. (where "qualifying holding" shall mean any direct or indirect holding which represents 10 per cent. or more of the capital or voting rights, held directly or indirectly, or which makes it possible to exercise significant influence over the management of any Luxembourg company in the Group regulated by the CSSF (including indirectly over any of its parent companies) is required to first notify in writing such decision to the CSSF and is required to indicate the size of the intended holding and relevant information required under Luxembourg law in accordance with article 18(5) of the Luxembourg law of 5 April 1993 on the financial sector (as amended) (the **FSL**) and the CSSF has the ability to object to the transaction.

Acquisitions by a person increasing its qualifying holding up to or above the thresholds of 20 per cent., 33 1/3 per cent. or 50 per cent. or turning the Luxembourg regulated entity into their subsidiary will also require prior notification to and approval from the CSSF. The CSSF can object to such transaction within a maximum period of three months as of the notification date and may fix a deadline for the completion of the notified transaction.

Pursuant to article 18(16) of the FSL, any natural or legal person who has taken a decision to dispose, directly or indirectly, of a "qualifying holding" (as this term is defined above) in JTC (Luxembourg) S.A. or JTC Global AIFM Solutions S.A. is required to notify the CSSF in advance in writing, indicating the size of its intended holding. A person must also notify the CSSF in advance in writing of a decision to reduce its qualifying holding so that the proportion of the voting rights or of the capital participation held by him/her would fall below the thresholds of 20 per cent., 33 1/3 per cent. or 50 per cent. or so that the Luxembourg regulated company would cease to be its subsidiary. The CSSF must provide its consent prior to such decision proceeding.

6. British Virgin Islands

No person owning or holding a significant or controlling interest in a licensee (JTC (BVI) Limited) can sell, transfer, charge, or otherwise dispose of its interest in the licensee, or any part of its interest, unless the prior written approval of the BVI FSC has been obtained. In addition, a person may not acquire, whether directly or indirectly, a significant interest in a licensee unless the prior written approval of the BVI FSC has been obtained. The licensee in turn may not, unless the prior written approval of the BVI FSC has been obtained: (a) cause permit or acquiesce in a sale, transfer, charge or other disposition referred to above; or issue or allot any shares or cause, permit or acquiesce in any reorganisation of its share capital that results in: (i) a person acquiring a significant interest in the licensee; or (ii) a person who already owns or holds a significant interest in the licensee, increasing or decreasing the size of its interest in the licensee.

"Significant interest" means a holding or interest in the licensee or in any holding company of the licensee held or owned by a person, either alone or with any other person and whether legally or equitably, that entitles or enables the person, directly or indirectly:

(a) to control 10 per cent. or more of the voting rights of the licensee;

(b) to a share of 10 per cent. or more in any distribution made by the licensee; or

(c) to a share of 10 per cent. or more in any distribution of the surplus assets of the licensee.

"Controlling interest" means the ownership or interest in the licensee or in any holding company of the licensee by a person of:

(a) more than fifty per cent. of the voting rights of the licensee; or

(b) a significant interest in the licensee which, although not constituting more than fifty per cent. of the voting rights of the licensee (in aggregate or otherwise), gives the person a considerable advantage in the voting rights of the licensee if the remaining votes in the licensee are not voted on.

7. Cayman Islands

Prior approval from CIMA is generally required for any change in direct ownership of a regulated entity or any change in its indirect / beneficial ownership (and there is no minimum percentage threshold under which approval is not required), whether such change is as a result of issuance, transfer, disposal or other dealing in the regulated entity's shares or those of any direct or indirect holding company.

However, CIMA can waive the requirement for regulated entities to obtain the CIMA approval referred to above if shares or interests of the regulated entity are publicly traded on a stock exchange approved by CIMA (including the London Stock Exchange). CIMA generally allows a similar exemption in relation to the shares of the parent body of a regulated entity.

8. Isle of Man

No person can become a shareholder controller (as defined below) of any Isle of Man regulated companies in the Group without first making an application to the Isle of Man Financial Services Authority (**IOMFSA**) pursuant to Article 7.3 of the Financial Services Rule Book 2016 (**FSRB**) seeking a confirmation from the IOMFSA that it has no objection to that person becoming a shareholder controller.

For these purposes a "shareholder controller" means a person who, either alone or with any associate or associates (which is widely defined):

(i) directly or indirectly holds 15 per cent. or more of the share capital issued by an Isle of Man regulated company;

(ii) is entitled to exercise or control the exercise of not less than 15 per cent. of the voting power in general meeting of an Isle of Man regulated company or of any other company of which it is a subsidiary; or

(iii) has a holding in the company directly or indirectly which makes it possible to exercise significant influence over the management of the relevant Isle of Man regulated company.

An application will also need to be made to the IOMFSA pursuant to Article 7.4 of the FSRB seeking a confirmation from the IOMFSA that it has no objection to the shareholding of any shareholder controller of any Isle of Man regulated companies being increased past 75 per cent. and 50 per cent. thresholds.

A notification must also be made to the IOMFSA of any other change to an existing controlling interest in any Isle of Man regulated companies in the Group that does not require prior authority.

10. Netherlands

Pursuant to section 3(d) in conjunction with section 5(1) of the Supervision of Trust Firms Act (Wet toezicht trustkantoren, Wtt), the Dutch Group Companies which hold a licence from De Nederlandsche Bank (**DNB**) (i.e. JTC (Netherlands) B.V., NACT Management B.V. and DA Management B.V.) are required to notify the DNB of the change in the control structure in relation to all holders of a so-called qualifying holding (i.e. indirect or direct holders of 10 per cent. or more of the voting or capital rights in the licensed entities). Pursuant to section 5(2) of the Wtt, the change in the control structure may not be made without the prior approval from the DNB.

11. Singapore

Pursuant to Section 16(1)(c) of the Trust Companies Act, no person shall become an "indirect controller", a "20 per cent. controller" or a "50 per cent. controller", without obtaining the prior approval of the MAS.

An "indirect controller" means any person, whether acting alone or together with any other person and whether with or without holding shares or controlling voting power in licensed trust company:

- in accordance with whose directions, instructions or wishes the directors of the licensed trust company are accustomed or under an obligation, whether formal or informal, to act; or
- who is in a position to determine the policy of the licensed trust company.

A "20 per cent. controller" means a person who, along or together with his associates:

- holds 20 per cent. or more but less than 50 per cent. of the total number of issued shares in the licensed trust company; or
- is in a position to control voting power of 20 per cent. or more but less than 50 per cent. in the licensed trust company.

A "50 per cent. controller" means a person who, along or together with his associates:

- holds more than 50 per cent. of the total number of issued shares in the licensed trust company; or
- is in a position to control voting power of 50 per cent. in the licensed trust company.

12. South Africa

No regulatory approvals/notifications are typically required in respect of an indirect change of control of the locally authorised entity.

13. Switzerland

No regulatory approvals/notifications are required for entities registered with L'Association Romande des Intermediaires Financiers for money laundering purposes.

14. USA

Under South Dakota Codified Law (**SDCL**) 51A-6A-21, "if a transfer of shares of stock of any trust company, or holding company that owns a majority of the outstanding shares of a trust company, occurs which results through direct or indirect ownership by a stockholder or an affiliated group of stockholders of 10 per cent. or more of the outstanding stock of the trust company, or holding company that owns a majority of the outstanding shares of a trust company…" notice must be provided to the South Dakota Division of Banking within 10 days after transfer of the shares of stock on the books of a trust company.

"Control," of a South Dakota trust company is defined as "the power, directly or indirectly, to direct the management or policies of a trust company or to vote twenty-five percent or more of any class of voting shares of a trust company." (SDCL 51A-6A-1(5)).

Transfer of direct or indirect "control" as defined above is covered in SDCL 51A-6A-47, which requires submission of an application to the South Dakota Division of Banking at least 60 days in advance. The "period for disapproval" is 30 days after the application is received by the director of the South Dakota Division of Banking and can be extended (but only if the director determines that the applicant has not furnished all the information required or if material information that has been submitted is substantially inadequate). However, an acquisition may be made prior to expiration of the disapproval period if the director issues written notice of the director's intent not to disapprove the action. If the director disapproves an acquisition, the director must provide the applicant an order of disapproval which must explain the reasons for the disapproval. The applicant has 30 days after service of an order of disapproval to request a hearing with the State Banking Commission. If the commission disapproves, then the applicant can go to state court to further challenge the disapproval.

PART 4

DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1 DIRECTORS AND SENIOR MANAGEMENT

The business address of each of the non-executive directors and executive directors is courtesy of the Company at PO Box 1075, JTC House, 28 Esplanade, St Helier, Jersey, Channel Islands JE4 2QP.

1.1 Non-Executive Directors

Michael Liston OBE, Non-Executive Chairman (aged 66, date of birth 1 November 1951)

Mike is the Non-Executive Chairman of the Company, having joined the JTC board as non-executive director of JTC Group Holdings in 2012. Mike has extensive experience across public and private sector businesses. He was Chief Executive of Jersey Electricity plc between 1993 and 2008, leading the transformative diversification of the business. Mike has since held a number of non-executive roles, including: Chairman of AIM-listed Renewable Energy Generation Ltd; Chairman of AIM-listed KSK Emerging India Fund; and Chairman of Jersey Post. He is a non-executive director of Foresight European Solar GP Ltd. Mike was formerly Chairman of The Jersey Appointments Commission, established by the States of Jersey to ensure probity in senior public sector appointments. He is a Fellow of the Royal Academy of Engineering. In 2007, Mike was awarded an OBE for services to the electricity industry and charity. He was elected as a Jurat (Lay Judge) of the Royal Court of Jersey in 2012, retiring from this position in 2017.

Dermot Mathias, Senior Independent Non-Executive Director and Audit and Risk Committee Chairman (aged 68, date of birth 19 October 1949)

Dermot is a Chartered Accountant with extensive management, corporate finance and NED experience. A former Senior Partner of BDO LLP and former Chairman of BDO International LLP, the world's fifth largest accountancy group, he was also the firm's Head of Corporate Finance. Dermot joined a predecessor firm to BDO in 1973 and was made partner in 1980. After a period in management consultancy he joined the Corporate Finance group where he formed an advisory team and in this capacity led a large number of public and private transactions for major companies including Vodafone, Bank of Scotland, and Travelex. In his role as Chairman of BDO International LLP he was heavily involved in the strategic development and management of the BDO group. Since his retirement from BDO in 2010 Dermot has held a number of non-executive appointments, including non-executive director of Shaftesbury plc and as a governor of Activate Learning.

Michael Gray, Independent Non-Executive Director, Nomination Committee and Remuneration Committee Chairman (aged 51, date of birth 21 March 1966)

Mike is a Fellow of the Chartered Institute of Bankers (FCIBS), and Associate Member of the Association of Corporate Treasurers (AMCT) and is an IoD qualified Director (Dip IoD). Mike has over 20 years management experience in banking both with ultra high net worth clients and corporate banking, most recently as the Regional Managing Director, Corporate Banking and Chairman Funds, Financial Institutions UK at RBS International where he was responsible for over 250 staff covering Jersey, Crown Dependencies and British Overseas Territories. In a career spanning 31 years with The Royal Bank of Scotland PLC, Mike undertook a variety of roles including as an auditor for 4 years and gained extensive general management and lending experience across a number of industries. Mike utilises his corporate experience across a number of industries, now acting as an adviser to a number of companies with global interests and as a director of various Private Equity Funds. Mike's current appointments include non-executive director of Jersey Finance, non-executive director and member of the audit committee of GCP Infrastructure Investments Limited (a FTSE 250 company) and founder and director of MMG Consulting Limited, a consulting advisory firm.

1.2 **Executive Directors**

Nigel Le Quesne, FCIS, Chief Executive Officer (aged 57, date of birth 17 January 1961)

Nigel is Group Chief Executive Officer of the Company, having joined the Group in 1991 from PriceWaterhouse. He has been the key figure in the development of JTC over the last 25 years. Nigel provides strategic leadership and management for the Group, as well as developing the people he works with. He has extensive trust, fund and corporate administration experience, holding roles from personal trustee through to directorships of private and quoted companies. Nigel is a respected industry figure and was named as one of the top 20 trustees internationally in the Citywealth Leaders List in 2013, 2015, 2016 and 2017. In October 2015, Nigel was 'Highly Commended' in the International Director of the Year category at the UK IoD Director of the Year Awards and awarded the Global Director of the Year Award at the IoD Jersey Director of the Year Awards. In 2014, he was recognised as a leading 'Trustee of the Year' at the Citywealth Magic Circle Awards. Nigel is a fellow of both the Institute of Chartered Secretaries and Administrators and the Chartered Management Institute. He is also a member of the Society of Trust and Estate Practitioners, Jersey Taxation Society, the Institute of Directors and the Jersey Funds Association.

Martin Fotheringham, CA, Chief Financial Officer (aged 53, date of birth 23 January 1965)

As Chief Financial Officer, Martin is responsible for directing the financial strategy, planning and forecasting for the Group. He also ensures that all financial management information and reporting is in line with the strategic and operational objectives of the business. Martin joined JTC in 2015 and has finance experience across multiple sectors. Previously, Martin spent eight years at Moody where, as Group CFO, he helped to see the business through two successful buyouts and a trade sale to Intertek plc (a FTSE 100 Company). Martin had started his career with BDO Binder Hamlyn and subsequently worked with Deloitte, PricewaterhouseCoopers, the Thomson Corporation and Bureau Veritas. Martin is a Chartered Accountant.

1.3 **Senior Management**

Wendy Holley, FCIPD, Chief Operating Officer (aged 51, date of birth 10 December 1966)

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. Wendy is a highly experienced operations professional. She joined JTC in 2008 and managed the HR function of the Group before becoming COO at the time of CBPE Capital's investment in 2012. Wendy has over 25 years' experience in financial services operations and HR, having previously worked at Mourant Ozannes (formerly Mourant) and Coopers & Lybrand (now PricewaterhouseCoopers) in Jersey. Wendy is a Chartered Fellow of the Chartered Institute of Personnel and Development, a member of the International Association of Bookkeepers and a member of the Institute of Directors.

Anthony Underwood-Whitney, FCIS, Group Head of Institutional Client Services (aged 45, date of birth 31 October 1972)

Tony heads JTC's Institutional Client Services business and is responsible for the strategy, business development and operational performance of JTC's institutional client business lines. Having joined JTC in 1997, Tony has had extensive experience and numerous managerial roles within the business, including management of the corporate services and fund services client administration teams and the development of JTC's employee & executive services business line. Tony became a Group Director in 2012, Managing Director of JTC Jersey Limited, the flagship business of the Group, in 2015 and Group Head of Institutional Client Services in 2017. Tony is a fellow of the Institute of Chartered Secretaries and Administrators.

Iain Johns, CPA, Group Head of Private Client Services (aged 49, date of birth 25 March 1968)

Iain heads JTC's Private Client Services business and is responsible for the strategic development and performance of JTC's global private client business line. Iain joined JTC in 2012 and has over 25 years' experience in financial services administration. Prior to JTC, Iain was Global Head of Private Clients for TMF Group and a member of the Global Executive Committee. In recent years, Iain has received industry recognition for his services and performance, having been included in the '50 Most Influential' by Private Client Practitioner. Iain is an Australian CPA (Certified Practising Accountant), holds a master of business administration and is a member of the Society of Trust and Estate Practitioners.

2 CORPORATE GOVERNANCE

There are no specific corporate governance guidelines which apply generally to companies incorporated in Jersey. However, it is a requirement of Listing Rule 9.8.7R that an overseas company with a premium listing must comply with the UK Corporate Governance Code published by the Financial Reporting Council in September (the "UK Corporate Governance Code") or explain in its annual report and accounts any areas of non-compliance and the company's reasons for this. Therefore, as at the date of this Prospectus and following Admission, the Company will comply with the UK Corporate Governance Code to the extent applicable to "smaller companies" (being those outside the FTSE 350). The Directors support high standards of corporate governance and will also continue to be subject to various fiduciary duties and duties of skill and diligence under Jersey company laws and statute.

The UK Corporate Governance Code sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. The UK Corporate Governance Code recommends, except for "smaller companies" (of which the Company will be one on Admission), that at least half the board of directors of a UK listed company (excluding the chairman) should comprise 'independent' non-executive directors being individuals determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement. The Company's board of directors currently comprises two executive directors (including the Chief Executive Officer, Nigel Le Quesne) and three non-executive directors (including the Chairman). The Company regards Dermot Mathias and Michael Gray as independent non-executive directors, within the meaning of "independent" as defined in the UK Corporate Governance Code.

The UK Corporate Governance Code recommends that the board should appoint one of its independent non-executive directors to be the senior independent director. The senior independent director should be available to shareholders if they have concerns that the normal channels of chairman, chief executive officer or other executive directors have failed to resolve or for which such channel of communication is inappropriate. The Company's senior independent director is Dermot Mathias.

3 AUDIT AND RISK, REMUNERATION AND NOMINATION COMMITTEES

As envisaged by the UK Corporate Governance Code, the board has established Audit and Risk, Remuneration and Nomination Committees. The UK Corporate Governance Code requires that the Audit and Risk Committee and Remuneration Committee of the Company should each have at least two independent non-executive directors and that the Nomination Committee should have at least three directors, a majority of which should be independent non-executive directors.

3.1 Audit and Risk Committee

The Audit and Risk Committee comprises the three Non-Executive Directors, and is chaired by Dermot Mathias. The Audit and Risk Committee will normally meet at least three times a year at the appropriate times in the reporting and audit cycle and the external auditor, the Chief Finance Officer and the Chief Risk Officer are invited to attend committee meetings on a regular basis. The committee has responsibility for, amongst other things, the monitoring of the financial integrity of the financial statements of the Group and the involvement of the Group's auditors in that process, together with providing oversight and advice to the Board in relation to current and potential future risk exposures of the Group, reviewing and approving various formal reporting requirements and promoting a risk awareness culture within the Group.

The terms of reference of the Audit and Risk Committee cover such issues as membership and the frequency of meetings, as mentioned above, together with requirements of any quorum for and the right to attend meetings. The duties of the Audit and Risk Committee covered in the terms of reference are: financial reporting, narrative reporting, external audit, risk strategy and policy, compliance, bribery, fraud and risk management function remit. The terms of reference also set out the authority of the committee to carry out its duties.

3.2 Remuneration Committee

The Remuneration Committee comprises the three Non-Executive Directors, and is chaired by Michael Gray. The Remuneration Committee, which will meet at least twice a year, has responsibility for the determination of specific remuneration packages for each of the executive directors and certain senior executives of the Group, including pension rights and any compensation payments and recommending and monitoring the level and structure of remuneration for senior management, and the implementation of share option, or other performance-related, schemes.

The terms of reference of the Remuneration Committee cover such issues as membership and frequency of meetings, as mentioned above, together with the requirements for quorum for and the right to attend meetings. The duties of the Remuneration Committee covered in the terms of reference relate to the following: determining and monitoring policy on and setting level of remuneration, early termination, performance-related pay, pension arrangements, authorising claims for expenses from the chief executive officer and chairman, reporting and disclosure, share schemes and remuneration consultants. The terms of reference also set out the reporting responsibilities and the authority of the committee to carry out its duties.

3.3 Nomination Committee

The Nomination Committee comprises the three Non-Executive Directors, and is chaired by Michael Gray. The Nomination Committee will meet at least twice a year at appropriate times in the reporting cycle.

The Nomination Committee is responsible for considering and making recommendations to the board in respect of appointments to the board, the board committees and the chairmanship of the board committees. It is also responsible for keeping the structure, size and composition of the board under regular review, and for making recommendations to the board with regard to any changes necessary. The Nomination Committee also considers succession planning, taking into account the skills and expertise that will be needed on the board in the future.

PART 5

OPERATING AND FINANCIAL REVIEW

The following operating and financial review should be read in conjunction with the historical financial information set out in Part 7 (*Financial Information*) of this document and the other financial information relating to the Group included elsewhere in this document.

Unless otherwise stated, the selected financial information discussed in this Part 5 (*Operating and Financial Review*) has been extracted without material adjustment from the historical financial information of the Group as at, and for the three financial years ended, 31 December 2015 (18 month period), 31 December 2016 and 31 December 2017 (**Historical Period**) set out within Part 7 (*Financial Information*), which has been prepared in accordance with IFRS.

This review contains forward-looking statements based on the current expectations and assumptions about the Group's future business. Such statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual investment performance, results of operations, financial condition and dividend policy of the Group, as well as the development of its financing strategies, may differ materially from the impression created by the forward-looking statements contained herein as a result of certain factors including, but not limited to, those discussed in the "Risk Factors" section of this document.

This review also uses certain non-IFRS measures, as described in the section entitled "*Presentation of Information*" on page 29 of this document. In particular, paragraph 2 (*Presentation of financial information)* sets out certain non-IFRS measures used as alternative measures to assess the Group's performance.

BUSINESS PERFORMANCE AND OPERATING AND FINANCIAL REVIEW

Background

The Group was founded in Jersey in 1987 and is a provider of fund, corporate and private client services to institutional, corporate and private clients. Since inception, the Group has expanded its services and its client base both through organic growth and, more recently, through acquisitions.

As at 31 December 2017, the Group operated across 17 jurisdictions and employed over 550 staff across the Channel Islands, Europe, Africa, the USA , the Caribbean, and through a joint venture, in the Asia-Pacific region. Its largest presence is in Jersey (192 FTEs), where it is headquartered, followed by South Africa (167 FTEs). It has 209 FTEs across 15 other jurisdictions around the world.

The core focus of the Group's operations is on providing services to its institutional and private client base, with revenues from alternative asset managers, financial institutions, corporates and family office clients. The acquisitions that JTC has made in recent years have expanded its global reach and service capabilities, adding operational scale in existing and complementary jurisdictions and strengthening the Group's existing service delivery platform.

The Group's most recent acquisition, Merrill Lynch Wealth Management's International Trust and Wealth Structuring business, added significantly to the Group's assets under administration, reinforced the Group's ongoing commitment to the Americas region and strengthened the depth of the global service offering. The transaction also enabled JTC to strengthen its existing relationship with BAML both through interaction with their extensive financial advisor network, and JTC's inclusion on their panel of recommended partners for new business.

The Group has two main divisions, Institutional Client Services and Private Client Services. The divisions focus on three business lines: Fund Services, Corporate Services and Private Wealth Services.

Characteristics of the model and significant factors affecting the Group's results of operations and outlook

The Group's clients will typically be asset managers, financial institutions, sovereign wealth funds, pension funds, corporates, private individuals or family offices. The Group provides services to each particular client structure. These structures could be, for instance, a closed ended fund, a specific incentive scheme, a special purpose company established for a particular transaction in a specific country or a trust established for certain beneficiaries. These distinct structures may be regulated in their own right in certain jurisdictions or the Group itself may have to be regulated in a certain jurisdiction to provide the services required by the structure. The Group will typically enter into a separate contract for each service engagement that will set out the cost of the services being provided, what services are required and how the Group will provide them.

The Group has three service lines, which each have distinct characteristics.

1. *Fund Services*

   JTC's Fund Services supports 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 (fund launch, NAV calculations, accounting, compliance and risk monitoring, investor reporting, listing services, etc).

   Fees are charged for fund set-up, investment structuring, maintenance and ultimate closure. Set-up and closure fees are typically charged on either a time spent or fixed fee basis. Ongoing maintenance charges are driven by activity based revenues charged on a time basis, process based revenues on an ad-valorem basis taking into account the relevant AuA and non-executive director fees. A typical fund will have a lifespan of 7 to 10 years.

2. *Corporate Services*

   Corporate Services includes clients spanning across SME's, public companies, multinationals, sovereign wealth funds, fund managers and 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, JTC services in this space also include international and local pension plans, employee share incentive plans, employee ownership plans and deferred compensation plans.

   Fees typically comprise an annual service charge, time based fees and ad hoc fees. The annual service charge is levied against each structure and includes such elements as trustee, director and service fees. A corporate client structure will have a typical life cycle of approximately 10 years.

3. *Private Wealth Services*

   Private Wealth Services supports HNW and UHNW individuals and families, from 'emerging entrepreneurs' to established single and multifamily offices. Services include formation and administration of trusts, companies, partnerships and other vehicles and structures across a range of asset classes, including cash and investments. A private client structure will have a typical life cycle of approximately 15 years.

Business Model

The funds and structures serviced by the Group often require a highly bespoke offering. In addition, the nature of many of the regulated services provided mean there are strict rules on how the service can be undertaken. Administrators such as JTC are often difficult to replace once they have been engaged to provide services to a structure, given the initial bespoke structuring considerations (which can adversely impact the initial profitability of newly won clients).

The relationships with clients can in many cases be considered to be more akin to an integrated extension of the clients' own services than an outsourced function. As a result, although the Group's contracts with its clients are typically terminable by either party given 90 days written notice, in the Board's experience, it is relatively unusual for a client to terminate such an agreement within that timescale. As a practical matter, once an outsourced service provider is contracted to support and administer a structure, it is rare that they are replaced before the end of the structure's life.

This feature, combined with the long term nature of the Group's service periods, means that a high proportion of the Group's revenue recurs year on year. From 1 January 2017 to 31 December 2017 on a cohort basis, existing clients (being those clients who were already clients during the year 1 January 2016 to 31 December 2016) generated 91.4 per cent. of revenues recorded in the 12 month period.

The Group's revenue is made up of the direct charges for the services undertaken for its clients. A high proportion of the Group's revenue derives from charging on a time and materials basis. Fees may also be charged on a fixed fee basis, a transactional basis or a mixture of any of the above. Certain clients can engage JTC's services on a combination of these fee bases depending upon the nature of the services performed. In the year ending 31 December 2017, 48 per cent. of the Group's income was generated on a time and material basis, 37 per cent. was based upon a fixed fee arrangement and 15 per cent. was linked to assets under administration. This balance acts to mitigate JTC's exposure to fluctuations in performance of individual asset classes and macroeconomic events.

All client focussed employees across the Group are required to complete a time sheet on a weekly basis. This data is used to ensure that fixed fees and net asset value based fees are in line with the time being spent to provide the services required. Where they are not, the Group will seek, wherever possible, to amend the fees charged. The Group tracks staff utilisation and the proportion of the time that is ultimately recovered from each client.

Growth Strategy

The Group's strategy is to grow its revenue year-on-year both organically and through accretive, strategic acquisitions. For further information on JTC's strategy, see Section 8 of Part 1 (*Information on the Group*).

The Group achieves organic growth through increasing the number of structures that it services, both from existing clients and by targeting new clients, as well as through increasing the breadth and value of services provided to each structure. The Group has been successful in delivering organic growth over the 42 month period to 31 December 2017. The Group's contracts typically provide for inflation level fee reviews and revisions as well as the ability to charge additional amounts for services that are out of the scope of the original contract. Such additional services will typically arise following changes in regulation, law and on the occurrence of restructuring or refinancing events. The Group also has a strong track record of targeting and winning contracts to service new structures for clients that are new to the Group. The Group invested in a new business development and sales function in 2015 and this has directly contributed to organic growth.

Cost Base

The majority of the Group's cost base relates to employee costs. Staff costs have averaged approximately 55 per cent. of the Group's revenues, as evidenced in Part 7 (*Financial Information*), in the Historical Period. Employee costs are controlled by the Group's management by monitoring and responding to weekly staff utilisation reports produced. Each employee's weekly timesheet feeds into the Group's billing and work in progress system to provide management with up to date information with which to control the Group's major cost. In addition, the business forecasts and manages headcount capacity in light of known future workload.

The balance of the Group's costs over the Historical Period related to computer software and support, premises costs, legal and professional costs, bad debts, acquisition costs and insurance and amortisation. These operating expenses typically are managed at a level which represents 29 per cent. of revenue. This cost category can fluctuate annually due to the inclusion of one off items, for example acquisition costs or the costs relating to the Admission.

The Group has invested in developing its geographic presence and building its Institutional Client Services and Private Client Services divisions. It has acquired businesses and integrated these into its global platform. This is an important feature of JTC and the Directors intend to continue this inorganic growth strategy. In doing so, the Group has incurred exceptional costs which have adversely impacted reported profitability margins. The Group has invested significantly in recent years, both in headcount and in back office operations infrastructure. This investment is, for the time being, largely complete and the Group is positioned to enhance operating profits ahead of revenue growth through its operating leverage and by utilising lower cost jurisdictions to deliver certain elements of the services provided to clients. Key to this is the Group's global service centre in South Africa, which provides back and middle office outsourced services.

The continuing changes in, and increased requirements of, regulation, law and tax are likely to affect the demand for the services which the Group provides both across jurisdictions and the type of the services provided to clients. Many of the services which the Group provides could be considered as outsourced from its clients. In many circumstances, regulation requires the outsourcing of certain administrative functions. The continuing regulatory capital burden and capital investment required to be able to provide services mandated by regulation to structures such as funds can mean that it is more cost effective for an organisation such as the Group to provide services to a range of clients, thereby achieving economies of scale, than an entity to do the same for its own structures alone. Paragraph 6 of Part 1 (*Information on the Group)* describes the trends in the market that are driving demand for JTC's services in greater detail.

Key Performance Indicators (KPIs)

The Group uses a number of both financial and non-financial KPIs to measure the performance of the Group. The Group operates a framework whereby the same KPIs are monitored throughout the business – be that at divisional or jurisdictional level. In addition there are a number of KPIs that the Group uses to monitor its compliance and performance with regulatory requirements.

Financial KPIs

Revenue, underlying EBITDA, new business wins and cash collection are reviewed by the Board on a monthly basis to assess performance. These are assessed at Group, divisional and jurisdictional level. These KPIs are monitored against budgets and targets.

Non Financial KPIs

Other non-financial KPIs used in the Group include those to monitor and manage the operational and compliance risk controls in place across the business, including entity risk reviews, task management, KYC controls, cyber security controls and periodic review. More broadly, regulatory and compliance obligations are monitored through a structured compliance monitoring programme, quarterly and annual submissions and declarations to regulatory bodies which, along with operational risk KPIs, are reported through the Group's executive risk committee to the Board. See Part 1 (*Information on the Group*) for further detail on the Group's risk management and compliance processes and controls.

Financial Overview

Consolidated Income Statement

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Revenue	56,175	51,085	59,792
Staff costs	(32,093)	(27,200)	(32,006)
Establishment costs	(3,487)	(3,422)	(4,082)
Other operating expenses	(13,060)	(10,193)	(14,491)
Other operating income	157	243	434
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	7,692	10,513	9,647
Comprising:			
Underlying EBITDA	12,807	11,779	14,422
Non-underlying items	(5,115)	(1,266)	(4,775)
	7,692	10,513	9,647
Depreciation and amortisation	(1,844)	(2,147)	(2,894)
Profit from operating activities	5,848	8,366	6,753
Revenue growth year on year		36%	17%
Underlying EBITDA %	22.8%	23.1%	24.1%

The percentage rate for revenue growth year on year is calculated by reference to a pro-rated amount for the 18 month period ending 31 December 2015.

In the year ended 31 December 2016, Group revenue grew by 36 per cent. compared with pro-rated revenue for the previous accounting period. In 2016 the full year revenue contribution from the entities acquired in 2015 was £13.6 million (£6.4 million from the date of acquisition in 2015). Organic growth in 2016 was 25 per cent. In the year ended 31 December 2017, Group revenue grew a further 17 per cent. Acquisitions made in 2017 contributed £3.3 million of revenue and organic growth was 11 per cent. in that year.

In the 18 months ended 31 December 2015 underlying EBITDA margin was 22.8 per cent., growing to 23.1 per cent. in 2016 and 24.1 per cent. in 2017. Whilst organic revenue growth has been strong it is typical that the profitability associated with new work tends to be higher in later years once clients are fully integrated into JTC systems and processes. The Group's underlying EBITDA margin improvement is also adversely impacted in the Historical Period by the impact of acquiring lower margin businesses and the impact of the appreciation in the period of the SA Rand. In the period to 31 December 2015 the average SA Rand/pounds sterling exchange rate was 22.27/1, in the year ending 31 December 2016 it was 20.00/1 and in the year ending 31 December 2017 it was 17.08/1.

The underlying EBITDA figures shown above exclude share based payments. Including these costs the performance of the business is shown in the table below:

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Underlying EBITDA	12,807	11,779	14,422
Non-acquisition related share based payments	77	288	391
Underlying EBITDA before non acquisition share based payments	12,884	12,067	14,813

It is a key attribute of JTC that share ownership is widely spread and that senior employees hold meaningful shareholdings. JTC has awarded shares to key management in the 42 month period which all vest on Admission. As these current share based payments crystallise on Admission these awards will not impact upon the future trading results of the business. The value of these awards is £0.4 million. Certain new share plans will be introduced post Admission which will enable key staff to build up their shareholdings in the Company. The Directors believe that JTC's wide ownership culture is an important differentiator and helps attract and retain key staff.

The EBITDA margin of the business before the non acquisition share based payments was 24.8 per cent. in the year ending 31 December 2017, 23.6 per cent. in the year ending 31 December 2016 and 22.9 per cent. for the 18 month period ending 31 December 2015.

Revenue

In 2015, JTC made three notable acquisitions within the Institutional Client Services division: (i) Signes, the Luxembourg-based administration business providing services to institutional investors, (ii) Swiss & Global Fund Administration (Cayman) Ltd, GAM (Switzerland) Holding AG's Cayman-based fund administration business, and (iii) Kleinwort Benson's Fund Administration business, based in Jersey, Guernsey and South Africa. These acquisitions added significant presence in existing and new jurisdictions and enhanced JTC's global fund servicing capabilities. These businesses have all been fully integrated into JTC's global platform. The Private Client Services division made no acquisitions in 2015 or 2016.

The Group experienced strong revenue growth in 2016. Revenue increased by 36 per cent. year on year, driven by the combination of organic growth (measured as in period revenue from non acquired businesses), an effective rate of 25 per cent. in the year and acquisition growth. The organic growth performance was driven by strong performances in Jersey and the Americas.

In 2017, JTC achieved revenue growth of 17 per cent. with organic growth of 11 per cent. In July 2017, the Group acquired New Amsterdam Cititrust B.V., a Netherlands based service provider to funds, corporates and private clients. In September 2017, the Group acquired Merrill Lynch Wealth Management's International Trust and Wealth Structuring business, expanding JTC's Private Client Services expertise and geographic reach in the Americas.

JTC has significant revenue diversification across services, geographies and clients. For the year ended 31 December 2017, no one client represented more than 3.2 per cent. of Group revenues and the top 10 clients only accounted for 18 per cent. of Group revenues.

Gross Profit, Gross Profit Margin and Operating Profit Margin

The Group has maintained a gross profit margin of between 55 per cent. and 57 per cent. in the Historical Period. The gross profit margin fell in 2017 due to (i) the acquired businesses, in particular the business purchased as part of the Merrill Lynch Wealth Management's International Trust and Wealth Structuring acquisition, which the Directors consider is capable of improved performance as part of the Group; (ii) the impact of the higher volume of new work won, which is typically at lower margin in the initial years; and (iii) the strengthening of the SA Rand. In addition, the Board has taken the strategic decision to deliberately build capability across the Group, recruiting organically and retaining key staff that transferred with acquisitions. This continuing investment in the business is evidenced by the lower than historical underlying EBITDA margin and this reflects the Board's decision to invest to support the Group's future growth potential. The Group historically made EBITDA margins in excess of 30 per cent. prior to this investment for future growth.

The pricing model for the services provided by each business line differs depending on the structure and client type. JTC's revenues are largely non-cyclical as most fees are fixed or time based. Just under a half of the Group's revenue is based upon time and materials, slightly more than one third is based upon a fixed fee arrangement and the remainder ad valorem, based on asset values of the structures. Irrespective of the fee model, employees are required to complete time sheets. JTC therefore has good visibility over the utilisation of staff and work in progress, ensuring that the cost of services can be measured and gross profit margins monitored and maintained. The charge out rate used for each employee is a factor of their seniority, experience and location. These are adjusted periodically in line with wage inflation. Utilisation targets are given to all employees who deal with clients and these are monitored weekly. The Group uses a capacity and workload model to help manage the headcount in the business.

A key metric for the business is the underlying EBITDA margin before non acquisition related share based payments which has improved steadily over the 42 month period. It was 22.9 per cent. in 2015, 23.6 per cent. in 2016 and 24.8 per cent. for the year ended 31 December 2017. As part of its local to global strategic plan the Group has invested in creating high quality central functions. This has allowed the Group to create a solid platform for growth and specifically to identify and integrate acquisitions quickly and efficiently. It is anticipated that there will not be any requirement for significant additional investment in central costs and that the Group should enjoy economies of scale from both organic and acquisitive growth.

Included within all cost categories in the Income Statement are costs which are classed as non underlying and which are set out below:

Non-underlying items

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
EBITDA	7,692	10,513	9,647
Non-underlying items within EBITDA:			
Initial Public Offering ("IPO") (i)	–	–	1,768
Acquisition and integration cost (ii):			
New Amsterdam Cititrust B.V. ("NACT")	–	128	108
Bank of America ("ITWS")	–	–	1,522
Arcange REIM S.A. ("Arcange")	–	66	–
Swiss & Global Fund Admin (Cayman) ("S&GFA")	187	80	27
Signes S.à r.l and Signes S.A. ("Signes")	537	12	–
Kleinwort Benson (CI) Fund Services ("KB Group")	1,251	870	316
Ardel Trust Company (Switzerland) and (New Zealand) ("Ardel")	711	147	22
Anson Fund Managers Limited ("Anson")	25	–	–
Herald Trust Company Limited	151	–	–
Aborted project costs	112	–	–
Office closures and discontinued operations(iii)	–	–	625
One off costs to reorganise senior management team (iv)	309	–	200
Legal dispute (v)	593	–	–
Bad debt write offs and associated legal costs (vi)	1,185	–	–
Other	54	(37)	187
Total non-underlying items	5,115	1,266	4,775
Underlying EBITDA	12,807	11,779	14,422

Notes

(i) In the year ended 31 December 2017, the group expensed fees relating to the IPO of £1,768k.

(ii) During the year ended 31 December 2017, the group completed two acquisitions (ITWS and NACT) and expensed £1,630k of acquisition and integration expenditure. In the prior periods, the group expensed £4,530k relating to the Arcange, S&GFA, Signes, KB Group, Ardel, Anson and Herald acquisitions. See note 35. It also incurred £112k of costs for aborted deals. Acquisition and integration costs includes but is not limited to: travel costs, professional fees, legal fees, tax advisory fees, transitional services agreement costs, any client acquired penalties or cost of acquired debtors subsequently defaulting, debtors subsequently defaulting, acquisition related share based payments and staff reorganisation costs.

(iii) The group closed their direct operations in Malta and as a result incurred losses of £220k. The group closed offices in Latin America, staff redundancies totalled £405k.

(iv) One off costs incurred to reorganise the senior management.

(v) Costs incurred as the group supported a new employee following a claim made against them by a previous employer.

(vi) Costs incurred in settlement of a long standing client dispute. £647k was paid in legal fees and £537k of bad debts were written off.

In the year ended 2017, the business incurred £2.0 million of costs associated with acquiring, integrating and re-organising acquired businesses (£1.3 million in the year ending 31 December 2016 and £3.0 million in the eighteen months ending 31 December 2015). The main costs included within this were professional advisory fees, transition services costs and redundancy costs. The Group incurred costs in closing its offices in Malta, Argentina and Brazil. The balance of the 2017 non underlying costs comprise £1.8 million of costs relating to preparation for Admission and £0.2 million of costs incurred in reorganising the senior management team prior to Admission (there is an additional £0.1 million of cost which will be recorded in the period up to Admission). Legal dispute costs incurred in the 18 month period to 31 December 2015 relate to costs incurred supporting a legal case brought against a new employee by a previous employer. The bad debts write off and associated legal costs in the same accounting period refer to costs incurred in settling a long standing client dispute. The cost comprised £0.7 million of legal fees and £0.5 million of debtor write off.

Depreciation and amortisation costs of approximately £2.9 million in the year ended 31 December 2017 consist of £0.5 million of computer software amortisation, £1.3 million of amortisation of customer contracts acquired through acquisitions, leasehold improvement depreciation of £0.6 million, £0.4 million of depreciation of computer equipment and £0.1 million of office furniture and equipment depreciation.

Finance Costs

Finance costs comprise the following:

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Bank loan interest	2,922	2,528	2,348
Finance lease interest	32	20	16
Loan note interest (i)	11,314	8,941	9,202
Amortisation of loan arrangement fees	471	314	322
Accelerated amortised loan arrangement fees	1,388	–	–
Unwinding of discount	81	120	119
Other finance expense	482	213	207
Total finance cost	16,690	12,136	12,215

Bank loan interest relates to interest on bank loans from HSBC and RBS. The total loan amount drawn-down at 31 December 2017 was £55.5 million, consisting of a term loan, acquisition facility and revolving credit facility as part of the Existing Facility. The interest charge decreased in 2017 as a result of the Group having a decreased interest margin under the terms of its Existing Banking Facility. Loan note interest represents amounts accrued to pay institutional and management investors. The interest on these notes is repayable only on a refinancing or exit.

Loss before tax

As a result of the factors discussed above, the loss before tax for the Group was £10.3 million for the 18 month period ended 31 December 2015, £2.9 million for the year ended 31 December 2016 and £3.6 million for the year ended 31 December 2017.

Taxation

Tax on profit comprises corporation tax. The Group recognises taxes in all jurisdictions where it falls due.

The Group operates a global transfer pricing policy. This was introduced in 2015 and was based upon a review by KPMG. Under this policy, the contribution made by each geographical operating unit in the Group's business is taken into account. Discrete profit shares are ascribed to jurisdictions based upon the type of functions they provide – contracting, selling, back-office/servicing. The profit shares have been benchmarked against equivalent businesses.

The Group's profits not recognised in Jersey are recognised in the Group's other jurisdictions of operation. The Group's tax charge also includes an element of tax paid in these foreign jurisdictions.

The Group's effective tax rates as a percentage of underlying EBITDA in 2015, 2016 and 2017 were 7 per cent., 6.7 per cent. and 7.5 per cent., respectively.

Divisional Performance Overview

The table below gives a summary of the performance of the two divisions for the Historical Period:

For the period ended 31 December 2015	*Revenue £'000*	*Direct staff cost £'000*	*Other direct costs £'000*	*Gross profit £'000*	*Margin*
Divisions					
Institutional Client Services	32,453	(14,745)	(105)	17,603	54%
Private Client Services	23,722	(9,327)	(446)	13,949	59%
Total	56,175	(24,072)	(551)	31,552	56%
Indirect staff costs				(8,021)	
Operating expenses				(15,996)	
Other operating income				157	
EBITDA				7,692	
Non-underlying items within EBITDA				5,115	
Underlying EBITDA				12,807	

For the period ended 31 December 2016	*Revenue £'000*	*Direct staff cost £'000*	*Other direct costs £'000*	*Gross profit £'000*	*Margin*
Divisions					
Institutional Client Services	32,049	(13,654)	(82)	18,313	57%
Private Client Services	19,036	(7,438)	(801)	10,797	57%
Total	51,085	(21,092)	(883)	29,110	57%
Indirect staff costs				(6,107)	
Operating expenses				(12,733)	
Other operating income				243	
EBITDA				10,513	
Non-underlying items within EBITDA				1,266	
Underlying EBITDA				11,779	

For the period ended 31 December 2017	*Revenue £'000*	*Direct staff cost £'000*	*Other direct costs £'000*	*Gross profit £'000*	*Margin*
Divisions					
Institutional Client Services	36,071	(16,162)	(199)	19,710	55%
Private Client Services	23,721	(9,264)	(1,543)	12,914	54%
Total	59,792	(25,426)	(1,742)	32,624	55%
Indirect staff costs				(6,580)	
Operating expenses				(16,831)	
Other operating income				434	
EBITDA				9,647	
Non-underlying items within EBITDA				4,775	
Underlying EBITDA				14,422	

In the year ended 31 December 2016, Institutional Client Services revenue grew by 48 per cent. year on year. This was due in part to the full year effect of acquired revenues (£13.6 million in 2016, compared with £6.4 million in the extended accounting period). In the year ending 31 December 2017 revenue has grown through the acquisition of New Amsterdam Cititrust B.V. (£0.9 million) with the balance being organic growth (9.7 per cent.). The Gross Margin in Institutional Client Services dropped in the year ending 2017 due to a combination of the impact of a stronger SA Rand and the high volume of new clients being onboarded.

In the year ended 31 December 2016, Private Client Services revenue grew by 20 per cent. year on year. This was all organic growth. This growth continued in 2017, with revenue increasing by 25 per cent. to £23.7 million. £2.3 million of the growth in 2017 is due to the acquired BAML business and the balance is organic (12.5 per cent. or £2.4 million). The Private Client Services Gross margin fell in the year ending 31 December 2017 due to the impact of the BAML business which was break even.

Acquisitions

In 2015, the Group made three notable acquisitions as described above under the heading "Revenue". In 2016, the Group made a small acquisition with the Institutional Client Services division.

In 2017, the Group acquired New Amsterdam Cititrust B.V., a Netherlands based service provider to corporates and private clients. This is an Institutional Client Services business and will be reported in that division. In September 2017, the Group acquired Merrill Lynch Wealth Management's International Trust and Wealth Structuring business, expanding JTC's Private Client Services expertise and geographic reach in the Americas. This will be reported in the Private Client Services division. Since acquisition, both businesses have been successfully integrated, and revenue and cost synergies from the acquisitions are expected to be realised in the 2018 financial year.

Consolidated balance sheet

	31 December 2015 £'000	*31 December 2016 £'000*	*31 December 2017 £'000*
Assets			
Non-current assets			
Goodwill	73,427	74,022	76,183
Other intangible assets	10,640	10,804	21,761
Property, plant and equipment	1,655	2,742	5,504
Investment in equity-accounted investee	614	674	886
Other debtors and prepayments	–	–	940
Deferred tax assets	18	33	61
Total non-current assets	86,354	88,275	105,335
Current assets			
Trade and other receivables	18,676	22,004	24,769
Other debtors and prepayments	2,103	2,363	2,639
Current tax receivables	172	113	24
Cash and cash equivalents	11,483	15,765	16,164
Total current assets	32,434	40,245	43,596
Total assets	118,788	128,520	148,931
Equity			
Share capital	10	10	10
Share premium	83	83	238
Own shares	(1)	(1)	(1)
Capital reserve	(2,740)	(2,349)	(1,213)
Translation reserve	102	1,827	1,110
Accumulated (losses)/profits	(20,311)	(24,011)	2,884
Total equity	(22,857)	(24,441)	3,028
Non-current liabilities			
Loans and borrowings	127,612	136,930	63,341
Provisions	79	132	646
Deferred tax liabilities	1,037	1,022	2,817
Trade and other payables	2,598	470	1,805
Total non-current liabilities	131,326	138,554	68,609
Current liabilities			
Loans and borrowings	73	57	56,364
Provisions	108	213	187
Trade and other payables	4,833	6,404	14,736
Deferred revenue	4,438	6,884	5,012
Current tax liabilities	867	799	995
Derivative financial instruments	–	50	–
Total current liabilities	10,319	14,407	77,294
Total equity and liabilities	118,788	128,520	148,931

Non-current assets

Goodwill and Intangible assets

The Group's goodwill and intangible assets relate to the acquisitions made in the historical financial period. The intangible assets are made up of the capitalised value of customer contract intangibles. At 31 December 2015, the carrying value of customer contract intangibles was £9.5 million, at 31 December 2016 was £9.5 million and at 31 December 2017 was £20.5 million. The increase in 2017 is due to the acquisitions of New

Amsterdam Cititrust B.V. and Merrill Lynch Wealth Management's International Trust and Wealth Structuring business which together accounted for £12.4 million of the balance at 31 December 2017. The balance of intangible assets is comprised of software and licences – £0.8 million and £0.2 million, respectively, as at 31 December 2017.

Goodwill represents the excess of cost of acquisition over the fair value of the net identifiable assets of the acquired business from the date of acquisition. The balances are reviewed annually in light of the support provided by value in use of each of the cash generating units. At 31 December 2015 goodwill was £73.4 million, with £10.9 million having been capitalised from the three acquisitions made that year. In 2016 a further £0.7 million was added through foreign exchange movements and an additional £2.0 million was capitalised in 2017 along with £0.2 million foreign exchange movement so that at 31 December 2017 goodwill was £76.2 million.

Tangible Assets

Tangible assets at 31 December 2015 were comprised of computer software and equipment, leasehold improvements, office furniture and equipment, motor vehicles and assets under construction. The growth in the year to 31 December 2016 was largely due to assets under construction. In June 2017, JTC moved into its new group head office at 28 Esplanade, Jersey, which was under construction from the end of 2015. As a result, these costs (including the provision for dilapidations) have now been reclassified as leasehold improvements which total £4.6 million as at 31 December 2017.

Investments

The Group holds a minority investment in Kensington International Group Pte. Ltd (**JTC Kensington**). The Group's investment in JTC Kensington represents a 42.3 per cent. share in the privately owned entity (40.5 per cent. by way of ordinary shares in JTC Kensington and 1.8 per cent. by way of non-voting preference shares in JTC Kensington). The Group accounts for its investment under the equity method. There have been a number of increases in the shareholding of JTC Kensington over recent years. There was an increase from 20 per cent. to 36 per cent. in December 2015 and a further increase to 42.3 per cent. in November 2017. Discussions have been held relating to the Group increasing its shareholding in JTC Kensington to a majority stake in 2018. No legal documentation has yet been entered into which would effect such an increase.

Other debtors and prepayments

At 31 December 2017 the other debtors and prepayments balance represented fund administration software licence fees which had been paid in advance.

Loans and borrowings

Loans and borrowings

	31 December 2015 £'000	*31 December 2016 £'000*	*31 December 2017 £'000*
Non-current			
Bank loans	53,105	53,419	–
Investor loan notes	34,513	38,658	28,126
Management loan notes	39,937	44,853	34,029
Finance leases	57	–	–
Other loans	–	–	1,186
	127,612	136,930	63,341
Current			
Bank loans	–	–	55,522
Finance leases	73	57	–
Other loans	–	–	842
	73	57	56,364
Total loans and borrowings	127,685	136,987	119,705

Loans and borrowings during the Historical Period comprised three principal elements – investor loan notes, management loan notes and bank loans. Bank loans comprised the amounts drawn on the Existing Facility, repayable before 31 December 2018. The Loan Notes are unsecured and are repayable on the date of completion of an exit or 27 July 2022, whichever is the earlier. As of 30 November 2017 the Loan Notes were restructured whereby £31.04 million of interest was waived. The other loans are substantially comprised of the £1.9 million balance of an unsecured loan for the fit-out of JTC House.

Current assets and net working capital

The Group's working capital derives from billing both time-spent fees and fixed fees. Invoices are typically raised quarterly in arrears but on occasion these may be raised more or less frequently. There are also instances where invoices are raised in advance. The Group's standard payment terms are generally 30 days in arrears.

The trade receivables balance is the single most significant component of net working capital and has historically been largest at the beginning and end of year due to the annual amounts being billed in advance. This balance is partly offset by deferred revenue, which is also highest around year-end. It reduces during the year as amounts are released to the profit and loss account as the services are provided. As a result of this, the Group expects a build-up in current assets during each quarter and particularly around year-end.

On occasion a structure may be set up for a client in the Private Client Services division where illiquid assets such as properties are held in trusts. Fees are accrued and invoices issued throughout the life of the trusts but the payment of the invoices can be subject to the client realising the sale of the held assets. JTC controls these assets in the trusts and therefore there is generally very little risk that JTC's fees will not be paid once the assets are finally sold.

Other receivables include work in progress (**WIP**), accrued income and loans which have been made to related undertakings. Accrued income and WIP represent accruals for work done but not yet invoiced. The tax receivable at each period end is largely attributable to the UK entity as JTC pays UK corporation tax quarterly in advance in the UK and overpayments were identified in recent years.

The Group has consistently maintained a positive cash balance over the Historical Period as a result of the cash generative nature of the business. Certain jurisdictions have liquidity tests imposed on them under the regulatory capital rules of their various regulators and accordingly, cash balances are maintained to meet these tests. At 31 December 2017 the cash balance required to meet these tests was £1.1 million.

Cash increased in the 12 month period from 31 December 2015 to 31 December 2016 by 37 per cent. to £15.8 million. Cash again increased by £0.4 million to £16.2 million as at 31 December 2017.

The current liabilities balance is comprised of trade creditors, tax liabilities, loans and borrowings and deferred revenue. Loans and borrowings include the existing banking facilities which expire on 31 December 2018. Also included is an unsecured loan with Close Leasing Limited, the balance of which is £1.9 million at 31 December 2017. Trade and other payables includes £6.4 million of deferred consideration for the New Amsterdam Cititrust B.V., Swiss & Global Fund Administration (Cayman) Ltd and Merrill Lynch Wealth Management's International Trust and Wealth Structuring acquisitions.

Liquidity and Capital Resources

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Operating profit:	5,848	8,366	6,753
Adjustments for:			
Depreciation of tangible assets	752	775	1,052
Amortisation of intangible assets	1,092	1,372	1,842
Share-based payment expense	92	418	517
Acquisition costs	1,515	194	678
Foreign exchange	9	792	257
Operating cash flows before movements in working capital	9,308	11,917	11,099
Increase in receivables	(81)	(3,497)	(2,687)
Increase in payables	166	2,793	3,461
Cash generated by operations	9,393	11,213	11,873
Income taxes paid	(1,020)	(945)	(1,175)
Net cash from operating activities	8,373	10,268	10,698
Investing activities			
Interest received	88	47	56
Purchase of tangible assets	(1,785)	(1,108)	(4,080)
Purchase of intangible assets	–	(525)	(425)
Proceeds from disposal of tangible assets	2,875	–	–
Acquisition of associate	(609)	–	(218)
Acquisition of subsidiaries	(17,147)	(1,881)	(5,160)
Proceeds from sale of subsidiaries	–	–	135
Net cash used in investing activities	(16,578)	(3,467)	(9,692)
Financing activities			
Bank charges	(82)	(79)	(98)
Interest on finance leases	(32)	(19)	(16)
Interest on loans	(2,920)	(2,547)	(2,349)
Interest on loan notes	(5,000)	–	–
Facility fees	(377)	(170)	(109)
Swap interest	(50)	–	–
Capitalised loan costs	(1,361)	–	(38)
Sale and purchase of own shares	(2,828)	34	(636)
Redemption of bank loans	(29,744)	–	–
Redemption of other borrowings	–	–	(959)
Bank loan drawn down	54,047	–	1,790
Other loan drawn down	–	–	3,017
Loan notes issued	4,000	–	–
Finance lease payments	(86)	(73)	(57)
Net cash from/(used in) financing activities	15,567	(2,854)	545
Net increase in cash and cash equivalents	7,362	3,947	1,551
Cash and cash equivalents at the beginning of the year/period	5,147	11,483	15,765
Effect of foreign exchange rate changes	(1,026)	335	(1,152)
Cash and cash equivalents at end of year/period	11,483	15,765	16,164

The Group's consolidated cash balance as at 31 December 2017 was £16.2 million (2016: £15.8 million; 2015: £11.5 million). As at 7 March 2018 (being the latest practicable date prior to publication of the Prospectus) the Group held consolidated cash balances of approximately £17.7 million.

The strong financial performance in the Historical Period and increased underlying EBITDA across both the Institutional Client Services and Private Client Services divisions, coupled with the nature of the Group's working capital cycle, as described in this Part 5 (*Operating and Financial Review*), shows how the Group has been able to achieve cash generated by operations of £9.4 million in the 18 months to 31 December 2015; £11.2 million in the year to 31 December 2016; and £11.9 million in the year to 31 December 2017. The ratio of the Group's cash generated by operations to its operating cash flows before movements in working capital was 101 per cent. in the 18 months ended 31 December 2015, 94 per cent. in the year ended 31 December 2016 and 107 per cent. in the year ended 31 December 2017.

Net cash used in investing activities was £16.6 million in 2015, £3.5 million in 2016 and £9.7 million in 2017. The variance in these outflows was driven by the timing of the acquisitions made by the Group, with more significant transactions being completed in 2015 and 2017.

Cash outflows from the purchase of tangible assets totalled £1.8 million in 2015, £1.1 million in 2016 and £4.1 million in 2017. These outflows primarily relate to the purchase of computer equipment and improvements to the Group's leasehold properties. The Group tends to treat most expenditure on computer software as capital expenditure. In 2017 the increased expenditure reflects the move to the new Corporate Head Office.

The Group has been acquisitive in the Historical Period, in line with its stated strategy to grow both organically and through acquisition. The total cash outflow from acquisitions has been £17.8 million in the period ended 31 December 2015, £1.9 million in the period ended 31 December 2016 and £5.4 million in the period ended 31 December 2017.

A number of cash flows from financing activities took place in 2015 as a result of the Group's refinancing through the Existing Facility. Prior to the refinancing, the Group had bank loans with HSBC and RBS consisting of three term loans totalling £38.0 million and a £4.0 million revolving credit facility. When the refinancing took place, JTC repaid the outstanding balance from its existing financing arrangements of £29.7 million. JTC raised net proceeds of £54.0 million from its facilities in 2015.

Net debt and covenants

JTC has been largely self-funding through the Historical Period as a result of the cash generation and conversion of the Group. The Group took on indebtedness in the form of the Existing Facility predominantly to fund the acquisitions in 2015, but also there was a further £1.8 million drawn down in 2017 for the New Amsterdam Cititrust B.V. transaction. £2.52 million of unsecured funding was drawn down from Close Leasing Limited in 2017 which was used for the fit out of the Group's new headquarters.

The bank loans in place in the Historical Period have covenants on interest cover, gross leverage and capital expenditure for the year, which have not been breached by JTC.

On 9 March 2018, the Group entered in to a £55 million term loan and revolving credit facility with HSBC Bank plc. The New Facility is made up of a term loan, to be fully drawn on Admission or shortly after Admission, of £45 million. This will be used, along with the net proceeds of the Offer and cash in the Group, to repay the Existing Facility. There is also a £10 million revolving credit facility for working capital and general purposes of the Group, including permitted acquisitions. The revolving credit facility will have an uncommitted accordion option which will allow the facility to be increased by a further £30 million. The facilities are committed for five years from signing.

The term loan and revolving credit facility has an initial margin over LIBOR of two per cent., which is then subject to a margin ratchet pursuant to which the margin payable will adjust, both up and down, as the Group's ratio of consolidated net debt to EBITDA (Leverage Ratio) increases or decreases.

An arrangement fee of 1.25 per cent. is payable on the term loan and revolving credit facility on the date of Admission. The term loan and revolving credit facility contains a financial covenant that states that in the first 12 months after Admission, the Group's Leverage Ratio cannot exceed 3.5:1 and (reducing to 3.25:1

after the first year and further reducing to 3:1 after the second year) and that the Group's Interest Coverage Ratio cannot exceed 4:1 at any of the covenant test dates. The financial covenants will be tested quarterly starting on 31 December 2018. The Group's Leverage Ratio will be allowed to spike 0.5x leverage to permit acquisitions (which option the Group can request up to 3 times over the life of the facilities). Any such spikes are to last 6 months and then revert to the required leverage covenant levels.

Following Admission, the Group's principal sources of liquidity will comprise cash generated by operations, cash and cash equivalents and the £10 million aggregate amount available under the revolving credit facility. The Existing Facility will be repaid in full and the majority of the Loan Notes will be exchanged for Ordinary Shares in the Company under the Reorganisation or otherwise be redeemed.

PART 6

CAPITALISATION AND INDEBTEDNESS

You should read the following tables together with Part 5 (*Operating and Financial Review*) and Part 7 (*Financial Information*) of this Prospectus. The following tables do not reflect the impact of the Offer on the Group's capitalisation and indebtedness (including receipt of net proceeds of the Offer by the Company). Please refer to Part 8 (*Unaudited Pro Forma Financial Information*) of this Prospectus for an analysis of the impact of the Offer on the consolidated net assets of the Group.

Capitalisation

The table below sets out the capitalisation of the Group as at 31 December 2017. The capitalisation figures have been extracted without material adjustment from the Group's historical financial information as at 31 December 2017 as set out in Section A of Part 7 (*Financial Information)* of this document.

STATEMENT OF CAPITALISATION AND INDEBTEDNESS

	As at 31 December 2017 (£'000)
Indebtedness	
Guaranteed	–
Secured (1)	56,200
Unguaranteed/unsecured (2)	164
Total current debt	56,364
Guaranteed	–
Secured	–
Unguaranteed/unsecured (3)	63,341
Total non-current debt (excluding current portion of long-term debt)	63,341
Total indebtedness	119,705
Shareholders' equity	
Share capital	10
Share premium	238
Other reserve	(104)
Total Shareholders Equity	144

Shareholders' equity does not include the accumulated losses reserve.

(1) The Group's secured current debt includes £55.5 million in secured bank facilities and £0.7 million in other secured loans.

(2) The Group's unguaranteed/unsecured current debt includes £0.2 million in loans from other financing institutions.

(3) The Group's unguaranteed/unsecured non-current debt includes £28.1 million of investor loan notes, £34.0 million of management loan notes and £1.2 million of other unsecured loans.

Indebtedness

The table below sets out the gross and net financial indebtedness of the Group as at 31 December 2017, extracted without material adjustment from the Group's historical financial information in Section A of Part 7 (*Financial Information*).

Net financial indebtedness

NET FINANCIAL INDEBTEDNESS

	As at 31 December 2017 (£'000)
Cash and cash equivalents	16,164
Trading securities	–
Liquidity	16,164
Current bank debt	(55,522)
Current portion of non-current debt	(678)
Other current financial debt	(164)
Current financial indebtedness	(56,364)
Net current financial indebtedness	(40,200)
Non-current loan notes	(62,155)
Other non-current loans	(1,186)
Non current financial indebtedness	(63,341)
Net financial indebtedness	(103,541)

The Group has no indirect or contingent indebtedness as at 31 December 2017.

PART 7

FINANCIAL INFORMATION

SECTION A – Financial Information of the Group for the eighteen month period ended 31 December 2015 and for the years ended 31 December 2016 and 31 December 2017

The Directors
JTC PLC
PO Box 1075
JTC House
28 Esplanade
St Helier
Jersey
JE4 2QP

Stockdale Securities Limited
100 Wood Street
London
EC2V 7AN

9 March 2018

Dear Sirs

JTC PLC

We report on the financial information for the eighteen month period ended 31 December 2015 and for the years ended 31 December 2016 and 31 December 2017 set out in Section A of Part 7 below (the "**Financial Information Table**"). The Financial Information Table has been prepared for inclusion in the prospectus dated 9 March (the "**Prospectus**") of JTC PLC (the "**Company**" and together with its subsidiaries the "**Group**") on the basis of the accounting policies set out in note 4 to the Financial Information Table. This report is required by item 20.1 of Annex I to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information Table in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Financial Information Table gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Financial Information Table gives, for the purposes of the Prospectus dated 9 March 2018, a true and fair view of the state of affairs of the Group as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Historical financial information relating to the Group

Consolidated Income Statement

	Note	1 July 2014 to 31 December 2015 £'000	1 January 2016 to 31 December 2016 £'000	1 January 2017 to 31 December 2017 £'000
Revenue		56,175	51,085	59,792
Staff costs	27	(32,093)	(27,200)	(32,006)
Establishment costs	14	(3,487)	(3,422)	(4,082)
Other operating expenses	14	(13,060)	(10,193)	(14,491)
Other operating income		157	243	434
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		7,692	10,513	9,647
Comprising:				
Underlying EBITDA		12,807	11,779	14,422
Non-underlying items	11	(5,115)	(1,266)	(4,775)
		7,692	10,513	9,647
Depreciation and amortisation		(1,844)	(2,147)	(2,894)
Profit from operating activities		5,848	8,366	6,753
Other gains and losses	8	402	753	1,833
Finance income	9	88	49	73
Finance cost	10	(16,690)	(12,136)	(12,215)
Share of profit/(loss) of equity-accounted investee	17	5	60	(6)
Loss before tax		(10,347)	(2,908)	(3,562)
Tax	12	(899)	(791)	(1,083)
Loss for the period/year		(11,246)	(3,699)	(4,645)
Earnings per ordinary share ("EPS") (expressed in pence per ordinary share)				
Basic earnings per share	13	(1,181.54)	(372.32)	(451.61)
Diluted earnings per share	13	(1,111.48)	(368.70)	(451.61)

Consolidated Statement of Comprehensive Income

	Notes	*1 July 2014 to 31 December 2015* *£'000*	*1 January 2016 to 31 December 2016* *£'000*	*1 January 2017 to 31 December 2017* *£'000*
Loss for the year/period		(11,246)	(3,699)	(4,645)
Other comprehensive loss:				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations		102	1,725	(717)
Total comprehensive loss for the period/year		(11,144)	(1,974)	(5,362)

Consolidated Balance Sheet

	Notes	*31 December 2015 £'000*	*31 December 2016 £'000*	*31 December 2017 £'000*
Assets				
Non-current assets				
Goodwill	15	73,427	74,022	76,183
Other intangible assets	15	10,640	10,804	21,761
Property, plant and equipment	16	1,655	2,742	5,504
Investment in equity-accounted investee	17	614	674	886
Other debtors and prepayments	19	–	–	940
Deferred tax assets	25	18	33	61
Total non-current assets		86,354	88,275	105,335
Current assets				
Trade and other receivables	18	18,676	22,004	24,769
Other debtors and prepayments	19	2,103	2,363	2,639
Current tax receivables		172	113	24
Cash and cash equivalents		11,483	15,765	16,164
Total current assets		32,434	40,245	43,596
Total assets		118,788	128,520	148,931
Equity				
Share capital	21	10	10	10
Share premium	21	83	83	238
Own shares	22	(1)	(1)	(1)
Capital reserve		(2,740)	(2,349)	(1,213)
Translation reserve		102	1,827	1,110
Accumulated (losses)/profits		(20,311)	(24,011)	2,884
Total equity		(22,857)	(24,441)	3,028
Non-current liabilities				
Loans and borrowings	23	127,612	136,930	63,341
Provisions	24	79	132	646
Deferred tax liabilities	25	1,037	1,022	2,817
Trade and other payables	26	2,598	470	1,805
Total non-current liabilities		131,326	138,554	68,609
Current liabilities				
Loans and borrowings	23	73	57	56,364
Provisions	24	108	213	187
Trade and other payables	26	4,833	6,404	14,736
Deferred revenue		4,438	6,884	5,012
Current tax liabilities		867	799	995
Derivative financial instruments	30	–	50	–
Total current liabilities		10,319	14,407	77,294
Total equity and liabilities		118,788	128,520	148,931

Consolidated Statement of Changes in Equity

	Notes	Share capital £'000	Share premium £'000	Own shares £'000	Capital reserve £'000	Translation reserve £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 July 2014		9	24	(1)	57	–	(9,065)	(8,976)
Loss for the period		–	–	–	–	–	(11,246)	(11,246)
Other comprehensive income for the period		–	–	–	–	102	–	102
Total comprehensive loss for the period		–	–	–	–	102	(11,246)	(11,144)
Issue of share capital	21	1	59	–	–	–	–	60
Share based payment expense		–	–	–	92	–	–	92
Sale and purchase of own shares		–	–	–	(2,828)	–	–	(2,828)
Own shares movement		–	–	–	(61)	–	–	(61)
Balance as at 31 December 2015		10	83	(1)	(2,740)	102	(20,311)	(22,857)
Balance as at 1 January 2016		10	83	(1)	(2,740)	102	(20,311)	(22,857)
Loss for the year		–	–	–	–	–	(3,699)	(3,699)
Other comprehensive income for the year		–	–	–	–	1,725	–	1,725
Total comprehensive loss for the year		–	–	–	–	1,725	(3,699)	(1,974)
Issue of share capital	21	–	–	–	–	–	–	–
Share based payment expense		–	–	–	418	–	–	418
Sale and purchase of own shares		–	–	–	34	–	–	34
Own shares movement		–	–	(1)	(61)	–	–	(62)
Balance as at 31 December 2016		10	83	(1)	(2,349)	1,827	(24,011)	(24,441)
Balance as at 1 January 2017		10	83	(1)	(2,349)	1,827	(24,011)	(24,441)
Loss for the year		–	–	–	–	–	(4,645)	(4,645)
Other comprehensive loss for the year		–	–	–	–	(717)	–	(717)
Total comprehensive loss for the year		–	–	–	–	(717)	(4,645)	(5,362)
Issue of share capital	21	–	155	–	–	–	–	155
Share based payment expense		–	–	–	517	–	–	517
Sale and purchase of own shares		–	–	–	(636)	–	–	(636)
Own shares movement		–	–	–	1,255	–	–	1,255
Shareholder loan note interest waived	23	–	–	–	–	–	31,038	31,038
Fair value of loan notes		–	–	–	–	–	502	502
Balance as at 31 December 2017		10	238	(1)	(1,213)	1,110	2,884	3,028

Consolidated Cash Flow Statement

	Notes	*1 July 2014 to 31 December 2015 £'000*	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Operating profit:		5,848	8,366	6,753
Adjustments for:				
Depreciation of tangible assets	16	753	775	1,052
Amortisation of intangible assets	15	1,092	1,372	1,842
Share-based payment expense	28	92	418	517
Acquisition costs	35	1,514	194	678
Foreign exchange	8	9	792	257
Operating cash flows before movements in working capital		9,308	11,917	11,099
Increase in receivables		(81)	(3,497)	(2,687)
Increase in payables		166	2,793	3,461
Cash generated by operations		9,393	11,213	11,873
Income taxes paid		(1,020)	(945)	(1,175)
Net cash from operating activities		8,373	10,268	10,698
Investing activities				
Interest received		88	47	56
Purchase of tangible assets	16	(1,785)	(1,108)	(4,080)
Purchase of intangible assets	15	–	(525)	(425)
Proceeds from disposal of tangible assets		2,875	–	–
Acquisition of associate	17	(609)	–	(218)
Acquisition of subsidiaries	35	(17,147)	(1,881)	(5,160)
Proceeds from sale of subsidiaries		–	–	135
Net cash used in investing activities		(16,578)	(3,467)	(9,692)
Financing activities				
Bank charges		(82)	(79)	(98)
Interest on finance leases		(32)	(19)	(16)
Interest on loans		(2,920)	(2,547)	(2,349)
Interest on loan notes		(5,000)	–	–
Facility fees		(377)	(170)	(109)
Swap interest		(50)	–	–
Capitalised loan costs		(1,361)	–	(38)
Sale and purchase of own shares	22	(2,828)	34	(636)
Redemption of bank loans		(29,744)	–	–
Redemption of other borrowings		–	–	(959)
Bank loan drawn down	23	54,047	–	1,790
Other loan drawn down	23	–	–	3,017
Loan notes issued	23	4,000	–	–
Finance lease payments		(86)	(73)	(57)
Net cash from/(used in) financing activities		15,567	(2,854)	545
Net increase in cash and cash equivalents		7,362	3,947	1,551
Cash and cash equivalents at the beginning of the year/period		5,147	11,483	15,765
Effect of foreign exchange rate changes		(1,026)	335	(1,152)
Cash and cash equivalents at end of year/period		11,483	15,765	16,164

Notes to the Consolidated financial information

1. General information

JTC Group Holdings Limited ("JTC Group Holdings") is a company incorporated and domiciled in Jersey, Channel Islands. Its registered office is located at 28 Esplanade, St Helier, Jersey.

The Group is a multijurisdictional, independent provider of institutional and private client services.

In the opinion of the directors there is no ultimate controlling party

Immediately prior to Admission, the Group will undertake a reorganisation of its corporate structure that will result in the JTC PLC (the "Company") becoming the ultimate holding company of the Group and JTC Group Holdings becoming a direct subsidiary of the Company.

For the purposes of this historical financial information, the term "Group" prior to the reorganisation means JTC Group Holdings and its consolidated subsidiaries and undertakings and thereafter JTC PLC and its consolidated subsidiaries and undertakings.

2. Basis of preparation

The Group's Historical Financial Information comprises the financial information of JTC Group Holdings and its subsidiaries for the three years and six months ended 31 December 2017. The Historical Financial Information has been prepared in accordance with the disclosure requirements of the Prospectus Directive Regulation and the Listing Rules and in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial information have also been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and the Companies (Jersey) Law 1991.

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

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

During the period ended 31 December 2015, the group changed its fiscal year end from 30 June to 31 December, as a result the financial information is presented for the 18 months from 1 July 2014 to 31 December 2015, from 1 January 2016 to 31 December 2016 and from 1 January 2017 to 31 December 2017, respectively.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information, are disclosed in note 5.

Going concern

In assessing the going concern assumption, the directors have noted the Group's historic net liability position and historic accounting losses. However, the Group has continued to experience revenue growth and positive cash flow as a result of its operations. A capital restructure is also planned to refinance the loans and borrowings balance which will, in turn, significantly reduce the finance costs experienced going forward.

The Group meets its day-to-day working capital requirements through its bank facilities, which have been extended to 30 June 2019, and cash generating activities. The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. The directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial information. The Group therefore continues to adopt the going concern basis in preparing its financial information.

Basis of consolidation

The consolidated financial information incorporate the financial information of JTC Group Holdings and entities controlled by JTC Group Holdings (its subsidiaries) during each year or period. Control is achieved where JTC Group Holdings:

- has the power over the investee entity;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to affect its returns.

Where the Group owns 50 per cent. or less of the voting powers of an entity but controls the entity by virtue of an agreement with the other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income when the company obtains control over the subsidiary and ceases when the company loses control over the subsidiary. Where necessary, adjustments are made to the financial results of the subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Where JTC Group Holdings, as the ultimate parent company for the Group has established employee benefit trusts ("EBT") or employee share ownership plans ("ESOP") and is the sponsoring entity, notwithstanding the legal duties of the trustees, it is considered that it has "de facto" control of such entities. Such arrangements are accounted for as assets and liabilities of the sponsoring company and included in the consolidated financial information as appropriate. The company's equity instruments held by the EBT or ESOP are accounted for as if they were the company's own equity and are treated as treasury shares. No gain or loss is recognised in profit or loss or other comprehensive income on the purchase, sale or cancellation of the company's own equity held by either the EBT or ESOP.

3.1 **New standards, interpretations and amendments effective from 1 January 2017**

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2017 that had a significant effect on the group's financial information, although an amendment to IAS 7 'Statement of Cash Flows' has resulted in a reconciliation of liabilities disclosed for the first time in note 31. The adoption of these standards will not affect the current or future periods.

3.2 **New standards and interpretations not yet adopted**

A number of amendments to existing, as well as the issue of new accounting standards are applicable from or after the beginning of the group's next annual reporting period. The expected impact of these standards is summarised below:

- IFRS 9 'Financial Instruments' (effective for periods beginning on or after 1 January 2018).
- IFRS 15 'Revenue from contracts with customers' (effective for periods beginning on or after 1 January 2018).
- IFRS 16 'Leases' (effective for periods beginning on or after 1 January 2019).
- Amendments to IFRS 2 'Share-based Payments' (effective for periods beginning on or after 1 January 2018).

IFRS 9 'Financial Instruments'

In July 2014, the IASB issued the final version of IFRS 9 'Financial Instruments' that replaces IAS 39 'Financial Instruments: Recognition and Measurement' and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The group plans to adopt the new standard on the required effective date.

The impairment model under IFRS 9 reflects the expected credit losses, as opposed to the incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

During 2017, the group has performed the following detailed impact assessment of all three aspects of IFRS 9:

(a) *Classification and measurement*

The group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the group expects that these will continue to be measured at amortised cost under IFRS 9.

(b) *Impairment*

IFRS 9 requires the group to record expected credit losses on all of its loans and trade and other receivables (both current and non-current), either on a 12-month or lifetime basis. The group expects to apply the simplified approach and record lifetime expected losses on all trade and other receivables.

The expected credit losses on trade receivables will be estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate. Provision rates will be segregated according to geographical location (JTC entity) and by client division.

The net debt positions as calculated above will be reviewed by management to assess whether the applied probability of future losses are appropriate to known changes in the credit risk.

Where applicable, specific provisions are allocated using management's judgement on the probability of future loss in relation to known credit risks. WIP and accrued income provisions are assessed on a line-by-line basis to reflect the amount expected to be billed, with an additional provision to reflect recoverability once it becomes a debtor.

In applying IFRS 9 the group must consider the probability of a default occurring over the contractual life of its trade receivables and contract asset balances on initial recognition of those assets.

(c) *Hedge accounting*

As the group has no existing hedge relationships, the group does not expect a significant impact as a result of applying IFRS 9.

(d) *Overall quantitative impact of IFRS 9 on the results of the group*

Overall, the group expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. IFRS 9 adoption will result in increased impairment provisions and greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of provisions and will also result in impairment being recognised earlier than is the case under IAS 39 because it requires expected losses to be recognised before the loss event arises.

Under the existing incurred loss model, impairment provisions amounted to £2.64 million as at 31 December 2017 (see note 18). Had the group adopted IFRS 9 for the year ended

31 December 2017, the impairment provision under the new model would have been £2.94 million, resulting in an increased one off charge in the income statement of £303k under IFRS 9 compared to IAS 39, resulting in a negative impact (after tax) on equity of £273k as at 31 December 2017.

IFRS 15 'Revenue from contracts with customers'

IFRS 15 was issued in May 2014 and establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts' and related interpretations. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The group plans to adopt the new standard on the required effective date using the modified retrospective approach, which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

As a practical expedient and as allowed under the standard the group will apply the 5 step approach under IFRS 15 to portfolios of contracts which have similar characteristics and where the group expect that the financial informations would not differ materially had the standard been applied to the individual contracts within the portfolio.

The group recognises revenue from the following major service lines:

- Fund services
- Corporate services
- Private Client services

In assessing IFRS 15, the group considered the following:

(a) *Timing of revenue recognition*

During 2017, the directors have performed a detailed impact assessment of IFRS 15. Their implementation work included the scoping of material revenue streams into major service lines, analysis of underlying contracts for each service line and the development of updated disclosures. Based on the work performed to date, the directors expect both the timing and amount of the material revenue streams to remain substantially unchanged as these revenues will continue to be recognised over time as the customers simultaneously benefit from the services as they are performed.

(b) *Client set-up fees*

The directors of the company have assessed that client set-up engages multiple groups throughout the organisation, has a different risk profile, is non-recurring in nature, is separately identifiable from the other services promised in the contract and the customer can benefit from the service on its own. These benefits may include the following: JTC provides all necessary regulatory authorisations to its clients, JTC drafts and submits all regulatory filings on the client's behalf and keeps them abreast of regulatory developments, JTC project manages the client's application and co-ordinates with various advisors to assist with the structure or fund launch, JTC would open all client accounts (including bank accounts) and be responsible for structure set up and incorporation of client entities.

It is therefore accounted for as a separate performance obligation and revenue will be recognised for this performance obligation when control over the corresponding service is transferred to the customer. This is similar to the current identification of separate revenue components under IAS 18. Furthermore, even though IFRS 15 requires the transaction price to be allocated to the different performance obligations on a relative stand-alone selling price basis, the directors do not expect that the allocation of revenue to client set-up, will be significantly different from that currently determined.

(c) *Financing components*

The group does not ordinarily expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(d) *Costs to obtain a contract*

IFRS 15 requires incremental costs of obtaining a contract (i.e. costs that would not have been incurred if the contract had not been obtained) to be recognised as an asset if the costs are expected to be recovered. IFRS 15 further requires that capitalised costs of obtaining a contract are amortised in a systematic manner consistent with the pattern of transfer of the related goods or services and are subject to an impairment analysis.

Under IFRS 15, management expects that the incremental commission fees paid to intermediaries as a result of obtaining fund contracts, are recoverable. The group will therefore capitalise these commission fees and amortise them over the term of the contract. The cumulative impact of the adoption is an increase in retained earnings and an increase in contract cost assets of £512k as at 1 January 2018.

(e) *Costs to fulfil a contract*

Costs incurred to fulfil a contract are recognised as an asset if and only if all of the following criteria are met:

- the costs relate directly to a contract (or a specific anticipated contract);
- the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and
- the costs are expected to be recovered.

The directors have reviewed the above recognition criteria of costs to fulfil a contract and have concluded that these costs will continue to be expensed under IFRS 15 as these costs do not generate or enhance the resources of the group that will be used in satisfying performance obligations in the future.

(f) *Principal versus agent consideration*

In certain jurisdictions, third party service providers are involved in providing services to the group's customers. The directors have assessed that the group obtains control of these services before transferring control to the customer. Therefore the group acts as the principal and recognises revenue on a gross basis. This is consistent with IFRS 15 and the group does not expect any impact as a result of adopting this standard.

(g) *Overall conclusion*

Apart from capitalising the incremental costs of obtaining a contract and providing more extensive disclosures on the group's revenue transactions, the directors have not identified any material changes to the timing or amount of revenue and do not anticipate that the application of IFRS 15 will have a significant impact on the financial position and/or financial performance of the group.

IFRS 16 'Leases'

IFRS 16 'Leases', published in January 2016, introduces a new definition of a lease and eliminates the current dual accounting model for lessees, bringing most leases on to the balance sheet in the financial informations of the lessee. It replaces existing guidance on leases, including IAS 17. The group expects to implement IFRS 16 from 1 January 2019. The group has a significant number of operating lease contracts (see note 29), mainly for office properties and therefore the following changes are expected upon transition to IFRS 16:

- Assets and liabilities of the group are expected to increase due to recognition of the right-of-use asset and a lease liability.
- Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) will increase as the lease payments will be presented as depreciation and net finance expenses rather than operating expenses.
- Operating cash flow will increase and investing and financing cash flow will decrease as the lease payments will no longer be considered as operational.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

In estimating the fair value of a cash-settled share-based payments, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

(i) the original liability is derecognised;

(ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and

(iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The directors of the company do not anticipate that the application of the amendments in the future will have a significant impact on the group's financial information as the group does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

4. Significant accounting policies

The significant accounting policies applied in the preparation of the financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the group and liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as non-underlying items within operating expenses.

The identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date.

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement' period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in the income statement.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro rata* on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Interests in equity-accounted investees

The group's interests in equity-accounted investees comprise only interests in associates. Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the carrying amount of the investment is adjusted to recognise changes in the group's share of the net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated income statement reflects the group's share of the results of operations of the associate, after adjustments to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases. In addition, when there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the group's share of profit or loss of an associate is shown on the face of the consolidated income statement outside of operating profit and represents profit or loss after tax.

Foreign currency

The individual financial information 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 information, 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 information.

In preparing the financial information 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 income statement in the year in which they arise.

For the purpose of presenting consolidated financial information, 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.

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the group are reclassified to the income statement.

Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. 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. Revenue comprises fees for fund, corporate and private client services.

(i) *Rendering of services*

Revenue is recognised in the consolidated income statement at the point in time when the group has the right to receive payment for its services, on an accruals basis.

(ii) *Net asset value ("NAV") based fees*

Where fees are levied based on a percentage of the net assets of investment companies to which the company provides services, income is accrued or deferred in accordance with the billing cycle, based on the last available NAV calculation.

(iii) *Work in progress (WIP)*

Where services are provided on a time spent basis for corporate and private clients, work in progress is recorded based on agreed charge out rates in force at the work date, less any specific provisions against the value of work in progress where recovery will not be made in full.

(iv) *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 the respective accounting periods, and those billed but not yet earned are included in deferred income in the balance sheet.

(v) *Accrued income*

Accrued income across all the service lines, represents the billable provision of services to clients which has not been invoiced at the reporting date. Accrued income is recorded based on agreed fees billed in arrears and time based charges at the agreed charge out rates in force at the work date, less any specific provisions against the value of accrued income where recovery will not be made in full.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably.

Non-underlying items

The group classifies certain one-off charges or 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. Further details of the nature of non-underlying items are given in note 11.

Direct cost

Direct costs are defined by management as the costs of the income generating divisions including staff payroll, third party administration and sale commission fees attributable to the division in relation to the delivery of services and supporting growth.

Fiduciary activities

The assets and liabilities of trusts and companies under administration and held in a fiduciary capacity are not included in these consolidated financial information.

Employee benefits

The group provides a range of benefits to employees, which may include annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits:

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

Defined contribution plans:

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

Termination benefits:

Termination benefits are expensed at the earlier of when the group can no longer withdraw the offer of those benefits and when the group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Long term incentive plans:

The group is committed to the concept of shared ownership and it is this ethos that led to the creation of a number of share ownership plans, collectively known as "JSOP's". These include, the JTC Group Holdings Limited Share Ownership Plan 2013 ("JSOP13"), the JTC Group Holding Limited Share Ownership Plan

2012 (“JSOP12”), JTC Group Holding Limited Share Ownership Plan II 2012 (“JSOP II 12”) and an employee benefit trust (the Jersey Trust Company Employee Benefit Trust 2012, (“EBT12”)). These are all consolidated in the group financial informations.

Our equity for all scheme (known as “E4A”) operates through the JSOP13 trust vehicle. This scheme allows all permanent employees, following completion of their probationary period, the option to participate in the share ownership of group. The employees can participate in the scheme by purchasing shares in the quarterly dealing window at a market rate share price. It is within the JSOP13 trust vehicle that any share awards made by group (see note 28), are also held on behalf of the employees. The EBT operates differently in that all permanent employees with the group automatically become beneficiaries once they complete their probationary period. Any awards made upon completion of an exit event are at the discretion of the Trustees.

Share-based payments

JTC Group Holdings operates a number of equity-settled share-based payment arrangements whereby awards are made of their own equity instruments to employees of subsidiary entities within its group. Subsidiary companies have no obligation to settle these transactions.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The fair value excludes the effect of non-market vesting conditions. Fair value is determined by an internal valuation performed by the Group’s Finance Committee using an appropriate pricing model (see note 28).

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest. At each balance sheet date, the Group 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 income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Own shares

Own shares represent the shares of JTC Group Holdings that are unallocated and are held by the employee share ownership trusts (which are consolidated in the Group financial information). Own shares are recorded at cost and deducted from equity. When shares vest unconditionally, are cancelled or are reissued they are transferred from the own shares reserve at their cost. Any consideration paid or received by the Trust for the purchase or sale of JTC Group Holdings’ own shares is shown as a movement in shareholders’ equity.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax.

Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates 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 information 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

Deferred tax on tax deductible intangible assets

The Group claims tax deductions in respect of deductible intangible assets and goodwill. The Group will recognise a deferred tax asset or liability on the difference between the tax carrying value and the accounting carrying value.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the 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.

Intangible assets

Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, separately identifiable intangible assets acquired in a business combination are reported at costs less accumulated amortisation and any impairment losses.

Contract intangibles

Contract intangibles consist of the recognition of the legal relationships gained through acquisition. On initial recognition the values are determined by relevant factors such as business product life-cycles, length of notice, ease of movement and general attrition. This class of intangibles is amortised over their useful lives using the straight-line method, which is estimated between ten and twelve years, based on management's expectations and client experience.

Licences

Separately acquired licences are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses using the straight-line method.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;

- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available;
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

This class of intangibles is amortised over their useful lives using the straight-line method, which is estimated at four years, based on management's expectations.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

This class of intangibles is reviewed for impairment annually or if the above factors indicate that the carrying amount may be impaired.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes all costs necessary to bring the asset to working condition for its intended use. This would include not only its original purchase price but also costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site .

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year they are incurred.

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 profit or loss 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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as lessee

Finance leases that transfer to the group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Rentals payable under operating leases are charged to the 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.

Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments. In the event that lease incentives are received on entering into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of the rental expense on a straight-line basis.

Impairment of tangible and intangible assets other than goodwill

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the impact of 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 finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructuring

A restructuring provision is recognised when the group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Financial instruments

Financial assets and financial liabilities are recognised in the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Financial assets

Recognition and initial measurement

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. All financial assets, other than cash and cash equivalents and derivatives, are classified as 'loans and receivables'.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired, or the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets at fair value through profit or loss

Financial assets designated at fair value through profit or loss ("FVTPL") at inception are financial instruments that are not classified as held for trading but are managed and their performance is evaluated on a fair value basis. Subsequent to initial recognition, all financial assets at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value are presented in the income statement within 'other gains and losses' in the period in which they arise.

When investments in equity instruments do not have a quoted market price in an active market and its fair value cannot be reliably determined they are measured at cost.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Loans and receivables comprise loans, trade receivables, WIP, accrued income and other receivables.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been adversely affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs. Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Borrowings are initially measured at fair value, net of transaction costs.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. Accrued interest is recorded separately from the associated borrowings within current liabilities.

Financial liability extinguishment

A financial liability (or part of it) is extinguished when the debtor either:

- discharges the liability (or part of it) by paying the creditor, normally with cash, other financial assets, goods or services; or
- is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid (net of any fees received and discounted using the original effective interest rate), is at least 10 per cent. different from the discounted present value of the remaining cash flows of the original financial liability.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Determination of fair values

When measuring the fair value of an asset or a liability, the group uses market observable data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Forward contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price established over the counter. Forward contracts are valued based on the difference between agreed price of selling or buying the financial instruments on a future date and the price quoted on the year end date for selling or buying the same or similar financial instruments.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The directors consider that the derivative forward contract is a level 2 observation for fair value. There were no transfers between levels 1, 2 and 3 during the year.

Earnings per share

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

Assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Immediately before classification as held-for-sale, the assets, or components of a disposal group, are remeasured in accordance with the group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to work in progress, financial assets and current and deferred tax assets, which continue to be measured in accordance with the group's accounting policies.

Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale, intangible fixed assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

5. Critical accounting estimates and judgements

In the application of the group's accounting policies, which are described in note 4, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(i) ***Critical judgements in applying the entity's accounting policies***

The following are the critical judgements, apart from those involving estimations (which are dealt with separately under (ii) below), that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial information.

(a) *Going concern assumption*

In assessing the going concern assumption, the directors have noted the group's historic net liability position and historic accounting losses. However, the group has continued to experience revenue growth and positive cash flow as a result of its operations. A capital restructure is also planned to refinance the loans and borrowings balance which will, in turn, significantly reduce the finance costs experienced going forward. The directors have also reviewed the group's financial and cash flow forecasts and concluded that it is appropriate to adopt the going concern basis of accounting in preparing the consolidated financial information. They have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial information.

(b) *Classification of software development costs as technology-related intangible assets*

The group has developed software (known as JTC Edge) which is a virtual private office platform offering state-of-the- art, highly secure technology, purpose-built for high net worth clients and single or multi-family offices. It has been developed in conjunction with a third party provider and the group retains full ownership rights on all associated designs, technologies, scripting and software. The directors have concluded that it is probable that future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. They have therefore capitalised all appropriate costs in relation to this software within intangible assets. See note 15.

(ii) ***Critical accounting estimates and assumptions***

(a) *Provisions*

Provision is made for dilapidations and onerous leases. These provisions require an estimate to be made of the likely costs that will be incurred based on legislative and contractual arrangements and the likelihood of successful sub- leases and negotiations with the landlords upon exit. In addition, an estimate needs to be made for the timing of expected cash flows and the appropriate discount rate to use to establish net present value of the obligations. See note 24.

(b) *Evaluation of impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date is £76.2 million (2016: £74 million; 2015: £73.4 million). Details of the calculation are set out in note 15.

(c) *Initial recognition and useful life of intangible assets acquired in a business combination*

The group's management team have assessed each acquisition from 1 July 2014 to 31 December 2017, to identify the intangible assets that were acquired in each transaction that qualify for separate recognition. Accordingly, management have recognised one main class of intangibles being customer contract intangibles. The valuation method used to value customer contract intangibles is a multi-period excess earnings method approach. The customer contract intangibles are amortised over their useful economic life ("UEL"), the UEL has been assessed to be between ten and twelve years which has been estimated as the average period for which services are typically provided to contracted client entities. See note 15.

(d) *Evaluation of impairment of intangible assets acquired in a business combination*

The group actively looks for signs of impairment by reviewing the financial performance of acquired books of business. While every effort is made to evaluate these correctly, there is a high level of judgement in the original and continuing assumptions that underpin the values. In making its judgement management considers income generated against the original business case, internal and external factors affecting economic life and growth assumptions. No signs of impairment were detected. The carrying value of customer contract intangible assets at 31 December 2017 is £20.5 million (2016: £9.5 million; 2015: £9.5 million). See note 15.

(e) *Impairment of trade receivables, work in progress and accrued income*

To assess the fair value of consideration received for services rendered, the directors are required to make an assessment as to the recoverability of work in progress, trade receivables and accrued income. Provisions are made where full recovery is in doubt. The provisions are reviewed on a regular basis to assess their adequacy. In making this assessment, the directors take into consideration the following; (i) their historic knowledge and current status of the client relationship, (ii) client assertion regarding payment, (iii) the ageing profile of the trade receivables, (iv) the ageing profile of the work in progress and comparison to agreed billing arrangements and (v) any circumstances of which they are aware regarding the clients inability to meet its financial obligations. See note 18.

6. Financial risk management

The financial risk management policies are discussed by the management of the group on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise the potential adverse effects affecting the financial performance of the group. Management provides necessary guidance and instructions to the employees covering the specific risk areas. The group does not hold or issue derivative financial instruments for speculative purposes.

Market risk

The group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. There is also some currency risk through overseas operations with a functional currency other than pounds sterling and to a lesser extent when contracting with clients in currencies other than pounds sterling.

Foreign currency risk management

The principal currency of the group's financial assets and liabilities is pounds sterling. The group, however, does own trading subsidiaries based in Africa, Americas, Caribbean and Europe which are denominated in a currency other than the principal currency. The group manages exposure to foreign exchange rates by carrying out the majority of its transactions in the functional currency of the group company in the jurisdiction in which it operates.

The group entities maintain assets in foreign currencies sufficient for regulatory capital purposes in each jurisdiction. The carrying amounts of the group's material foreign currency denominated monetary assets and monetary liabilities are as follows:

	Monetary Assets(i)			*Monetary Liabilities(ii)*		
	2015	*2016*	*2017*	*2015*	*2016*	*2017*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Euro	1,757	3,845	3,786	(579)	(969)	(2,984)
United States Dollar	3,852	8,784	3,720	(508)	(377)	(552)
South African Rand	319	362	792	(182)	(340)	(379)
Swiss Franc	443	238	653	(227)	(270)	(2,562)
Pound Sterling	15,095	15,760	18,040	(127,686)	(136,987)	(119,982)
Total	21,466	28,989	26,991	(129,182)	(138,943)	(127,459)

(i) Monetary assets comprise of cash and cash equivalents and trade receivables.

(ii) Monetary liabilities comprise of loans and borrowings and trade and other payables.

Foreign currency risk management sensitivity analysis:

The following table illustrates management's assessment of the foreign currency impact on the year-end balance sheet and presents the possible impact on the group's total comprehensive income for the year and net assets arising from potential changes in the Euro, United States Dollar, South African Rand and Swiss Franc exchange rates, with all other variables, particularly interest rates, remaining constant. A strengthening or weakening of pounds sterling by 15 per cent. is considered an appropriate variable for the sensitivity analysis given the scale of foreign exchange fluctuations over the last three years.

	Strengthening /(weakening) of pound sterling	*Effect on the group profit and loss and net assets*		
		2015	*2016*	*2017*
		£'000	*£'000*	*£'000*
Euro	+15%	177	431	(120)
United Stated Dollars	+15%	502	1,261	475
South African Rand	+15%	20	3	62
Swiss Franc	+15%	32	(5)	(286)
Euro	(15%)	(177)	(431)	(120)
United Stated Dollars	(15%)	(502)	(1,261)	(475)
South African Rand	(15%)	(20)	(3)	(62)
Swiss Franc	(15%)	(32)	5	286

Interest rate risk management

The group is exposed to interest rate risk as it borrows funds at floating interest rates, the interest rates are directly linked to LIBOR plus a margin based on the leverage ratio of the group, the higher the leverage ratio the higher the margin on LIBOR. 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.

Exposure to interest rate fluctuations was previously limited by a three year amortising interest rate swap with both HSBC and RBS for £14,000,000 respectively (see note 23). Under that swap arrangement LIBOR was fixed at 0.69 per cent. and payable monthly. The SWAP terminated on 26 July 2015 and due to the low risk of interest rate fluctuations, further swap arrangements were not deemed necessary by management nor required by the banks.

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 sensitivity analysis:

The sensitivity analysis below has been determined based on the floating rate liabilities.

The group considers a reasonable interest rate movement in LIBOR to be 50 basis points based on recent historical changes to interest rates. If interest rates had been higher/lower by 50 basis points and all other variables were held constant, the group's loss for the year ended 31 December 2017 would decrease/increase by £278k (year ended 31 December 2016: £267k; period ended 31 December 2015 £266k).

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group's principal exposure to credit risk arises from the group's trade receivables from clients and cash at banks.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The carrying amount of financial assets recorded in the historical financial information, which is net of impairment losses, represents the group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

The group manages credit risk by review at take-on around:

- Risk of insolvency or closure of the customer's business;
- Customer liquidity issues; and
- General creditworthiness, including past default experience of the customer, and customer types.

Subsequently, customer credit risk is managed by each of the group entities subject to the group's 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 collect the debts. This evidence can include the following: indication that the debtor is experiencing significant financial difficulty or default, probability of bankruptcy, problems in contacting the clients, disputes with a customer, etc. Analysis is done on a case by case basis in line with policies.

The ageing of trade receivables and the provision for trade receivables at the reporting date is disclosed in note 18.

The cash and cash equivalents and interest receivable are held mainly with banks which are rated "A-" or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd for long term credit rating.

Liquidity risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group manages liquidity risk to maintain adequate reserves by regular review around the working capital cycle using information on forecast and actual cash flows.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. Regulation in most jurisdictions also requires the group to maintain a level of liquidity so the group does not become exposed.

Liquidity and interest risk tables

The following 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 (except for derivatives which are included at their fair value) 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.

31 December 2015	*<3 months £'000*	*3 – 12 months £'000*	*1 – 5 years £'000*	*>5 years £'000*	*Total £'000*
Loans and borrowings [(i) (ii)]	466	2,288	59,453	98,662	160,869
Trade payables and accruals	4,892	–	–	–	4,892
Deferred consideration for acquisitions	–	750	2,820	–	3,570
	5,358	3,038	62,273	98,662	169,331
31 December 2016					
Loans and borrowings [(i) (ii)]	457	2,223	56,665	98,781	158,126
Trade payables and accruals	4,753	–	–	–	4,753
Deferred consideration for acquisitions	–	2,302	499	–	2,801
Derivative financial instrument	–	50	–	–	50
	5,210	4,575	57,164	98,781	165,730
31 December 2017					
Loans and borrowings [(i) (ii)]	587	58,770	64,151	–	123,508
Trade payables and accruals	10,190	–	–	–	10,190
Deferred consideration for acquisitions	–	5,478	1,379	–	6,857
	10,777	64,248	65,530	–	140,555

(i) This includes the future interest payments not yet accrued and the repayment of capital upon maturity.

(ii) The group had undrawn borrowings at 31 December 2017 of £1.7 million (2016: £3.5 million, 2015: £3.5 million). See note 23.

Capital risk management

The capital structure of the group consists of shares, share premium and borrowings. The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

As disclosed in note 23, the group has a bank loan which requires it to meet leverage and interest cover covenants. In order to achieve the group's capital risk management objective, the group aims to ensure that it meets financial covenants attached to bank borrowings. Breaches in meeting the financial covenants would permit the lender to immediately recall the loan. In line with the loan agreement the group tests compliance with the financial covenants on a quarterly basis.

Individual regulated entities within the group are subject to regulatory requirements to ensure adequate capital and liquidity to meet local requirements in Jersey, Guernsey, Isle of Man, UK, Swiss, Netherlands, Luxembourg, Caribbean and South Africa, which are monitored monthly to ensure compliance. There have been no breaches of applicable regulatory requirements during the year.

The directors continue to review and improve the group's objectives, policies and processes for managing capital.

7. Segmental Reporting

The board of directors of the company is the Chief Operating Decision Maker of the group and determines the appropriate business segments to monitor financial performance. Each segment is defined as a set of business activities generating a revenue stream determined by divisional responsibility and the management information reviewed by the board of directors. The board evaluates segmental performance on the basis of gross profit, after the deduction of the direct costs of staff, third party administration and sale commission fees.

The divisions engage in corporate, fund and private client administration services. Declared revenue is generated from external customers.

The group has two reportable segments under IFRS 8, these are Institutional Client Services and Private Client Services. No individual client group represents more than 10 per cent. of revenue in the periods ended 31 December 2015, 2016 and 2017.

For the period ended 31 December 2015	*Revenue £'000*	*Direct staff cost £'000*	*Other direct costs £'000*	*Gross profit £'000*	*Margin*
Divisions					
Institutional Client Services	32,453	(14,745)	(105)	17,603	54%
Private Client Services	23,722	(9,327)	(446)	13,949	59%
Total	56,175	(24,072)	(551)	31,552	56%
Indirect staff costs				(8,021)	
Operating expenses				(15,996)	
Other operating income				157	
EBITDA				7,692	
Non-underlying items within EBITDA (see note 11)				5,115	
Underlying EBITDA				12,807	

For the period ended 31 December 2016	*Revenue £'000*	*Direct staff cost £'000*	*Other direct costs £'000*	*Gross profit £'000*	*Margin*
Divisions					
Institutional Client Services	32,049	(13,654)	(82)	18,313	57%
Private Client Services	19,036	(7,438)	(801)	10,797	57%
Total	51,085	(21,092)	(883)	29,110	57%
Indirect staff costs				(6,107)	
Operating expenses				(12,733)	
Other operating income				243	
EBITDA				10,513	
Non-underlying items within EBITDA (see note 11)				1,266	
Underlying EBITDA				11,779	

For the period ended 31 December 2017	Revenue £'000	Direct staff cost £'000	Other direct costs £'000	Gross profit £'000	Margin
Divisions					
Institutional Client Services	36,071	(16,162)	(199)	19,710	55%
Private Client Services	23,721	(9,264)	(1,543)	12,914	54%
Total	59,792	(25,426)	(1,742)	32,624	55%
Indirect staff costs				(6,580)	
Operating expenses				(16,831)	
Other operating income				434	
EBITDA				9,647	
Non-underlying items within EBITDA (see note 11)				4,775	
Underlying EBITDA				14,422	

EBITDA is not used to measure the performance of the individual segments as items like establishment costs and legal and professional fees are not allocated to individual segments.

Consistent with the aforementioned reasoning, assets/liabilities are not reviewed regularly on a segment by segment basis and are therefore not included in the group segment reporting.

Geographical information

The group's revenue from external customers by geographical location of contracting group entity is detailed below:

	1 July 2014 to 31 December 2015 £'000	1 January 2016 to 31 December 2016 £'000	1 January 2017 to 31 December 2017 £'000
Africa	–	35	321
Americas	–	213	846
Caribbean	3,331	6,362	6,892
Channel Islands	44,972	37,655	38,950
Europe	7,837	6,748	11,327
Isle of Man	–	–	867
United Kingdom	35	72	589
Total revenue	56,175	51,085	59,792

8. Other gains and (losses)

	1 July 2014 to 31 December 2015 £'000	1 January 2016 to 31 December 2016 £'000	1 January 2017 to 31 December 2017 £'000
Loan written (off)/back	(254)	11	(490)
Foreign exchange gains	9	792	257
Net loss on disposal of tangible assets	–	–	(2)
(Loss)/gain on disposal of subsidiary	647	–	(53)
Gain/(loss) on derivative forward contract	–	(50)	50
Gain on bargain purchase (see note 35(i))	–	–	2,071
	402	753	1,833

9. Finance income

	1 July 2014 to 31 December 2015 £'000	1 January 2016 to 31 December 2016 £'000	1 January 2017 to 31 December 2017 £'000
Bank interest income	84	45	56
Loan interest income	4	4	17
Total finance income	88	49	73

10. Finance cost

	1 July 2014 to 31 December 2015 £'000	1 January 2016 to 31 December 2016 £'000	1 January 2017 to 31 December 2017 £'000
Bank loan interest	2,922	2,528	2,348
Finance lease interest	32	20	17
Loan note interest(i)	11,314	8,941	9,202
Amortisation of loan arrangement fees	471	314	322
Accelerated amortised loan arrangement fees (see note 23)	1,388	–	–
Unwinding of discount	81	120	119
Other finance expense	482	213	207
Total finance cost	16,690	12,136	12,215

(i) Loan note interest was accrued up to 30 November 2017. On this date the board approved the restructuring of the Investor and Management loan notes and as a result, £31.4 million of loan note interest was waived and is directly accounted for within equity.

11. Non-underlying items

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
EBITDA	7,692	10,513	9,647
Non-underlying items within EBITDA:			
Initial Public Offering ("IPO")[(i)]	–	–	1,768
Acquisition and integration cost[(ii)]:			
New Amsterdam Cititrust B.V. ("NACT")	–	128	108
Bank of America ("ITWS")	–	–	1,522
Arcange REIM S.A. ("Arcange")	–	66	–
Swiss & Global Fund Admin (Cayman) ("S&GFA")	187	80	27
Signes S.à r.l and Signes S.A. ("Signes")	537	12	–
Kleinwort Benson (CI) Fund Services ("KB Group")	1,251	870	316
Ardel Trust Company (Switzerland) and (New Zealand) ("Ardel")	711	147	22
Anson Fund Managers Limited ("Anson")	25	–	–
Herald Trust Company Limited	151	–	–
Aborted project costs	112	–	–
Office closures[(iii)]	–	–	625
One off costs to reorganise senior management team[(iv)]	309	–	200
Legal dispute[(v)]	593	–	–
Bad debt write offs and associated legal costs[(vi)]	1,185	–	–
Other	54	(37)	187
Total non-underlying items	5,115	1,266	4,775
Underlying EBITDA	12,807	11,779	14,422

The above reflect expenses which are not representative of underlying performance

(i) In the year ended 31 December 2017, the group expensed fees relating to the IPO of £1,768k.

(ii) During the year ended 31 December 2017, the group completed two acquisitions (ITWS and NACT) and expensed £1,630k of acquisition and integration expenditure. In the prior periods, the group expensed £4,530k relating to the Arcange, S&GFA, Signes, KB Group, Ardel, Anson and Herald acquisitions. See note 35. It also incurred £112k of costs for aborted deals. Acquisition and integration costs includes but is not limited to: travel costs, professional fees, legal fees, tax advisory fees, onerous leases, transitional services agreement costs, any client acquired penalties or cost of acquired debtors subsequently defaulting, acquisition related share based payments and staff reorganization costs

(iii) The group closed their direct operations in Malta and as a result incurred losses of £220k. The group closed offices in Latin America, staff redundancies totalled £405k.

(iv) One off costs incurred to reorganise the senior management team.

(v) Costs incurred as the group supported a new employee following a claim made against them by a previous employer.

(vi) Costs incurred in settlement of a long standing client dispute. £647k was paid in legal fees and £537k of bad debts were written off.

12. Tax

	1 July 2014 to 31 December 2015 £'000	1 January 2016 to 31 December 2016 £'000	1 January 2017 to 31 December 2017 £'000
Current tax expense			
Current period:			
Jersey tax on current year profits	464	326	300
Foreign company tax on current year profits	520	591	982
	984	917	1,282
Deferred tax expense			
Jersey origination and reversal of temporary differences	(2)	(3)	7
Temporary movements in relation to customer contracts	(67)	(110)	(172)
Foreign company origination and reversal of temporary changes	(16)	(13)	(34)
	(85)	(126)	(199)
Total tax change for the period/year	899	791	1,083

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Jersey income tax to the profit before tax is as follows:

	1 July 2014 to 31 December 2015 £'000	1 January 2016 to 31 December 2016 £'000	1 January 2017 to 31 December 2017 £'000
Loss on ordinary activities before tax	(10,347)	(2,908)	(3,562)
Tax on loss on ordinary activities at standard Jersey income tax rate of 10% (2016: 10%, 2015: 10%)	(1,035)	(291)	(356)
Effects of:			
Results from tax exempt entities (Jersey company)	1,825	856	1,280
Result from tax exempt entities (Foreign company)	(81)	(99)	(144)
Foreign taxes not at Jersey rate	337	340	569
Depreciation in excess of capital allowances (Jersey company)	(2)	(3)	6
Depreciation in excess of capital allowances (Foreign company)	(16)	(13)	(34)
Temporary difference arising on amortisation of customer contracts	(67)	(110)	(172)
Non-deductible expenses	95	18	17
Consolidation adjustments	(170)	76	(101)
Other differences	13	17	18
Total tax charge for the period/year	899	791	1,083

Income tax expense computations are based on the jurisdictions in which profits were earned at prevailing rates in the respective jurisdictions.

The company is subject to Jersey income tax at the standard rate of 0 per cent. however, the majority of the group's profits are reported in Jersey by companies that are subject to tax applicable to financial services companies at 10 per cent.. It is this rate that has been used for reconciliation purposes.

	1 July 2014 to 31 December 2015 £'000	1 January 2016 to 31 December 2016 £'000	1 January 2017 to 31 December 2017 £'000
Reconciliation of effective tax rates			
Tax on loss on ordinary activities	10.00%	10.00%	10.00%
Effects of:			
Results from tax exempt entities (Jersey company)	(17.64%)	(29.44%)	(35.93%)
Result from tax exempt entities (Foreign company)	0.79%	3.42%	4.05%
Foreign taxes not at Jersey rate	(3.26%)	(11.69%)	(15.96%)
Depreciation in excess of capital allowances (Jersey company)	0.02%	0.09%	(0.17%)
Depreciation in excess of capital allowances (Foreign company)	0.15%	0.44%	0.95%
Temporary difference arising on amortisation of customer contracts	0.64%	3.79%	4.82%
Non-deductible expenses	(0.92%)	(0.63%)	(0.49%)
Consolidation adjustments	1.64%	2.63%	2.82%
Other differences	(0.12%)	(0.55%)	(0.51%)
Effective tax rate	(8.70%)	(27.20%)	(30.42%)

As at 31 December 2015, 31 December 2016 and 31 December 2017, there are no unrecognised deferred tax assets or liabilities.

13. Earnings per share

	2015 £'000	2016 £'000	2017 £'000
Loss for the period/year	(11,246)	(3,699)	(4,645)
	No.	No.	No.
Weighted average number of ordinary shares in issue	951,781	993,561	1,028,450
Effect of dilutive potential ordinary shares:			
Deferred consideration shares	–	9,778	–
Performance share plan	60,000	–	–
Weighted average number of ordinary shares for the purpose of diluted EPS	1,011,781	1,003,339	1,028,450
Basic EPS (pence)	(1,181.54)	(372.32)	(451.61)
Diluted EPS (pence)	(1,111.48)	(368.70)	(451.61)

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit/loss after tax, attributable to ordinary shareholders, by the weighted average number of ordinary shares in issue during the year/period.

Diluted EPS takes into consideration JTC Group Holdings' dilutive contingently issuable shares as disclosed above. These arrangements have no impact on the earnings figures used to calculate diluted EPS. The weighted average number of ordinary shares used in the diluted calculation is inclusive of the number of shares which are expected to be issued to satisfy the awards when they become due and where the performance criteria, if any, have been deemed to have been met as at 31 December 2015, 2016 and 2017.

9,778 ordinary shares were issued on 5 September 2017 as part of the Signes acquisition (see note 35).

14. Other operating expenses

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Third party administration fees	508	747	1,472
Commissions paid	44	135	269
Legal and professional fees	2,544	1,610	3,178
Auditor's remuneration for audit services	307	321	410
Auditor's remuneration for other services:			
FATCA	7	12	–
Acquisitions	317	60	18
IPO	–	–	605
Insurance	599	442	480
Travelling	648	496	552
Marketing	537	393	460
IT expenses	1,365	2,594	2,954
Impairment loss recognised on trade receivables (see note 18)	1,952	1,257	1,358
Other expenses	4,232	2,126	2,735
Total other operating expenses	13,060	10,193	14,491

15. Intangible assets and goodwill

	Goodwill £'000	Customer Contracts £'000	Licenses £'000	Software £'000	Assets under construction £'000	Total £'000
Cost						
At 1 July 2014	62,307	–	–	1,721	–	64,028
Additions	70	–	–	614	–	684
Additions through acquisitions	10,877	9,687	–		–	20,564
Exchange differences	173	207	–	–	–	380
At 31 December 2015	73,427	9,894	–	2,335	–	85,656
Additions	(57)	–	–	274	250	467
Additions through acquisitions	–	–	230	–	–	230
Disposals	–	–	–	(506)	–	(506)
Exchange differences	652	1,041	7	7	–	1,708
At 31 December 2016	74,022	10,935	237	2,110	250	87,554
Additions	–	–	–	282	144	426
Transfers	–	–	–	394	(394)	–
Additions through acquisitions	2,001	12,591	–	–	–	14,592
Disposals	–	–	–	(1)	–	(1)
Exchange differences	160	(252)	8	1	–	(83)
At 31 December 2017	76,183	23,274	245	2,786	–	102,488
Accumulated amortisation						
At 1 July 2014	–	–	–	506	–	506
Charge for the period	–	376	–	716	–	1,092
Exchange differences	–	(8)	–	(1)	–	(9)
At 31 December 2015	–	368	–	1,221	–	1,589
Charge for the period	–	1,025	10	337	–	1,372
Prior period adjustment	–	–	–	63	–	63
Disposals	–	–	–	(337)	–	(337)
Exchange differences	–	36	–	6	–	42
At 31 December 2016	–	1,429	10	1,290	–	2,729
Charge for the period	–	1,326	21	495	–	1,842
Exchange differences	–	(25)	(3)	1	–	(27)
At 31 December 2017	–	2,730	28	1,786	–	4,544
Carrying amount						
At 31 December 2015	73,427	9,526	–	1,114	–	84,067
At 31 December 2016	74,022	9,506	227	820	250	84,825
At 31 December 2017	76,183	20,544	217	1,000	–	97,944

The method of valuation and subsequent review is outlined in note 4, no triggers of impairment were detected. Customer contracts and license intangibles are amortised over ten to twelve years and computer software is amortised over four years.

Customer contract intangibles

This class of intangible assets arose upon completion of the acquisitions. See note 35.

Analyses of the carrying amount of the intangible assets acquired can be found below:

		Carrying amount		
Customer contract intangibles	*Amortisation Period end*	*2015 £'000*	*2016 £'000*	*2017 £'000*
Signes	30 June 2025	2,217	2,292	2,107
KB Group	30 June 2027	4,011	3,662	3,314
S&GFA	30 Sept 2025	3,298	3,552	2,890
ITWS	30 Sept 2029	–	–	9,392
NACT	31 July 2027	–	–	2,841
Total		9,526	9,506	20,544

Goodwill

Goodwill represents the excess of the cost of the acquisition over fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

In accordance with the group's accounting policy, the carrying value of goodwill is not subject to systematic amortisation but is reviewed annually for impairment. The review assesses whether the carrying value of goodwill could be supported by the recoverable amount which is determined through value in use calculations of each cash- generating unit (CGU). The key assumptions applied in the value in use calculations are the discount rates and the projected cash flows.

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	Balance at 1 July 2014 £'000	*Post acquisition adjustments £'000*	*Business combi-nations £'000*	*Exchange differences £'000*	*Balance at 31 December 2015 £'000*
CGU: Jersey	53,381	–	948	–	54,329
CGU: Guernsey	4,711	–	5,887	–	10,598
CGU: BVI	752	–	–	–	752
CGU: Swiss	1,007	70	–	–	1,077
CGU: Cayman	–	–	358	13	371
CGU: Luxembourg	2,456	–	3,684	160	6,300
Total	62,307	70	10,877	173	73,427

	Balance at 1 January 2016 £'000	*Post acquisition adjustments £'000*	*Business combi-nations £'000*	*Exchange differences £'000*	*Balance at 31 December 2016 £'000*
CGU: Jersey	54,329	8	–	–	54,337
CGU: Guernsey	10,598	–	–	–	10,598
CGU: BVI	752	–	–	–	752
CGU: Swiss	1,077	–	–	–	1,077
CGU: Cayman	371	(161)	–	35	245
CGU: Luxembourg	6,300	96	–	617	7,013
Total	73,427	(57)	–	652	74,022

	Balance at 1 January 2017 £'000	*Post acquisition adjustments £'000*	*Business combi-nations £'000*	*Exchange differences £'000*	*Balance at 31 December 2017 £'000*
CGU: Jersey	54,337	–	–	–	54,337
CGU: Guernsey	10,598	–	–	–	10,598
CGU: BVI	752	–	–	–	752
CGU: Swiss	1,077	–	–	–	1,077
CGU: Cayman	245	–	–	(20)	225
CGU: Luxembourg	7,013	–	–	191	7,204
CGU: Netherlands	–	–	2,001	(11)	1,990
Total	74,022	–	2,001	160	76,183

The recoverable amount of goodwill has been determined for each cash generating unit as at 31 December 2017, 2016, 2015 and as at 1 July 2014. For each of the CGUs, the recoverable amount is higher than its carrying amount.

Key assumptions used in discounted cash flow projection calculations

The recoverable amount of all CGUs has been determined based on a value-in-use calculation using cash flow projections. Projected cash flows are calculated with reference to each CGUs latest budget and business plan which are subject to a rigorous review and challenge process. Management prepare the budgets through an assessment of historic revenues from existing clients, the pipeline of new projects, historic pricing, and the required resource base needed to service new and existing clients, coupled with their knowledge of wider industry trends and the economic environment.

The year 1 cash flow projections are based on detailed financial budgets and years 2 to 3 on detailed outlooks as prepared by management. The revenue growth rate assumed beyond the initial 3 year period is between 1.2 per cent. – 2.0 per cent. (applying constant margins), based on the expected long term inflation rate of the relevant jurisdiction of the CGU.

The values assigned to the key assumptions used in the value in use calculations are as follows:

- Terminal value growth rate: between 1.2 per cent. to 2 per cent.
- Discount rate: between 11.5 per cent. to 13.5 per cent.
- EBIT Margin: between 30 per cent. to 40 per cent. (i)

(i) The EBIT margin is generally between 30 per cent. and 40 per cent., apart from the BVI and Guernsey, which have EBIT margins of 15 per cent. and 25 per cent. respectively.

Discount rates

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. In assessing the discount rate applicable to the group the following factors have been considered:

(i) Long term treasury bond rate for the relevant jurisdiction

(ii) The cost of equity based on an adjusted Beta for the relevant jurisdiction

(iii) The risk premium to reflect the increased risk of investing in equities

The above assumptions have resulted in weighted average cost of capital (WACC) of between 11.5 per cent. and 13.5 per cent..

Sensitivity analysis

The impairment review of the group is sensitive to changes in key assumptions, most notably projected cash flows and the pre-tax discount rate. Management has independently performed a sensitivity analysis where the weighted average cost of capital used was increased by 5 per cent. and the projected cash flows decreased by 5 per cent. for all CGUs, with all other assumptions constant and the CGUs do not show indications of impairment.

16. Property, plant and equipment

	Freehold Property £'000	*Computer equipment £'000*	*Office furniture and equipment £'000*	*Leasehold improve-ments £'000*	*Assets under construction £'000*	*Total £'000*
Cost						
At 1 July 2014	2,484	1,094	591	658	–	4,827
Additions	–	802	129	389	69	1,388
Additions through acquisitions	–	62	40	122	–	224
Disposals	(2,484)	–	(1)	(67)	–	(2,552)
Exchange differences	–	(13)	(8)	(9)	–	(30)
At 31 December 2015	–	1,945	751	1,093	69	3,858
Additions	–	283	86	479	947	1,795
Disposals	–	(21)	(13)	–	–	(34)
Exchange differences	–	145	34	122	–	301
At 31 December 2016	–	2,352	858	1,694	1,016	5,920
Additions	–	40	121	3,420	–	3,581
Transfers	–	–	–	1,016	(1,016)	–
Additions through acquisitions	–	286	9	–	–	295
Disposals	–	(27)	(62)	(68)	–	(157)
Exchange differences	–	(12)	1	9	–	(2)
At 31 December 2017	–	2,639	927	6,071	–	9,637
Accumulated depreciation						
At 1 July 2014	123	672	482	413	–	1,690
Charge for the period	30	401	107	215	–	753
Additions through acquisitions	–	–	–	–	–	–
Disposals	(153)	–	(1)	(66)	–	(220)
Exchange differences	–	(7)	(7)	(6)	–	(20)
At 31 December 2015	–	1,066	581	556	–	2,203
Charge for the year	–	405	99	271	–	775
Disposals	–	(13)	(4)	–	–	(17)
Exchange differences	–	99	26	92	–	217
At 31 December 2016	–	1,557	702	919	–	3,178
Charge for the year	–	404	80	568	–	1,052
Disposals	–	(20)	(46)	(28)	–	(94)
Exchange differences	–	(3)	(1)	1	–	(3)
At 31 December 2017	–	1,938	735	1,460	–	4,133
Carrying amount						
At 31 December 2015	–	879	170	537	69	1,655
At 31 December 2016	–	795	156	775	1,016	2,742
At 31 December 2017	–	701	192	4,611	–	5,504

Finance lease assets

The carrying value of property, plant and equipment includes an amount of £nil (2016: £94k and 2015: £149k) in respect of computer equipment held under finance leases.

17. Investment in equity-accounted investee

The group has an 42 per cent. (2016: 36 per cent., 2015: 36 per cent., 1 July 2014: nil) interest in Kensington International Group Pte. Ltd ("KIG"). KIG provides corporate, fiduciary, trust and accounting services in Singapore and is a strategic partnership for the group, providing access to new clients and markets in Singapore. The associate has share capital consisting of ordinary and preference shares, which are held directly by the group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	*Country of incorporation*	*% ownership interest 2015*	*2016*	*2017*	*Nature of relationship*	*Measurement method*
Kensington International Group Pte. Ltd ("KIG")	Singapore	36%	36%	42%	Associate	Equity method

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.

Summarised financial information of the associate

Set out below is the summarised financial information for KIG, which is accounted for using the equity method.

Summarised income statement	*1 July 2014 to 31 December 2015 £'000*	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Revenue	1,821	2,390	2,822
Gross profit	1,372	1,838	2,178
Profit/(loss) for the year/period	(59)	40	103
Other comprehensive income/(loss) for the year/period	(6)	(5)	3
Total comprehensive income/(loss) for the year/period	(65)	35	106

Summarised balance sheet	*2015 £'000*	*2016 £'000*	*2017 £'000*
Total non-current assets	544	545	460
Total current assets	1,471	1,585	1,524
Total assets	2,015	2,130	1,984
Total non-current liabilities	1	2	–
Total current liabilities	1,363	1,312	1,171
Total liabilities	1,364	1,314	1,171
Net assets	651	816	813

Reconciliation of summarised financial information

Summarised financial information	*2015* *£'000*	*2016* *£'000*	*2017* *£'000*
Opening net assets	684	651	816
Profit/(loss) for the year/period	(59)	40	103
Other comprehensive income/(loss)	(6)	(5)	3
Foreign exchange differences	32	130	(109)
Closing net assets	651	816	813
Group's share of closing net assets	234	294	344
Goodwill	380	380	542
Carrying value of investment in associate	614	674	886

18. Trade and other receivables

	2015 *£'000*	*2016* *£'000*	*2017* *£'000*
Trade receivables	12,179	15,687	13,498
Allowance for doubtful debts	(2,186)	(2,455)	(2,635)
	9,993	13,232	10,863
Accrued income	2,194	3,021	8,051
Work in progress	6,489	5,751	5,855
Total trade and other receivables	18,676	22,004	24,769

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The group considers all receivables over 30 days to be past due.

As of 31 December 2017, trade receivables amount to £4.22 million (2016: £7.42 million; 2015: £3.93 million) were past due but not impaired. These relate to a number of independent clients for whom there is no recent history of default.

The other classes within trade receivables and other debtors (see note 19) do not contain impaired assets and are not past due. Based on the credit quality and history of these other classes, it is expected that these amounts will be received when due. The group does not hold any collateral in relation to these receivables. The directors consider that the carrying value of trade and other receivables is approximately equal to their fair value.

Allowances against doubtful debts are recognised against receivables with reference to these indicators:

- Insolvency or closure of the customer's business;
- Customer liquidity issues; and
- General creditworthiness, including past default experience of the customer.

As at 31 December 2017, the gross trade receivables for which an impairment provision has been recognised amounted to £3.66 million (2016: £3.18 million; 2015: £3.49 million).

During the current financial year, there is one customer that represents more than 5 per cent. of the total balance of trade receivables. These receivables are held across different contracting entities in the group.

Institutional Client A 5.4 per cent. (2016: 4.1 per cent., 2015: 4.2 per cent.)

The directors consider that the carrying value of trade and other receivables is approximately equal to their fair value.

	2015	*2016*	*2017*
	£'000	£'000	£'000
Movement in allowances for doubtful debts:			
Balance at the beginning of the year/period	(2,562)	(2,186)	(2,455)
Impairment losses recognised during the year/period	(1,952)	(1,257)	(1,358)
Amounts written off during the year/period	2,328	988	1,178
Total allowance for doubtful debts	(2,186)	(2,455)	(2,635)

	2015	*2016*	*2017*
	£'000	*£'000*	*£'000*
Ageing analysis of trade receivables:			
Neither past due nor impaired	3,934	7,415	4,215
30 – 60 days	1,313	1,649	2,149
61 – 90 days	671	684	689
91 – 120 days	693	733	671
121 – 180 days	531	630	739
180+ days	5,037	4,576	5,035
Total	12,179	15,687	13,498

	2015	*2016*	*2017*
	£'000	*£'000*	*£'000*
Ageing of impaired receivables:			
<30 days	21	95	25
31 – 60 days	14	35	26
61 – 90 days	39	44	40
91 – 120 days	62	54	38
121 – 180 days	116	97	115
180+ days	1,934	2,130	2,391
Total	2,186	2,456	2,635

19. Other debtors and prepayments

	2015 £'000	2016 £'000	2017 £'000
Prepayments	881	1,180	1,298
Other receivables	699	772	1,277
Loans receivable from related undertakings(i)			
– Northpoint Byala IC	53	53	53
– Northpoint Acrede IC	–	–	–
– Northpoint Real Estate IC	27	–	–
– Northpoint Latam Limited	416	347	–
– Northpoint Finance IC	11	11	11
– Herald Trust Company Limited	16	–	–
Total current	2,103	2,363	2,639
Non-current			
Prepayments	–	–	940
Total non-current	–	–	940

(i) All companies listed in the note are related parties due to common directorships.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above and in note 18. The group does not hold any collateral as security.

Northpoint Byala IC, Northpoint Real Estate IC and Northpoint Finance IC are incorporated cell companies registered in Jersey, Channels Islands. Northpoint Latam Limited is incorporated in New Zealand. The loans are unsecured, interest free with repayment date unspecified. The loan receivable from Northpoint Real Estate IC was repaid in full on 28 April 2016. During the year ended 31 December 2017, the Group closed their direct operations in Latin America and as a result the loan to Northpoint Latam Limited was written off in full.

Herald Trust Company Limited was purchased by the group on 20 December 2013 and was regulated as a provider of trust and company administration services in Jersey, Channel Islands. This company ceased to be licenced with effect from 30 June 2015 and no longer provides any services other than for the purpose of exiting any remaining client relationships. The loan was repaid in full on 9 February 2016.

20. Net debt

	2015 £'000	2016 £'000	2017 £'000
Bank loans (see note 23) (i)	(53,105)	(53,419)	(55,522)
Finance leases (see note 23)	(131)	(57)	–
Other loans (see note 23)	–	–	(2,028)
Trapped cash (ii)	(3,399)	(2,580)	(1,127)
Less: Cash and cash equivalents	11,483	15,765	16,164
Total net debt	(45,152)	(40,291)	(42,513)

(i) The group had undrawn borrowings at 31 December 2017 of £1.7 million (2016: £3.5 million, 2015: £3.5 million). See note 23.

(ii) Trapped cash represents the minimum cash balance to be held to meet regulatory capital requirements.

21. Share capital

	2015 £'000	2016 £'000	2017 £'000
Authorised			
1,035,000 ordinary shares of £0.01 each	10	10	10
Called up, issued and fully paid			
413,576 A shares of £0.01 each	4	4	4
469,763 B shares of £0.01 each	5	5	5
150,000 C shares of £0.01 each	1	1	1
	10	10	10

On 17 December 2015, a special resolution was filed to increase the authorised share capital of JTC Group Holdings as follows:

- from £10.0k divided into 413,576 A ordinary shares of £0.01 each, 436,424 B ordinary shares of £0.01 each and 150,000 C ordinary shares of £0.01 each, to
- £10.3k divided into 413,576 A ordinary shares of £0.01 each, 466,424 B ordinary shares of £0.01 each and 150,000 C ordinary shares of £0.01 each.

On 4 December 2017, a special resolution was filed to increase the authorised share capital of JTC Group Holdings as follows:

- from £10.3k divided into 413,576 A ordinary shares of £0.01 each, 466,424 B ordinary shares of £0.01 each and 150,000 C ordinary shares of £0.01 each, to
- £10.4k divided into 413,576 A ordinary shares of £0.01 each, 471,424 B ordinary shares of £0.01 each and 150,000 C ordinary shares of £0.01 each, in each case having the rights and being subject to the restrictions set out in the JTC Group Holdings' articles of association.

	2015 £'000	2016 £'000	2017 £'000
Movements in share capital			
Balance as at the beginning of the year/period	9	10	10
Issue of shares (i) (ii) (iii)	1	–	–
Balance as at the end of the year/period	10	10	10

	2015 £'000	2016 £'000	2017 £'000
Movements in share premium			
Balance as at the beginning of the year/period	24	83	83
Issue of shares (i) (iii)	59	–	155
Balance as at the end of the year/period	83	83	238

(i) On 17 December 2015, JTC Group Holdings issued 23,561 B ordinary shares at a price of £2.51 per share. The gross proceeds to JTC Group Holdings were £59k, which has been allocated appropriately between share capital of £0.24k and share premium of £59k.

(ii) On 11 March 2016, JTC Group Holdings issued 60,000 C ordinary shares of £0.01 each per share.

(iii) On 5 September 2017, JTC Group Holdings issued 9,778 B ordinary shares at a price of £15.83 per share. The gross proceeds to JTC Group Holdings were £154.8k, which has been allocated appropriately between share capital of £0.098k and share premium of £155k.

For the three share classes above, each shareholder is entitled to receive notice of and attend a general meeting of JTC Group Holdings but only Class A shareholders, Class B shareholders and the EBT Trustee as defined in the Articles of Association (the "articles") as a Class C shareholder, are entitled to vote. All shareholders have the same rights to dividends and on winding up, subject to the articles.

Reserves

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial informations of foreign operations.

Accumulated losses/profits

The accumulated loss reserve includes all current and prior period accumulated losses and share-based employee remuneration.

Own share reserve

The own share reserve comprises the costs of the company's shares held by the group. 281,636 Ordinary shares (27 per cent. of the issued share capital) are held by EBT12 and JSOPs (2016: 271,093; 2015: 205,099) and have been treated as own shares in accordance with IAS 32 Financial Instruments. See note 22.

Capital reserve

This reserve is used to record the gains or losses recognised on the purchase, sale, issue or cancellation of JTC Group Holdings' own shares, which may arise as a result of transactions with employees or owners of the Group.

22. Own shares

	Number of shares JSOPs	*Number of shares EBT12*	*JSOPs £'000*	*EBT12 £'000*	*Total £'000*
Balance as at 1 July 2014	4,695	50,000	–	1	1
Movement during the period	31,934	–	–	–	–
Balance as at 31 December 2015	36,629	50,000	–	1	1
Movement during the year	(27)	34,000	–	–	–
Balance as at 31 December 2016	36,602	84,000	–	1	1
Movement during the year	(7,480)	–	–	–	–
Balance as at 31 December 2017	29,122	84,000	–	1	1

23. Loans and borrowings

	2015 £'000	2016 £'000	2017 £'000
Non-current			
Bank loans	53,105	53,419	–
Investor loan notes	34,513	38,658	28,126
Management loan notes	39,937	44,853	34,029
Finance leases	57	–	–
Other loans	–	–	1,186
	127,612	136,930	63,341
Current			
Bank loans	–	–	55,522
Finance leases	73	57	–
Other loans	–	–	842
	73	57	56,364
Total loans and borrowings	127,685	136,987	119,705

Bank loans

On 26 September 2014, the Group entered into a loan facility with the mandated lead arrangers, HSBC and RBS (together the "lenders"). Under this agreement, the following facilities were made available to the Group: a term loan facility for £47.5 million ("Term Facility B"), a term loan facility for £10 million ("Acquisition Facility") and a revolving credit facility for £2 million ("RC Facility"). In total, the facilities amounted to £59.5 million.

Accelerated amortisation of capitalised loan arrangement fees of £1.4 million was recognised in the financial period ended 31 December 2015. See note 10. No gains or losses were recognised on the refinancing of the bank facilities.

At completion of the refinancing an amount of £31.5 million was drawn under the Term Facility B, during the same financial period, the balance available of £16 million was drawn from the Term Facility B and £6. million was drawn from the new Acquisition Facility. On 26 July 2017 a further amount of £1.8 million has been drawn from the new Acquisition Facility, leaving an undrawn balance of £1.7 million.

Total capitalised loan arrangement fees of £1.4 million are being amortised over the term of the loan. All facilities are due to be repaid on or before the Termination Date of 31 December 2018.

The cost of the facilities depends upon Net Leverage, being the ratio of total debt (less cash and cash equivalents) to adjusted EBITDA for a relevant period. Assuming that Net Leverage is greater than 4.0x, the maximum cost of the facilities is as follows: Term Facility B has a margin of 450 bps over LIBOR, the Acquisition Facility has a margin of 400 bps over LIBOR and the RC Facility has a margin of 375 bps over LIBOR. In addition, for the Acquisition Facility and the RC Facility, a sum is payable equal to a rate of 50 per cent. of the margin of the available undrawn commitment.

Loan covenants attached to the banking facilities monitor interest cover, gross leverage and capital expenditure. As of 31 December 2017 the group was compliant with these.

Exposure to interest rate fluctuations was limited by a three year amortising interest rate swap with both HSBC and RBS for £14 million respectively. Under this swap arrangement LIBOR was fixed at 0.69 per cent. and payable monthly. The swap terminated on 26 July 2015 and due to the low risk of interest rate fluctuations, further swap arrangements were not deemed necessary by management nor required by the banks.

The facilities agreement is guaranteed by the company and certain of its subsidiaries and secured by, among others, first ranking rights of pledge over all outstanding shares in the share capital of such subsidiaries.

Loan notes

The Investor loan notes are 12 per cent. Fixed Rate Unsecured Loan Notes, with an aggregate principal amount of £24.4 million and repayable on the earlier of 27 July 2022 or the date of completion of an exit. Interest on the principal amount of the Notes accrues from the date of issue at the rate of 12 per cent. per annum compounding annually. On 21 August 2015, the company issued a further £4 million of 12 per cent. Fixed Rate Unsecured Investor Loan Notes to CBPE Nominees Limited. These have the same terms as those originally issued.

The Management loan notes are 12 per cent. Fixed Rate Unsecured Loan Notes, with an aggregate principal amount of £25.7 million and repayable on the earlier of 27 July 2022 or the date of completion of an exit.

Interest on the principal amount of the Notes accrues from the date of issue at the rate of 12 per cent. per annum compounding annually. On 2 July 2015, 6 October 2016 and 5 September 2017, JTC Group Holdings issued further management loan notes of £1.8 million, £120k and £980k respectively. The terms are the same as those originally issued except for interest which accrues from the date of issue, except for the latter where interest accrues from 1 June 2017.

On 30 November 2017 the board approved a restructuring of the Investor and Management loan notes. As a result of the restructuring £31.4 million of loan note interest was waived.

The management loan notes were initially recognised at fair value at the issue date and were subsequently measured on an amortised cost basis. At 30 November 2017, there was a substantial change to the terms of the management loan notes, whereby they became interest free. These interest free management loan notes were then fair valued at year end. The changes in valuation under the new loan facility in comparison to the original loan facility went through equity as this is a transaction among equity holders.

Other loans

On 10 April 2017 a loan facility of £2.5 million was drawn down in accordance with the terms and conditions of the loan agreement entered into between the group and Close Leasing Limited. It has been agreed that Close Leasing Limited will deduct from the loan facility £25k for the settlement of the 1 per cent. loan arrangement fees and £194k being the initial 3 instalments of £65k each. The remaining balance will be settled in 41 monthly installments of £65k each.

On 22 May 2017, the Group entered into a loan facility with Lombard Finance Limited to draw down £479k. There were no arrangement fees and the total due of £492k is payable in 12 equal monthly instalments.

Finance leases

The future minimum finance lease payments are as follows:

	2015 *£'000*	*2016* *£'000*	*2017* *£'000*
Not later than one year	81	60	–
Later than one year and not later than five years	60	–	–
Later than five years	–	–	–
Total gross payments	141	60	–
Future finance charges on finance lease liabilities	(11)	(3)	–
Present value of finance lease liabilities	130	57	–
The present value of finance lease liabilities is as follows:			
Not later than one year	73	57	–
Later than one year and not later than five years	57	–	–
Later than five years	–	–	–
	130	57	–

24. Provisions

	Dilapidation provisions £'000	Onerous lease provisions £'000	Total £'000
At 1 July 2014	–	–	–
Additions	–	187	187
At 31 December 2015	–	187	187
Additions	159	151	310
Unwind of discount	–	2	2
Amounts utilised	–	(154)	(154)
At 31 December 2016	159	186	345
Additions	471	223	694
Unwind of discount	–	8	8
Amounts utilised	(159)	(55)	(214)
At 31 December 2017	471	362	833

Analysis of total provisions:

	2015 £'000	2016 £'000	2017 £'000
Amounts falling due within one year	108	213	187
Amounts falling due after more than one year	79	132	646
Total	187	345	833

Dilapidations provision

As part of the group's property leasing arrangements there are a number of leases which include an obligation to remove any leasehold improvements (thus returning the premises to an agreed condition at the end of the lease) and to restore wear and tear by repairing and repainting. The dilapidation costs have been capitalised against the leasehold improvement asset in accordance with IAS 16. See note 16. The provisions are expected to be utilised when the leases expire or upon exit.

Onerous lease provisions

As at 31 December 2017, the group has identified onerous leases for premises in Guernsey and Switzerland. The provision is calculated as the net present value of the cost of the leases less the income from any known sub-leases.

25. Deferred taxation

The deferred taxation (assets) and liabilities recognised in the financial statements are set out below:

	2015 £'000	2016 £'000	2017 £'000
Intangible assets	1,037	1,022	2,817
Other origination and reversal of temporary differences	(18)	(33)	(61)
	1,019	989	2,756

The movement in the year/period is analysed as follows:

	2015 £'000	2016 £'000	2017 £'000
Intangible assets			
Balance at the beginning of the year/period	–	1,037	1,022
Recognised through acquisitions	1,072	–	1,947
Income statement	(67)	(110)	(172)
Foreign exchange (to other comprehensive income)	32	95	20
Balance at 31 December	1,037	1,022	2,817
Other origination and reversal of temporary differences			
Balance at the beginning of the year/period	–	(18)	(33)
Income statement)	(18)	(15)	(28)
Balance at 31 December	(18)	(33)	(61)

26. Trade and other payables

	2015 £'000	2016 £'000	2017 £'000
Current			
Trade payables	411	334	415
Other taxation and social security	182	234	145
Other payables	2,034	1,136	4,133
Deferred consideration (i)	747	2,275	5,356
Accruals	1,459	2,425	4,687
Total current	4,833	6,404	14,736
Non-current			
Other payables	–	–	716
Deferred revenue	9	6	2
Deferred consideration (i)	2,589	464	1,087
Accruals	–	–	–
Total non-current	2,598	470	1,805

(i) Included in the deferred consideration balance is £1.92 million payable for the NACT acquisition, £4.16 million for the ITWS acquisition and £359k for the S&GFA acquisition (2016: £2.28 million payable to Signes and £464k payable to S&GFA; 2015: £500k payable to KB Group, £247k payable to Ardel, £713k payable to S&GFA and £1.88 million payable to Signes). See note 35.

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

27. Staff cost

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Salaries and directors fees	27,644	23,033	27,172
Other short-term employee benefits	597	664	761
Defined contribution pension costs	918	760	993
Share based payments	92	418	517
Training and other staff related costs	2,842	2,325	2,563
Total staff costs	32,093	27,200	32,006

The group contributes to a number of defined contribution pension schemes for its employees. The assets of all schemes are held separately from those of the group in funds under the control of relevant trustees. For the year ended 31 December 2017, the total employer contributions to schemes was £993k (year ended 31 December 2016: £760k; 1 July 2014 to 31 December 2015: £918k).

28. Share-based payments

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

	Number of shares	*2015 £'000*	*Number of shares*	*2016 £'000*	*Number of shares*	*2017 £'000*
Outstanding at the start of the year/period	–	–	610	51	8,974	774
Granted	1,289	106	8,461	731	3,134	351
Exercised	(679)	(56)	(97)	(8)	(3,408)	(278)
Forfeited	–	–	–	–	(532)	(47)
Outstanding at the end of the year/period	610	50	8,974	774	8,168	800

(i) The group operates a number of equity-settled share based remuneration schemes. These are as follows:

Blue Sky 1 Scheme

Share options were granted on 1 January 2016. The fair value of each share at the date of grant was £81.51. The options vested on 1 January 2017 provided that the employee remained within the business and they were not under notice.

Blue Sky 2 Scheme

Share options were granted on 1 January 2016. The fair value of each share at the date of grant was £112.78. The options vest on 1 January 2018 provided that the employee remains within the business and they are not under notice.

Blue Island 1 Scheme

Share options were granted on 1 January 2017. The fair value of each share at the date of grant was £112.78. The options only vest at the date of an exit event if the employee remains within the business and they are not under notice.

(ii) The group has also made awards of their own equity instruments to employees in the following circumstances:

Awards for promotion

Share options may be granted to an employee following their promotion. The fair value of share options at the date of grant is calculated using the last available quarterly share price. The options will generally only vest at the date of an exit event if the employee remains within the business and they are not under notice.

Awards for employees joining the business

Share options may be granted to employees who join the group and these are granted following completion of their probationary period. The fair value of share options at the date of grant is calculated using the last available quarterly share price. The options will generally only vest at the date of an exit event if the employee remains within the business and they are not under notice.

Awards for retention of key employees

Share options may be granted as a retention tool for key employees following acquisitions. A number of awards have been made, the fair value of share options at the date of grant was calculated using the last available quarterly share price at the date of the completion of the transaction. The options will only vest at the date of an exit event if the employee remains within the business and they are not under notice.

An exit event is a trade sale, a listing or another change of control. The directors of the company estimate that an exit event may occur around 31 March 2018.

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

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Acquisition related share based payments	15	130	126
Non-acquisition related share based payments	77	288	391
Total share based payments expense	92	418	517

Fair value at grant date of share-based payments

The cost of employee services received in exchange for equity instruments are recognised based upon the grant date fair value of the equity instruments. The grant date fair value is estimated using the quarterly share price which is calculated and approved by the group's Finance Committee. Equity instruments are valued on a debt free basis taking into account the general market conditions, continuing trading and potential for growth in order to reach a multiple to apply to EBITDA.

29. Operating lease arrangements

	2015 £'000	*2016 £'000*	*2017 £'000*
The Group as lessee:			
Total lease payments under operating leases recognised as an expense	2,590	2,376	3,188

At the balance sheet date, the group had outstanding commitments for future minimum lease payments under non- cancellable operating leases, which fall due as follows:

	2015 £'000	2016 £'000	2017 £'000
Within one year	1,842	2,538	3,196
In the second to fifth years inclusive	3,850	9,042	10,736
After five years	20	18,110	19,159
	5,712	29,690	33,091

The group has entered into commercial leases on certain motor vehicles and items of office equipment. These leases have an average life of between three and five years with renewal options included in certain contracts.

The group has also entered into leases for rental agreements in different countries. Leases are negotiated for a variety of terms over which rentals are fixed with break clauses and options to extend for a further period at the prevailing market rate. Any lease incentives are spread over the term of the lease. The break dates for the lease agreements vary.

30. Financial instruments

(i) ***Categories of financial instruments***

	2015 £'000	2016 £'000	2017 £'000
Financial assets measured at amortised cost:			
– Trade and other receivables	18,676	22,004	24,769
– Other debtors [(a)]	523	411	64
– Cash and cash equivalents	11,483	15,765	16,164
Financial liabilities measured at amortised cost			
– Loans and borrowings	127,555	136,930	119,705
– Finance lease liability	131	57	–
– Trade and other payables [(b)]	3,882	3,857	9,951
Financial liabilities measured at fair value			
– Derivative financial instruments	–	50	–

(a) Includes loans receivable from related parties, but excludes other receivables and prepayments.
(b) Excludes other taxation and social security and deferred consideration.

(ii) ***Fair value of financial assets and liabilities***

The following table provides the fair value measurement hierarchy of the group's financial liabilities:

	Level 1 *£'000*	*Level 2* *£'000*	*Level 3* *£'000*	*Total* *£'000*
31 December 2015				
Financial liabilities at fair value through profit and loss				
Foreign exchange contracts	–	–	–	–
Total liabilities	–	–	–	–
31 December 2016				
Liabilities				
Financial liabilities at fair value through profit and loss				
Foreign exchange contracts	–	50	–	50
Total liabilities	–	50	–	50
31 December 2017				
Liabilities				
Financial liabilities at fair value through profit and loss				
Foreign exchange contracts	–	–	–	–
Total liabilities	–	–	–	–

Financial instruments in level 2

The fair value of the forward foreign exchange contract is based on the difference between agreed price of selling or buying the financial instruments on a future date and the price quoted on the year end date for selling or buying the same or similar financial instruments.

There were no transfers between levels 1, 2 and 3 during the year.

31. Cash flow information

Changes in liabilities arising from financing activities:

	Finance leases due within 1 year *£'000*	*Finance leases due after 1 year* *£'000*	*Borrowings due within 1 year* *£'000*	*Borrowings due after 1 year* *£'000*	*Total* *£'000*
Total liabilities from financing activities at 1 January 2017	57	–	–	136,930	136,987
Cash flows:	–	–	–	–	–
Repayments	(57)	–	–	(959)	(1,016)
Proceeds	–	–	–	4,807	4,807
Loans and borrowings reclassified as current during 2017	–	–	56,364	(56,364)	–
Accrual of loan note interest	–	–	–	9,202	9,202
Loan note interest waived	–	–	–	(31,038)	(31,038)
Other non-cash movements [i]	–	–	–	763	763
Total liabilities from financing activities at 31 December 2017	–	–	56,364	63,341	119,705

(i) Other non-cash movements include the waiving of the loan note interest and fair value adjustment on the loan note extinguishment.

32. 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.

The group's other significant related parties are key management personnel, comprising the 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 of the group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

	1 July 2014 to 31 December 2015 £'000	*1 January 2016 to 31 December 2016 £'000*	*1 January 2017 to 31 December 2017 £'000*
Salaries and other short-term employee benefits	2,503	1,303	1,217
Post employment and other long-term benefits	144	60	60
Share based payments	50	–	218
Total payments	2,697	1,363	1,495

During the year, the group was charged by CBPE Capital LLP, the group's private equity partners; £50k for the provision of non-executive directors (year ended 31 December 2016: £50k; 1 July 2014 to 31 December 2015: £75k) and £24k for associated travel and expenses (year ended 31 December 2016: £14.8k; 1 July 2014 to 31 December 2015: £19.7k). See note 23 for the Investor loan notes issued to CBPE Capital LLP.

Loan receivable balances due from related undertakings are disclosed in note 19. During the year ended 31 December 2017, the loan from Northpoint Latam Limited was written off in full as the group closed its direct operations in Latin America. In the period ended 31 December 2015, fees of £527k and £19k were received from Herald Trust Company Limited and Northpoint Real Estate IC respectively, administration fees of £0.96k were also paid on behalf of the latter.

Northpoint Latam Limited ("NPL") was acting as agent for the referral of new business and to provide support services to group offices in Latin America and North America. In accordance with a letter of agreement from JTC (BVI) Limited ("JTCBVI") to NPL, JTCBVI agreed to cover any and all costs in relation to the services provided by NPL, with effect from 1 July 2013. These included operating costs, third party administration and commissions paid; during the year these totalled £1.24 million (year ended 31 December 2016: £1.1 million; 1 July 2014 to 31 December 2015: £1 million). As the group closed its direct operations in Latin America, at the end of 2017, this arrangement has ceased.

33. Controlling party

In the opinion of the directors there is no ultimate controlling party.

34. Events after the reporting period

(1) *Bank loan restructuring*

On 23 February 2018, JTC Group Holdings (Financing) Limited extended its existing banking facility with HSBC and RBS (the "Existing Facility"). The maximum amount of the Existing Facility is £59.5 million and is committed until 30 June 2019.

Conditional on admission, JTC Group Holdings will enter into a term loan and revolving credit facility with HSBC Bank plc (as lender) dated 9 March 2018 (the "**New Facility**"). The total amount of the new facility is £55 million which comprises a term loan, to be fully drawn on Admission or shortly after Admission, of £45 million (to be used to repay the Existing Facility) and a £10 million revolving credit facility which is to be used for working capital and general purposes of the Group, including permitted acquisitions. The New Facility is committed for five years from 9 March 2018.

(2) ***Adoption of employee share option plans***

On 8 March 2018, the Company adopted a performance share plan, a deferred bonus share plan and an employee incentive plan each conditional upon Admission. No awards have been made conditional upon Admission.

35. Acquisitions

During the year ended 31 December 2017 the group made the following acquisitions:

(i) International Trust and Wealth Structuring Business of Bank of America Corporation ("ITWS")

(ii) New Amsterdam Cititrust B.V. ("NACT")

During the year ended 31 December 2016 the group made the following acquisitions:

(iii) Acquisition of Arcange REIM S.A. ("Arcange")

During the period ended 31 December 2015 the group made the following acquisitions:

(iv) Signes S.a.r.l and Signes S.A. ("Signes")

(v) Kleinwort Benson (Channel Islands) Fund Services Limited ("KB Group")

(vi) Swiss & Global Fund Administration (Cayman) Ltd ("S&GFA")

(i) ***International Trust and Wealth Structuring Business of Bank of America Corporation ("ITWS")***

On 30 September 2017, the group acquired 100 per cent. of the issued share capital of the following companies: Merrill Lynch Corporate (New Zealand) Ltd, CM (Suisse) Trust Company Sarl, CM (IOM) Trust Company Limited and Fiduciary Services (UK) Limited (together the "ITWS business"). The ITWS business, which will be assimilated into JTC's Private Client Services division, provides the administration of trust services for international advisory clients. It provides the group with a presence in the Isle of Man as well as increasing headcount in the key financial centres of the Cayman Islands, Geneva, London, Miami and Singapore.

		$'000s	£'000s
Recognised amounts of identifiable net assets (at fair value):			
Non-current assets	Useful economic life		
Contract intangible	12 years	12,892	9,608
		12,892	9,608
Current assets			
Cash and cash equivalents		1,197	892
Other current assets		219	163
		1,416	1,055
Current liabilities			
Accruals and other payables		905	674
Deferred income		33	25
		938	699
Non-current liabilities			
Deferred tax		1,612	1,201
		1,612	1,201
Identifiable net assets		11,758	8,763
Goodwill		(2,780)	(2,072)
Total consideration		8,978	6,691
Total consideration is satisfied by:			
Cash consideration		3,446	2,568
Deferred consideration		5,532	4,123
Fair value of total consideration:		8,978	6,691
Net cash flow arising on acquisition:			
Cash consideration		3,446	2,568
Less: cash balances acquired		(1,197)	(892)
		2,249	1,676

Deferred tax liabilities

Deferred tax liabilities have been recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Corporation Tax in the jurisdictions in which the business operates and therefore creates temporary differences between the accounting and taxable profits.

Goodwill

The negative goodwill represents a bargain purchase and is supported by the following factors:

- Management expects to realise significant synergies
- ITWS was looking for an acquirer that could offer a seamless transfer for existing clients and it is management's view that the sale price was not the primary concern for the sellers.

The gain on acquisition has been accounted for within other gains and losses in the income statement. See note 8.

Fair value of consideration

Deferred consideration of £4.3 million ($5.75 million) is payable following the first anniversary of the completion date and is contingent on achieving a revenue target of £8.2 million ($11 million). Based on the historic performance of the business and view of expected future revenue from clients, it is management's view that this will be paid in full, and as such the amount payable has been discounted to its present value of £4.12 million ($5.53 million).

Transaction costs

In this financial period the group has incurred £550k of professional, legal and advisory fees. These costs have been included in acquisition and integration costs, see note 11.

Effect on the results

From acquisition to 31 December 2017, the ITWS business contributed revenue of £2.34 million and a loss before tax of £94k. If the business had been acquired at 1 January 2017, on a *pro rata* basis, the group revenue for the year would have been £67.13 million (£7.34 million higher) and the loss before tax £4.59 million (£691k higher). Included in ITWS' the total loss before tax of £785k are £782k of expenses that will not be carried over to the group in the future.

(ii) ***New Amsterdam Cititrust B.V. ("NACT")***

On 31 July 2017, the group acquired 100 per cent. of the issued share capital of New Amsterdam Cititrust B.V. ("NACT"), a business providing a range of corporate and administration services to both institutional and private clients. This acquisition has served to strengthen JTC's presence in Europe and expand its global footprint to include the Netherlands.

		€'000s	*£'000s*
Recognised amounts of identifiable net assets (at fair value):			
Non-current assets	Useful economic life		
Property, plant and equipment	4 years	16	14
Contract intangible	10 years	3,337	2,983
		3,353	2,997
Current assets			
Trade and receivables		1,164	1,040
Cash and cash equivalents		323	289
Other current assets		91	81
		1,578	1,410

	€'000s	£'000s
Current liabilities		
Trade and other payables	176	157
Other current liabilities	545	487
	721	644
Non-current liabilities		
Deferred tax liabilities	834	746
	834	746
Identifiable net assets		
Identifiable net assets	3,376	3,017
Goodwill	2,239	2,001
Total consideration	5,615	5,018
Total consideration is satisfied by:		
Cash consideration	2,000	1,787
Equity instruments	1,500	1,341
Working capital adjustments	216	193
Deferred consideration	1,899	1,697
Fair value of total consideration:	5,615	5,018
Net cash flow arising on acquisition:		
Cash consideration	2,000	1,787
Less: cash balances acquired	(323)	(289)
	1,677	1,498

Deferred tax liabilities

Deferred tax liabilities have been recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Netherlands Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

Goodwill

Goodwill is represented by assets that do not qualify for separate recognition or other factors. These include new business wins to new customers, effects of an assembled workforce and synergies from combining operations of the acquiree and the acquirer.

Fair value of consideration

The amount of the deferred consideration payable is contingent on the performance of the business purchased. This is as follows:

(a) €1 million is due if EBITDA over the financial year 2017 is equal to or exceeds €1.1 million; and

(b) €1 million is due if EBITDA over the financial year 2018 is equal to or exceeds €1.2 million.

Based on historic performance of the business it is Management's view that the EBITDA targets will be achieved and the Earn-Outs paid four months after each financial year end, therefore the amounts payable have been discounted to their present value of £1.68 million (€1.88 million).

Transaction costs

In this financial period the group has incurred £108k of professional, legal and advisory fees and £128k in the prior financial period. These costs have been included in acquisition and integration costs, see note 11.

Effect on the results

From acquisition to 31 December 2017, NACT contributed revenue of £930k and a profit before tax of £414k. If the business had been acquired at 1 January 2017 on a *pro rata* basis the group revenue for the year would have been £61.06 million (£1.27 million higher) and the loss before tax £3.68 million (£266k lower).

(iii) ***Acquisition of Arcange REIM S.A. ("Arcange")***

On 5 July 2016, the group acquired 100 per cent. of issued share capital of Arcange REIM S.A., a company which benefits from having a licence in Luxembourg as an alternative investment funds manager (AIFM). The purchase of Arcange was a strategic acquisition to obtain an AIFM licence in Luxembourg.

		€'000s	*£'000s*
Recognised amounts of identifiable net assets (at fair value):			
Non-current assets	Useful economic life		
Property, plant and equipment	4 years	2	1
Licenses (see note 15)	12 years	278	230
		280	231
Current assets			
Trade and receivables		1	1
Cash and cash equivalents		5	4
Other current assets		25	21
		31	26
Current liabilities			
Trade and other payables		174	143
Provisions		1	1
		175	144
Identifiable net assets		137	113
Goodwill		–	–
Total consideration		137	113
Total consideration is satisfied by:			
Cash consideration		180	149
Running cost (but not excluded invoices from 1 Feb 2016 up to completion)		–	–
Less: excluded invoices		(43)	(36)
Fair value of total consideration:		137	113
Net cash flow arising on acquisition:			
Cash consideration		137	113
Less: cash balances acquired		(5)	(4)
		132	109

Fair value of consideration and net assets acquired

As the running costs for Arcange were settled or accrued before completion and therefore already accounted for in the net assets acquired as shown on the 30 June 2016 balance sheet, these do not form part of consideration (as they are present as liabilities in the net assets acquired this has the same net affect on goodwill). The purchase price of €180k was reduced by excluded invoices to the value of €43k.

Transaction costs

In the financial year ended 31 December 2016, the group incurred £66k of professional, legal and advisory fees. These costs have been included in acquisition and integration costs, see note 11.

Effect on the results

The purchase of Arcange was a strategic acquisition to obtain an AIFM licence in Luxembourg and was acquired with no clients. For the year ended 31 December 2016 there was no revenue.

(iv) ***Signes S.a.r.l and Signes S.A. ("Signes")***

On 5 May 2015, the group entered into a Sale and Purchase Agreement ("SPA") to acquire all of the limited partnership interests in Signes S.C.S and 30 per cent. of the share capital of Signes GP S.a.r.l. (together known as "Signes"), a noted Luxembourg-based 'Expert Comptable' business that provides accounting, administration and tax compliance services to institutional investors. As control was displayed through the restrictive covenants included in the SPA, management used completion accounts as at 30 April 2015 for goodwill calculations and consolidated the results of Signes with those of the group from 1 May 2015.

This acquisition was part of the group's expansion strategy to accelerate European growth from Luxembourg.

		€'000s	*£'000s*
Recognised amounts of identifiable net assets (at fair value):			
Non-current assets	Useful economic life		
Property, plant and equipment	4 years	175	124
Contract intangible	10 years	3,162	2,236
		3,337	2,360
Current assets			
Trade and receivables		705	499
Cash and cash equivalents		2,602	1,840
		3,307	2,339
Current liabilities			
Trade and other payables		23	17
Current tax liabilities		643	454
Other creditors and accruals		396	280
		1,062	751
Non-current liabilities			
Deferred tax liabilities		923	653
		923	653
Identifiable net assets		4,659	3,295
Goodwill		5,208	3,684
Total consideration		9,867	6,979
Total consideration is satisfied by:			
Cash consideration		2,700	1,910
Loan notes		2,700	1,910
Working capital adjustments		362	255
Cash shortfall		(867)	(613)
Leakages		(267)	(189)
Cash consideration – deferred		2,761	1,953
Contingent consideration – Earn out		2,479	1,753
Fair value of total consideration:		9,867	6,979
Net cash flow arising on acquisition:			
Cash consideration		5,461	3,862
Less: cash balances acquired		(2,602)	(1,840)
		2,859	2,022

Deferred tax liabilities

Deferred tax liabilities have been recognised in relation to identified intangible assets, the amortisation of which is non-deductible against Luxembourg Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

Goodwill

Goodwill is represented by assets that do not qualify for separate recognition or other factors. These include new business wins to new customers, effects of an assembled workforce and synergies from combining operations of the acquiree and the acquirer.

Fair value of assets acquired

A fair value adjustment was made to the assets acquired to provide for £189k (€267k) of legal costs that were incurred by the sellers to assess the element of their Earn-out consideration to be received via shares.

Fair value of consideration

The amount of Earn-out payable was contingent on the performance of the business purchased. This was based on the revenue generated from their existing clients as defined in Schedule 1.1.1(b) of the SPA. Management anticipated that the full €2.7 million would be payable as revenue was expected to exceed the upper Earn-out threshold of €7.6 million for the two year period to 31 December 2016.

The Earn-out amount was 50 per cent. cash with the remainder to be settled by issue of shares and associated loan notes in the company. As management estimated that payment would be made in March 2017, the amount payable was discounted to a present value of £1.75 million (€2.48 million).

Transaction costs

In the financial year ended 31 December 2015, the group incurred £491k of professional, legal and advisory fees. These costs have been included in acquisition and integration costs, see note 11.

Effect on the results

From acquisition to 31 December 2015, Signes contributed revenue of £2.4 million and a loss before tax of £390k. If the business had been acquired at the beginning of that period (1 July 2014) on a *pro rata* basis the group revenue for that period would have been £58.6 million (£2.4 million higher) and the loss before tax £17.7 million (£182k lower).

(v) ***Kleinwort Benson (Channel Islands) Fund Services Limited ("KB Group")***

On 1 July 2015 the group entered into a Share Sale Deed (SSD) to acquire 100 per cent. of the issued share capital of Kleinwort Benson (Channel Islands) Fund Services Limited ("KBCI") and its subsidiaries Kleinwort Benson (Channel Islands) Corporate Services Limited ("KBCS") and Kleinwort Benson Fund Services (SA) (Pty) Limited ("KBSA") (together the "KB Group").

As control was displayed through restrictive covenants included within the SSD, management used completion accounts as at 30 June 2015 for goodwill calculations and consolidated the results of the KB Group with those of JTC from 1 July 2015. The process of obtaining the necessary regulatory consents meant that formal completion was on 21 August 2015.

The acquisition of the KB Group's businesses in Guernsey, Jersey and South Africa, gave the group its first permanent presence in South Africa and augmented its existing strengths across the alternative investment fund spectrum, including the private equity, debt and real estate asset classes.

	Useful economic life	£'000s
Recognised amounts of identifiable net assets (at fair value):		
Non-current assets	Useful economic life	
Property, plant and equipment	4 years	17
Contract intangible	12 years	4,185
Other intangible assets	4 years	180
		4,382
Current assets		
Trade and receivables		1,623
Cash and cash equivalents		2,917
Other current assets		179
		4,719
Current liabilities		
Trade payables		522
Other creditors and accruals		174
		696
Non-current liabilities		
Deferred tax		419
		419
Identifiable net assets		7,986
Goodwill		6,835
Total consideration		14,821
Total consideration is satisfied by:		
Cash consideration		14,166
Cash consideration – deferred		500
Working capital adjustments		155
Fair value of total consideration:		14,821
Net cash flow arising on acquisition:		
Cash consideration		14,166
Less: cash balances acquired		(2,917)
		11,249

Deferred tax liabilities

Deferred tax liabilities have been recognised in relation to identified intangible assets, the amortisation of which is non- deductible against Jersey and Guernsey Corporation Tax and therefore creates temporary differences between the accounting and taxable profits.

Goodwill

Goodwill is represented by assets that do not qualify for separate recognition or other factors. These include new business wins to new customers, effects of an assembled workforce and synergies from combining operations of the acquiree and the acquirer.

Fair value of assets acquired

Following a review of the net asset values of the companies purchased, the directors have adjusted to include tangible assets of £180k that KB Group identified should have been recorded in KBCI. The directors have also made fair value adjustments to include additional creditors of £25k for audit fees and £27k for tax payable.

Fair value of deferred consideration

The amount of deferred consideration was contingent on the performance of the business purchased. The potential Earn-Out consideration was calculated as the sum equal to £2 for every £1 by which Earn-Out revenue exceeded £9.3 million in the Earn-Out Period (being 12 months ending on 31 December 2016). Management forecast revenue for 2016 to be £9 million which was below the Earn-Out provision required and therefore the fair value of this element of consideration was determined to be £nil.

Transaction costs

In the financial year ended 31 December 2015, the group incurred £742k of professional, legal and advisory fees. These costs have been included in acquisition and integration costs, see note 11.

Effect on the results

From acquisition to 31 December 2015, the KB Group contributed revenue of £3.3 million and a profit before tax of £236k. If the business had been acquired at the beginning of that period (1 July 2014) on a *pro rata* basis the group revenue for that period would have been £65 million (£8.8 million higher) and the loss before tax £18.1 million (£146k higher).

(vi) ***Swiss & Global Fund Administration (Cayman) Ltd ("S&GFA")***

On 9 October 2015 the group entered into a Sale and Purchase Agreement ("SPA") to purchase the entire issued share capital of S&GFA. As the SPA included restrictive covenants that demonstrate control, management used completion accounts as at 30 September 2015 for the goodwill calculation and consolidated their results with those of the group from 1 October 2015.

S&GFA is a Cayman Islands based fund administration business that gives the group the ability to offer a comprehensive suite of fund administration services from the Cayman Islands, which will complement the private client services already offered in this jurisdiction.

		$'000s	*£'000s*
Recognised amounts of identifiable net assets (at fair value):			
Non-current assets	Useful economic life		
Property, plant and equipment	4 years	122	80
Contract intangible	10 years	5,012	3,265
		5,134	3,345
Current assets			
Trade and receivables		1,372	894
Cash and cash equivalents		1,535	999
Accrued income		65	43
		2,972	1,936
Current liabilities			
Accruals and deferred income		189	123
Trade payables		27	18
Dividend payable		1,500	977
		1,716	1,118
Identifiable net assets		6,390	4,163
Goodwill		549	358
Total consideration		6,939	4,521

	$'000s	£'000s
Total consideration is satisfied by:		
Cash consideration – on acquisition	5,000	3,257
Working capital adjustments – on acquisition	852	556
Cash consideration – deferred	1,087	708
Fair value of total consideration:	6,939	4,521
Net cash flow arising on acquisition:		
Cash consideration	5,000	3,257
Less: cash balances acquired	(1,534)	(999)
	3,466	2,258

Goodwill

Goodwill is represented by assets that do not qualify for separate recognition or other factors. These include new business wins to new customers, effects of an assembled workforce and synergies from combining operations of the acquiree and the acquirer.

Fair value of consideration:

The consideration for the shares consisted of the initial price of $5 million (paid upon completion), adjusted for the excess of S&GFA's working capital at acquisition over the Target Working Capital, defined in the SPA as $575k.

Deferred consideration

Following completion, the deferred consideration was calculated in accordance with the detailed provisions of Clause 3.2 of the SPA. This mainly consists of 75 per cent. of the amount of service fees paid by any member of the Julius Baer group to S&GFA or JTCG and its affiliates, in respect of specific funds listed in Schedule 1 of the SPA.

Transaction costs

In the financial year ended 31 December 2015, the group incurred £154k of professional, legal and advisory fees. These costs have been included in acquisition and integration costs, see note 11.

Effect on the results

From acquisition to 31 December 2015, S&GFA contributed revenue of £729k and a profit before tax of £209k. If the business had been acquired at the beginning of that period (1 July 2014) on a *pro rata* basis the group revenue for that period would have been £60.7 million (£4.6 million higher) and the loss before tax £16 million (£1.9 million lower).

36. Subsidiaries and related undertakings

Name of subsidiary	*Shareholding (all 100% unless stated)*
The following subsidiaries were incorporated in Jersey, Channel Islands.	
JTC Group Holdings (Financing) Limited	9,400 shares of £1 each
JTC Group (Malbec) Limited	9,400 shares of £1 each
JTC Group Limited	550,000 shares of £0.01 each
JTC (Jersey) Limited	250,000 shares of £1 each
Jersey Trust Company Limited	2,000 shares of £1 each
JTC Listing Services Limited	25,000 shares of £1 each
JTC Trustees Limited	25,000 shares of £1 each
JTC Corporate Services Limited	9 shares of £1 each
JTC Securities Limited	2 shares of £1 each
JTC Directors Limited	2 shares of £1 each

Name of subsidiary	*Shareholding (all 100% unless stated)*
Castle Directors Limited	2 shares of £1 each
JTC Foundations Limited	2 shares of £1 each
Red Shield Secretaries Limited	100 shares of £1 each
Red Shield Nominees Limited	100 shares of £1 each
Caledonia Trustees Limited	9 shares of £1 each
Caledonia Financial Services Limited	9 shares of £1 each
HTC Purpose Trustees Limited	2 shares of £1 each
Red Shield (HTC) Limited	2 shares of £1 each
JTC Fund Solutions (Jersey) Limited	1,380,000 shares of £1 each
The following subsidiaries were incorporated in the United Kingdom.	
JTC (UK) Limited	100 shares of £1 each
JTC Mayfair Limited	1 share of £1 each
JTC Trustees (UK) Limited	100 shares of £1 each
JTC Corporate Services (UK) Limited	100 shares of £1 each
JTC Trustee Services (UK) Limited	2 shares of £1 each
Red Shield Administration Limited	2 shares of £1 each
JTC Directors (UK) Limited	200 shares of £1 each
JTC Securities (UK) Limited	200 shares of £1 each
Castle Directors (UK) Limited	200 shares of £1 each
JTC Fund Services (UK) Limited	100,000 shares of £0.10 each
JTC Administration (UK) Limited	2 shares of £1 each
JTC Fiduciary Services (UK) Limited	2 shares of £1 each
The following subsidiary was incorporated in Florida, USA.	
JTC Miami Corporation	1,000 shares of US$1 each (50% shareholding)
The following subsidiary was incorporated in South Dakota, USA.	
JTC Trustees (USA) Ltd	1,000 shares of no par value
JTC Corporate Services (USA), LLC	1,000 shares of no par value
The following subsidiaries were incorporated in Guernsey, Channel Islands.	
JTC Holdings (Guernsey) Limited	100 shares of £1 each
JTC Fund Solutions (Guernsey) Limited	2,077,156 shares of £1 each
JTC Global AIFM Solutions Limited	25,000 shares of £1 each
JTC Trustees (Guernsey) Limited	100 shares of £1 each
JTC Directors (Guernsey) Limited	100 shares of £1 each
JTC Securities (Guernsey) Limited	100 shares of £1 each
JTC Secretaries (Guernsey) Limited	100 shares of £1 each
Castle Directors (Guernsey) Limited	100 shares of £1 each
JTC Corporate Services (Guernsey) Limited	100 shares of £1 each
Breton Limited	2 shares of £1 each
University Properties Limited	10,000 shares of £1 each
The following subsidiary was incorporated in South Africa.	
JTC Fund Solutions RSA (Pty) Ltd	10 shares of R1 each
The following subsidiaries were incorporated in the British Virgin Islands.	
JTC Holdings (BVI) Limited	1 share of US$1 each
JTC (BVI) Limited	250,000 shares of US$1 each
JTC Trustees (BVI) Limited	2 shares of US$1 each
JTC Corporate Services (BVI) Limited	2 shares of US$1 each
JTC Directors (BVI) Limited	2 shares of US$1 each
JTC Corporate Services (Suisse) Limited	1 share of US$1 each
JTC Directors (Suisse) Limited	1 share of US$1 each

Name of subsidiary	*Shareholding (all 100% unless stated)*
The following subsidiaries were incorporated in Luxembourg.	
JTC (Luxembourg) S.A.	1,252 shares of €100 each
Red Shield Management S.A.	15,500 shares of €2 each
Castle Services S.à r.l.	500 shares of €25 each
Elizabeth Verwaltung S.à r.l.	500 shares of €25 each
JTC Luxembourg Holdings S.à r.l.	12,509 shares of €1 each
JTC Signes Holdings S.C.S.	103,559,497 partnership interests of €0.10 each (99% holding)
JTC Signes GP S.à r.l.	3,750 shares of €1 each (30% shareholding)
JTC Signes Services SA	325,000 shares of €0.10 each
JTC Signes S.à r.l.	125,000 shares of €0.10 each
Acacia Holdings S.à r.l.	50,000 shares of €1 each
JTC Global AIFM Solutions SA	125 shares of €1,000 each
May Services S.à r.l.	12,500 shares of €1 each
Caledonia Services S.à r.l.	12,500 shares of €1 each
The following subsidiary was incorporated in Singapore.	
Caledonia Accounting Services Pte Ltd	50,000 shares of SGD1 each
The following subsidiaries were incorporated in Geneva, Switzerland.	
JTC (Geneva) Sàrl	20 shares of CHF1,000 each
JTC (Suisse) SA	1,000 shares of CHF100 each
JTC Trustees (Suisse) Sàrl	20 shares of CHF1,000 each
The following subsidiaries were incorporated in the Netherlands.	
JTC (Netherlands) B.V.	17,500 shares of €1 each
Glenn Steel B.V.	18,200 shares of €1 each
VIC Holding B.V.	2 shares of €1 each
Vereenigde Internet Compagnie B.V.	2 shares of €1 each
DA Management B.V.	180 shares of €100 each
NACT Management B.V.	20,000 shares of €1 each
Autumn Productions B.V.	350 shares of NLG100 each
The following subsidiaries were incorporated in the Isle of Man.	
JTC Trustees (IOM) Limited	50,000 shares of £1 each
May Services Ltd	1 share of £1 each
CM Nominees Ltd	1 share of £1 each
The following subsidiaries were incorporated in Panama.	
BTC Nominees SA	2 shares of US$100 each
BTC Services SA	2 shares of US$100 each
BTC Directors SA	2 shares of US$100 each
The following subsidiaries were incorporated in New Zealand.	
JTC Group (NZ) Limited	1,000 shares of NZ$1 each
JTC Trust Company (New Zealand) Limited	100 shares of NZ$1 each
JTC Corporate (New Zealand) Limited	25,000 shares of NZ$1 each
The following subsidiaries were incorporated in the Cayman Islands.	
JTC (Cayman) Limited	1 share of US$1 each
JTC Corporate Services (Cayman) Limited	1 share of US$1 each
JTC Directors (Cayman) Limited	1 share of US$1 each
JTC Fund Services (Cayman) Ltd	500 shares of US$0.01 each

Name of subsidiary	*Shareholding (all 100% unless stated)*
The following subsidiaries were incorporated in Mauritius.	
JTC (Mauritius) Limited	500,000 shares of MUR1 each
The following subsidiaries were incorporated in Costa Rica.	
JTC Americas Sociedad Anonima	12 shares of CRC1,000 each
The following subsidiaries were incorporated in Malta.	
JTC Holding (Malta) Ltd	5,000 shares of €1 each
Red Shield Management (Malta) Ltd	5,000 shares of €1 each
The following subsidiaries were incorporated in Argentina.	
JTC Services Argentina SA	120,000 shares of ARS1 each
JTC Argentina SA	120,000 shares of ARS1 each
The following subsidiary was incorporated in Brazil.	
JTC Do Brasil Consultoria Ltda	100,000 shares of BRL1 each

The principal activity or activities of these subsidiaries are:

JTC Group Holdings (Financing) Limited	– the borrower under the terms of the facilities agreement dated 23 March 2012 (see note 21)
JTC Group (Malbec) Limited	– the vehicle used to acquire JTC Group Limited and to draw down the available bank facilities (see Note 20)
JTC Group Limited	– provision of Group Head Office services to all JTC Offices
JTC (Jersey) Limited	– administration of funds, companies, trusts, foundations and partnerships
Jersey Trust Company Limited	– dormant company
JTC Listing Services Limited	– provides listing services in connection with The International Stock Exchange (formerly Channel Islands Securities Exchange)
JTC Trustees Limited	– provision of services as corporate trustee to clients of JTC (Jersey) Limited
JTC Corporate Services Limited	– provision of nominee services to clients of JTC (Jersey) Limited
JTC Securities Limited	– provision of nominee services to clients of JTC (Jersey) Limited
JTC Directors Limited	– provision of services as corporate director to clients of JTC (Jersey) Limited
Castle Directors Limited	– provision of services as corporate director to clients of JTC (Jersey) Limited
JTC Foundations Limited	– to act as a council member or qualified person for any foundations business undertaken by JTC (Jersey)
Red Shield Secretaries Limited	– provision of secretarial, nominee and corporate director services to clients of JTC (Jersey) Limited
Red Shield Nominees Limited	– provision of nominee services to clients of JTC (Jersey) Limited
Caledonia Trustees Limited	– dormant company
Caledonia Financial Services Limited	– provision of corporate director services
HTC Purpose Trustees Limited	– trustee of the HTC Purpose Trust
Red Shield (HTC) Limited	– enforcer of the purpose of the HTC Purpose Trust
JTC Fund Solutions (Jersey) Limited	– administration of funds, companies, trusts and
JTC (UK) Limited	– administration of companies, trusts and partnerships

The principal activity or activities of these subsidiaries are:

JTC Mayfair Limited	– dormant company
JTC Corporate Services (UK) Limited	– provision of nominee services to clients of JTC (UK)
JTC Trustees (UK) Limited	– provision of services as corporate trustee to clients of JTC (UK) Limited
JTC Trustee Services (UK) Limited	– provision of services as corporate trustee to clients of JTC (UK) Limited
Red Shield Administration Limited	– dormant company
JTC Directors (UK) Limited	– provision of services as corporate director to clients of JTC (Jersey) Limited
JTC Securities (UK) Limited	– provision of nominee services to clients of JTC (Jersey) Limited
Castle Directors (UK) Limited	– provision of services as corporate director to clients of JTC (Jersey) Limited
JTC Fund Services (UK) Limited	– FCA regulated entity which is used for funds business
JTC Administration (UK) Limited	– provision of administration services
JTC Miami Corporation	– marketing the group's services by developing an intermediary network based in Miami
JTC Trustees (USA) Ltd	– provision of services as corporate trustee
JTC Corporate Services (USA), LLC	– provision of services as corporate director to clients of JTC Trustees (USA) Ltd
JTC Holdings (Guernsey) Limited	– dormant company
JTC Fund Solutions (Guernsey) Limited	– administration of funds, companies, trusts and partnerships.
JTC Global AIFM Solution Limited	– management company to act as AIFM to client funds
JTC Trustees (Guernsey) Limited	– provision of services as corporate trustee
JTC Directors (Guernsey) Limited	– provision of services as corporate director
JTC Securities (Guernsey) Limited	– provision of nominee services
JTC Secretaries (Guernsey) Limited	– provision of secretarial services
Castle Directors (Guernsey) Limited	– provision of services as corporate director
JTC Corporate Services (Guernsey) Limited	– provision of nominee services
Breton Limited	– provision of secretarial and corporate director services to clients of JTC Fund Solutions (Guernsey) Limited
University Properties Limited	– provision of services as corporate trustee of certain property unit trusts for clients of JTC Fund Solutions (Guernsey) Limited
JTC Fund Solutions RSA (Pty) Ltd	– administration of funds, companies, trusts
and partnerships. JTC Holdings (BVI) Limited	– investment holding
JTC (BVI) Limited	– administration of companies and trusts
JTC Trustees (BVI) Limited	– provision of services as corporate trustee to clients of JTC (BVI) Limited
JTC Corporate Services (BVI) Limited	– provision of nominee services to clients of
JTC (BVI) Limited JTC Directors (BVI) Limited	– provision of services as corporate director to clients of JTC (BVI) Limited
JTC Corporate Services (Suisse) Limited	– provision of nominee services to clients of JTC (Suisse) SA and JTC (Geneva) Sàrl
JTC Directors (Suisse) Limited	– provision of services as corporate director to clients of JTC (Suisse) SA and JTC (Geneva) Sàrl
JTC (Luxembourg) S.A.	– administration of companies, trusts and partnerships
Red Shield Management S.A.	– provision of services as corporate director to clients of JTC (Luxembourg) S.A.

The principal activity or activities of these subsidiaries are:

Castle Services S.à r.l.	– provision of services as corporate director to clients of JTC (Luxembourg) S.A.
Elizabeth Verwaltung S.à r.l.	– provision of nominee services to clients of JTC (Luxembourg) S.A.
JTC Luxembourg Holdings S.à r.l.	– investment holding
JTC Signes Holdings S.C.S	– investment holding
JTC Signes GP S.à r.l.	– general partner of JTC Signes Holdings S.C.S.
JTC Signes Services SA	– administration, management, control and development of participating interests
JTC Signes S.à r.l.	– administration of companies, trusts and partnerships
Acacia Holdings S.à r.l.	– Investment holding company
JTC Global AIFM Solutions SA	– provision of alternative investments fund manager services
May Services S.à r.l.	– provision of corporate director services
Caledonia Services S.à r.l.	– provision of corporate director services
JTC (Geneva) Sàrl	– administration of companies and trusts
JTC (Suisse) SA	– administration of companies, trusts and partnerships
JTC Trustees (Suisse) Sàrl	– administration of companies, trusts and partnerships
JTC (Netherlands) B.V.	– administration of companies and partnerships
Glenn Steel B.V.	– dormant company
VIC Holding B.V.	– dormant company
Vereenigde Internet Compagnie B.V.	– dormant company
DA Management B.V.	– provision of management services
NACT Management B.V.	– investment holding
Autumn Productions B.V.	– royalty company
JTC Trustees (IOM) Limited	– administration of companies, trusts and partnerships
May Services Ltd	– provision of corporate administration services
CM Nominees Ltd	– provision of corporate administration services
BTC Nominees SA	– provision of nominee services to clients of JTC (Suisse) SA
BTC Services SA	– provision of secretarial services to clients of JTC (Suisse) SA
BTC Directors SA	– provision of services as corporate director to clients of JTC (Suisse) SA
JTC Group (NZ) Limited	– administration of companies, trusts and partnerships
JTC Trust Company (New Zealand) Limited	– administration of companies, trusts and partnerships
JTC (Cayman) Limited	– administration of companies
JTC Corporate Services (Cayman) Limited	– provision of nominee services to clients of JTC (Cayman) Limited
JTC Directors (Cayman) Limited	– provision of services as corporate director to clients of JTC (Cayman) Limited
JTC Fund Services (Cayman) Ltd	– provision of administration services
JTC (Mauritius) Limited	– provision of management services
JTC Americas Sociedad Anonima	– investment holding
JTC Holding (Malta) Ltd	– investment holding
JTC (Malta) Ltd	– administration of companies
JTC Trustees (Malta) Ltd	– provision of corporate trustee services
Red Shield Management (Malta) Ltd	– dormant company

The principal activity or activities of these subsidiaries are:

JTC Services Argentina SA	– provision of administration services in Argentina
JTC Argentina SA	– operating company in Argentina
JTC Do Brasil Consultoria Ltda	– operating company in Brazil

The directors consider the value of the investments in subsidiaries to be supported by their underlying assets.

SECTION B – financial information for the year ended 31 December 2015 (Kleinwort Benson Fund Administration)

The Directors
JTC PLC
PO Box 1075
JTC House
28 Esplanade
St Helier
Jersey
JE4 2QP

Stockdale Securities Limited
100 Wood Street
London
EC2V 7AN

9 March 2018

Dear Sirs

Kleinwort Benson Fund Administration Business

We report on the financial information for the year ended 31 December 2015 set out in section B of Part 7 below (the "**Kleinwort Benson Fund Administration Business Financial Information Table**"). The Kleinwort Benson Fund Administration Business Financial Information Table has been prepared for inclusion in the prospectus dated 9 March (the "**Prospectus**") of JTC PLC (the "**Company**") on the basis of the accounting policies set out in note 5 to the Kleinwort Benson Fund Administration Business Financial Information Table. This report is required by item 20.1 of Annex I to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

We have not audited the financial information for the year ended 31 December 2014 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Responsibilities

The Directors of the Company are responsible for preparing the Kleinwort Benson Fund Administration Business Financial Information Table in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the Kleinwort Benson Fund Administration Business Financial Information Table gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Kleinwort Benson Fund Administration Business's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Kleinwort Benson Fund Administration Business Financial Information Table gives, for the purposes of the Prospectus dated 9 March 2018, a true and fair view of the state of affairs of the Kleinwort Benson Fund Administration Business as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Combined Historical Financial Information relating to Kleinwort Benson Fund Administration business

Combined Statement of Comprehensive Income

	Notes	*(Unaudited) 1 January 2014 to 31 December 2014 £'000*	*1 January 2015 to 31 December 2015 £'000*
Revenue		8,695	8,499
Staff costs	14	(1,772)	(4,404)
Establishment costs	13	(150)	(316)
Other operating expenses	13	(7,332)	(2,961)
Other operating income		–	–
Loss/earnings before interest, taxes, depreciation and amortisation (EBITDA)		(559)	818
Comprising:			
Underlying EBITDA		(533)	818
Non-underlying items	11	(26)	–
		(559)	818
Depreciation and amortisation	13	(16)	(51)
(Loss)/profit from operating activities		(575)	767
Other gains and losses		–	–
Finance cost	9	(2)	(107)
Finance income	10	14	15
Profit/(loss) before tax		(563)	675
Tax	12	(31)	(100)
Profit/(loss) for the year		(594)	575
Other comprehensive income:			
Exchange differences on translation of foreign operations		239	(33)
Total comprehensive (loss)/income for the year		(355)	542

All profits in the current and preceding year are derived from continuing operations

Combined Balance Sheet

	Notes	(Unaudited) 31 December 2014 £'000	31 December 2015 £'000
Assets			
Non-current assets			
Intangible assets	15	–	158
Property, Plant and Equipment	16	23	259
Deferred tax asset	17	29	39
Total non-current assets		52	456
Current assets			
Trade and other receivables	18	1,706	1,479
Other debtors and prepayments	19	489	1,714
Current tax receivables		7	–
Cash and cash equivalents	20	6,161	3,893
Total current assets		8,363	7,086
Total assets		8,415	7,542
Equity			
Invested capital		4,028	5,950
Total equity		4,028	5,950
Current liabilities			
Trade and other payables	21	4,375	1,511
Current tax liabilities		12	81
Total current liabilities		4,387	1,592
Total equity and liabilities		8,415	7,542

Combined Statement of Changes in Invested Capital

	Notes	*Invested Capital £'000*
Balance as at 31 December 2013		4,398
Loss for the year		(594)
Other comprehensive income		239
Transactions with owners		(15)
Balance as at 31 December 2014		4,028
Profit for the year		575
Other comprehensive loss		(33)
Transactions with owners	25	1,380
Balance as at 31 December 2015		5,950

Combined Cash Flow Statement

	Notes	*(Unaudited) 1 January 2014 to 31 December 2014 £'000*	*1 January 2015 to 31 December 2015 £'000*
Operating (loss)/profit:		(575)	767
Adjustments for:			
Depreciation of property, plant and equipment	16	16	30
Amortisation of intangible assets	15	–	21
Loss on foreign exchange		1	106
Operating cash flows before movements in working capital		(558)	924
(Increase)/decrease in receivables		170	(998)
(Decrease)/increase in payables		1,980	(2,864)
Cash (used in)/generated from operations		1,592	(2,938)
Income taxes paid		(31)	(42)
Net cash (used in)/generated from operating activities		1,561	(2,980)
Investing activities			
Interest received		14	15
Purchase of property, plant and equipment	16	(13)	(269)
Purchase of intangible assets	15	–	(180)
Net cash used in investing activities		1	(434)
Net increase/(decrease) in cash and cash equivalents		1,562	(3,414)
Cash and cash equivalents at the beginning of the year		4,385	6,161
Effect of foreign exchange rate changes		214	1,146
Cash and cash equivalents at end of year		6,161	3,893

Notes to the Combined Historical Financial Information

1. Background to the transaction

On 1 July 2015, a Share Sale Deed ("SSD") was entered into between JTC Group Limited and Kleinwort Benson Channel Islands Holdings Limited for the purchase of Kleinwort Benson (Channel Islands) Fund Services Limited and its subsidiaries Kleinwort Benson (Channel Islands) Corporate Services Limited and Kleinwort Benson Fund Services (SA) (Pty) Ltd (together the "Kleinwort Benson Fund Administration Business").

The SSD was signed on 1 July 2015 at which point control was displayed through the restrictive covenants in Clause 6 "Period Before Completion". The results of the Kleinwort Benson Fund Administration Business have been consolidated into the JTC Group from this date. The SSD required that certain non-substantive conditions be satisfied before completion could be effected and the process of obtaining the necessary regulatory consents meant that formal completion was on 21 August 2015.

The Kleinwort Benson Fund Administration Business is a leading multi-specialist fund administration provider in the Channel Islands with operations in Guernsey, Jersey and South Africa.

The principal activities, country of incorporation and percentage ownership of the legal entities included in the historical combined financial information are as follows:

Entity	*Principal activity*	*Country of Equity interest incorporation*	*31 December 2014*	*31 December 2015*
Kleinwort Benson (Channel Islands) Fund Services Limited	Operations	Guernsey	100%	100%
Kleinwort Benson (Channel Islands) Corporate Services Limited	Operations	Jersey	100%	100%
Kleinwort Benson Fund Services (SA) (Pty) Ltd	Operations	South Africa	100%	100%

2. Basis of preparation

The Kleinwort Benson Fund Administration Business does not constitute a separate legal group. The combined historical financial information, which has been prepared specifically for the purpose of this Prospectus, is therefore prepared on a basis that combines the results, assets and liabilities of each of the companies constituting the Kleinwort Benson Fund Administration Business by applying the principles underlying the consolidation procedures of IFRS 10 'Consolidated Financial Statements' ('IFRS 10'). On such basis, the combined historical financial information sets out the Kleinwort Benson Fund Administration Business' balance sheet as of 31 December 2014 and 2015 and the results of operations and cash flows for the two years to 31 December 2014 and 2015.

The combined financial information has been prepared in accordance with the requirements of the Prospectus Directive Regulation, the UK Listing Rules and in accordance with this basis of preparation. This basis of preparation describes how the combined financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") except as described below. References to "IFRS" hereafter should be construed as references to IFRS as adopted by the EU.

IFRS does not provide for the preparation of combined historical financial information. Accordingly, in preparing the combined historical financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 "Standards for Investment Reporting applicable to public reporting engagements on historical financial information" issued by the UK Auditing Practices Board have been applied.

The following summarises the accounting and other principles applied in preparing the Combined Historical Financial Information:

- A company is only permitted to apply the first time adoption rules of IFRS 1 'First time Adoption of International Financial Reporting Standards' ("IFRS 1") in its first set of financial statements where such an unreserved statement of compliance has been made. Although such a statement has not been made, the combined historical financial information has been prepared as if the date of transition to IFRS is 1 January 2014, the beginning of the first period presented, and the requirements of IFRS 1 have been applied as of that date.

- As the financial information has been prepared on a combined basis, it is not possible to measure earnings per share. Accordingly, the requirement of IAS 33 'Earnings per Share' to disclose earnings per share has not been complied with.

The Kleinwort Benson Fund Administration Business' deemed transition date to IFRS is 1 January 2014. The principles and requirements for first time adoption of IFRS are set out in IFRS 1.

IFRS 1 allows certain exemptions in the application of particular standards to prior periods in order to assist companies with the transition process as follows:

- IFRS 1 provides the option to measure certain intangible assets at a prior valuation at the opening balance sheet date. Goodwill on acquisitions prior to 1 January 2014 was frozen as at that date and is subject to annual impairment review in accordance with IAS 36 'Impairment of assets'
- The Kleinwort Benson Fund Administration Business has not previously prepared or reported any combined or consolidated historical financial information in accordance with any other generally accepted accounting principles ("GAAP"). Consequently it is not possible to provide the reconciliations between financial information prepared under a previous GAAP and the financial information prepared in accordance with IFRSs (which is required by IFRS 1 on transition to IFRSs). The Kleinwort Benson Fund Administration Business' opening balance sheet is, however, provided in note 28.

The combined historical financial information is presented in thousands of pounds sterling ('£') except when otherwise indicated.

The following summarises the accounting and other principles applied in preparing the combined historical financial information:

- The combined historical financial information of the Kleinwort Benson Fund Administration Business has been prepared on a historical cost basis.
- The combined historical financial information of the entities comprising the Kleinwort Benson Fund Administration Business has been prepared for the same reporting periods using accounting policies consistent with those adopted in the JTC's consolidated historical financial information in Part 7 (*Financial Information*).
- Transactions and balances between entities included within the combined historical financial information have been eliminated.
- Transactions and balances between the entities in the Kleinwort Benson Fund Administration Business and a) Kleinwort Benson Channel Islands Holdings Limited (previous owners) and its other subsidiaries which are not members of the Kleinwort Benson Fund Administration Business (prior to acquisition by JTC Group Limited) and b) JTC Group Limited and its other subsidiaries which are not members of the Kleinwort Benson Fund Administration Business (post acquisition by JTC Group Limited) have been presented in the appropriate caption of the historical financial information to which such transactions and balances relate. Details of such related party transactions and balances are provided in note 24.
- The income tax expense and tax balances in this combined historical financial information have been determined based on the amounts recorded by the Kleinwort Benson Fund Administration Business companies in their statutory accounts. Deferred tax assets and liabilities reflect the full historical deferred tax assets and liabilities recorded by the legal entities included in the Kleinwort Benson Fund Administration Business. The tax charges recorded in the combined income statement and combined statement of comprehensive income are not necessarily representative of the tax charges that would have been reported had the Kleinwort Benson Fund Administration Business been an independent group throughout the period presented. They are not necessarily representative of the tax charges that may arise in the future.
- The Kleinwort Benson Fund Administration Business does not form a separate legal group, and therefore it is not possible to show share capital or an analysis of reserves for the Kleinwort Benson

Fund Administration Business. The net assets of the Kleinwort Benson Fund Administration Business are represented by invested capital.

- The preparation of the combined historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies consistent with the group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information, are disclosed in note 6.

3. New standards, amendments and interpretations

All standards in issue at the date of this historical financial information which are effective for the year ending 31 December 2015 have been adopted.

4. Standards, amendments and interpretations effective subsequent to the year end

Standards, amendments and interpretations to existing standards which are not effective or early adopted by the Kleinwort Benson Fund Administration Business:

- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018 and subject to EU endorsement). The standard provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.
- IFRS 9 'Financial instruments' (effective 1 January 2018 and subject to EU endorsement). The Standard will replace the majority of IAS 39 and covers the classification, measurement and derecognition of financial assets and financial liabilities, impairment of financial assets and provides a new hedge accounting model.
- IFRS 16 'Leases' (effective 1 January 2019 and subject to EU endorsement). The Standard addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases', and related interpretations.

5. Significant accounting policies

Basis of combination

The combined historical financial information of the Kleinwort Benson Fund Administration Business consists of the combination of the accounts of subsidiary entities. Subsidiaries are entities over which the Kleinwort Benson Fund Administration Business' ultimate controlling party has the power, directly or indirectly, to govern the financial and operating policies in order to obtain benefits from their activities. Control is presumed to exist where the ultimate controlling party has more than one half of the voting rights unless it can be demonstrated that ownership does not constitute control. Control does not exist where other parties hold veto rights over significant operating and financial decisions. In assessing control, potential voting rights that are currently exercisable or convertible as well as other contractual arrangements that enable the Kleinwort Benson Fund Administration Business' ultimate controlling parent to exercise control are taken into account.

Foreign currency translation

The functional currency of the Kleinwort Benson Fund Administration Business is pounds sterling because that is the currency of the primary economic environment in which the Kleinwort Benson Fund Administration Business operates. The Kleinwort Benson Fund Administration Business' presentation currency is pounds sterling.

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

Foreign exchange gains and losses that relate to borrowings from related parties and cash and cash equivalents are presented in the combined income statement within net finance expense. All other foreign exchange gains and losses are presented in the combined income statement within other operating income.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year they are incurred.

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	– 3 to 4 years
Office furniture and equipment	– 4 to 6 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.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the sale proceeds and the carrying amount is recognised in the income statement.

Assets under the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Kleinwort Benson Fund Administration Business are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available;
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

This class of intangibles are amortised over their useful lives using the straight-line method, which is estimated at four years, based on management's expectations.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

This class of intangibles are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Impairment of tangible and intangible assets

At each balance sheet date, the directors of the Kleinwort Benson Fund Administration Business review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the directors of JTC estimate the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the combined and consolidated income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the combined income statement.

Financial instruments

Financial assets and financial liabilities are recognised in the combined balance sheet when the Kleinwort Benson Fund Administration Business becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value.

All financial assets, other than cash and cash equivalents, are classified as 'loans and receivables'.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the combined income statement.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Kleinwort Benson Fund Administration Business are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Kleinwort Benson Fund Administration Business' own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities at Fair Value Through Profit and Loss 'FVTPL' or 'other financial liabilities'.

Other financial liabilities

Borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Employee benefits

The Kleinwort Benson Fund Administration Business provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

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 Kleinwort Benson Fund Administration Business 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.

Retirement benefit costs

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

Provisions

Provisions are recognised when the Kleinwort Benson Fund Administration Business has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Rendering of services

Revenue is recognised in the combined income statement at the point in time when the Kleinwort Benson Fund Administration Business has the right to receive payment for its services, on an accruals basis.

Accrued income

Accrued income represents the billable provision of services to clients which has not been invoiced at the reporting date. Accrued income is recorded based on agreed fees billed in arrears and time based charges at the agreed charge out rates in force at the work date, less any specific provisions against the value of accrued income where recovery will not be made in full.

Deferred income

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

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Kleinwort Benson Fund Administration Business and the amount of revenue can be measured reliably.

Fiduciary activities

The assets and liabilities of trusts and companies under administration and held in a fiduciary capacity are not included in these combined financial information.

Direct cost

Direct costs are defined by management as the costs of the income generating divisions including staff payroll, third party administration and sale commission fees attributable to the division in relation to the delivery of services and supporting growth.

Non-underlying items

The Kleinwort Benson Fund Administration Business classifies certain one-off charges or credits that have a material impact on its 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 Kleinwort Benson Fund Administration business. Further details of the nature of non-underlying items are given in note 11.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax.

Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Kleinwort Benson Fund Administration Business operates and generates taxable income. Management periodically evaluates 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 information 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Kleinwort Benson Fund Administration Business 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 Kleinwort Benson Fund Administration Business 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 combined 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.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting to the board of directors, which has been identified as the chief operating decision maker.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the combined 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 lease asset are consumed.

In the event that lease incentives are received on entering into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of the rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

6. Critical accounting estimates and judgements

In preparing the historical combined financial information, the directors are required to make estimates and assumptions that affect the amounts of assets, liabilities, revenue and expenses reported in the historical combined financial information. Actual amounts and results could differ from those 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.

The following are the critical judgements and estimation uncertainties that the directors have made in the process of applying the Kleinwort Benson Fund Administration Business' accounting policies and that have the most significant effect on the amounts recognised in the combined historical financial information:

(i) *Critical judgements in applying the Kleinwort Benson Fund Administration Business' accounting policies*

(a) *Going concern assumption*

The directors have reviewed the Kleinwort Benson Fund Administration Business' financial and cash flow forecasts and concluded that it is appropriate to adopt the going concern basis of accounting in preparing the combined financial information. They have a reasonable expectation that the Kleinwort Benson Fund Administration Business has adequate resources to continue in operational existence for the foreseeable future.

(ii) *Critical accounting estimates and assumptions*

(a) *Revenue recognition and accrued income*

The Kleinwort Benson Fund Administration Business recognises accrued income within revenue and as a receivable for amounts that remain unbilled at the year-end, recorded at the recoverable amount. The recoverable amount of accrued income is assessed on an individual basis using the judgment of management, and takes into account an assessment of the client's financial position, the aged profile of the accrued income and an assessment of historical recovery rates. See note 18.

(b) *Impairment of trade receivables, work in progress and accrued income*

To assess the fair value of consideration received for services rendered, the directors are required to make an assessment as to the recoverability of work in progress, trade receivables and accrued income. Provisions are made where full recovery is in doubt. The provisions are reviewed on a regular basis to assess their adequacy. In making this assessment, the directors take into consideration the following; (i) their historic knowledge and current status of the client relationship, (ii) client assertion regarding payment, (iii) the ageing profile of the trade receivables, (iv) the ageing profile of the work in progress and comparison to agreed billing arrangements and (v) any circumstances of which they are aware regarding the clients inability to meet its financial obligations. See note 18.

7. Financial risk management

The financial risk management policies are discussed by the management of the Kleinwort Benson Fund Administration Business on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise the potential adverse effects affecting the financial performance of the Kleinwort Benson Fund Administration Business. Management provides necessary guidance and instructions to the employees covering the specific risk areas. The Kleinwort Benson Fund Administration Business do not hold or issue derivative financial instruments for speculative purposes.

Market risk

The Kleinwort Benson Fund Administration Business' activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The principal currency of the Kleinwort Benson Fund Administration Business' financial assets and liabilities is pounds sterling. The Kleinwort Benson Fund Administration Business manages exposure to foreign exchange rates by carrying out the majority of its transactions in the functional currency of the Kleinwort Benson Fund Administration Business company in the jurisdiction in which it operates.

The Kleinwort Benson Fund Administration Business maintains assets in foreign currencies sufficient for regulatory capital purposes in each jurisdiction. The carrying amounts of the Kleinwort Benson Fund Administration Business' foreign currency denominated monetary assets and monetary liabilities are as follows:

	Monetary assets (i) *(Unaudited)*		*Monetary liabilities* (ii) *(Unaudited)*	
	2014 *£'000*	*2015* *£'000*	*2014* *£'000*	*2015* *£'000*
Euro	225	255	–	–
United States Dollar	731	1,012	–	–
South African Rand	283	319	141	182
Pounds Sterling	5,863	3,116	4,246	1,411
Total	7,102	4,702	4,387	1,593

Foreign currency risk management sensitivity analysis:

The following table illustrates management's assessment of the foreign currency impact on the year-end combined balance sheet and presents the possible impact on the total combined comprehensive income for the year and net assets arising from potential changes in the Euro, United States Dollar and South African Rand, with all other variables, in particular interest rates, remaining constant. A strengthening or weakening of pounds sterling by 15 per cent. is considered an appropriate variable for the sensitivity analysis given the scale of foreign exchange fluctuations over the last two years.

		Effect on the combined profit and loss and net assets	
	Strengthening/ (weakening) of pound sterling	*2014* *£'000*	*2015* *£'000*
Euro	+15%	34	38
United Stated Dollars	+15%	110	152
South African Rand	+15%	21	20
Euro	(15%)	(34)	(38)
United Stated Dollars	(15%)	(110)	(152)
South African Rand	(15%)	21	(20)

(i) Monetary assets comprise of cash and cash equivalents and trade receivables.

(ii) Monetary liabilities comprise of loans and borrowings and trade and other payables.

Interest rate risk management

Interest rate risk is the risk that fluctuating interest rates will unfavourably affect the Kleinwort Benson Fund Administration Business' earnings and the value of its combined assets, liabilities and capital.

Potential concentrations of interest rate risk consist principally of cash in the bank. At the combined balance sheet date the directors did not consider there to be any significant concentration of cash flow interest rate risk which had not been adequately provided for. The maximum exposure to interest rate risk is represented by the carrying value of the financial assets and financial liabilities on the combined balance sheet.

Interest rate sensitivity analysis:

The sensitivity analysis below has been determined based on the floating rate liabilities.

The directors consider a reasonable interest rate movement in LIBOR to be 50 basis points based on historical changes to interest rates. If interest rates had been higher/lower by 50 basis points and all other variables were held constant, the combined profit for the year ended 31 December 2015 would decrease/increase by £19.5k (year ended 31 December 2014: £30.8k).

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Kleinwort Benson Fund Administration Business. The Kleinwort Benson Fund Administration Business is exposed to credit risk primarily for trade receivables (including WIP and accrued income) and cash at banks.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The carrying amount of financial assets recorded in the historical financial information, which is net of impairment losses, represents the maximum exposure to credit risk as no collateral or other credit enhancements are held.

The Kleinwort Benson Fund Administration Business manages credit risk by review at take-on around:

- Risk of insolvency or closure of the customer's business;
- Customer liquidity issues; and
- General creditworthiness, including past default experience of the customer, and customer types.

The credit risk is measured and analysed on a local level, analysis on recoverability is done on a case by case basis in line with policies. Evidence of historical experience demonstrates that debtors, in all ageing categories, have high recoverability ratios.

The cash and cash equivalents and interest receivable are held mainly with banks which are rated "A-" or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd for long term credit rating.

Liquidity risk management

Liquidity risk is the risk that the Kleinwort Benson Fund Administration Business will not be able to meet its financial obligations as they fall due. The Kleinwort Benson Fund Administration Business manages liquidity risk to maintain adequate reserves by regular review around the working capital cycle using information on forecast and actual cash flows.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Kleinwort Benson Fund Administration Business' short, medium and long-term funding and liquidity management requirements. Regulation in most jurisdictions also requires the Kleinwort Benson Fund Administration Business to maintain a level of liquidity so the Kleinwort Benson Fund Administration Business does not become exposed.

The following table details the Kleinwort Benson Fund Administration Business' remaining contractual maturity for its financial liabilities with agreed repayment years. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Kleinwort Benson Fund Administration Business can be required to pay. The table includes both interest and principal cash flows.

Liquidity and interest risk tables

	<3 months £'000	*3 – 12 months £'000*	*1 – 5 years £'000*	*>5 years £'000*	*Total £'000*
31 December 2014					
Trade payables	12	–	–	–	12
Accruals	50	89	–	–	139
Related party loans	–	4,224	–	–	4,224
	62	4,313	–	–	4,375
31 December 2015					
Trade payables	3	–	–	–	3
Accruals	148	125	–	–	273
Intercompany loans	–	1,235			1,235
	151	1,360			1,511

Capital risk management

The capital structure of the Kleinwort Benson Fund Administration Business consists of invested capital. The Kleinwort Benson Fund Administration Business manages their capital to ensure that they will be able to continue as going concerns while maximising the return to their shareholders.

8. Segmental Reporting

The board of directors of JTC determines the appropriate business segments to monitor financial performance. Each segment is defined as a set of business activities generating a revenue stream determined by divisional responsibility and the management information reviewed by the board of directors. The board evaluates segmental performance on the basis of gross profit, after the deduction of the direct costs of staff, third party administration and sale commission fees.

The division engages in corporate and fund administration services. Declared revenue is generated from external customers.

The Kleinwort Benson Fund Administration Business has one reportable segment under IFRS 8, Institutional Client Services.

For the year ended 31 December 2014	*Revenue £'000*	*Direct staff costs £'000*	*Other direct costs £'000*	*Gross profit £'000*	*Margin*
Division					
Institutional Client Services	8,695	(1,772)	–	6,923	80%
Total	8,695	(1,772)	–	6,923	80%
Indirect staff cost				–	
Operating expenses				(7,482)	
Other operating income				–	
EBITDA (i)				(559)	
Non-underlying items within EBITDA (see note 11)				26	
Underlying EBITDA				(533)	

For the year ended 31 December 2015	*Revenue £'000*	*Direct staff costs £'000*	*Other direct costs £'000*	*Gross profit £'000*	*Margin*
Division					
Institutional Client Services	8,499	(4,404)	(91)	4,003	47%
Total	8,499	(4,404)	(91)	4,003	47%
Indirect staff cost				–	
Operating expenses				(3,186)	
Other operating income				–	
EBITDA (i)				818	
Non-underlying items within EBITDA (see note 11)				–	
Underlying EBITDA				818	

Geographical information

The Kleinwort Benson Fund Administration Business' revenue from external customers by geographical location is detailed below:

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
Channel Islands	8,695	8,499
Total revenue	8,695	8,499

EBITDA is not used to measure the performance of the individual segments as items like establishment costs and legal and professional fees are not allocated to individual segments.

Consistent with the aforementioned reasoning, segment assets/liabilities are not reviewed regularly on a segment by segment basis and are therefore not included in the segment reporting.

9. Finance cost

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
Bank charges and interest paid	1	1
Loss on foreign exchange	1	106
Total finance cost	2	107

10. Finance income

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
Bank interest income received	14	15
Total finance income	14	15

11. Non-underlying items

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
EBITDA	(559)	818
Non-underlying items within EBITDA:		
Redundancy cost	26	–
Total non-underlying items	26	–
Underlying EBITDA	(533)	818

12. Taxation

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
The tax charge comprise:		
Current period:		
Jersey income tax (i)	–	70
South African income tax (ii)	31	48
	31	118
Deferred tax (note 17) (ii)	–	(18)
Total tax charge for the year	31	100

(i) The difference between the total current tax shown above and the amount calculated by applying the standard rate of Jersey income tax to the profit before tax is as follows:

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
Profit subject to tax at a rate of 10%	(234)	700
Tax on profit at standard Jersey income tax rate of 10% (2014: 10%)	(23)	70
Effects of:		
Jersey tax liabilities in respect of other group entities	23	–
Current Jersey tax charge for the year	–	70
Effective rate of taxation	0%	10%

(ii) The difference between the total current tax and the amount calculated by applying the standard rate of South African income tax to the profit before tax is as follows:

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
Profit subject to tax at a rate of 28%	110	107
Tax on profit at standard South African income tax rate of 28% (2014: 28%)	31	30
Current South African tax charge for the year	31	30
Effective rate of taxation	28%	28%

13. Other operating expenses

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
Legal and professional fees	13	95
IT expense	135	486
Auditor's remuneration for audit services	12	60
Commissions paid	–	91
Travelling	12	40
Marketing	0	3
Intercompany recharge – Kleinwort Benson Group entities (see note 24)	7,068	2,044
Other expenses	92	141
Total other operating expenses	7,332	2,961

14. Staff costs

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	*1 January 2015 to 31 December 2015 £'000*
Salaries and directors fees	1,450	3,810
Other short-term employee benefits	125	173
Defined contribution pension costs	83	269
Training and other staff related costs	114	152
Total payments	1,772	4,404

15. Intangible assets

	Computer Software £'000	*Total £'000*
Cost		
At 1 January 2014	–	–
Additions	–	–
At 31 December 2014	–	–
Additions	180	180
At 31 December 2015	180	180
Amortisation		
At 1 January 2014	–	–
Charge for the year	–	–
At 31 December 2014	–	–
Charge for the year	21	21
At 31 December 2015	21	21
Carrying amount		
At 31 December 2014	–	–
At 31 December 2015	158	158

The method of valuation and subsequent review is outlined in note 5, no triggers of impairment were detected. Computer software are amortised over four years.

16. Property, Plant and Equipment

	Computer software and equipment £'000	*Office furniture and equipment £'000*	*Leasehold improvements £'000*	*Total £'000*
Cost				
At 1 January 2014	218	94	24	336
Additions	10	3	–	13
Disposals	–	–	–	–
Exchange differences	(9)	(4)	(1)	(13)
At 31 December 2014	219	94	23	336
Additions	54	7	208	269
Disposals	(12)	(1)	–	(13)
Exchange differences	(42)	(21)	(5)	(68)
At 31 December 2015	219	79	226	524
Accumulated depreciation				
At 1 January 2014	203	84	24	310
Charge for the year	11	5	–	16
Disposals	–	–	–	–
Exchange differences	(8)	(3)	(1)	(13)
At 31 December 2014	205	85	23	313
Charge for the year	10	3	17	30
Disposals	(12)	(1)	–	(13)
Exchange differences	(42)	(18)	(5)	(65)
At 31 December 2015	160	69	35	265
Carrying amount:				
At 31 December 2014	14	9	–	23
At 31 December 2015	59	9	191	259

17. Deferred tax asset

	(Unaudited) 2014 £'000	*2015 £'000*
The movement for the year in the deferred tax position was as follows:		
Balance at the beginning of the year	30	29
Credit to income statement	–	18
Exchange differences	(1)	(8)
	29	39
Deferred tax comprises the following temporary differences:		
Accrual for leave pay	2	2
Accrual for bonus	21	32
Accrual for audit fees	2	1
Lease accounting	4	4
	29	39

18. Trade and other receivables

	(Unaudited) 2014 £'000	2015 £'000
Trade receivables	966	835
Allowance for doubtful debts	(27)	(27)
	939	809
Work in progress	47	76
Accrued income	720	594
Total trade and other receivables	1,706	1,479

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Kleinwort Benson Fund Administration Business considers all receivables over 30 days to be past due.

As of 31 December 2015, trade receivables amount to £247k (2014: £966k) were past due but not impaired. These relate to a number of independent clients for whom there is no recent history of default.

The directors consider that the carrying value of trade and other receivables is approximately equal to their fair value.

Receivables as disclosed above include amounts which are past due at the reporting date but against which the Kleinwort Benson Fund Administration Business has not recognised an allowance for doubtful receivables because there are no significant indicators of their irrecoverability.

Allowances against doubtful debts are recognised against receivables with reference to these indicators:

- Insolvency or closure of the customer's business;
- Customer liquidity issues; and
- General creditworthiness, including past default experience of the customer.

The directors consider that the carrying value of trade and other receivables is approximately equal to their fair value.

Movement in allowances for doubtful debts:

	(Unaudited) 2014 £'000	2015 £'000
Balance at the beginning of the year	68	27
Impairment losses recognised	(41)	–
Amounts written off during the year	–	–
Total allowance for doubtful debts	27	27

Ageing analysis of trade receivables:

	(Unaudited) 2014 £'000	2015 £'000
Neither past due nor impaired	–	588
30 – 60 days	361	85
61 – 90 days	356	53
91 – 120 days	56	20
121 – 180 days	52	10
180+ days	141	79
Total	966	835

Ageing of impaired receivables:

	(Unaudited) 2014 £'000	2015 £'000
<30 days	–	–
31 – 60 days	–	–
61 – 90 days	1	1
91 – 120 days	1	1
121 – 180 days	1	1
180+ days	24	24
Total	27	27

19. Other debtors and prepayments

	(Unaudited) 2014 £'000	2015 £'000
Other receivables and prepayments	185	239
Amounts due from JTC Group Limited	–	1,475
Amounts due from the Kleinwort Benson entities	304	–
Total other receivables	489	1,714

The amount due from JTC Group Limited is unsecured, interest free with repayment on demand.

The Kleinwort Benson entities were related parties in the prior year due to being part of the Kleinwort Benson Group (see note 24). These loans were unsecured, interest free with repayment on demand. These loans were repaid during the year.

20. Cash and cash equivalents

	(Unaudited) 2014 £'000	2015 £'000
Current account balances	6,079	3,649
Call account balances	82	244
	6,161	3,893

A call deposit of £14k has been pledged to Standard Bank South Africa Limited to secure a guarantee issued by the bank. The amount held in the call account earns interest, of which £1.7k has been earned thus far, the account balance at year end being £15.8k.

Guarantee detail:

Amount £'000 Expiry date	*Beneficiary*
14 October 2017	Rosevan Investments 48 (Pty) Limited

21. Trade and other payables

	(Unaudited) 2014 £'000	2015 £'000
Trade payables	12	3
Accruals	139	273
Other payables	4,224	605
Amounts due to JTC (Jersey) Limited	–	5
Amounts due to JTC (Guernsey) Limited	–	625
	4,375	1,511

The amounts due to JTC (Jersey) Limited and JTC (Guernsey) Limited are unsecured, interest free with repayment date unspecified.

Other payables comprise of amounts due to the Kleinwort Benson entities. These entities were related parties in the prior year due to being part of the Kleinwort Benson Group (see note 24). These amounts are unsecured, interest free with repayment date unspecified.

Included in accruals are bonus accruals and leave pay accruals. These accruals consist of management's best estimate of the group companies' liability for the management incentive bonus and annual leave due to employees. The directors consider the carrying value of the trade and other payables to approximate to their fair value.

22. Operating lease arrangements

	(Unaudited) 2014 £'000	2015 £'000
As lessee:		
Total lease payments under operating leases recognised as an expense	127	256

At the combined balance sheet date, the Kleinwort Benson Fund Administration Business had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	(Unaudited) 2014 £'000	2015 £'000
Within one year	113	432
In the second to fifth years inclusive	231	895
After five years	–	–
	344	1,327

Operating lease payments represent rentals payable by the Kleinwort Benson Fund Administration Business for office properties. Leases are negotiated for a variety of terms over which rentals are fixed with break clauses and options to extend for a further period at the then prevailing market rate. Any lease incentives are spread over the term of the lease. The break dates for the lease agreements vary.

23. Financial instruments

	(Unaudited) 2014 £'000	2015 £'000
Categories of financial instruments		
Financial assets measured at amortised cost:		
– Other debtors	304	1,475
– Trade and other receivables [(i)]	1,706	1,479
– Cash and bank balances	6,161	3,893
Financial liabilities measured at amortised cost		
– Loans and borrowings	4,224	1,235
– Trade and other payables	151	276

(i) Includes accrued income and WIP, but excludes other debtors and prepayments.

24. Related party transactions

Transactions and balances between entities included within the combined historical financial information have been eliminated and are not disclosed in this note.

Transactions and balances between the entities in the Kleinwort Benson Fund Administration Business and a) Kleinwort Benson Channel Islands Holdings Limited (previous owner) and its other subsidiaries which are not members of the Kleinwort Benson Fund Administration Business ("Kleinwort Benson entities") (prior to acquisition by JTC Group Limited) and b) JTC Group Limited and its other subsidiaries which are not members of the Kleinwort Benson Fund Administration Business (post acquisition by JTC Group Limited) have not been eliminated and are presented below:

Amounts due from related parties

	(Unaudited) 2014 £'000	2015 £'000
Amounts due from JTC Group Limited	–	1,475
Amounts due from KB (Jersey) Services Limited	25	–
Amounts due from KB (CI) Trustees Limited	123	–
Amounts owed by KB (CI) Investment Management Ltd	153	–
Amounts owed by KB (Isle of Man) Limited	3	–
	304	1,475

Amounts due to related parties

	(Unaudited) 2014 £'000	2015 £'000
Amounts due to JTC (Jersey) Limited	–	5
Amounts due to JTC (Guernsey) Limited	–	625
Amounts owed to KB (CI) Limited	3,795	605
Amounts owed to KB Bank Limited	203	–
Amounts owed to KB (Jersey) Services Limited	64	–
Amounts owed to KB (Guernsey) Services Limited	147	–
Amounts owed to KB (CI) Investment Management Ltd	15	–
	4,224	1,235

Related party transactions

	(Unaudited) 2014 £'000	2015 £'000
Expenses:		
Intercompany recharge – Kleinwort Benson Group entities	(7,068)	(2,044)
	(7,068)	(2,044)

The Kleinwort Benson Group entities were considered to be related parties until 1 July 2015, at which point the Kleinwort Benson Fund Administration Business was sold to JTC Group Limited. Intercompany recharge transactions with the Kleinwort Benson Group entities amounted to £2.04 million during the year (2014: £7.07 million) for services provided to the Kleinwort Benson Fund Administration Business.

The Kleinwort Benson Fund Administration Business' other significant related parties are key management personnel, comprising the directors and members of senior management who have the authority and responsibility to plan, direct and control the activities of the Kleinwort Benson Fund Administration Business.

The remuneration of key management personnel is set out below:

	(Unaudited) 1 January 2014 to 31 December 2014 £'000	1 January 2015 to 31 December 2015 £'000
(Salaries and other short-term employee benefits	109	617
	109	617

25. Transactions with owners

The combined entities which form the Kleinwort Benson Fund Administration business have from time to time entered into transactions with subsidiaries of the controlling party's group. In 2015, ownership of Kleinwort Benson (Channel Islands) Corporate Services Limited passed from Kleinwort Benson (Channel Islands) Fund Services Limited and out of the carve-out group to JTC (Jersey) Limited. This transfer of £1,380k has been accounted for through invested capital.

26. Controlling party

In the opinion of the directors there is no ultimate controlling party.

27. Events after the reporting period

There are no material subsequent events to disclose other than those already noted in the financial statements.

28. Transition to IFRS

The Kleinwort Benson Fund Administration Business' deemed transition date to IFRS is 1 January 2014, the beginning of the first period presented, and the requirements of IFRS 1 have been applied as of that date.

The Kleinwort Benson Fund Administration Business has not previously prepared or reported any combined or consolidated historical financial information in accordance with any other generally accepted accounting principles ("**GAAP**"). Consequently it is not possible to provide the reconciliations between financial information prepared under a previous GAAP and the financial information prepared in accordance with IFRSs (which is required by IFRS 1 on transition to IFRSs). However, the Kleinwort Benson Fund Administration Business' opening combined balance sheet as at 1 January 2014, is provided below:

	(Unaudited) *1 January 2014* *£'000*
Assets	
Non-current assets	
Property, Plant and Equipment	26
Deferred tax asset	30
Total non-current assets	56
Current assets	
Trade and other receivables	1,692
Other debtors and prepayments	684
Current tax receivables	7
Cash and cash equivalents	4,385
Total current assets	6,768
Total assets	6,824
Equity	
Invested capital	4,398
Total equity	4,398
Current liabilities	
Trade and other payables	2,414
Current tax liabilities	12
Total current liabilities	2,426
Total equity and liabilities	6,824

PART 8

UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma statement of net assets (*Unaudited Pro Forma Financial Information*) of the Group set out below has been prepared on the basis set out in the notes below and in accordance with the requirements of items 1 to 6 of Annex II of the Prospectus Directive in order to illustrate the impact of the proceeds raised through the Offer on the net assets of the Group as at 31 December 2017 as if it had taken place at that date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, purport to represent what the Group's financial position and results of operations actually would have been if the Offer had been completed on the date indicated.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part 8 (*Unaudited Pro Forma Financial Information*). PricewaterhouseCoopers LLP's report on the Unaudited Pro Forma Financial Information is set out in Section B of this Part 8 (*Unaudited Pro Forma Financial Information*).

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

		Adjustments			
	Group as at 31 December 2017 £'000 (Note 1)	*Net proceeds from the Offer £'000 (Note 2)*	*Repayment/ conversion of loan notes £'000 (Note 3)*	*Refinancing of bank and other loan facilities £'000 (Note 4)*	*Pro forma Group £'000*
Assets					
Non-current assets					
Goodwill	76,183	–	–	–	76,183
Other intangible assets	21,761	–	–	–	21,761
Property, plant and equipment	5,504	–	–	–	5,504
Investment in equity-accounted investee	886	–	–	–	886
Other debtors and prepayments	940	–	–	–	940
Deferred tax assets	61	–	–	–	61
Total non-current assets	105,335	–	–	–	105,335
Current assets					
Trade and other receivables	24,769	–	–	–	24,769
Other debtors and prepayments	2,639	–	–	–	2,639
Current tax receivables	24	–	–	–	24
Cash and bank balances	16,164	15,148	(2,161)	(11,544)	17,607
Total current assets	43,596	15,148	(2,161)	(11,544)	45,039
Total assets	148,931	15,148	(2,161)	(11,544)	150,374
Non-current liabilities					
Loans and borrowings	63,341	–	(62,155)	44,313	45,499
Provisions	646	–	–	–	646
Deferred tax liabilities	2,817	–	–	–	2,817
Trade and other payables	1,805	–	–	–	1,805
Total non-current liabilities	68,609	–	(62,155)	44,313	50,767
Current liabilities					
Loans and borrowings	56,364	–	–	(55,522)	842
Provisions	187	–	–	–	187
Trade and other payables	14,736	(1,714)	–	(21)	13,001
Deferred revenue	5,012	–	–	–	5,012
Current tax liabilities	995	–	–	–	995
Total current liabilities	77,294	(1,714)	–	(55,543)	20,037
Total liabilities	145,903	(1,714)	(62,155)	(11,230)	70,804
Net assets	3,028	16,862	59,994	(314)	79,570

Notes

1. The Group financial information as at 31 December 2017 has been extracted, without material adjustment, from the Group financial information in Part 7.

2. The adjustment reflects the receipt by the Company of net proceeds from the Offer comprising:

	£'000
Gross proceeds from the Offer	20,000
Transaction costs	(4,852)
Net proceeds from the Offer	15,148

Of the £4.9 million total costs associated with the Transaction, £1,714k payable to advisers was accrued at 31 December 2017 and was expensed in the income statement during the year to 31 December 2017, the settlement of these costs represents the adjustment to trade and other payables.

3. Loans and borrowings include investor loan notes of £28,126k and management loan notes of £34,029k. The investor and management loan notes totalling £59,994k will be converted into ordinary shares in the Company, the remaining £2,161k of management loan notes will be repaid.

4. The Group intends to refinance its existing RBS and HSBC bank facility of £55,522k (net of £314k of unamortised arrangement fees) which, together with accrued loan interest of £21k, will be repaid and the unamortised arrangement fees of £314k will be expensed to the income statement. These repayments totalling £55,857k will be refinanced by £11,544k using the Group's Offer proceeds and a drawdown of £44,313k (net of capitalised arrangement fees of £687k) on the new term loan.

5. No adjustment has been made to reflect the trading results of the Group since 31 December 2017.

SECTION B

ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION WITHIN SECTION A OF PART 8

pwc

The Directors
JTC PLC
PO Box 1075
JTC House
28 Esplanade
St Helier
Jersey
JE4 2QP

Stockdale Securities Limited
100 Wood Street
London
EC2V 7AN

9 March 2018

Dear Sirs

JTC PLC (the "Company")

We report on the pro forma financial information (the "**Pro Forma Financial Information**") set out in section A of Part 8 of the Company's prospectus dated 9 March 2018 (the "**Prospectus**") which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the proposed placing of new and existing ordinary shares of the Company and proposed admission of the ordinary shares to the premium segment of the Official List and the proposed admission of those shares to trading on the London Stock Exchange's main market might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2017. This report is required by item 7 of Annex II to the PD Regulation and is given for the purpose of complying with that PD Regulation and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex II of the PD regulation and item 20.2 of Annex I to the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation and item 20.2 of Annex I to the PD Regulation as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3 R(2)(f), we are responsible for this report as part of the Prospectus and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PART 9

ADDITIONAL INFORMATION

1 INCORPORATION AND STATUS OF THE COMPANY

1.1 The Company was incorporated and registered in Jersey on 12 January 2018 under Jersey Companies Law as a public company, limited by shares, with registered number 125550 with the name Breaker PLC.

1.2 The principal law and legislation under which the Company operates, and under which the Ordinary Shares were created, is the Companies (Jersey) Law 1991.

1.3 Following the approval of the shareholders of the Company, the Company's name was changed to JTC PLC on 8 February 2018.

1.4 The Company's legal and commercial name is JTC PLC.

1.5 The registered and head office of the Company is at 28 Esplanade, St Helier, Jersey, JE2 3QA, Channel Islands. The telephone number of the Company's registered office is +44 (0) 1534 700 000.

2 SHARE CAPITAL OF THE COMPANY

Issued share capital

2.1 On 12 January 2018, the date of the Company's incorporation, the Company's issued share capital was:

	Number	*Nominal value (£)*
Ordinary Shares	2	0.02

2.2 Carey Olsen Nominees Jersey Limited and Carey Olsen Corporate Services Jersey Limited subscribed for the initial Ordinary Shares and respectively transferred 1 Ordinary Share to Nigel Le Quesne and 1 Ordinary Share to Anthony Underwood-Whitney on 12 January 2018. On 12 February 2018, 191,459 Ordinary Shares were issued to Martin Fotheringham, 111,719 Ordinary Shares were issued to Wendy Holley, 111,719 Ordinary Shares were issued to Iain Johns, 271,302 Ordinary Shares were issued to Nigel Le Quesne, 111,718 Ordinary Shares were issued to Anthony Underwood-Whitney and 104,508 Ordinary Shares were issued to Philip Burgin. Since 12 February 2018, there have been no changes to the issued share capital of the Company. A total of 902,427 Ordinary Shares with an aggregate nominal value of £9,024.27 are in issue at the date of this Prospectus.

2.3 Immediately prior to Admission, the Group will undertake a reorganisation of its corporate structure (**Reorganisation**) that will result in the Company becoming the ultimate holding company of the Group and JTC Group Holdings becoming a direct subsidiary of the Company. The Reorganisation will be effected pursuant to a share exchange agreement with the current shareholders of, and holders of loan notes issued by, JTC Group Holdings entered into on 9 March 2018 (**Share Exchange Agreement**). Under the Share Exchange Agreement, amongst other things, all of the shares in, and Loan Notes (save in the case of certain Loan Notes which will be repaid prior to Admission) issued by, JTC Group Holdings will be transferred to the Company and the Company will issue 99,097,573 Ordinary Shares to such shareholders and noteholders following which the Company will be the sole shareholder of JTC Group Holdings. Completion of the Share Exchange Agreement will take place immediately prior to Admission and is conditional upon the Board deciding to proceed with Admission and any necessary prior regulatory consents being obtained.

2.4 As at the date of this Prospectus and immediately following the Reorganisation and immediately following Admission, the issued share capital of the Company is and will be:

	As at the date of this document		*Immediately following the Reorganisation*		*Immediately following Admission*	
	Number	*Nominal value (£)*	*Number*	*Nominal value (£)*	*Number*	*Nominal value (£)*
Ordinary Shares	902,427	9,024.27	100,000,000	1,000,000	106,896,552	1,068,965.52

2.5 As at 7 March 2018 (being the latest practicable date prior to the date of this Prospectus), the Company held no Ordinary Shares in treasury. No Ordinary Shares have been issued other than as fully paid.

2.6 In connection with the Reorganisation and the Offer, the Company resolved by written resolution passed on 8 March 2018 that (amongst other things):

(a) the authorised share capital of the Company be increased from £10,000 divided into 1,000,000 Ordinary Shares to £3,000,000 divided into 300,000,000 Ordinary Shares;

(b) the Directors were duly authorised in accordance with the Articles to exercise all the powers of the Company to allot, issue, convert any security into, grant options over or otherwise dispose of equity securities (as that term is defined in the Articles):

(i) up to an aggregate nominal amount of £990,975.73 for the purposes of, or in connection with, the Reorganisation;

(ii) up to an aggregate nominal value of £68,965.52 for the purposes of, or in connection with, the Offer;

(iii) up to an aggregate nominal value of £356,321.84 for general corporate purposes, being a nominal amount equal to one third of the aggregate nominal value of the Ordinary Shares in issue immediately following Admission; and

(iv) up to an additional aggregate nominal value of £356,321.84 where such securities are offered by way of a pre-emptive issue (as defined in the Articles) being a nominal amount equal to one third of the aggregate nominal value of the Ordinary Shares in issue immediately following Admission,

provided always that the authorities conferred on the Directors described in (i), (ii), (iii) and (iv) above shall expire at the earlier of the conclusion of the next annual general meeting of the Company after the passing of the resolution and 15 months from the passing of the resolution but, in each case, during this period, the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted after the authority ends and the Directors may allot equity securities under any such offer or agreement as if the authority had not ended;

(c) the Directors be authorised to allot equity securities for cash as if the pre-emption rights set out in the Articles did not apply to such sale or allotment, such power to be limited:

(i) to the allotment of equity securities up to an aggregate nominal value of £990,975.73 for the purposes of, or in connection with, the Reorganisation;

(ii) to the allotment of equity securities up to an aggregate nominal value of £68,965.52 for the purposes of, or in connection with, the Offer;

(iii) generally for the allotment of equity securities up to an aggregate nominal value of £53,448.28 being 5 per cent. of the aggregate nominal value of the Ordinary Shares in issue immediately following Admission; and

(iv) to the allotment of equity securities up to an aggregate nominal value of £712,643.68 where such securities are offered by way of a pre-emptive issue (as defined in the Articles) being a nominal amount equal to two thirds of the aggregate nominal value of the Ordinary Shares in issue immediately following Admission,

on the basis that the authorities shall expire at the earlier of the conclusion of the next annual general meeting of the Company after the passing of the resolution and 15 months from the passing of the resolution but, in each case, during this period, the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted after the authority ends and the Directors may allot equity securities under any such offer or agreement if the authority had not ended;

(d) the Company be authorised to make market purchases of Ordinary Shares on such terms and in such manner as the Directors shall from time to time determine, provided that:

(i) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 10,689,655 Ordinary Shares (representing approximately 10 per cent. of the number of Ordinary Shares in issue immediately following Admission);

(ii) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is its nominal value;

(iii) the maximum price (exclusive of any expenses) which may be paid for an Ordinary Share is not more than the higher of:

(A) an amount equal to 5 per cent. above the average of the middle market quotations of the Ordinary Shares (as derived from the London Stock Exchange Daily Official List) for the five Business Days immediately preceding the date on which that Ordinary Share is contracted to be purchased; and

(B) an amount equal to the higher of: (i) the price of the last independent trade of an Ordinary Share; and (ii) the highest current independent bid for an Ordinary Share on the London Stock Exchange at the time the purchase is carried out,

such authority shall expire at the earlier of the conclusion of the next annual general meeting of the Company after the passing of the resolution and five years from the passing of the resolution but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase ordinary shares pursuant to any such contract as if the power had not ended and the Company may hold as treasury shares any shares purchased pursuant to this resolution.

2.7 Other than the issue of Ordinary Shares pursuant to the Offer and the Reorganisation, the Company has no present intention to issue any new shares in the share capital of the Company.

2.8 The Company does not have in issue any securities not representing share capital.

2.9 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

2.10 Save as disclosed in this paragraph 2 and in notes 21, 22 and 23 to the Historical Financial Information set out in Part 7 (*Financial Information*), there has been no issue of share or loan capital of the Company or any other member of the Group (other than intra-group issues by wholly owned subsidiaries) in the three years immediately preceding the date of this document and (other than pursuant to the Offer and the Reorganisation) no such issues are proposed.

2.11 Save as disclosed in paragraph 10 below, no commissions, discounts, brokerages or other special terms have been granted by the Company or any other member of the Group in connection with the issue or sale of any share or loan capital of the Company or any other member of the Group in the three years immediately preceding the date of this document.

2.12 On Admission no share or loan capital of the Company or any other member of the Group will be under option or has been agreed conditionally or unconditionally to be put under option.

2.13 None of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to the Official List.

2.14 The Ordinary Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Ordinary Shares not to be held through CREST will be posted to allottees by 28 March 2018. Ordinary Shares to be held through CREST will be credited to CREST accounts on Admission.

3 SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN ENGLISH AND JERSEY COMPANY LAW

There are a number of differences between the Companies Act (which is the principal English company law legislation) and the Jersey Companies Law (which is the principal Jersey company law legislation). The main differences include (but are not limited to) the following:

- The Companies Act confers statutory pre-emption rights on shareholders relating to new share issues whereas the Jersey Companies Law does not, however, the Articles contain certain pre-emption rights;
- Under the Companies Act, the directors require the sanction of the shareholders to issue and allot shares, whereas under the Jersey Companies Law the directors do not, however, the Articles require authorities to be given to the directors in respect of certain share issues;
- The Companies Act requires that any partly paid shares to be allotted by a public company are paid up to at least one quarter of each share's nominal value, whereas the Jersey Companies Law does not contain any requirement as to the proportion to be paid;
- Under the Companies Act a special resolution requires a three-quarters majority, whereas under the Jersey Companies Law the threshold can be set (in the company's articles) at any threshold so long as it is at least a two-thirds majority. The Articles require special resolutions to be passed by a three-quarters majority;
- The Companies Act requires a public company to publish on a website a statement setting out any matter relating to the audit of its accounts that are to be discussed at the next accounts meeting or any circumstances concerned with an auditor ceasing to hold office where it is requested to do so by a certain proportion of shareholders whereas the Jersey Companies Law does not, but provisions to this effect have been included in the Articles;
- Any increase in the authorised share capital of a company requires a special resolution under the Jersey Companies Law rather than an ordinary resolution (a simple majority) as is required under the Companies Act in the case of any English company which has retained the concept of an authorised share capital in its articles of association;
- In the context of takeover offers, the Jersey Companies Law includes provisions similar to those existing under English law in relation to schemes of arrangement, and in relation to the compulsory acquisition of shares following a tender offer, including the voting or acceptance thresholds (as the case may be) required to effect the same. In addition, the Jersey Companies Law permits two or more companies (which need not all be Jersey incorporated companies) to merge to form one successor company. In the case of any company incorporated in Jersey, any such merger is subject to approval by its board of directors and to approval by special resolution of the company (and, where applicable, by special resolution of each class of shares where there is more than one class of shares in issue), in addition to certain other substantive and procedural requirements;
- The circumstances in which the Jersey Companies Law permits a Jersey company to indemnify its directors in respect of liabilities incurred by the directors in carrying out their duties are limited, albeit in a slightly different manner to English companies under the Companies Act;
- Under the Companies Act, there is a general prohibition on the granting of loans by a company to its directors (unless a shareholder resolution is passed approving such loan or certain exceptions apply), whereas there is no general prohibition on loans provided to directors under the Jersey Companies Law (but directors remain subject to fiduciary duties when considering the grant of any such loans);
- The Jersey Companies Law does not require that shareholders approve compensation payments made to directors for loss of office, whereas under the Companies Act, a payment by a company to a director (or a person connected to such director) for loss of office of that company or its holding company must be approved by a resolution of shareholders, however, the relevant Companies Act provisions have been incorporated into the Articles;
- The Jersey Companies Law does not grant the directors of a Jersey company a power to request information concerning the beneficial ownership of shares, however, the relevant provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules have been incorporated into the Articles which permit the directors to request such disclosure in the relevant circumstances;
- The Jersey Companies Law, unlike the Companies Act, does not confer on members the right to require the directors of a company to obtain an independent report on any poll taken, or to be taken, at a general meeting, nor does it confer rights on members to require a company to circulate resolutions

to be proposed at the next annual general meeting, or to circulate statements from the members relating to any matter regarding a resolution to be proposed at a general meeting in advance of that meeting, or rights for a nominee holder of shares to have the same information rights granted to the underlying beneficial owner of the share, however, provisions have been inserted into the Articles to give these rights to the shareholders;

- There is no restriction on donations by a company to political organisations under the Jersey Companies Law as there is under the Companies Act, however, a suitable restriction has been included in the Articles;
- Under Jersey law, the circumstances in which a shareholder may bring a derivative claim against a company may be more limited than is the case under English law. However, the Jersey Companies Law includes an equivalent provision to the Companies Act relating to protection of shareholders against unfair prejudice and in this respect Jersey has (subject to certain exceptions) a broadly similar position under customary law to the common law position under English law;
- Under Jersey law, the two procedures for dissolving a Jersey company are winding up and désastre. Concepts such as receivership, administration and voluntary arrangements which arise under English law do not exist under Jersey law. The concept of a winding up is broadly similar to that under English law, except that under Jersey law, a winding up may only be commenced by the Jersey company and not by one of its creditors. If the company is solvent the winding up will be a summary winding up. If the company is insolvent, the winding up will be a creditors' winding up. A creditor wishing to dissolve a Jersey company would need to seek to have the company's property declared en désastre (literally meaning "in disaster") by the Jersey court. If the company's property is declared en désastre, all of the powers and property of the company (whether present or future and whether situated in Jersey or elsewhere) are vested in the Jersey Viscount (an officer of the court). The role of the Viscount is similar to that of a liquidator. The Viscount's principal duty is to act for the benefit of the company's creditors. He is not under an obligation to call any creditors' meetings, although he may do so;
- The Jersey Companies Law does not contain restrictions on substantial property transactions equivalent to those contained in the Companies Act;
- Pursuant to the Jersey Companies Law, and subject to the Directors being able to make the required solvency statement, a Jersey company may make a distribution from any source (other than nominal capital account and capital redemption reserve) whereas under the Companies Act distributions generally may only be made from distributable reserves; and
- The Jersey Companies Law does not provide a statutory right to Shareholders to remove directors, as is provided under the Companies Act, however, a right to remove Directors by ordinary resolution has been included in the Articles.

This list is intended to be illustrative only and does not purport to be exhaustive or to constitute legal advice. Any Shareholder wishing to obtain further information regarding his rights as a shareholder of the Company under Jersey law should consult his Jersey legal advisers.

Following and subject to Admission, the Company will be required to comply with the Listing Rules (including the rules relating to related party transactions and class transactions), MAR and the Disclosure Guidance and Transparency Rules and, in certain of the instances where the Listing Rules and/or the Disclosure Guidance and Transparency Rules apply differently or do not apply to an overseas company, provision has been made in the Articles to apply certain rules as if the Company was a company incorporated in England and Wales. For example, the Articles provide that Shareholders must comply with the rules contained in DTR 5 of the Disclosure Guidance and Transparency Rules relating to disclosure of major shareholdings and other controlling voting rights in the Company as if it were a company incorporated in England and Wales.

In relation to those cases referred to above where the Articles seek to replicate the positions under the Companies Act as closely as possible, there can be no guarantee that these provisions will replicate English law exactly and inevitably small differences between English law and Jersey law will remain.

4 ARTICLES OF ASSOCIATION

Under Jersey Companies Law, the capacity of a Jersey company is not limited by anything contained in its memorandum or articles of association. Accordingly, the memorandum of association of a Jersey incorporated company, and hence the Company's memorandum, does not contain an objects clause.

The Articles, which were adopted by a written resolution of the Company passed on 8 March 2018 include provisions, *inter alia*, to the following effect:

4.1 Share rights

Subject to the provisions of the Jersey Companies Law and the provisions of the Articles relating to, *inter alia*, authority and pre-emption rights and to any resolution of the Company in general meeting passed pursuant to those provisions, all unissued shares for the time being in the capital of the Company are at the disposal of the Board. The Board may allot such shares on any terms and conditions, grant options over them, offer them for sale or otherwise dispose of them in any other way. The Board may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder on such terms as provided by the Articles subject to the provisions of the Jersey Companies Law.

4.1.1 ***Voting rights***

Subject to any rights or restrictions as to voting attached to any shares, on a show of hands, every member present in person or (subject to certain conditions) by proxy shall have one vote, and, on a poll, every member present in person or by proxy has one vote for every share of which he is the holder.

If at the time of any general meeting or class meeting, a member owes the Company any money in relation to his share, he will not be entitled to vote that share (either in person or by proxy) or exercise any other right attached to that share at that general meeting or class meeting. A member may not (amongst other potential sanctions) exercise voting rights in the Company in respect of shares which are the subject of a restriction notice served after failure to provide the Company with information concerning interests in certain shares required to be provided by the Company, in accordance with the Articles.

4.1.2 ***Dividends***

Subject to the provisions of the Jersey Companies Law, the members may by ordinary resolution declare dividends out of any source permitted by the Jersey Companies Law, but no dividend shall exceed the amount recommended by the Board. Subject to the provisions of the Jersey Companies Law, the Board may pay interim dividends out of any source permitted by the Jersey Companies Law if it appears to the Board that it is justified by the financial position of the Company. If the share capital is divided into different classes and members with preferential dividend rights suffer as a result of an interim dividend being properly paid to other members, the Board will not be liable for the loss if it acted in good faith. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions in respect of which the dividend is paid. Any amount paid on a share in advance of the date on which a call is payable will not be treated as paid up for these purposes. The Company does not have to pay interest on any dividend or other money due to a member in respect of his shares, unless the rights of the share state otherwise. If a dividend in respect of a share remains unclaimed for 12 years from the date it became due for payment, the Board can pass a resolution to forfeit the payment and the relevant member will lose the right to the dividend. If recommended by the Board, members can pass an ordinary resolution to direct that a dividend will be satisfied in whole or in part by distributing assets instead of cash. This includes, amongst other things, paid up shares or debentures of another company. The Board can make any arrangements it wishes to settle any difficulties which may arise in connection with the distribution, including for example (a) the valuation of the assets, or (b) the payment of cash to any member on the basis of that value in order to adjust the rights of members, and (c) the vesting of any asset in a trustee. The Board may, if authorised by an ordinary resolution of the Company, offer members the right to elect to receive shares by way of scrip dividend (which are credited as fully paid) instead of cash in respect of some or all of their dividend.

4.1.3 ***Variation of rights***

Subject to the provisions of the Jersey Companies Law, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class of shares in the capital of the Company may (unless otherwise provided by the terms of allotment of the shares of the relevant class) be varied or abrogated either with the written consent of the holders of at least three quarters in nominal value of the issued shares of the class, or with the sanction of a special resolution passed at a separate class meeting of the class of members affected. While the Company's shares are divided into different classes, the rights of a share will be treated as varied if either (a) the capital paid up on that share or class of shares is reduced (unless this results from the Company buying back or redeeming its own shares), or (b) another share is allotted which has (i) priority for payment of a dividend, (ii) priority on a return of capital or (iii) voting rights more favourable than those attached to that share or class of shares.

4.1.4 ***Lien, calls, and forfeiture***

The Company has a lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company has the right to sell any share over which it has a lien if a member fails to pay any money due on the share in respect of which the lien exists within 14 clear days of notice of a demand for payment of the amount of money owed being given to the holder of the share or to the person entitled to the share by transmission.

The Board can call at any time on members on one or more occasions to pay any money which they owe to the Company on a share, provided that there must be at least one month between the payment dates of two consecutive calls and that the call is made in accordance with the Articles and the terms of allotment of the relevant share. Members must be given at least 14 clear days' notice of a requirement to pay and the notice must state when and where the payment is to be made. If a member does not pay the money due under a call or any instalment of a call by the due date, he must pay interest on the amount due from the due date until it is actually paid. If the terms of any allotment of any share require money to be paid when the share is allotted or on a fixed date, the amount payable will be treated in the same way as if a valid call had been made for that money the same date the money is due. If the money is not paid, the provisions of the Articles relating to calls and forfeiture will apply as if the member had been notified of a valid call for that amount on that date. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than seven clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. Subject to the provisions of the Jersey Companies Law, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determines, either to the person who was the holder before the forfeiture or to any other person.

4.1.5 ***Ownership of shares by non-UK persons***

There are no provisions in the Articles that restrict non-UK resident or foreign shareholders from holding shares or from exercising voting rights attaching to shares.

4.1.6 ***Transfer of shares***

A transfer of a certificated share must be in writing, either by the usual transfer form or in any other form which the Board approves. The transfer form must be signed by or on behalf of the person transferring the share and, unless the share is fully paid, by or on behalf of the person acquiring the share. The transfer form does not need to be under seal. If the certificated shares being transferred are only partly paid, the Board is entitled to refuse to register the transfer without giving any reason for the refusal as long as it does not prevent dealings in shares from taking place on an open and proper basis. The Board can also refuse to register the transfer of a certificated share if: (a) the transfer form is not lodged, properly stamped (if stamping is required), at the registered office (or any other place chosen by the Board) together with the appropriate share certificate for the shares being transferred and any other evidence of transfer that the Board reasonably asks for; (b) the transfer is for more than one class of shares; or (c) the transfer is to more than four transferees.

If the Board refuses to register a transfer of a share, it must notify the person to whom the shares were being transferred of this refusal. This notice must be sent out within two months of the date on which the transfer form was received by the Company (in the case of certificated shares). An instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is sent. Neither the Board nor anyone else can charge a member for registering a transfer form or other documents relating to his shares or affecting his title to a share.

The Board may permit the holding of shares in uncertificated form and the transfer of title to those shares by means of a relevant system such as CREST.

4.1.7 ***Pre-emption rights***

If the Company issues certain specific kinds of additional securities, current members will generally have pre-emption rights to those securities on a *pro rata* basis. The members may, by way of special resolution, grant authority to the Board to allot shares as if the pre-emption rights set out in the Articles did not apply.

4.1.8 ***Liquidation rights***

If the Company is wound up, the liquidator can, with the approval of a special resolution passed by the members and any other sanction required by applicable law, among other things, divide some or all of the Company's assets among the members. The liquidator may determine the value of such assets and how they are to be divided between the members but no member shall be compelled to accept any asset on which there is a liability.

4.1.9 ***Disclosure of shareholdings***

Chapter 5 of the Disclosure Guidance and Transparency Rules, which on the basis incorporated into the Articles, require members to notify the Company if the voting rights attached to shares held by them (subject to some exceptions) reach, exceed or fall below 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. Pursuant to the Articles, the Company may also send a notice to any person whom it knows or believes to be interested in its shares, requiring such person to confirm whether he has such an interest and, if so, details of that interest. Under the Articles, if a member fails to comply with its notification obligations or fails to supply the information requested in the notice or provides information that is false in a material particular, the Board may serve a restriction notice on such person stating amongst other things that the member may not attend or vote at any general meeting or class meeting in respect of some or all of his shares.

4.1.10 ***Capitalisation of profits***

If authorised by ordinary resolution of the members and subject to the Jersey Companies Law, the Board can pass a resolution to capitalise any undistributed profits (unless required for paying a preferential dividend) or other sum in any reserve or fund.

4.1.11 ***Circulation of shareholder resolutions***

Subject to certain exceptions, members of the Company may require the Company to circulate, to members entitled to receive notice of the next annual general meeting, notice of a resolution to be proposed at that meeting. For this purpose, the members must represent (i) at least five per cent. of the total voting rights of all members who have a right to vote on the relevant resolution, or (ii) not less than 100 in number who have a right to vote on such resolution and who hold shares in the Company on which there has been paid up an average sum, per member, of at least £100. Similarly, if so requested the Company shall also circulate to members a statement of not more than 1,000 words with respect to a matter referred to in a proposed resolution to be dealt with at a particular meeting or other business to be dealt with at that meeting.

4.1.12 ***Information rights***

A member has the right to nominate another person, on whose behalf he holds shares, to enjoy the same information rights as defined and stipulated in sections 146 to 149 of the Companies Act (with certain exceptions).

4.1.13 ***Power to require website publication of audit concerns***

If so requested by members, the Company shall publish on its website a statement setting out any matter relating to the audit of its accounts or any circumstances connected with an auditor of the Company ceasing to hold office. For this purpose, the members must represent (i) at least five per cent. of the total voting rights of all members who have a right to vote at the general meeting at which the Company's accounts are laid, or (ii) not less than 100 in number who have a right to vote at such meeting and who hold shares in the Company on which there has been paid up an average sum, per member, of at least £100.

4.1.14 ***Independent report on poll***

Members may require the Board to obtain an independent report on any poll taken, or to be taken, at a general meeting of the Company in accordance with certain provisions of the Companies Act which have been incorporated into the Articles (with certain exceptions).

4.2 **General meeting**

The Company will hold annual general meetings in accordance with the requirements of the Jersey Companies Law. All other general meetings of the members are called general meetings. The Board can call a general meeting whenever it decides to. All annual general meetings can only be held if members have been given at least 21 clear days' notice. Members must be given at least 14 clear days' notice of all other general meetings. The members can require the Board to call a general meeting in accordance with the Jersey Companies Law.

Notice of a general meeting must be sent to all of the Company's members (subject to certain exceptions for holders of partly-paid shares), the Board and the auditors. The notice calling a general meeting must specify the time, date, place and general nature of the business of the meeting and, in the case of a meeting called to pass a special resolution, the notice shall specify the intention to propose the resolution as a special resolution. A notice calling an annual general meeting must state that the meeting is an annual general meeting. A member may attend and/or vote at general meetings or class meetings in person or by proxy. The Articles contain provisions for the appointment of proxies, including electronic communication of appointments and cut off times for appointments prior to general meetings. Even if a director is not a member, he is entitled to attend and speak at any general meeting or class meeting. A quorum for a general meeting is two people (including members and/or proxies) entitled to vote at the meeting. If a quorum is not present within 15 minutes of the time set for the general meeting (or such longer time not exceeding one hour as the chairman of the meeting may determine), the meeting shall be adjourned to such later time and date as the chairman of the meeting may determine, unless the meeting was called at the request of the members in which case it shall be dissolved.

4.3 **Directors**

4.3.1 ***Appointment of directors***

The Company must have at least two Directors on the Board (not counting alternate directors). There is no maximum number of directors. Subject to the Articles, members (by ordinary resolution) or the Board can appoint any person willing to be a director either to fill a vacancy or as an additional director. Where the appointment is made by the Board, the director must retire at the next general meeting and can then be put forward by the Board for reappointment by shareholders in accordance with the Articles. A majority of directors shall not be resident in the United Kingdom.

4.3.2 ***Eligibility of new directors***

A person will only be eligible for appointment as a director of the Board at a general meeting if; (a) he is recommended by the Board; or (b) a member who is entitled to vote at the general meeting has given the Company a written notice at least seven days (but not more than 21 days) before the date for which the meeting is called of his intention to propose someone (other than himself) as a director. The notice must include all the details of that person which would be required to be included in the register of directors, and be accompanied by a written confirmation from the proposed director confirming his willingness to be appointed as a director.

4.3.3 ***No share qualification***

Directors do not need to be shareholders in the Company.

4.3.4 ***Retirement of directors***

At every annual general meeting, each of the Directors on the Board must retire. A director who retires at an annual general meeting may be re-appointed if he is willing to act as a director.

4.3.5 ***Remuneration of directors***

The total fees paid to non-executive directors (other than amounts payable under any other article) must not exceed £1 million a year or any higher amount agreed by ordinary resolution at a general meeting.

If a non-executive director performs any other service which in the Board's opinion is beyond the scope of his role as a non-executive director, the Board can decide to pay him additional remuneration. This can take the form of a salary, commission or anything else the Board decides. The benefits paid to an executive director will be decided by the Board (or any duly constituted committee of the Board), and can be of any description. This includes, but is not limited to, (i) admission to, or continuance of, membership of any scheme (including a share purchase scheme) or fund established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, and (ii) the payment of a pension or other benefits to him or his dependants on or after his retirement or death.

The provisions contained in sections 215 to 221 of the Companies Act in relation to payments made to directors (or a person connected to such directors) for loss of office and the circumstances in which such payments would require the approval of members broadly apply to the Company, and the Company shall comply with such provisions as if it were a company incorporated in the UK.

4.3.6 ***Appointment of executive directors***

Subject to the Jersey Companies Law, the Board can appoint a director to any executive position (except that of auditor), on such terms and for such period as it thinks fit. The Board can also terminate or vary an executive appointment whenever it wishes and decide on any fee or other form of remuneration to be paid for such appointment.

4.3.7 ***Permitted interests of directors***

Subject to the provisions of the Jersey Companies Law, as long as a director has disclosed the nature and extent of his interest to the Board, a director can: (a) be a party to, or otherwise have an interest in, any transaction or arrangement with the Company or in which the Company has a direct or indirect interest; (b) act by himself or through his firm in a paid professional role for the Company (other than as auditor); and (c) be a director, officer or employee of or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company has any interest whether direct or indirect. A director who has, and is permitted to have, any interest referred to in the above paragraph can keep any remuneration or other benefit which he derives as a result of having that interest as if he were not a director. Any disclosure may be made at a meeting of the Board, by notice in writing or by general notice or otherwise in accordance with the Jersey Companies Law. The Board may authorise directors' actual and potential conflicts of interests, provided that any director concerned does not vote or count towards the quorum at the meeting where the matter is considered. Where a director's relationship with another person has been authorised and such relationship gives rise to an actual or potential conflict of interest, the director will not be in breach of the general duties he owes to the Company if he absents himself from meetings, or makes arrangements not to receive documents and information, relating to the actual or potential conflict of interest for so long as he reasonably believes that the same subsists.

4.3.8 ***Proceedings of Directors***

A director may, and the secretary at the request of a director shall, call a meeting of the Board by giving notice of the meeting to each director. Any director may waive notice of a meeting and any such waiver may be retrospective. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote.

The quorum for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be two. A person who holds office only as an alternate director may, if his appointor is not present, be counted in the quorum.

No meetings of the Directors shall be held in the United Kingdom and any decision reached or resolution passed by the Directors in the United Kingdom will be invalid and have no effect.

A resolution in writing agreed to by all the directors entitled to receive notice of a meeting of the Board or of a committee of the Board (not being less than the number of directors required to form a quorum of the Board) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held outside the United Kingdom.

A person entitled to be present at a meeting of the Board or of a committee of the Board shall be deemed to be present for all purposes if each is able (directly or by electronic communication) to speak to and be heard by all those present or deemed to be present simultaneously provided that there shall be no majority of directors physically present in the United Kingdom. A Director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no director is present in that place) where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is provided that the chairman of the meeting is not physically present in the United Kingdom at the time of any such meeting.

4.4 **Borrowing Powers**

Subject to the Articles, the Board can exercise all the Company's powers relating to borrowing money, giving security over all or any of the Company's business and activities, property, assets (present and future) and uncalled capital, and issuing debentures and other securities.

4.5 **Indemnity of officers**

As long as the Company complies with the provisions of the Jersey Companies Law relating to the indemnification of officers, it may indemnify every director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company. This provision does not affect any indemnity which a director or officer is otherwise entitled to.

In addition, each of the Directors has been granted an indemnity by the Company, further details of which are set out in paragraph 15 (Related Party Transaction) below.

4.6 **Other**

The Company may not make a political donation to a political party or other political organisation, or to an independent election candidate, or incur any political expenditure, unless such donation or expenditure is authorised by an ordinary resolution in accordance with the Articles and is passed before the donation is made or the expenditure incurred.

4.7 **Regulatory provisions**

4.7.1 ***Suspension of rights***

If at any time the Company determines that a Shareholder Regulatory Event (as defined below) has occurred, it may, in its absolute discretion at any time, by written notice (a **Shareholder Regulatory Event Notice**) to the holder(s) of any interest(s) in any shares (the **Relevant Shares**) in the Company to whom a Shareholder Regulatory Event relates (or to whom the Company reasonably believes it to relate), in its absolute discretion with immediate effect (or with effect from such date as is specified in such Shareholder Regulatory Event Notice), suspend one or more of the following rights attaching to such Relevant Shares:

(a) the right to attend and speak at meetings of the Company and to vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or to demand and vote on a poll exercisable in respect of any Relevant Shares, or to exercise, directly or through any trustee or nominee, any other related right conferred by such securities;

(b) the right to receive any payment or distribution (whether by way of dividend, interest, or otherwise) in respect of any Relevant Shares, or receive any other form of remuneration, including for services rendered; and

(c) the right to the issue of further shares or other securities in respect of the Relevant Shares;

provided that should the Company determine that the Shareholder Regulatory Event is no longer continuing it shall remove any suspension of rights that it has made.

A **Shareholder Regulatory Event** shall occur if:

(a) a Regulatory Authority (as defined below) informs the Company, any member of its group or any member by way of a formal determination that any member of the Company or any person interested or believed to be interested in shares of the Company is for whatever reason:

   (i) unsuitable to be a person interested in shares of the Company or any member of its group;

   (ii) not licensed, qualified or approved to be a person interested in shares of the Company or any member of its group; or

   (iii) disqualified as a holder of interests in shares of the Company or any member of its group, under any legislation regulating the operation of any activity undertaken by the Company or any member of its group or any other company, partnership, body corporate or other entity in which the Company or any member of its group is interested; and/or

(b) a Regulatory Authority by reason, in whole or in part, of the interest of any person or persons in shares of the Company (or by its belief as to the interest of any person or persons in such shares) has:

   (i) refused or formally notified to the Company or any member of its group or any other company, partnership, body corporate or other entity in which the Company or any member of its group is interested that it will or is likely to or may refuse;

   (ii) revoked or cancelled or indicated to the Company or any member of its group or any other company, partnership, body corporate or other entity in which the Company or any member of its group is interested that it will or is likely to or may revoke or cancel;

   (iii) opposed or formally notified to the Company or any member of its group or any other company, partnership, body corporate or other business in which the Company or any member of its group is interested that it will or is likely to or may oppose; or

(iv) imposed any condition or limitation which may have a material adverse impact upon the operation of any activity undertaken or to be undertaken by the Company or any member of its group or other entity in which the Company or any member of its group is interested, or upon the benefit of which the Company or any other member of its group derives or is likely to derive from the operation by any other member of its group or any other company, partnership, body corporate, or other entity in which the Company or any member of its group is interested or indicated to the Company or any member of its group or any such other company, partnership, body corporate or other entity that it will or is likely to or may impose any such condition or limitation, in relation to,

the grant, renewal, or the continuance of any registration, licence, approval, finding of suitability, consent, or certificate required by any legislation regulating (or any code of conduct or practice recognised or endorsed by the Regulatory Authority relevant to) the operation of any activity undertaken by the Company or any member of its group or any other company, partnership, body corporate or other entity in which the Company or any member of its group is interested, which is held by or has been applied for by the Company or any member of its group or other such person.

A **Regulatory Authority** means any authority wherever located (whether a government department, independent body established by legislation, a government, self regulating organisation, court, tribunal, commission, board, committee or otherwise) vested with responsibility (with or without another or others) for the regulation of any regulated activity carried on by the Company or any member of its group including, without limitation, the Jersey Financial Services Commission, the Guernsey Financial Services Commission, the UK Financial Conduct Authority and the Commission de Surveillance de Secteur Financier.

4.7.2 ***Required disposal of Disposal Shares***

If at any time the Company determines that a Shareholder Regulatory Event has occurred it may, in its absolute discretion at any time, by written notice (a **Disposal Notice**) to a holder of any interest(s) in any shares in the Company to whom the Shareholder Regulatory Event relates (or to whom the Company reasonably believes it to relate), require the recipient of the Disposal Notice or any person named therein as interested in (or reasonably believed to be interested in) shares of the Company to dispose of such number of shares as is specified in the Disposal Notice (the **Disposal Shares**) and for evidence in a form reasonably satisfactory to the Company that such disposal shall have been effected to be supplied to the Company within 14 days (or such other time as may be required by a Regulatory Authority or as determined by the Company following the receipt of legal advice) from the date of the Disposal Notice or within such other period as the Company shall (in its absolute discretion) consider reasonable. The Company may withdraw a Disposal Notice so given whether before or after the expiration of the period referred to therein and shall withdraw it if it appears to the Company that the ground or purported grounds for its service do not exist or no longer exist.

4.7.3 ***Right of Company to sell Disposal Shares***

If a Disposal Notice is not complied with in accordance with its terms or otherwise not complied with to the satisfaction of the Company the Company shall, in its absolute discretion, be entitled, to dispose (or procure the disposal) of the Disposal Shares at the highest price reasonably obtainable by the Company or its agents in the circumstances (or such amount permitted by the Regulatory Authority) and shall give written notice of any such disposal to those persons on whom the Disposal Notice was served and subject to all applicable law and regulation, the Company itself may acquire Disposal Shares.

4.7.4 ***Steps to be taken in connection with sale of Disposal Shares***

For the purpose of effecting any disposal of Disposal Shares held in uncertificated form, the Company may make such arrangements on behalf of the registered holder of the Disposal Shares as it may think fit to transfer title to those shares through a relevant system. For the purpose of effecting any disposal of Disposal Shares held in certificated form, the Company may authorise in writing any, director, officer, employee or agent of the Company to execute any necessary transfer on behalf of the registered holder(s) and may issue a new share certificate or other document of title to the purchaser and enter the name of the transferee in the register. The net proceeds of any such disposal shall be received by the Company whose receipt shall be a good discharge for the purchase money and shall be paid (without interest being payable thereon) to the former registered holder of the Disposal Shares upon surrender by him of all relevant share certificate(s) or other documents of title in respect of such Disposal Shares. The holder(s) of the Relevant Shares to whom such Shareholder Regulatory Event relates shall be liable to reimburse the Company for all expenses incurred by the Company in performing its obligations and exercising its rights hereunder, including attorney's fees.

4.7.5 ***Duty to notify the Company***

If a Regulatory Authority serves any notice on a holder of shares in the Company relating to a Shareholder Regulatory Event then such member must immediately notify the Company of such Shareholder Regulatory Event and shall provide the Company with a copy of the notice within 5 days of the shareholder receiving the notice.

5 REMUNERATION POLICY AND ARRANGEMENTS

5.1 Overview of remuneration policy

Prior to Admission, the Group undertook a review of the Group's senior executive remuneration policy (including the Executive Directors). This review paid particular regard to practice in the listed company environment, and in undertaking the review the Remuneration Committee sought independent, specialist advice.

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

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

The remuneration policy as disclosed in this Prospectus will come into force with effect from Admission and is structured broadly in line with those of other UK listed companies of a similar size and complexity, whilst seeking to avoid making unnecessary changes where this is not warranted. The Remuneration Committee has decided, as a matter of good corporate governance, to adhere to the requirements of the UK remuneration reporting regulations although, as a Jersey registered company, the Company is not technically required to do so. At the Company's first annual general meeting (which will take place in 2019 in Jersey) a shareholder resolution will be proposed to approve the remuneration policy and any remuneration payments from that date will be consistent with the approved policy.

5.2 Directors' Remuneration Policy

The Directors' remuneration policy will be put before shareholders for approval at the Company's first annual general meeting after Admission.

The Group will take a balanced approach to executive remuneration and look to reward executives fairly for their achievements but not excessively. This principle will apply to all employees across all levels of the Company. A summary of the intended policy as at the date of this Prospectus and as agreed by the Remuneration Committee is set out below.

5.3 Base salary

Salaries are typically reviewed annually by the Group and reflect an individual's experience and responsibility. It is intended that salaries applying post-Admission will be broadly in line with those of UK listed companies of a similar size and complexity.

Base salaries from Admission for Nigel Le Quesne and Martin Fotheringham will be £360,000 and £275,000 per annum respectively. The Remuneration Committee will next review base salary levels in 2019.

5.4 **Pension and benefits**

Details of pension and other benefits applicable to the Executive Directors are set out in paragraph 7 of this Part 9 *(Additional Information)*.

5.5 **Annual Bonus Plan**

Executive Directors will be eligible for a non-pensionable discretionary annual bonus with a maximum policy opportunity of 100 per cent. of annual base salary. Initial awards to the Executive Directors will be a maximum of 50 per cent. of annual base salary. This is designed to incentivise high performance and may include further financial and non-financial performance measures, the precise measures and targets will be set by the Remuneration Committee each year.

In the event the Executive Directors are in receipt of a bonus equating to more than 50 per cent. of their base salary then this additional amount will be deferred into the Deferred Bonus Share Plan for a further three years.

In line with best practice, malus and clawback provisions may be operated by the Remuneration Committee in certain circumstances for the Executive Directors and Senior Management.

Employees below the Executive Directors will be eligible for a similar discretionary annual bonus but with lower maximum opportunities. The portion of the annual bonus which may be deferred into shares (if any) under the Deferred Bonus Share Plan will be dependent on the employee's grade.

5.6 **Performance Share Plan**

In addition to the annual bonus, Executive Directors will be eligible to participate in a Performance Share Plan (**PSP**), designed to drive sustainable long-term performance and align the interests of directors with those of shareholders.

Following Admission, Executive Directors and Senior Management 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 will be 150 per cent. of annual base salary but the plan rules will allow the Remuneration Committee the discretion to award up to 250 per cent. of annual base salary in exceptional circumstances. Initial awards to the Executive Directors will be a maximum of 75 per cent. of annual base salary.

Vesting of any awards will be subject to continued employment and achievement of performance conditions measured generally over a period of at least 3 years. Performance conditions for the initial awards may include TSR relative to a relevant comparator group and a profit based measure.

The Remuneration Committee will determine the appropriate performance measures, weightings and targets prior to granting any awards. In addition, the Remuneration Committee may (where it considers it appropriate to do so) impose a further holding period of up to 2 years following the vesting date during which a participant is not eligible to sell any shares which have vested pursuant to an award (save for any requirement to dispose of shares in order to satisfy a tax liability relating to an award).

The Company has adopted three new incentive plans including the above PSP, the principal terms of which are summarised in paragraph 5.11 of this Part 9 (*Additional Information*) of this Prospectus.

5.7 **Share ownership guidelines**

In accordance with good practice and further aligning Executive Directors with the long-term interests of the Company, Executive Directors will be required to build or maintain a shareholding equivalent to 150 per cent. of their annual base salary. After Admission, both Executive Directors will hold a significant shareholding, as detailed in paragraph 6 of this Part 9 (*Additional Information)*.

5.8 **Recruitment policy**

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

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

5.9 **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.

5.10 **Chairman and Non-Executive Director fee policy**

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

The Chairman will, from Admission, receive an annual fee of £100,000. This fee is inclusive of all committee roles.

The other Non-Executive Directors will receive a basic Board fee of £55,000, with additional fees of £15,000 payable for chairmanship of the Audit and Risk Committee, £15,000 payable for chairmanship of the Remuneration Committee and Nomination Committee and £5,000 payable for performing the role of Senior Independent Director.

5.11 **Principal Terms of the Share Plans**

Performance Share Plan

The Company attaches considerable importance to the role of appropriate performance-based incentives to drive sustainable long-term growth and align Executive Directors and the Senior Managements' interests with the interests of shareholders. The Company has adopted the PSP to offer Executive Directors and the Senior Management of the Company, as selected by the Remuneration Committee, an opportunity to receive shares of the Company subject to the satisfaction of performance conditions approved by the Remuneration Committee, continued employment and any other conditions imposed on the awards at the date of grant. The terms of the PSP follow in the main market practice of other similar companies for executive and senior level employees.

The principal terms

The principal terms of the PSP are set out below. The Board has delegated most of its powers and authority under the PSP to the Remuneration Committee.

Eligibility

All employees of the Company and its subsidiaries including Executive Directors will be eligible to participate in the PSP. It is currently intended that only the Executive Directors and the Senior

Management will participate, but certain managers below this level may be selected to participate in the PSP as approved by the Remuneration Committee.

Grant of awards

Under the PSP participants are granted a conditional right to receive shares, subject to meeting the approved performance conditions, continued employment and to any other conditions imposed at the date of grant. Alternatively, the Remuneration Committee may determine that an award should take the form of a nil or nominal cost option with an exercise window once the award has vested of up to the 10 year anniversary of the date of grant (subject to the earlier lapse provisions in the plan rules).

An award will lapse to the extent that it lapses in accordance with the rules of the PSP or to the extent that the performance conditions and any other conditions imposed at the date of grant are not met.

An award will "vest" when a participant becomes entitled to receive the shares (or exercise the option) at the end of the vesting period as set out in the relevant section below, which will reflect the extent to which the performance conditions have then been met. As noted later, a holding period may apply to vested shares.

Following Admission, awards will normally only be granted within 42 days of the end of a closed period (typically following the announcement of the Company's results for any period). However, in exceptional circumstances, awards may be granted at other times provided that no awards may be granted during a closed period when the Company's shares are subject to dealing restrictions.

Performance conditions

Awards to Executive Directors and Senior Management will be subject to the achievement of performance conditions set by the Remuneration Committee at the date of grant, which will normally be tested over a performance period of at least three financial years. The performance conditions set will be appropriately stretching and seek to link the receipt of shares with the performance of the participant and the Company.

The Remuneration Committee will review and set the relevant performance conditions prior to the grant of awards.

Plan limits

Following Admission, in any 10-year period, not more than 10 per cent. of the issued ordinary share capital of the Company may be issued or be issuable under the PSP and all other employees' share schemes operated by the Company.

In addition, in any 10-year period, not more than five per cent. of the issued ordinary share capital of the Company may be issued or be issuable under all discretionary share award plans adopted by the Company.

These limits do not include awards which have lapsed, which are satisfied by shares purchased in the market, or include shares which are used to pay dividend equivalents. However, they will include awards satisfied with treasury shares as if they were newly issued shares so long as required by the Investment Association guidelines.

The Subscribed Shares described under the heading "*Form of Awards*" in the summary of the Employee Incentive Plan below will not count towards these limits, even if they are subscribed following Admission, as they will be subscribed at market value using cash from the sale of shares that are currently held by EBT2.

Individual limits

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 per cent. of their annual base salary, but the plan rules will allow the Remuneration Committee the discretion to award up to 250 per cent. of annual base salary in exceptional circumstances.

Vesting of awards

Awards will vest on the date set by the Remuneration Committee on grant, to the extent that the performance conditions and any other conditions imposed at the date of grant have been met. The Remuneration Committee will review and determine the appropriate vesting proportions and vesting periods for each grant of awards. It is currently intended that the initial vesting period will be a period of three years. To the extent that an award vests, shares will be issued or transferred to the participant. In the case of an award structured as an option, the option will become capable of exercise.

Awards may be satisfied either by the issue of new shares, through the transfer of shares held by an employee benefit trust, or by treasury shares.

Instead of issuing or transferring shares, the Remuneration Committee can decide to pay a cash amount equal to the value of those shares. However, it is envisaged that this would only be done where local tax, legal or regulatory rules make share settlement difficult.

An award can be granted on the basis that a participant will receive an additional number of shares (or cash if a cash equivalent payment is made) on vesting/exercise to reflect the dividends paid on the number of shares in respect of which that award vests (i.e. dividend equivalents).

Holding period

Awards can be granted on the basis that some or all of the shares in respect of which the award vests will be held for a further period post-vesting.

It is currently not intended that a holding period will apply to the first awards granted to Executive Directors under the PSP following Admission, on the basis that the participants all currently have material shareholdings in the Company.

To the extent that a holding period is applied to PSP awards, it is intended the holding period will be a period of two years from the date of vest, with the sale of shares prior to this date only being permitted to meet any tax or social security liability arising on the vesting/exercise of an award. If awards are granted in the form of nil or nominal cost options, any additional two year holding period would only apply to the extent that the options were exercised within five years of the date of grant.

Malus and clawback

The Remuneration Committee will retain discretion to reduce the number of shares subject to an unvested award (including to zero) in certain circumstances.

The Remuneration Committee will also retain discretion, in certain circumstances to claw back awards which have already vested and forfeit shares subject to a holding period or demand the return of shares which are no longer subject to a holding period or the sale proceeds from such shares if these have been sold within a period of three years from the vesting date of the award.

The relevant circumstances are where the award is determined to have been granted or vested on the basis of materially inaccurate information or where the Remuneration Committee determines that the participant has committed a material breach of their contract of employment which would include, without limitation, where the participant has contributed to a material loss or reputational damage to the Company; the participant has materially breached any compromise agreement entered into in relation to their cessation of employment; or, where applicable, the participant has materially breached any of their fiduciary duties.

Leaving employment

If a participant leaves employment, unvested awards will normally lapse.

If the participant leaves for one of the following reasons: disability, ill-health, injury, redundancy, or retirement; or in other circumstances if the Remuneration Committee allows, their award will normally continue in effect and vest on the original vesting date or, if applicable, will be released at the end of the holding period.

In the event of the death of a participant, the transfer of the participant's employing company outside the group, or the participant's employment being transferred as part of a business transfer outside the group (or in one of other circumstances noted above where the Remuneration Committee, at its discretion, determines that an award shall vest early) an award shall vest, or the shares subject to a holding period will be released, on the cessation of employment.

Awards will normally be prorated on a time apportioned basis and, except in the case of death, will normally only vest to the extent that any performance or other conditions have been met, unless the Remuneration Committee at its discretion determines to permit fuller vesting.

Takeovers, reorganisations, etc.

Awards will generally vest early on a takeover, or other change of control event, or on a voluntary winding up of the Company.

Where an award vests in these circumstances, any performance condition will normally be evaluated to the date of vesting to the extent practicable or relevant. Awards will also normally be prorated on a time apportioned basis. The Remuneration Committee may, at its discretion, determine to permit fuller vesting.

Alternatively, participants may be allowed or required to exchange their awards for awards over shares in the acquiring company. Where an award is exchanged in these circumstances, unless the Remuneration Committee decides otherwise, such exchanged award will be subject to equivalent terms and, in so far as possible, equivalent performance conditions as were attached to the award being exchanged.

General

The PSP rules contains provisions to allow for awards to be made to participants based in other jurisdictions and to allow for the Remuneration Committee to agree special terms to allow for awards to be granted in those jurisdictions in order to comply with local practice and requirements or to avoid adverse tax, legal or regulatory consequences.

The number or type of shares subject to an award and/or any exercise price may be adjusted to reflect a capitalisation issue, rights issue, open offer, sub-division or consolidation of shares, reduction of share capital, or any other variation in the share capital of the Company; or if there is a capital distribution, special dividend, distribution in specie, demerger or other event having a material impact on the value of the shares.

Awards are not generally transferable (except to personal representatives on death) and are not pensionable. Participants will not be required to pay for the grant of an award.

Any shares issued following the vesting of awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

The PSP contains provisions to enable the deduction of any tax or other liabilities due on vesting or exercise of an award or otherwise in connection with the plan from a participant to be paid, from a sale of shares or other funds, before shares are issued or transferred to that participant.

Amendments

The Board can amend the PSP in any way, save that shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, individual and plan limits, the rights attaching to awards and shares, the adjustment of awards on a variation in the Company's share capital and the amendment provisions themselves.

The Board can, without shareholder approval, make minor amendments to benefit the administration of the PSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment of the participant or any relevant group company.

The Board may also adopt one or more sub-plans to the PSP to allow for the grant of awards on the same terms as the PSP but modified to take account of local tax, exchange control or securities laws to participants in overseas territories provided that any awards granted under any such sub-plan shall count towards the individual and plan limits noted above.

No amendment may have a material adverse effect on a participant with a subsisting award except with the consent of either that participant or participants who hold the majority, by number of shares subject to award, of the subsisting awards affected by the amendment.

The Remuneration Committee can amend the performance conditions if anything happens which causes the Remuneration Committee to consider it appropriate to do so, provided that the varied performance condition is, in the Remuneration Committee's opinion, materially no more or less difficult to satisfy.

With regard to Executive Directors, any amendments will be further constrained by the provisions of the remuneration policy approved by shareholders at the annual general meeting (**AGM**).

Deferred Bonus Share Plan

The Company attaches considerable importance to the role of performance-based bonuses to drive profitability and business growth and to the importance of the senior managers' interests being aligned with the interests of shareholders. Executive Directors and Senior Management are eligible for an annual bonus designed to incentivise high performance based on financial and non-financial performance measures. In line with market practice, a portion of the bonus due, as determined by the Remuneration Committee, may be required to be deferred into shares before it is paid. In addition, certain managers below Executive Director and Senior Management level may be selected to participate in the DSBP.

The principal terms

The principal terms of the DBSP are set out below. The Board has delegated most of its powers and authority under the DBSP to the Remuneration Committee.

Eligibility

All employees of the Company and its subsidiaries including Executive Directors will be eligible to participate in the DBSP. It is currently intended that Executive Directors, Senior Management and certain managers below Senior Management level will participate.

The Executive Directors will participate to the extent that their annual bonus exceeds 50 per cent. of their base year annual salary.

Deferral of Annual Bonus

Under the DBSP the Remuneration Committee will decide the percentage of a participant's bonus that will be deferred into a conditional right to receive shares, subject to the meeting of any conditions imposed at the date of grant and to continued employment.

As the awards will reflect deferred bonuses, additional performance conditions will not normally apply.

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 number of Company shares subject to an award to be made for a financial year will be such that the value of the total number of shares is equal to the deferred amount of the participant's bonus.

The Company will determine if deferral is to be made on a net of tax or gross basis. This will affect the form of the awards and the manner in which shares will be held or provided to meet those awards on vesting. Deferrals made on a net basis will generally take the form of forfeitable shares rather than a conditional right to receive shares (although both gross and net basis awards may take the form of either forfeitable shares or a conditional right to receive shares, at the discretion of the Remuneration Committee to take into account tax, regulatory or legal considerations for the participant). Normally, deferrals will be made on a gross basis, in which case the total number of shares will be determined by dividing the gross deferred bonus by the market value of the shares on the date of grant.

An award will "vest" when a participant becomes entitled to receive the shares (or the shares cease to be forfeitable) at the end of the vesting period subject to the satisfaction of any conditions imposed at the date of grant and the participant still being in employment.

Following Admission, awards will normally only be granted within 42 days of the end of a closed period (typically following the announcement of the Company's results for any period). In exceptional circumstances, awards may be granted at other times provided that no awards may be granted during a closed period when the Company's shares are subject to dealing restrictions.

Vesting of awards

Awards will vest on the date set by the Remuneration Committee on grant, subject to the meeting of any set conditions. To the extent that an award vests, the shares subject to that award will be issued or transferred to the participant.

Awards may be satisfied either by the issue of new shares, through the transfer of shares held by an employee benefit trust, or by treasury shares.

Instead of issuing or transferring shares, the Remuneration Committee can decide to pay a cash amount equal to the value of those shares. However, it is envisaged that this would only be done where local tax, legal or regulatory rules make share settlement difficult.

An award can be granted on the basis that a participant will receive an additional number of shares (or cash if a cash equivalent payment is made) on vesting based on the dividends paid on the number of shares in respect of which that award vests or is exercised.

Malus and clawback

In the case of awards to Executive Directors, Senior Managers, and certain other senior employees (where specified in the grant documents), the Remuneration Committee will retain discretion to reduce the number of shares subject to an unvested award (including to zero) in certain circumstances.

The Remuneration Committee will also retain discretion, in certain circumstances, to claw back awards which have already vested and demand the return of shares, or the sale proceeds from such shares if these have been sold within three years from the vesting date of the award.

The relevant circumstances are where the award is determined to have been granted or vested on the basis of materially inaccurate information or where the Remuneration Committee determines that the participant has committed a material breach of their contract of employment which would include, without limitation, where the participant has contributed to a material loss or reputational damage to the Company; the participant has materially breached any compromise agreement entered into in relation to their cessation of employment; or, where applicable, the participant has materially breached any of their fiduciary duties.

Leaving employment

If a participant leaves employment, unvested awards will normally lapse.

If the participant leaves for one of the following reasons: disability, ill-health, injury, redundancy, or retirement; or in other circumstances if the Remuneration Committee allows, their award will normally continue in effect and vest on the original vesting date (subject to any attached conditions having been satisfied).

In the event of death, the transfer of the participant's employing company outside the group, or the participant's employment being transferred as part of a business transfer outside the group (or in one of other circumstances noted above where the Remuneration Committee, at its discretion, determines that an award shall vest early), an award shall vest on the cessation of employment.

Awards will normally be prorated on a time apportioned basis and, except in the case of death, will normally only vest to the extent that any applicable conditions have been met, unless the Remuneration Committee, at its discretion, determines to permit fuller vesting.

Takeovers, reorganisations, etc.

Awards will generally vest early on a takeover, or other change of control event or on a voluntary winding up of the Company.

Where an award vests in these circumstances, any applicable conditions will normally be evaluated to the date of vesting to the extent practicable or relevant. Awards will also normally be prorated on a time apportioned basis. The Remuneration Committee may, at its discretion, determine to permit fuller vesting.

Alternatively, participants may be allowed or required to exchange their awards for awards over shares in the acquiring company. Where an award is exchanged in these circumstances, unless the Remuneration Committee decides otherwise, such exchanged award will be subject to equivalent terms and conditions, if any, as were attached to the award being exchanged.

General

The DBSP rules contains provisions to allow for awards to be made to participants based in other jurisdictions and to allow for the Remuneration Committee to agree special terms for awards to be granted in those jurisdictions in order to comply with local practice and requirements or to avoid adverse tax, legal or regulatory consequences.

The number or type of shares subject to an award and/or any purchase price may be adjusted to reflect a capitalisation issue, rights issue, open offer, sub-division or consolidation of shares, reduction of share capital, or any other variation in the share capital of the Company; or if there is a capital distribution, special dividend, distribution in specie, demerger or other event having a material impact on the value of the shares.

Awards are not generally transferable (except to personal representatives on death) and are not pensionable. Participants will not be required to pay any additional amount for the grant of an award.

Any shares issued following the vesting of awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

The DBSP contains provisions to enable the deduction of any tax or other liabilities due on the vesting of an award or otherwise in connection with the plan, from a participant to be paid, from a sale of shares or other funds, before shares are issued or transferred to that participant.

Amendments

The Board can amend the DBSP in any way, save that shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, plan limits, the rights attaching to awards and shares, the adjustment of awards on a variation in the Company's share capital and the amendment provisions themselves.

The Board can, without shareholder approval, make minor amendments to benefit the administration of the DBSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment of the participant or any relevant group company.

The Board may also adopt one or more sub-plans to the DBSP to allow for the grant of awards on the same terms as the DBSP but modified to take account of local tax, exchange control or securities laws to participants in overseas territories provided that any awards granted under any such sub-plan shall count towards the individual and plan limits noted above.

No amendment may have a material adverse effect on a participant with a subsisting award except with the consent of either that participant or participants who hold the majority, by number of shares subject to award, of the subsisting awards affected by the amendment.

With regard to Executive Directors, any amendments will be further constrained by the provisions of the remuneration policy approved by shareholders at the AGM.

Employee Incentive Plan (EIP)

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 principal terms

The principal terms of the EIP are set out below. The EIP will be administered by a duly constituted committee of the Board delegated with the powers and authorities to administer the EIP (the **Committee**).

Eligibility

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 EP at the discretion of the Committee.

Executive Directors and Senior Managers will not be eligible to participate in the EIP.

Form of awards

The EIP is intended to be a replacement for the incentive plan currently operated under EBT2 and payments to participants will be determined according to a points system which is based on seniority, length of service and individual performance.

Awards will normally be made and paid out at the same time as annual bonuses are paid.

The Committee may, at its discretion, make awards that do not pay out immediately but only after a specified vesting period. In this case, payment will be subject to continued employment and may also be made subject to other conditions specified on the award date.

The pool available for payment to participants will be provided by any dividends paid on the Company's shares to be subscribed by the new employee benefit trust at market value using funds provided by EBT2. The funds will be realised by EBT2 selling down some of the shares it will hold after the Reorganisation and advancing those funds to the new EBT (described below). The new EBT will use those funds to subscribe for shares in the Company at market value on or immediately before or after Admission (the **Subscribed Shares**). It is anticipated that the Subscribed Shares will represent up to one per cent. of the Company's issued share capital. Any dividends paid on the Subscribed Shares will be used to fund payments under the EIP. It is envisaged that the first awards will be made and paid out under the EIP following the second anniversary of Admission (by when the incentive plan under the existing EBT2 arrangement will have come to an end). Alternatively, to take account of tax considerations, the new EBT deed may include a dividend waiver for some or all of the Subscribed Shares (except to the extent that the Company asks the trustee to accept any particular dividend), in which case the Company will make payments of an equivalent amount to the dividends that would have been paid on the Subscribed Shares directly to participants under the EIP.

Plan limits

As the Subscribed Shares will be subscribed at market value using cash realised by EBT2 on the sell down under the Reorganisation (and so from the existing assets of EBT2), the Subscribed Shares will not count towards the dilution limits applicable to the new Share Plans.

The EIP will not include any individual limits but it is intended that, except potentially in exceptional cases, awards would typically be over a fraction of the participant's salary.

Malus and clawback

Awards will not be subject to malus and clawback provisions given the exclusion of Executive Directors and Senior Managers from the EIP and more generally that the EIP is intended to benefit a wider group of employees and the likely size of the awards.

Leaving employment

Awards that pay out at the time they are made will only be made to individuals who are employees of the Company or any of its subsidiaries and not under notice on the award date.

If any awards are made that only pay out after a vesting period, the award will lapse on cessation of employment unless the Committee, at its discretion, determines that some or all of the award shall vest and pay out on cessation.

Takeovers, reorganisations etc

In the event of a takeover, or other change of control event, or on a voluntary winding up of the Company, the Committee shall have the discretion to make and pay out awards in respect of any dividends already paid on the Subscribed Shares (and not yet distributed at the time of the relevant event) to eligible employees based on their seniority, length of service and individual performance. The underlying Subscribed Shares will be held on the terms of the new EBT as described below and so dealt with according to the terms of the new EBT deed.

General

The same general provisions will apply to the EIP as described above for the PSP except that awards will normally be satisfied in cash rather than shares; and the power to agree special terms for participants in overseas jurisdictions to comply with local practice and requirements or to take account of local tax, legal or regulatory considerations will be exercised by the Committee.

Amendments

The same amendment provisions will apply to the EIP as described above for the PSP except that no amendment may have a material adverse effect on a participant with a subsisting award except with the consent of either that participant or participants who hold the majority, by number of awards, of the subsisting awards affected by the amendment; and any amendments to any conditions attaching to awards will be made by the Committee

5.12 **Employee Benefit Trust**

The Company has established a new employee benefit trust (**EBT**).

The EBT has been established to be run in conjunction with the new Share Plans. It provides the Company with flexibility in the sourcing of shares for the Share Plans. The EBT may be used to provide benefits to employees and former employees of the Company and its subsidiaries and certain dependants.

The Company and its subsidiaries may fund the EBT by way of gift or loan to acquire shares in the market or by subscription or from treasury. Any shares subscribed by the trustee of the EBT for the purposes of the Share Plans (or acquired from treasury so long as required by the Investment Association guidelines) will count towards the plan limits in the Share Plans described above.

The EBT is constituted by a trust deed between the Company and a trustee company resident in Jersey. It provides that the Company may appoint or remove any trustee. The trust deed may be amended by the Company and the trust provided that any amendment shall not benefit the Company or cause the EBT to cease to be an employees' share scheme to which section 1166 of the 2006 Act applies.

It is a term of the trust deed that the trustee shall not vote any unallocated shares held in the EBT.

The EBT will not, without prior shareholder approval, make an acquisition of shares where it would then hold more than five per cent. of the Company's issued share capital.

6 DIRECTORS' AND SENIOR MANAGEMENT'S INTERESTS

6.1 As at the date of this document and as expected to be both immediately following the Reorganisation and following Admission, the interests of the Directors and members of the Senior Management and their immediate families (including any interest known to that Director or which could with reasonable diligence be ascertained by him or any person connected with a Director within the meaning of section 252 to 255 of the 2006 Act) in the Company's issued share capital are or are expected to be as follows:

	As at the date of this document		*Immediately following the Reorganisation*[2]		*Following Admission*[3]	
	Number of Ordinary Shares	*Percentage of issued share capital*	*Number of Ordinary Shares*	*Percentage of issued share capital*	*Number of Ordinary Shares*	*Percentage of issued share capital*
Directors						
Nigel Le Quesne	271,303	30.06	21,314,547[1]	21.31	10,444,128[1]	9.77
Martin Fotheringham	191,459	21.22	1,119,644	1.12	671,786	0.63
Michael Liston	0	0.00	39,514	0.04	32,797	0.03
Dermot Mathias	0	0.00	0	0.00	25,863	0.02
Michael Gray	0	0.00	0	0.00	17,242	0.02

Notes:

1. Includes Ordinary Shares held by Ocean Drive Holdings Limited, a company in which Nigel Le Quesne is beneficially interested.
2. Including interests in each of the existing share plans.
3. This represents the retained holdings after the sale of Ordinary Shares in the offer and the distribution (where relevant) to such persons of Ordinary Shares from the existing share plans of the Company.

	As at the date of this document		*Immediately following the Reorganisation*[2]		*Following Admission*[3]	
	Number of Ordinary Shares	*Percentage of issued share capital*	*Number of Ordinary Shares*	*Percentage of issued share capital*	*Number of Ordinary Shares*	*Percentage of issued share capital*
Senior Management						
Wendy Holley	111,719	12.38	951,590	0.95	570,954	0.53
Anthony Underwood-Whitney	111,719	12.38	3,243,416[1]	3.24	1,719,011[1]	1.61
Iain Johns	111,719	12.38	1,153,728	1.15	669,163	0.63

Notes:

1. Includes Ordinary Shares held by TUW (Malbec) Limited, a company in which Anthony Underwood-Whitney is beneficially interested.
2. Including interests in each of the existing share plans.
3. This represents the retained holdings after the sale of Ordinary Shares in the offer and the distribution (where relevant) to such persons of Ordinary Shares from the existing share plans of the Company.

6.2 As at the date of this document and as expected to be both immediately following the Reorganisation and following Admission, the Company is aware of the following persons (other than any Director or member of Senior Management) who are or will be interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital:

	As at the date of this document		*Following Admission*	
	Number of Ordinary Shares	*Percentage of issued share capital*	*Number of Ordinary Shares*	*Percentage of issued share capital*
FMR Investment Management (UK) Limited	0	0.00	7,950,000	7.44
Old Mutual Global Investors (UK) Limited	0	0.00	7,835,250	7.33
12 West Capital Management LP	0	0.00	6,305,270	5.90
Invesco Asset Management Limited	0	0.00	5,870,690	5.49
FIL Investment Services (UK) Limited	0	0.00	5,218,586	4.88
Schroder Investment Management Limited	0	0.00	5,172,414	4.84
Standard Life Investments Limited	0	0.00	4,445,000	4.16
Slater Investments Ltd	0	0.00	4,379,311	4.10
Liontrust Investment Partners LLP	0	0.00	4,008,621	3.75
Franklin Templeton Fund Management Limited	0	0.00	3,620,690	3.39
Lombard Odier Asset Management (Europe) Limited	0	0.00	3,284,483	3.07

6.3 Save as disclosed in paragraphs 6.1 and 6.2 above, the Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

6.4 The persons, including the Directors and members of the Senior Management, referred to in paragraphs 6.1 and 6.2 above do not have voting rights that differ from those of other Shareholders.

6.5 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

6.6 No Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Group and which were effected by any member of the Group in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

6.7 The details of those companies and partnerships outside the Group of which the Directors and members of Senior Management are currently directors or partners, or have been directors or partners at any time during the previous five years prior to the date of this Prospectus, are as follows:

Name	*Current appointments*	*Former appointments held in the previous five years*
Nigel Le Quesne	● Gloucester Estates (Holdings) Limited ● Brent Holdings Limited ● Carrera Limited ● Clapham Holdings Limited ● Corsaire Limited ● Creake Limited ● Cyclone Limited ● Ecotonian Sports Fund IC ● Emory Properties Limited ● Flametree Properties limited ● Foresight European Solar Fund GP Limited ● Keyway Properties Limited ● Kuig Property Investments Lincoln Limited ● Kuig Investments Stockton Limited ● Landmark North Holdings Limited ● LeQ 602 Oceanfront inc ● Lion Star Limited ● Moongate Holdings Limited ● N17 Limited ● NN Investment Holdings Limited ● Northpoint Byala IC	● Berkely Limited ● KH Revcap (Ipswich) Limited ● Land Project and Development Limited ● ILT Investment Limited ● Flintstone Finance Limited ● Curzon Three Limited ● Curzon Two Limited ● Roches Properties Limited ● Malbec Investment Holdings Limited ● Northpoint Acrede IC ● Root Holdings Limited ● WorldNet Capital Management Limited ● Biscayne Management Services Limited ● JTJH Emear Limited ● Renewable Energy Generation Limited ● MSF Enterprise No. 1 IC ● MSF Partnership Services ICC ● MSF Vanguard No.2 IC ● MSF Vanguard No.1 IC

Name	*Current appointments*	*Former appointments held in the previous five years*

Nigel Le Quesne *(continued)*

Current appointments

- Northpoint Finance IC
- Northpoint Partners ICC
- Ocean Drive Holdings Limited
- Rainbow Bridge Limited
- Rock Solid Limited
- Rosery Estates Limited
- Rotterdam House Limited
- Safety Net Limited
- Silver Reef Properties Limited
- Skyfall Properties Limited
- SLH Investments Limited
- SoBe Investments Limited
- SoBe Limited
- Sparrowhawk Properties 305 Limited
- Taliesin Holdings Limited
- Taliesin Property Fund Limited
- The 125 VIP Club Limited
- Warwick Square Limited
- Watermark CH AG
- Watermark Holdings Limited
- JTC Jersey Wanderers Football Club Limited
- Latitude Consultancy Limited
- Oxygene Inc
- Decostar Investment S.A.
- Liberty Financial Corporation
- Maverick Trust Company Limited
- Sancus IOM Holdings Limited
- Destriero Limited
- S.C.I. Oliviers
- IAT (Malta) Limited

Former appointments held in the previous five years

- MSF Vanguard No.3 IC
- Mint Green One Limited
- Winsley Properties Limited
MSS (North West) Limited
- Sparrowhawk Properties 301 Limited
- Finite Assets (Jersey) ICC
- Finite Assets Global Fund IC
- Finite Assets Trading Fund IC
- Northpoint Real Estate IC
- NSN Finance Limited
- Gryphon Overseas Limited
- Mizaya Property Limited
- Minotaur Films Limited
- WECF Funding Founder Limited
- G.F. SHUI (BVI) LTD
- Blackfriars Limited
- Antalis US Funding Corp
- Worton Grange Industrial Limited
- Sandown Isle of Wight Airport Limited
- Draco Brettenham Limited
- Draco Maidenhead Limited
- Draco Southampton Limited
- Sparrowhawk Properties 306 Limited
- WECF Funding (Jersey) Limited
- WECF Holding (Jersey) Limited
- KH Revcap (College Green) Limited
- Insite Poster Holdings Limited
- Aegis Media Fund
- KH II Estates 104 Limited
- KH II Estates 105 Limited
- KH II Estates 107 Limited
- KH II Estates 108 Limited
- KH II Estates 118 Limited
- KH Revcap (Heathcroft) Ltd
- KH Revcap (Orbital) Limited
- Revcap Heathcroft 201 Ltd
- Sparrowhawk Properties 301 Limited
- Sparrowhawk Properties 302 Limited
- Sparrowhawk Properties 303 Limited
- Sparrowhawk Properties 308 Limited
- Madara Holdings Limited
- Sentry Properties Limited
- Cantel Investments Limited
- Rocket Shipping Limited
- Sancus Gibraltar Holdings Limited
- Greenlight Limited
- City Pride Limited
- CMB Monaco Real Estate Limited
- Coleman Street Manager Limited
- PCP Gulf Invest 1 Limited
- PCP Gulf Invest 2 Limited
- PCP Gulf Invest 3 Limited
- Coleman Street Manager Limited

Nigel Le Quesne was appointed as a Director of London Town plc on 5 September 2008 and resigned on 14 October 2009. London Town plc went into administration on 19 February 2010.

Name	*Current appointments*	*Former appointments held in the previous five years*
Martin Fotheringham	● Seamariner Headco I Limited ● Fit-Fur-Life Limited ● Ventus Marine Limited	● Biscayne Management Services Limited ● Fotheringham Executive Limited ● Inspection Holdings II Limited ● Kent Photocopier Associates Limited ● KPS (Group) Limited ● The Danwood Group Limited Danwood Limited ● Insatsu Chosa Limited ● Hykeham Capital Limited ● Hykeham Group Holdings Limited ● Global Source and Marketing Limited ● PHJ Limited ● Kent Photocopier Services (London) Limited ● Document Express Limited ● KPS Business Solutions Limited ● Phoenix Office Supplies Limited ● Hykeham Group Limited ● Printware Limited ● Seamariner Offshore Services Limited ● Seamariner Limited ● Seamariner Headco I Limited (resigned and re-appointed on 13 June 2013) ● Seamariner Onshore Recruitment Limited (dissolved)
Michael Liston	● Foresight European Solar GP Ltd ● Foresight Solar & Infrastructure VCT plc	● Renewable Energy Generation Ltd. ● Jersey Post International Ltd ● Jersey Electricity plc
Dermot Mathias	● Non Executive Director of Shaftesbury PLC ● Governor, Activate Learning	● Non Executive Chairman of Red and Yellow Limited ● Chairman of Red and Yellow Memory Services Ltd ● Non Executive Director of Rectory Homes ● Dermot Mathias Consulting Ltd
Michael Gray	● Foresight 4 VCT plc ● MMG Consulting Limited ● GCP Infrastructure Investments Limited ● J-Star Jersey Company Limited ● Jersey Finance Limited ● Triton Investment Management Limited	

Name	*Current appointments*	*Former appointments held in the previous five years*
Anthony Underwood-Whitney	● Abris Capital Partners (Fund I) Limited ● Abris Capital Partners Limited ● Abris CEE Mid-Market Fund GP Limited ● Abris CEE Mid-Market Fund II GP Limited ● Abris CEE Mid-Market Fund III GP Limited ● Belnepco Management Limited ● DNLD GP Limited ● DNLD Uno Limited ● Edgeborough Co-Investments (GP) Limited ● Edgeborough Partners (General Partner) Limited ● Edgeborough Partners II (General Partner) Limited ● Edgeborough Partners III (General Partner) Limited ● KPNK Holdings Limited ● Avon Capital Limited ● Real Star Investments Limited ● Rosery Estates Limited ● 21 Concordia Partners Limited ● Bass Real Estate Limited ● Salmon Real Estate Limited ● Northpoint Byala IC ● Northpoint Partners ICC ● TUW (Malbec) Limited ● Cyclone Limited ● Northpoint Finance IC ● Clifton Moor Nominee No.1 Limited ● Clifton Moor Nominee No.2 Limited ● IPIF Trustee Limited ● LF Trustee Limited ● Taaleem Trustees No.2 Limited ● Kitty Hawk Capital Partners II GP Limited ● Kitty Hawk Capital Partners III GP Limited ● Kitty Hawk Capital Partners III (Euro Feeder) GP Limited ● Sunguard Land Limited ● SWB Holdings Limited ● Heathcote Holdings Limited ● SugarInvest Limited	● Abford Trustees I Limited ● Abford Trustees II Limited ● The Aegis Film Fund Limited ● Kuig Property Investments Lincoln Limited ● Kuig Property Investments Stockton Limited ● Brunswick Cambridge (IOM) Limited ● Loxodonta Properties Limited ● Berkeley Property Investments Limited ● BRP Investments No.1 Limited ● BRP Investments No.2 Limited ● The Optimised Fund PC ● The Optimised Funds Company PCC ● Corsaire Limited ● Cantel Investments Limited ● Mint Green One Limited ● Castle Trust PCC ● Castle Trust Growth HouSA PC ● City Pride Limited ● Island Point Limited ● Landmark North Holdings Limited ● Mayfair Mezzanine 2 Limited ● Baker Street 2012 Limited ● Baker Street Properties Limited ● Arx Asset Management Limited ● Arx Equity Partners Limited ● DBG Asset Management Limited ● Draco Southampton Limited ● Draco Kings Chase Limited ● Draco Maidenhead Limited ● Draco Brettenham Limited ● Ezparkway Services Limited ● Fisby Limited ● Blackfriars Limited ● WECF Funding (Jersey) Limited ● Clapham Holdings Limited ● South London Investments Limited ● WECF Funding Founder Limited ● WECF Holding (Jersey) Limited ● Impact Oil & Gas (Gabon) Limited ● Impact Oil & Gas (Jersey) Limited ● Impact Oil & Gas AGC Ltd ● Impact Oil & Gas Gabon B7 Ltd ● Impact Oil & Gas Gabon D13 Ltd ● Impact Oil & Gas Gabon D14 Ltd ● Impact Oil and Gas Namibia (Pty) Ltd ● Ingenious Senior Film Fund – B GP Limited ● Ingenious Senior Film Fund GP Limited ● Ingenious Senior Film Investments (Jersey) Limited

Name	*Current appointments*	*Former appointments held in the previous five years*
Anthony Underwood-Whitney *(continued)*		● Gryphon Overseas Limited ● MSF Enterprise No.1 IC ● MSF Partnership Services ICC ● MSF Vanguard No 2 IC ● MSF Vanguard No.1 IC ● MSF Vanguard No.3 IC ● Melksham Acquisitions Limited ● Wrigley HoldCo 1 Limited ● Wrigley Propco 101 Limited ● Wrigley Propco 102 Limited ● Wrigley Propco 103 Limited ● Wrigley Propco 104 Limited ● Wrigley Propco 105 Limited ● Wrigley Propco 106 Limited ● Wrigley Propco 203 Limited ● Wrigley Propco 401 Limited ● Wrigley Propco 601 Limited ● Wrigley Propco 701 Limited ● Eaglepass Limited ● Liquid Petroleum Gas Development Ltd ● Blossom Iron Developments Limited ● Flour Developments Limited ● Glass Developments Limited ● Loom Cotton Developments Limited ● Loom Holdings 2 Limited ● Loom Holdings Limited ● New Little Mill Developments Limited ● Silk Glass Developments Limited ● Donegall (Jersey) Limited ● Donegall Holdings (Jersey) Limited ● PM Investments (Jersey) Limited ● Upper Froyle Property Investments Limited ● Taaleem Trustees No.1 Limited ● Bratislava Greenfields Holdings Limited ● Bratislava Greenfields Management Limited ● Kingdom Trustee 1 Limited ● Kingdom Trustee 2 Limited ● Fleet Street Investments III Limited ● Petra Diamonds Jersey Treasury Limited ● Willow Holdings BR Limited ● Willow Real Estate BR Ltd ● 123 Grove Park Limited ● Fairacre UK Retail Properties Limited ● Fairacre UK Retail Properties (Ashton) Limited ● Fairacre UK Retail Properties (Leamington) Limited ● Fairacre UK Retail Properties (M&H) Limited ● Fairacre UK Retail Properties (Ormskirk) Limited

Name	Current appointments	Former appointments held in the previous five years
Anthony Underwood-Whitney *(continued)*		● REQ GP Limited ● REQ Investments (Kingston) Limited ● Revcap Heathcroft 201 Ltd ● KH II Estates 101 Limited ● KH II Estates 102 Limited ● KH II Estates 103 Limited ● KH II Estates 104 Limited ● KH II Estates 105 Limited ● KH II Estates 106 Limited ● KH II Estates 107 Limited ● KH II Estates 108 Limited ● KH II Estates 109 Limited ● KH II Estates 110 Limited ● KH II Estates 111 Limited ● KH II Estates 112 Limited ● KH II Estates 113 Limited ● KH II Estates 114 Limited ● KH II Estates 115 Limited ● KH II Estates 116 Limited ● KH II Estates 117 Limited ● KH II Estates 118 Limited ● KH II Estates 119 Limited ● KH II Estates 120 Limited ● KH II Estates 121 Limited ● KH III Properties 601 Limited ● KH III Properties 602 Limited ● KH III Properties 603 Limited ● KH III Properties 604 Limited ● KH III Properties 606 Limited ● KH III Properties 607 Limited ● KH III Properties 608 Limited ● KH III Properties 609 Limited ● KH III Properties 610 Limited ● KH III Properties 611 Limited ● KH III Properties 613 Limited ● KH III Properties 614 Limited ● KH III Properties 615 Limited ● KH III Properties 616 Limited ● KH III Properties 617 Limited ● KH III Properties 618 Limited ● KH III Properties 619 Limited ● KH III Properties 620 Limited ● KH III Properties 621 Limited ● KH Revcap (College Green) Limited ● KH Revcap (Heathcroft) Limited ● KH Revcap (Ipswich) Limited ● KH Revcap (Orbital) Limited ● CastleCap Properties GP Limited ● Firelighter Cavalry Limited ● Firelighter Limited ● Firelighter Silverburn Limited ● GWR Investment Motors Limited ● Harwood Anthony Limited ● Harwood Anthony Propco 1 Limited ● Hawkeye Oval Holdco III Limited ● Hawkeye Oval Midco Limited

Name	*Current appointments*	*Former appointments held in the previous five years*
Anthony Underwood-Whitney *(continued)*		● Insite Poster Holdings Limited ● IPG REIT Holdings 1 Limited ● IPG REIT Holdings 10 Limited ● IPG REIT Holdings 2 Limited ● IPG REIT Holdings 3 Limited ● IPG REIT Holdings 4 Limited ● IPG REIT Holdings 5 Limited ● IPG REIT Holdings 6 Limited ● IPG REIT Holdings 7 Limited ● IPG REIT Holdings 8 Limited ● IPG REIT Holdings 9 Limited ● Otium Leisure Ventures II Limited ● Otium Leisure Ventures Limited ● Otium Properties (Cannock) Limited ● Otium Properties (Coppins Bridge) Limited ● Otium Properties (Newport) Limited ● Otium Properties (Total Fitness Portfolio) Limited ● Otium Properties (Wakefield) Limited ● Oval Guildhall Limited ● Pocket Living Holdco Limited ● Revcap (KH III) Jersey Limited ● SH IV Funding 1 Limited ● Sherwood Property Holdings Limited ● Silver Stirling 1 Limited ● Silver Stirling 2 Limited ● Sparrowhawk Properties 302 Limited ● Sparrowhawk Properties 303 Limited ● Sparrowhawk Properties 305 Limited ● Sparrowhawk Properties 308 Limited ● Sparrowhawk Properties 311 Limited ● Sparrowhawk Properties 312 Limited ● Sparrowhawk Properties 601 Limited ● Sparrowhawk Properties 603 Limited ● Sparrowhawk Properties 604 Limited ● Sparrowhawk Properties 605 Limited ● Sparrowhawk Properties 606 Limited ● Sparrowhawk Properties 607 Limited ● Sparrowhawk Properties 608 Limited ● Sparrowhawk Properties Tomahawk Limited

Name	*Current appointments*	*Former appointments held in the previous five years*
Anthony Underwood-Whitney *(continued)*		● Longcap Finance Company Limited ● Longcap 1 (Peterborough) Limited ● Longcap 2 (Cardiff) Limited ● Longcap 3 (Ashford) Limited ● Longcap 4 (Rickmansworth) Limited ● Prime Student Housing Birmingham Ltd ● Prime Student Housing Edinburgh Ltd ● Quadriga Stockport Limited ● Reef Estates Investments Limited ● Carisbrooke Haverhill Limited ● Firelighter Fareham Limited ● Firelighter Warrington Limited ● Prime Student Housing Edinburgh Lettings Limited ● Sherwood Thames Holdings Limited ● Sherwood Thames Ventures Limited ● Longcap GP Limited ● REQ Investments (Swindon) Limited ● Sparrowhawk Properties 301 Limited ● Hawkeye Properties 202 Limited ● Hawkeye Properties 301 Limited ● Hawkeye Properties 402 Limited ● Hawkeye Properties 502 Limited ● Hawkeye Henley Holdco Limited ● Hawkeye Oval Holdco II Limited ● Hawkeye Oval Holdco IV Limited ● Hawkeye HKIP Holdco II Limited ● Neverland Property Ltd. ● Citron Estates Limited ● Hawkeye Properties 201 Limited ● Hawkeye HKIP Holdco Limited ● Sparrowhawk Properties 304 PCC ● Sparrowhawk Properties 306 Limited ● PL Marcon Place 1 Limited ● Carisbrooke Arkle Limited ● Carisbrooke Haverhill II Limited ● Eastside and City Developments Limited ● Mount Street Properties (Jersey) Limited ● Mount Street Properties Holdings (Jersey) Limited ● Mercury Sofia General Partner Limited ● Bansko MezzFin General Partner Limited ● Segius Ardens Limited ● Kefale Vipera Limited ● Venator Per-Acutus Limited ● Soditic Asset Management Holdings Limited ● Hawkeye Properties 501 Limited ● Hood Property Holdings Limited

Name	*Current appointments*	*Former appointments held in the previous five years*
Anthony Underwood-Whitney *(continued)*		● Hood Property Investments Limited ● PCP Properties Limited ● Sophia Holdings Limited ● Taliesin Limited ● Sentry Properties Limited ● Gold Bullion Holdings (Jersey) Limited ● WGC Holdings Limited ● WGCH Technology Limited ● Sandown Isle of Wight Airport Limited ● Whitecote Limited ● Worton Grange Industrial Limited ● Zubr Capital GP Limited ● JTJH Emear Limited ● MSS (North West) Limited
Iain Johns	● Ark Management (Jersey) Limited ● Ark Trust (Jersey) Limited ● Centurion Investments (JS A) Ltd ● Centurion Investments (JS I) Ltd ● Centurion Investments (JS III) Ltd ● Centurion Investments (JS IV) Ltd ● Centurion Investments (JS V) Ltd ● Centurion Investments (JS VI) Ltd ● Centurion Investments (JS VII) Ltd ● Centurion Investments (JS VIII) Ltd ● Centurion Investments (JS) Ltd ● Cape Point Ltd ● Vestige Private Trustee Company Limited ● Bartholomew Investments Limited ● Odysee Ltd ● Terra Bella Ltd ● Omega Private Trust Company Limited ● Tuscany Company Limited	● Brunswick Cambridge (General Partner) Limited ● Brunswick Cambridge Propco Limited ● Cambridge Student Limited
Wendy Holley		● Biscayne Management Services Limited ● Sentry Properties Limited

The business address of all the Directors and members of the Senior Management is at PO Box 1075, JTC House, 28 Esplanade, St Helier, Jersey, Channel Islands JE4 2QP.

6.8 Save as disclosed none of the Directors or members of the Senior Management has at any time within the last five years:

(a) had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;

(b) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

(c) been a director or senior manager of a company which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors; or

(d) been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.

6.9 As at the date of this Prospectus there are no potential conflicts of interest between any duties to the Company of the Directors and members of Senior Management and their private interests and/or other duties.

6.10 Save as disclosed, there are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director or member of the Senior Management was selected.

6.11 Save as disclosed in paragraph 10 below, there are no restrictions agreed by any Director or member of the Senior Management on the disposal within a certain period of time of their holdings in the Company's securities.

6.12 Save as disclosed, there are no outstanding loans or guarantees provided by any member of the Group for the benefit of any of the Directors nor are there any loans or any guarantees provided by any of the Directors for any member of the Group.

7 DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION AND SERVICE AGREEMENTS

7.1 In the financial year ended 31 December 2017, the aggregate remuneration (including pension fund contributions and benefits in kind) of the Directors and Senior Management was £1,211,455. Nigel Le Quesne (Chief Executive Officer) received a salary of £306,000 and benefits in kind comprising private medical insurance, pension contributions, life assurance and other de minimis benefits in kind equal to £37,586 in aggregate. Martin Fotheringham (Chief Financial Officer) received a salary of £247,500 and benefits in kind comprising private medical insurance, life assurance and other de minimis benefits in kind equal to £6,381 in aggregate.The aggregate remuneration (including pension fund contributions and benefits in kind) of the Directors and Senior Management in respect of the current financial year (under the arrangements in force at the date of this document) is expected to be £1,226,252.

7.2 Set out below are summary details of the service agreements of each of the Executive Directors:

(a) Nigel Le Quesne (Chief Executive Officer) will enter into a service agreement with the Company on Admission. Mr Le Quesne is entitled to receive an annual salary of £360,000 per annum. Mr Le Quesne's employment is terminable by 6 months notice given by either party. Mr Le Quesne is entitled to participate in an annual bonus plan and long term incentive plan. He is also entitled to life assurance, pension contributions, private medical insurance and certain other de minimis benefits in kind. His service agreement includes standard summary termination provisions and post termination restrictive covenants which apply for a period of 12 months following the termination of his employment; and

(b) Martin Fotheringham (Chief Financial Officer) will enter into a service agreement with the Company on Admission. Mr Fotheringham is entitled to receive an annual salary of £275,000 per annum. Mr Fotheringham's employment is terminable by 6 months notice given by either party. Mr Fotheringham is entitled to participate in an annual bonus plan and long term incentive plan. He is also entitled to life assurance, pension contributions, private medical insurance and certain other de minimis benefits in kind. His service agreement includes standard summary termination provisions and post termination restrictive covenants which apply for a period of 12 months following the termination of his employment.

7.3 Set out below are summary details of the terms of appointment of each of the Non-Executive Directors:

(a) Michael Liston (Non-Executive Chairman) was appointed to the Board on 19 February 2018 until the conclusion of the Company's annual general meeting occurring approximately three years from that date. The annual fee payable to Mr Liston will be £100,000. The number of days Mr Liston will be required to spend on Company business is 30 days per annum. The notice period for either the Company or Mr Liston to terminate the appointment is three months;

(b) Dermot Mathias (Senior Independent Non-Executive Director) was appointed to the Board on 19 February 2018 until the conclusion of the Company's annual general meeting occurring approximately three years from that date. The annual fee payable to Mr Mathias will be £55,000.

A further fee of £15,000 per annum will be payable to Mr Mathias for his role as chairman of the Audit and Risk Committee. Mr Mathias will also receive an additional £5,000 per annum for his role as Senior Independent Director of the Company. The number of days Mr Mathias will be required to spend on Company business is 25 days per annum. The notice period for either the Company or Mr Mathias to terminate the appointment is three months.

(c) Michael Gray (Independent Non-executive Director) was appointed to the Board on 19 February 2018 until the conclusion of the Company's annual general meeting occurring approximately three years from that date. The annual fee payable to Mr Gray will be £55,000. A further fee of £15,000 will be payable to Mr Gray for his role as Chairman of the Remuneration Committee and membership of the Nomination Committee. The number of days Mr Gray will be required to spend on Company business is 25 days per annum. The notice period for either the Company or Mr Gray to terminate the appointment is three months.

8 THE COMPANY AND ITS SUBSIDIARIES

8.1 The Company is the holding company of the Group and has the following principal subsidiaries and other minority interests:

Name	*Country of registration or incorporation*	*Percentage of issued share capital held by the Group*
JTC Group Holdings Limited	Jersey	100%
JTC Group Holdings (Financing) Limited	Jersey	100%
JTC Group (Malbec) Limited	Jersey	100%
JTC Group Limited	Jersey	100%
JTC (Jersey) Limited	Jersey	100%
Jersey Trust Company Limited	Jersey	100%
JTC Listing Services Limited	Jersey	100%
JTC Trustees Limited	Jersey	100%
JTC Corporate Services Limited	Jersey	100%
JTC Securities Limited	Jersey	100%
JTC Directors Limited	Jersey	100%
Castle Directors Limited	Jersey	100%
JTC Foundations Limited	Jersey	100%
Red Shield Secretaries Limited	Jersey	100%
Red Shield Nominees Limited	Jersey	100%
Caledonia Trustees Limited	Jersey	100%
Caledonia Financial Services Limited	Jersey	100%
HTC Purpose Trustees Limited	Jersey	100%
Red Shield (HTC) Limited	Jersey	100%
JTC Fund Solutions (Jersey) Limited	Jersey	100%
JTC (UK) Limited	United Kingdom	100%
JTC Mayfair Limited	United Kingdom	100%
JTC Trustees (UK) Limited	United Kingdom	100%
JTC Corporate Services (UK) Limited	United Kingdom	100%
JTC Trustee Services (UK) Limited	United Kingdom	100%
Red Shield Administration Limited	United Kingdom	100%
JTC Directors (UK) Limited	United Kingdom	100%
JTC Securities (UK) Limited	United Kingdom	100%
Castle Directors (UK) Limited	United Kingdom	100%
JTC Fund Services (UK) Limited	United Kingdom	100%
JTC Administration (UK) Limited	United Kingdom	100%
JTC Fiduciary Services (UK) Limited	United Kingdom	100%
JTC Miami Corporation	Florida, United States	50%
JTC Trustees (USA) Ltd	South Dakota, United States	100%
JTC Corporate Services (USA), LLC	South Dakota, United States	100%
JTC Holdings (Guernsey) Limited	Guernsey	100%
Breton Limited	Guernsey	100%
University Properties Limited	Guernsey	100%
JTC Fund Solutions (Guernsey) Limited	Guernsey	100%

Name	*Country of registration or incorporation*	*Percentage of issued share capital held by the Group*
JTC Global AIFM Solutions Limited	Guernsey	100%
JTC Directors (Guernsey) Limited	Guernsey	100%
JTC Corporate Services (Guernsey) Limited	Guernsey	100%
JTC Securities (Guernsey) Limited	Guernsey	100%
JTC Secretaries (Guernsey) Limited	Guernsey	100%
JTC Fund Solutions RSA (Pty) Ltd	South Africa	100%
JTC Holdings (BVI) Limited	British Virgin Islands	100%
JTC (BVI) Limited	British Virgin Islands	100%
JTC Trustees (BVI) Limited	British Virgin Islands	100%
JTC Corporate Services (BVI) Limited	British Virgin Islands	100%
JTC Directors (BVI) Limited	British Virgin Islands	100%
JTC Corporate Services (Suisse) Limited	British Virgin Islands	100%
JTC Directors (Suisse) Limited	British Virgin Islands	100%
JTC (Luxembourg) S.A.	Luxembourg	100%
Red Shield Management S.A.	Luxembourg	100%
Castle Services S.à r.l.	Luxembourg	100%
Elizabeth Verwaltung S.à r.l.	Luxembourg	100%
JTC Luxembourg Holdings S.à r.l.	Luxembourg	100%
JTC Signes Holdings S.C.S.	Luxembourg	99%
JTC Signes GP S.à r.l.	Luxembourg	30%
JTC Signes Services SA	Luxembourg	100%
JTC Signes S.à r.l.	Luxembourg	100%
Acacia Holdings S.à r.l.	Luxembourg	100%
May Services S.à r.l.	Luxembourg	100%
Caledonia Services S.à r.l.	Luxembourg	100%
JTC Global AIFM Solutions SA	Luxembourg	100%
JTC (Geneva) Sàrl	Switzerland	100%
JTC (Suisse) SA	Switzerland	100%
JTC Trustees (Suisse) S.à.r.l.	Switzerland	100%
BTC Nominees SA	Panama	100%
BTC Services SA	Panama	100%
BTC Directors SA	Panama	100%
JTC Group (NZ) Limited	New Zealand	100%
JTC Trust Company (New Zealand) Limited	New Zealand	100%
JTC Corporate (New Zealand) Limited	New Zealand	100%
JTC (Cayman) Limited	Cayman Islands	100%
JTC Corporate Services (Cayman) Limited	Cayman Islands	100%
JTC Directors (Cayman) Limited	Cayman Islands	100%
JTC Fund Services (Cayman) Ltd	Cayman Islands	100%
JTC (Mauritius) Limited	Mauritius	100%
JTC Holding (Malta) Ltd	Malta	100%
Red Shield Management (Malta) Ltd	Malta	100%
JTC Americas Sociedad Anonima	Costa Rica	100%
JTC Services Argentina SA	Argentina	100%
JTC Argentina SA	Argentina	100%
Caledonia Accounting Services Pte Ltd	Singapore	100%
Kensington International Group Pte Ltd	Singapore	42.3%
JTC (Netherlands) B.V.	Netherlands	100%
VIC Holding B.V.	Netherlands	100%
DA Management B.V.	Netherlands	100%
NACT Management B.V.	Netherlands	100%
Autumn Productions B.V.	Netherlands	100%
Glenn Steel B.V.	Netherlands	100%
Vereenigde Internet Compagnie B.V.	Netherlands	100%
JTC Trustees (IOM) Limited	Isle of Man	100%
May Services Ltd	Isle of Man	100%
CM Nominees Ltd	Isle of Man	100%
JTC Do Brasil Consultoria Ltda	Brazil	100%

8.2 The above companies are directly or indirectly owned by the Company in the percentages set out in the table and the Jersey companies have their registered office at JTC House, 28 Esplanade, St Helier, Jersey, Channel Islands JE2 3QA.

8.3 The Luxembourg companies have their registered address at 68-70, Boulevard de la Pétrusse, L-2320 Luxembourg.

8.4 The South Africa company has its registered address at Block B, Century Falls, Century Boulevard, Century City, 7441, South Africa.

8.5 The United Kingdom companies have their registered address at 7th Floor, 9 Berkeley Street, London, England, W1J 8DW.

8.6 The Swiss companies have their registered address at Rue des Contamines 18, 1206 Genève, Switzerland.

8.7 The South Dakota companies have their registered address at 101 S. Reid Street, Suite 307, Offices 313-16, Sioux Falls, SD 57107, United States of America.

8.8 Caledonia Accounting Services Pte Ltd has its registered address at 14 Robinson Road, #12-01/02, Far East Finance Building,, Singapore 048545.

8.9 The Dutch companies have their registered addresses at Johannes Vermeerplein 11, 1071 DV Amsterdam, Netherlands.

8.10 The Isle of Man companies have their registered address at Belgravia House, 34-44 Circular Road, Douglas, IM1 1QW, Isle of Man.

8.11 The Guernsey companies have their registered address at Ground Floor, Dore Court, Admiral Park, St Peter Port, Guernsey GY1 2HT.

8.12 The BVI companies have their registered address at 280 Main Street, PO Box 3200, Road Town, Tortola, VG1110.

8.13 The Cayman Island companies have their registered address at 49 Market Street, 2nd Floor, Suite 3204, Gardenia Court, Camana Bay, KY1-9006, Grand Cayman.

8.14 The Florida company has its registered address at 1001 Brickell Bay Drive, Suite 1706, Miami, Florida, United States 33131.

8.15 The Panama companies have their registered address at Punta Pacifica, Calle Punta Colon, Oceania Business Plaza, Torree 2000, Piso 37, Panama City, Panama.

8.16 The New Zealand companies have their registered address at 400 Lake Road, Takapuna, Auckland 0622, New Zealand.

8.17 The Mauritius company has its registered office at Level 3, Alexander House, Cybercity, 72201 Ebene, Mauritius.

8.18 The Malta companies have their registered address at Suite 5, Level 3, Fafner House, National Road, Blata l-Bajda, HMR 9011, Malta.

8.19 The Costa Rica company has its registered address at La Ceiba St 420, San Jose, 10203, Costa Rica.

8.20 The Argentina companies have their registered address at Montevideo 1669, Piso 7, Dpto. "A", Ciudad Autonoma Buenos Aires, Argentina.

8.21 The Brazil company has its registered address at Rua Apeninos no 429, Conj. 508, Paraiso – CEP 01533-000, Sao Paulo, Brazil.

9 INVESTMENTS AND PRINCIPAL ESTABLISHMENTS

9.1 The Company currently has no principal investments (in progress or planned for the future on which the Directors have made firm commitments or otherwise) other than the subsidiary undertakings and other minority interests listed in paragraph 8 of this Part 9 (Additional Information).

9.2 The principal establishments of the Group are as follows:

Location	*Tenure*
28 Esplanade, St Helier, Jersey	21 years after pc (assessed as June 2038)
Ground Floor Premises, Dorey Court, Les Banques, St Peter Port, Guernsey	31-May-19. New 15 year lease being negotiated to commence Q4 2017.
PO Box 156 Frances House, Sir William Place, St Peter Port Guernsey	1 July 2021
7th Floor, 9 Berkeley Street, London W1J 8DW	27 May 2021
Belgravia House, 34/44 Circular Road Douglas, Isle of Man	3 July 2018
L-2320 Luxembourg, 68-70, Boulevard de la Petrusse	31 May 2019 or 30 June 2022 (there are separate leases for the four floors)
3 rue Ami-Lullin, CH 1207 Geneve	30 June 2019
18 Rue de Contamines, 1206 Geneva, Switzerland	31 March 2019
80 Main Street, Road Town, Tortola	21 June 2021
Block 3, Building D, Unit A Second Floor, Cayman Islands	31 September 2021
Block B, Century Falls, Century City, Cape Town	31 July 2019
1st Floor, Block A, Century Falls, Century City, Cape Town	31 December 2021
Amsterdam, kantoorhoudende te Johannes Vermeerplein 11 te Amsterdam (1071 DV)	15 October 2020

10 PLACING ARRANGEMENTS

10.1 **Sponsor and Placing Agreement**

On 9 March 2018, the Company, the Directors, the Selling Shareholders, the Sponsor, Zeus Capital and Numis Securities entered into the Sponsor and Placing Agreement. Pursuant to the Sponsor and Placing Agreement:

(a) Zeus Capital has agreed, subject to certain conditions, to act as financial adviser, broker, joint global co-ordinator and joint bookrunner to the Company and the Selling Shareholders, and to use its reasonable endeavours to procure placees to subscribe for and/or purchase (as the case may be) the Offer Shares and the New Ordinary Shares at the Offer Price.

(b) Numis Securities has agreed, subject to certain conditions, to act as joint global co-ordinator and joint bookrunner to the Company and the Selling Shareholders, and to use its reasonable endeavours to procure placees to subscribe for and/or purchase (as the case may be) the Offer Shares and the New Ordinary Shares at the Offer Price.

(c) The Sponsor has agreed, subject to certain conditions, to act as sponsor to the Company.

(d) The Sponsor and Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 14 March 2018 (or such later date as the Company, Zeus Capital, Numis Securities and the Sponsor may agree, being not later than 8.00 a.m. on 28 March 2018). The Sponsor and Placing Agreement contains warranties from the Company and the Executive Directors in favour of Zeus Capital, Numis Securities and the Sponsor in relation to, amongst other things, the accuracy of the information in this document and other matters relating to the Company and its business. It also contains warranties from the Non-Executive Directors and the Selling Shareholders in favour of Zeus Capital, Numis Securities and the Sponsor.

(e) The Company has agreed to indemnify Zeus Capital, Numis Securities and the Sponsor in respect of certain liabilities it may incur in respect of the Offer. Zeus Capital, Numis Securities and the

Sponsor have the right to terminate the Sponsor and Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of the warranties which Zeus Capital, Numis Securities and the Sponsor consider material in the context of the Offer and Admission or a force majeure event. The Company has also undertaken that it will not, for a period of 12 months from the date of Admission, without the prior written consent of Zeus Capital and Numis Securities, issue, offer, lend, mortgage, assign, charge, sell or contract to sell, or otherwise dispose of (or publicly announce any such issuance, offer, loan, mortgage, assignments, charge, sale or disposal) directly or indirectly, any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

(f) The Company has agreed, conditionally on Admission, to pay to Zeus Capital and Numis Securities aggregate commissions of 2.5 per cent. of the proceeds of the issue of New Ordinary Shares, to be split Zeus Capital 60 per cent. and Numis Securities 40 per cent. Zeus Capital has agreed to pay fees of £350,000 to the Sponsor out of the commissions it receives from the Company. The Selling Shareholders have also agreed to pay to Zeus Capital and Numis Securities aggregate commissions of 2.5 per cent. of the proceeds of the issue of New Ordinary Shares, to be split Zeus Capital 60 per cent. and Numis Securities 40 per cent.

(g) The Sponsor and Placing Agreement is governed by English law and is subject to the non-exclusive jurisdiction of the English courts.

11 TAKEOVERS

11.1 The City Code

The City Code applies to all takeover and merger transactions in relation to the Company, and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.

The City Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. "**Voting rights**" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

There are not in existence any current mandatory takeover bids in relation to the Company.

11.2 Jersey law

Articles 116 to 124A of the Jersey Companies Law set out the provisions dealing with takeover offers of Jersey companies and details certain "squeeze out" provisions. Under the Jersey Companies Law, if, following a take-over offer (which is defined as "an offer to acquire all the shares, or all the shares of any class or classes, in a company (other than shares which at the date of the offer are already held by the offeror), being an offer on terms which are the same in relation to all the shares to which the offer relates"), an offeror has acquired or contracted to acquire not less than nine-tenths in nominal value of the shares of a par value company (such as the Company) to which the offer relates, the offeror may give notice, in accordance with the Jersey Companies Law to the holders of those shares to which the offer relates which the offeror has not acquired or contracted to acquire, that it desires to acquire those shares.

Subject to the provisions of the Jersey Companies Law, upon service of the notice by the offeror, it shall become entitled and be bound to acquire the shares. A minority shareholder also has a right, pursuant to the Jersey Companies Law, to be bought out by an offeror.

Where a notice is given under the Jersey Companies Law to the holder of any shares, the Royal Court of Jersey may, on an application made by the shareholder within 6 weeks from the date on which the notice was given, order that the offeror shall not be entitled and bound to acquire the shares or specify terms of acquisition different from those of the offer.

Jersey Companies Law permits two or more companies (which need not all be Jersey incorporated companies) to merge to form one successor company. In the case of any company incorporated in Jersey, any such merger is subject to approval of its board of directors and to approval by special resolution of the company (and, where applicable, by special resolution of each class of shares where there is more than one class of shares in issue), in addition to certain other substantive and procedural requirements.

12 TAXATION

The following statements are by way of a general guide to potential investors and Shareholders only, are not exhaustive and do not constitute tax advice. Potential investors and Shareholders are therefore advised to consult their professional advisers concerning possible taxation or other consequences of subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence and/or domicile or any other form of presence for tax purposes.

Potential investors and Shareholders should note that the following statements on taxation are based on advice received by the Directors regarding the current law and published practice in force in the relevant jurisdiction at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure.

If you are in any doubt about your tax position, or if you may be subject to tax in a jurisdiction other than Jersey or the United Kingdom, you should consult your professional adviser. Shareholders should note that the statements below are based on the Company's understanding of current legislation, regulations and practice, all of which are subject to change.

12.1 UK taxation

The following statements are intended as a general guide and relate only to certain limited aspects of UK tax consequences for potential investors and Shareholders who are or may become resident and, in the case of individuals, resident and domiciled (or deemed domiciled) in the UK (except where expressly stated otherwise) and who are the absolute beneficial owners of the Ordinary Shares and the dividends on those Ordinary Shares and who hold the Ordinary Shares as investment rather than trading stock. They are based on existing law and on what is understood to be current published HM Revenue & Customs practice, both of which are subject to change, possibly with retrospective effect.

The statements may not apply to certain classes of Shareholders including (but not limited to) (a) dealers in securities, (b) Shareholders who have (or are deemed to have) acquired Ordinary Shares by virtue of being officers or employees of any member of the Group, (c) persons who control or hold, either alone or together with one or more associated or connected persons, directly or indirectly, (i) 10 per cent. or more of the Ordinary Shares or (ii) any other interests in the Company, (d) persons who acquire Ordinary Shares other than for *bona fide* commercial reasons or who have a tax avoidance purpose or motive, who may be subject to a different tax treatment, (e) insurance companies or (f) collective investment schemes.

The following statements assume that the Company will be centrally managed and controlled and in Jersey, and accordingly resident for tax purposes only in Jersey.

Potential investors and Shareholders, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK should consult their own tax advisers on the implications of investing in, holding, exchanging or disposing of the Ordinary Shares under the laws of the jurisdiction in which they are liable to taxation.

UK taxation consequences of disposing of Ordinary Shares

For the purpose of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of his holdings in those Ordinary Shares.

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident (or otherwise liable to tax) in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation on chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

UK resident individual Shareholders

For an individual Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on the disposal of shares is 10 per cent. (2017/18) for individuals who are subject to income tax at the basic rate and 20 per cent. (2017/18) for individuals who are subject to tax at the higher or additional rates. There is an annual exempt amount of £11,300 for the 2017/2018 tax year. (i.e. capital gains tax is only payable on the individual's total gains in excess of this amount).

UK resident corporate Shareholders

For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 19 per cent. with effect from 1 April 2017, and reducing to 17 per cent. from 1 April 2020) or an allowable loss for the purposes of UK corporation tax. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax by increasing the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index but indexation allowance cannot create or increase any allowable loss.

There was an announcement in the Autumn Budget 2017 on 22 November 2017 that indexation allowance would be removed from 1 January 2018, resulting in indexation applying from month of acquisition to December 2017, regardless of actual date of disposal of the asset. This measure has just been announced and legislation has not been enacted to implement the change.

Non residents

A disposal of Ordinary Shares by a Shareholder who is not resident in the United Kingdom for tax purposes is generally not subject to UK capital gains tax, unless such a Shareholder carries on a trade, profession or vocation in the United Kingdom through a branch, agency or permanent establishment and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment. Such a disposal may, depending on individual circumstances and subject to any available exemptions or reliefs, give rise to a chargeable gain or allowable loss for United Kingdom tax purposes.

In addition, a Shareholder who has previously been resident or ordinarily resident in the United Kingdom may in some cases be subject to UK tax on capital gains in respect of a disposal of Ordinary Shares in the event that they re-establish residence in the United Kingdom.

The attention of prospective investors is also drawn to the provisions of section 13 Taxation of Chargeable Gains Act 1992 which look through non-resident companies, which if resident would be considered a close company, to United Kingdom residents who are also participators in the Company. Such United Kingdom residents may be liable to capital gains tax or corporation tax on capital/chargeable gains equal to the proportion of the gain that corresponds to the extent of the share of participator's interest in the Company, subject to certain exemptions. These rules apply only to shareholders of a company which, were it to be resident in the UK for taxation purposes, would be a "close" company for these purposes, and to whom (together with connected persons) would be attributed a share of 25 per cent. or more of the Company's capital gains.

UK taxation of dividends

Individual Shareholders

Shareholders who are resident and domiciled in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax in respect of dividends paid by the Company.

All dividends received from the company by an Individual Shareholder who is resident and domiciled in the UK will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax, form part of the Shareholder's total income for income tax purposes and will represent the highest part of that income.

From 6 April 2016, a nil rate amount of income tax applies to the first £5,000 of dividend income received by an individual shareholder in the tax year (the **Nil Rate Amount**) regardless of what tax rate would otherwise apply to that dividend income. The Nil Rate Amount is to be reduced to £2,000 for dividends received on or after April 2018.

If an individual shareholder receives dividends in excess of the Nil Rate Amount in a tax year, the excess will be taxed as income tax at the dividend ordinary rate (7.5 per cent.) for individual Shareholders who are basic rate taxpayers, the dividend upper rate of (32.5 per cent.) for individual Shareholders who are higher rate taxpayers and the dividend additional rate (38.1 per cent.) for individual Shareholders who are additional rate taxpayers.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Corporate shareholders

A UK resident corporate Shareholder which is considered to be a "small company" will be liable to UK corporation tax on dividends as the Company is not resident in the UK or resident in a qualifying territory, being a territory with whom the United Kingdom has an appropriate double taxation agreement. As such, small UK corporate shareholders receiving dividends from the Company will be liable to UK corporation tax (currently at a rate of 19 per cent. from 1 April 2017, and reducing to 17 per cent. from 1 April 2020). A 'small company' is defined by EU Recommendation 2003/361/EC, and is a company with less than 50 staff, and either turnover not exceeding €10 million or a balance sheet total not exceeding €10 million. If that company has any linked or partner enterprises (as defined in the EU Recommendation), then the results of those enterprises are taken into account in calculating the limits. In addition, an open-ended investment company, an authorised unit trust scheme, an insurance company and a friendly society are deemed not to be a 'small company'.

A UK resident corporate Shareholder (which is not a "small company" for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 19 per cent. from 1 April 2017, and reducing to 17 per cent. from 1 April 2020) unless the dividend falls within one of the exempt classes set out in Part 9A. Examples of exempt classes (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009) include dividends paid on shares that are "ordinary shares" (that is shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which are not "redeemable", and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). While this may apply to many corporate shareholders, the exemptions are not comprehensive and are subject to anti-avoidance rules.

Non Resident

Non-UK resident individual Shareholders who receive a dividend from the Company are treated as having paid UK income tax on their dividend income at the dividend ordinary rate (7.5 per cent.). Such income tax will not be repayable to a non-UK resident Individual Shareholder. A non-UK resident Shareholder is not generally subject to further UK tax on dividend receipts.

A non-UK resident individual Shareholder may also be subject to taxation on dividend income under local law, in their country or jurisdiction of residence and/or citizenship. A shareholder who is not solely resident in the UK for tax purposes should consult his own tax advisers concerning his tax liabilities (in the UK and any other country) on dividends received from the Company in respect of liability to both UK taxation and taxation of any other country of residence or citizenship

UK stamp duty and Stamp Duty Reserve Tax (SDRT) on transfers of the Ordinary Shares

In practice, UK stamp duty should generally not need to be paid on an instrument transferring the Ordinary Shares, provided that such transfer instruments are executed and retained outside of the UK. SDRT is generally deducted automatically by CREST and paid to UK tax authorities. However, as the Company is incorporated in Jersey and for so long as it maintains its share register outside of the UK, no UK SDRT will be payable in respect of any agreement to transfer Ordinary Shares.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the Ordinary Shares will not be registered in a register kept in the UK by or on behalf of the Company. The Company has confirmed it does not intend to keep such a register in the UK.

Other United Kingdom taxation considerations

Transfer of Assets Abroad

The attention of individuals resident in the United Kingdom is drawn to the provisions contained in Chapter 2 of Part 13 of the UK Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals transferring income or income-producing assets to persons (including companies) resident or domiciled abroad in circumstances which enable those individuals (or certain family members) to benefit from those assets either immediately or in the future. These provisions impose an annual income tax charge and the nature of the benefit is widely defined and can include undistributed income and profits of the Company.

12.2 **Jersey taxation**

The following summary of the anticipated treatment of the Company and holders of Ordinary Shares is based on Jersey taxation law and practice as they are understood to apply at the date of this Offer Memorandum and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as they apply to any land or building situated in Jersey). Prospective investors in the Company's Ordinary Shares should consult their professional advisers on the implications of acquiring, holding, selling or otherwise disposing of the Ordinary Shares under the laws of any jurisdiction in which they may be liable to taxation.

The Company

The Company will be regarded as resident for tax purposes in Jersey and on the basis that it is neither a financial services company nor a utility company for the purposes of the Income Tax (Jersey) Law 1961, as amended, the Company will be subject to income tax in Jersey at a rate of zero per cent.

A company will be taxed at 10 per cent. in Jersey if it is registered under the Financial Services (Jersey) Law 1998 or under the Banking Business (Jersey) Law 1991, or holds either a Category A or Category B permit under the Insurance Business (Jersey) Law 1996, or if it holds a permit under the Collective Investment Funds (Jersey) Law 1988, or is a company trading in the provision of credit facilities to customers by way of making any advance or granting of any credit. As such, the profits of most entities in the group are likely to be subject to tax in Jersey at the rate of 10 per cent.

Jersey Goods and Services Tax

Jersey has an indirect tax, Goods and Services Tax (**GST**). The rate applicable to most suppliers is five per cent., but some supplies may be zero rated or exempt.

The company may qualify as "international services entity" (**ISE**) for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the "GST Law") and, accordingly, it will not be required: (i) to register as a taxable person pursuant to the GST Law; (ii) to charge GST in Jersey in respect of any supply made by it; or (iii) subject to the following provisos, to pay GST in Jersey in respect of any supply made to it.

To become an ISE, the company is required to make an appropriate application and pay an annual fee by the required date.

Shareholders

There is no capital gains tax, estate duty or inheritance tax in Jersey.

Dividends on Ordinary Shares and redemption proceeds may be paid by the Company without withholding or deduction for or on account of Jersey income tax.

Non-Jersey resident Shareholders will be exempt from Jersey income tax on receipt of any distributions from the Company.

Shareholders who are resident in Jersey for income tax purposes may be liable to pay income tax on distributions (including redemption proceeds) received from the Company. Depending out of which profits or reserves the distribution is made, part or all of the distributions payable to Jersey resident Shareholders may carry a 10 per cent. tax credit which may be used to set against the Jersey resident Shareholders' liability to Jersey income tax on the gross taxable distribution.

No stamp duties are payable in Jersey on the acquisition, ownership, exchange, sale or other disposition between living persons of interests. Stamp duty of up to 0.75 per cent. is payable on the grant of probate or letters of administration in Jersey in respect of a deceased natural person: (i) who died domiciled in Jersey, on the value of the entire estate (including any interests in that estate); and (ii) otherwise, on the value of so much of the estate (including any interests in that estate), if any, as is situated in Jersey. The duty is capped at £100,000.

Intergovernmental Agreements (IGAs) and the Common Reporting Standard

Background to the IGAs

The Foreign Account Tax Compliance Act (**FATCA**) was introduced by the USA in 2010 and requires financial institutions outside of the US to register on a publicly available IRS website and to report information on financial accounts held by their US resident customers to the IRS. If financial institutions do not comply with the US regulations, a 30 per cent. withholding tax is imposed on US source income and gains payable to the financial institution. Financial institutions will also be required to close accounts where their US customers do not provide the requisite information.

In recognition that in many jurisdictions there are legal barriers to implementing FATCA, the US announced an alternative intergovernmental approach to FATCA implementation, signing Intergovernmental Agreements ("IGAs") with a large number of other countries. In addition, the UK has entered into similar agreements with their Crown Dependencies and Overseas Territories. Jersey has signed IGAs with the US (signed on 13 December 2013) and the UK (signed on 22 October 2013).

Jersey has issued local regulations implementing both the US and the UK IGA, as well as local guidance notes.

Importantly, neither the Jersey-US nor the Jersey-UK IGA provide for any withholding tax in the case of non-compliance with the provisions of the IGA.

Implications for the company with regard to the US and UK IGAs

The company is likely to be classified as an NFFE for the purposes of the IGAs. As such, the Company will not be required to register on the US IRS Portal, undertake the appropriate due diligence procedure in identifying Reportable Accounts or make any reports on Shareholders.

Common Reporting Standard (CRS)

The OECD presented a first draft of the "Standard for automatic exchange of financial account information" (**Common Reporting Standard** or **CRS**) and a corresponding model agreement (**Competent Authority Agreement** or **CAA**), extending the scope of the principles of automatic exchange of information to a significant number of other countries. Jersey has signed the CAA, with first reporting obligations for the 2016 reporting period to be reported in 2017. It is likely that the Company will have the same classification under the CRS as it does under the IGAs and so will not need to comply with the due diligence and reporting requirements of the CRS.

If you are in any doubt as to your tax position you should consult your professional tax adviser.

13 NOTIFICATIONS OF SHAREHOLDINGS

The provisions of DTR5 will apply to the Company and its Shareholders on Admission and will therefore apply to the Company (which will also be deemed to be a ''UK issuer" for the purposes of DTR5 as set out in the Articles). DTR 5 sets out the notification requirements for Shareholders and the Company where the voting rights of a Shareholder exceed, reach or fall below the threshold of 3 per cent. and each 1 per cent. thereafter up to 100 per cent. DTR 5 provides that disclosure by a Shareholder to the Company must be made within two trading days of the event giving rise to the notification requirement and the Company must release details to a regulatory information service as soon as possible following receipt of a notification and by no later than the end of the trading day following such receipt. If the Company determines that a shareholder has not complied with the provisions of DTR5 with respect to some or all of its shares and provided that such shares represent at least 0.25 per cent. of the issued shares of the Company, the Company shall have the right by delivery of notice to the shareholder (subject to certain time limits and conditions) to: (i) suspend the shareholder's rights to vote the relevant shares; (ii) withhold any dividend or other amount payable with respect to the relevant shares; (iii) render ineffective any election to receive shares instead of cash in respect of any dividend or part thereof; and/or (iv) prohibit the transfer of any shares by that shareholder.

14 MATERIAL CONTRACTS

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Group in the two years immediately preceding the date of this document or which are expected to be entered into prior to Admission and which are, or may be, material or which have been entered into at any time by any member of the Group and which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document:

14.1 The Sponsor and Placing Agreement, details of which are set out in paragraph 10 above;

14.2 An agreement for the sale to the Group of the international trust and wealth structuring business of Bank of America Corporation dated 22 May 2017 and made between Merrill Lynch International Incorporated, Merrill Lynch Trust Services S.A. ML Cayman Holdings Inc., Merrill Lynch Europe Limited (as sellers), Bank of America Corporation (as guarantor) and a subsidiary of the Company, JTC Group Limited (as buyer) and JTC Group Holdings (as guarantor of the buyer's obligations). Under the agreement, $8.75 million of consideration was payable in two separate instalments, the first $3 million being paid on completion on 30 September 2017 and the balance of $5.75 million being payable by 26 October 2018 (the instalments are subject to certain post-completion adjustments). The agreement contained customary warranties and other protections in favour of JTC Group Limited, subject to certain financial and time based limitations.

14.3 A share purchase agreement relating to the sale of shares in New Amsterdam Cititrust B.V. dated 20 March 2017 and made between JTC Group Limited (as buyer), JTC Group Holdings (as guarantor of the buyer's obligations), Ambos B.V. and Singardet B.V. (as sellers). Under the agreement, the purchase price of the shares was €3.5 million (subject to certain post-completion adjustments) plus two earn-out amounts (being €1 million if certain thresholds are met in relation to EBITDA as at 31 December 2017 and €1 million in relation to 31 December 2018). The agreement contained customary warranties and other protections in favour of JTC Group Limited, subject to certain financial and time based limitations.

14.4 A share purchase agreement relating to the sale of the entire issued share capital of Swiss & Global Fund Administration (Cayman) Ltd dated 9 October 2015 and made between JTC Group Limited (as buyer) and GAM (Switzerland) Holding AG (as seller). Under the agreement, the purchase price of the shares was US$5 million (subject to post completion adjustments for the debt and cash of Swiss & Global Fund Administration (Cayman) Ltd at closing) and deferred consideration which would be calculated by reference to service fees and net revenue (less taxes) over a four and a half year period following closing. The final amount will be due in August 2020. The agreement contained customary warranties and other protections in favour of JTC Group Limited, subject to certain financial and time based limitations.

14.5 A share sale deed (the **Share Sale Deed**) relating to the sale of the entire issued share capital of Kleinwort Benson (Channel Islands) Fund Services Limited dated 1 July 2015 between JTC Group Limited (as buyer), JTC Group Holdings (as buyer's guarantor) and Kleinwort Benson Channel Islands Holdings Limited (as seller). Under the Share Sale Deed, the purchase price was £14,166,175, plus deferred consideration of £500,000. There was also an earn-out consideration of £2.00 for every £1.00 by which the earn-out revenue exceeded a certain amount (capped at £2,000,000.00). These sums have all now been discharged. The Share Sale Deed contained customary warranties and other protections in favour of JTC Group Limited, subject to certain financial and time based limitations together with certain indemnification provisions relating to matters occurring prior to the acquisition in favour of JTC Group Limited.

14.6 A shareholders agreement between JTC Group Limited, Kensington Partners Limited (**Kensington Partners**) and Kensington International Group Pte Ltd. (**JTC Kensington**) dated 18 December 2015 and governed by the laws of Singapore (**Shareholders Agreement**). The Shareholders Agreement governs the relationship between JTC Group Limited and Kensington Partners and regulates the conduct of the business and affairs of JTC Kensington. At the time of the entry into of the Shareholders Agreement, JTC Group Limited subscribed for a further 182,000 ordinary voting shares (taking its total, at that time, to 442,000 ordinary shares or 34 per cent. of the total issued shares in JTC Kensington) and 26,000 non-voting shares (being, at that time, two per cent. of the total issued shares in JTC Kensington). On 14 November 2017, JTC Group Limited entered into a Deed of Subscription with Kensington Partners and JTC Kensington pursuant to which JTC Group Limited increased its interest by subscribing for 143,000 ordinary voting shares in JTC Kensington, taking its total holding to 585,000 ordinary voting shares (being 40.5 per cent. of the total issued shares in JTC Kensington) and 26,000 non-voting shares (being 1.8 per cent. of the total issued shares in JTC Kensington).

The Shareholders Agreement, which provides JTC Group Limited with board representation, contains provisions relating to pre-emption rights on the transfer of share by either party and may be terminated by either party in certain circumstances, including material breach by the other.

14.7 A facility agreement originally dated 23 March 2012 and amended and restated on 26 September 2014 between JTC Group Holdings (Financing) Limited, HSBC Bank plc and the Royal Bank of Scotland plc (**RBS**) (**Existing Facility**). The maximum amount of the Existing Facility is £59.5 million. JTC Group Holdings and certain of its subsidiaries have granted certain security under the Existing Facility. It is proposed that the Existing Facility will be repaid in full at Admission partly out of the New Facility (as described in paragraph 14.13 below) and party through the Offer proceeds receivable by the Company.

14.8 A loan facility dated 10 April 2017 between JTC Group Holdings (as borrower) and Close Leasing Limited (as lender) for £2.525 million for the business purpose of office furniture and fit out of the Group's head office in Jersey. The borrower is required to pay a total sum of £2,846,279.92 which represents principal pre computed over the term of the loan. Admission will entitle the lender to repayment but consent has been obtained to continue from the lender.

14.9 An 12 month asset finance loan of £478,564 made by Lombard Finance (CI) Limited to JTC Jersey Limited dated 26 May 2017. The total amount of interest payable under the loan facility is £13,596.89. The flat rate of interest applied to the total amount owing is charged at a rate of 2.84 per cent. per annum.

14.10 A loan note instrument dated 27 July 2012 in respect of £25,698,035.76 of 12 per cent. fixed rate unsecured management loan notes maturing 2022 issued by the Company to Phillip Burgin, Stephen

Burnett, Saffron Harrop, Nigel Le Quesne, Anthony Underwood-Whitney, Wendy Holley and Ian Moore and the supplemental deeds dated 2 July 2015, 2 February 2016, 6 October 2016, 5 September 2017 and 30 November 2017.

14.11 A loan note instrument dated 27 July 2012 in respect of £24,352,691.65 of 12 per cent. fixed rate unsecured investor loan notes maturing 2022 issued by the Company to CBPE Nominees Limited and the supplemental deed dated 21 August 2015 (these loan notes together with the management loan notes referred to in paragraph 14.10 above being the **Loan Notes**).

14.12 On 30 December 2017 and 11 January 2018, deeds of amendment were entered into in relation to the Existing Loan Notes. In connection with these deeds, the rights attaching to existing ordinary shares in JTC Group Holdings held by the current holders of the Existing Loan Notes were adjusted to reflect an entitlement to unpaid interest under the Loan Notes, such amounts being repayable on certain liquidity events.

14.13 A term loan and revolving credit facility entered into between JTC Group Holdings and certain other members of the Group (as borrowers) with HSBC bank plc (as lender) (**HSBC**) dated 9 March 2018 and conditional upon Admission (**New Facility**). The total amount of the new facility is £55 million. The New Facility comprises a term loan (**Term Loan**), to be fully drawn on Admission or shortly after Admission, of £45 million (and to be used to repay the Existing Facility).

The New Facility also comprises a £10 million revolving credit facility of £10 million of which is to be used for working capital and general purposes of the Group, including permitted acquisitions (**Revolving Credit Facility**). The facilities are committed for five years from 9 March 2018.

The New Facility has an initial margin over LIBOR of two per cent., which is subject to a margin ratchet pursuant to which the margin payable will adjust, both up and down, as the Group's ratio of consolidated net debt to EBITDA (**Leverage Ratio**) increases or decreases.

JTC Group Holdings and certain of its subsidiaries have, under the Existing Facility granted certain security to RBS, which will be released on Admission and replaced with new security in favour of HSBC.

An arrangement fee of 1.25 per cent. is payable on the Term Loan and Revolving Credit Facility on the date of Admission. The Term Loan and Revolving Credit Facility contain certain covenants including a financial covenant that states that the Group's Leverage Ratio cannot exceed 3.5:1 (reducing to 3.25:1 after the first year and 3:1 after the second year) and that the Group's Interest Coverage Ratio cannot be less than 4:1 at any of the covenant test dates. The financial covenants will be tested quarterly starting on 31 December 2018. The Group's Leverage Ratio will be allowed to spike 0.5x leverage to permit acquisitions (which option the Group can request up to 3 times over the life of the facilities). Any such spikes are to last 6 months and then revert to the required leverage covenant levels.

14.14 An agreement between the Company and all of the existing shareholders and holders of the Loan Notes of JTC Group Holdings including CBPE Nominees Limited, Nigel Le Quesne and the trustees of certain Share Plans of JTC Group Holdings dated 9 March 2018 and conditional upon Admission whereby such holders have agreed to transfer their existing A, B and C shares in JTC Group Holdings (comprising 100 per cent. of the issued capital of that company as at completion of the agreement) and all of the Loan Notes (save to the extent they are repaid or cancelled before that time) to the Company in consideration of the issue to them of 99,097,573 Ordinary Shares in aggregate (**Share Exchange Agreement**) pursuant to the Reorganisation.

Each of such shareholders and Loan Note holders has given certain warranties as to the title of the securities held by them in JTC Group Holdings to the Company. Once transferred, the Loan Notes will be cancelled. The Share Exchange Agreement also provides for the termination of the CBPE Investment Agreement with effect from the completion of the Share Exchange Agreement. Further details of the reorganisation steps set out in the Share Exchange Agreement are set out in paragraph 2 of this Part 9 (*Additional Information*).

15 RELATED PARTY TRANSACTIONS

Save as set out below, other than those matters referred to in Note 32 to the Historical Financial Information relating to the Group for the three years ended 31 December 2017 which is set out in Section B of Part 7 (*Financial Information*) of this document, during the period commencing on 1 January 2015 and terminating on the date of this document, the Group has not entered into any related party transactions.

Indemnity Agreements

The Company has agreed to indemnify each Director on the terms and conditions set out in an indemnity agreement both in respect of the Director's position as a director or officer of the Company and also in respect of the Director's position as a director or officer of subsidiaries from time to time of the Company, if applicable.

Pursuant to the indemnity agreement, the Company shall, to the fullest extent permitted by law, indemnify and hold the Director harmless in respect of all claims, whether instigated, imposed or incurred under the laws or regulations of Jersey or of any other jurisdiction and arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Director's powers, duties or responsibilities as a director or officer of the Company or another Group company, if applicable.

The indemnity shall be deemed not to provide for, or entitle the Director to, any indemnification that would cause the indemnity agreement, or any part of it, to be treated as void or unenforceable under applicable law or under sections 232 or 234 of the Companies Act (which shall apply to the Company as though it was incorporated in the United Kingdom). The Company shall only be liable to indemnify the Director in accordance with the indemnity agreement to the extent that compensation for the relevant claim is not available or not obtained pursuant to the terms of any directors' and officers' liability insurance which from time to time is in force.

16 WORKING CAPITAL

The Company is of the opinion that, after taking into account the bank facilities available to the Group, the working capital of the Company and its Group is sufficient for its present requirements, that is, for at least the period of 12 months from the date of this Prospectus.

17 LITIGATION

There are no governmental, legal or arbitration proceedings (including such proceedings pending or threatened of which the Group is aware) during the 12 months preceding the date of this Prospectus, which may have, or have had in the recent past, a significant effect on the Company's and or the Group's financial position or profitability.

18 GENERAL

18.1 There has been no significant change in the financial or trading position of the Group since 31 December 2017, being the latest date to which the historical financial information in Part 7 (*Financial Information*) was prepared.

18.2 The estimated costs and expenses relating to the Offer (including those fees and commissions referred to in paragraph 10 above) payable by the Group are estimated to amount to approximately £4.9 million (excluding VAT). The total net proceeds of the Offer receivable by the Group, after payment of commissions and settling fees, will be approximately £15.1 million. The total net proceeds of the Offer, receivable by the Selling Shareholders after payment of commissions, will be approximately £218.2 million.

18.3 PricewaterhouseCoopers CI LLP, whose registered office is at 37 Esplanade, St Helier, Jersey, JE1 4XA, has been the auditor of JTC Group Holdings (the parent company of the Group prior to the Reorganisation) for the three years ended 31 December 2017. PricewaterhouseCoopers CI LLP is a member of the Institute of Chartered Accountants in England and Wales and has no material interest in the Group.

18.4 PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the inclusion in this Prospectus of its reports in Part 7 (*Financial Information*) and Part 8 (*Unaudited Pro Forma Financial Information*) and the references thereto in the form and context in which they appear and has authorised the contents of its reports for the purposes of Rule 5.5.3R(2)(F) of the Prospectus Rules.

18.5 The Company confirms that where information in this Prospectus has been sourced from a third party, the source of this information has been provided, the information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading as at the date of extraction.

18.6 Zeus Capital is registered in England and Wales under number 04417845 and its registered office is at 82 King Street, Manchester, M2 4WQ. Zeus Capital is regulated by the FCA and is acting as financial adviser, broker and joint global coordinator and joint bookrunner to the Company.

18.7 Numis Securities is registered in England and Wales under number 02285918 and its registered office is at 10 Paternoster Square, London, EC4M 7LT. Numis Securities is regulated by the FCA and is acting as joint global coordinator and joint bookrunner to the Company.

18.8 Stockdale Securities is registered in England and Wales under number 00762818 and its registered office is at 100 Wood Street, London, England, EC2V 7AN. Stockdale Securities is regulated by the FCA and is acting as sponsor to the Company.

18.9 Each of Zeus Capital, Numis Securities and Stockdale Securities have given and has not withdrawn their written consent to the issue of this Prospectus with the inclusion of their respective names and references to them in the form and context in which they appear.

18.10 Save as otherwise disclosed in this document there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.

18.11 The Directors believe that the Group has no material environmental compliance costs or environmental liabilities.

18.12 The New Ordinary Shares will represent approximately 6.5 per cent., and the Existing Ordinary Shares will represent approximately 93.5 per cent., of the expected enlarged issued share capital of the Company immediately following Admission.

19 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the offices of the Company and at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ from the date of this document to the date one month from the date of Admission:

(a) the memorandum of association of the Company and the Articles;

(b) the historical financial information of the Group in respect of the three financial periods ended 31 December 2015, 2016 and 2017 together with the related report from PricewaterhouseCoopers LLP which is set out in Part 7 (*Financial Information*) Section A;

(c) the financial information for the year ended 31 December 2015 in relation to Kleinwort Benson Fund Administration together with the related report from PricewaterhouseCoopers LLP which is set out in Part 7 (*Financial Information*) Section B;

(d) the report prepared by PricewaterhouseCoopers LLP on the unaudited pro forma financial information set out in Section B of Part 8 (*Unaudited Pro Forma Financial Information*);

(e) the letters of consent referred to in paragraph 18 above; and

(f) this Prospectus.

In addition, copies of this Prospectus are available on the Company's website www.jtcgroup.com, or through the National Storage Mechanism (NSM) website located at www.morningstar.co.uk/uk/nsm.

Dated: 9 March 2018

PART 10

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

"Admission"	means admission of the Ordinary Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities;
"AIFMD" or **"AIFM Directive"**	means the EU Directive on Alternative Investment Fund Managers;
"Articles" or **"Articles of Association"**	means the articles of association of the Company from time to time;
"Audit and Risk Committee"	means the audit and risk committee of the Board;
"BAML"	means Bank of America Merrill Lynch;
"Banks"	means Zeus Capital, Numis Securities and Stockdale Securities;
"Board"	means the board of directors of the Company from time to time;
"Business Day"	means a day other than a Saturday or Sunday on which banks are generally open for non-automated business in the City of London;
"BVI"	means the British Virgin Islands;
"BVI FSC"	means the British Virgin Islands Financial Services Commission;
"CAGR"	means compound annual growth rate;
"CBPE Capital"	means CBPE Capital Fund VIII A LP, CBPE Capital Fund VIII B LP and, where the context so requires, CBPE Nominees Limited;
"CBPE Investment Agreement"	means the investment agreement dated March 2012 (as amended) between, *inter alia*, CBPE Capital and JTC Group Holdings;
"certificated" or **"in certificated form"**	means a share or other security (as appropriate) not in uncertificated form (that is, not in CREST);
"CIMA"	means the Cayman Islands Monetary Authority;
"CISE"	means the Channel Islands Stock Exchange;
"City Code"	means the UK City Code on Takeovers and Mergers, as amended, supplemented or replaced from time to time;
"Closing Date"	means 14 March 2018, being the expected date of Admission;
"Companies Act"	means the UK Companies Act 2006, as amended;
"Corporate Services"	means the corporate services business of the Group as described in paragraph 3 of Part 1 (*Information on the Group*) of this Prospectus;
"Company" or **"JTC"**	means JTC PLC and, where the context requires, its subsidiaries from time to time and, where the context further requires, assumes the Reorganisation has been completed;

"CREST"	means the relevant system as defined in the CREST Regulations in respect of which Euroclear UK & Ireland Limited is operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form;
"CREST Regulations"	means the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as applicable) or the Companies (Uncertificated Securities) (Jersey) Order 1999 (as applicable), as amended from time to time;
"CSSF"	means the Commission de Surveillance du Secteur Financier;
"DBSP"	means the deferred bonus share plan;
"Directors"	means the Executive Directors and the Non-Executive Directors;
"Disclosure Guidance and Transparency Rules"	means the disclosure guidance and transparency rules of the FCA (as set out in the FCA Handbook) as amended;
"EBITDA"	means profit or loss for the period before tax, finance costs, finance income, other gains and losses, depreciation and amortisation;
"EBITDA margin"	means EBITDA divided by total revenue, expressed as a percentage;
"EBITDA cash conversion"	means cash generated by operations divided by EBITDA;
"EEA" or **"European Economic Area"**	means the European Union, Iceland, Norway and Liechtenstein;
"EEA State" or **"Member State"**	means a member state of the European Union;
"EIP"	means the employee incentive plan;
"Employee Shareholders"	means the Executive Directors, the Senior Management and the other employees (and prospective employees) of the Group who are interested in issued Ordinary Shares on Admission;
"European Union" or **"EU"**	means the economic and political union of 28 Member States which are located primarily in Europe;
"Executive Directors"	means Nigel Le Quesne and Martin Fotheringham;
"Existing Facility"	means the Group's existing loan facility and as more particularly defined in paragraph 14.7 of Part 9 (*Additional Information*) of this document;
"Existing Ordinary Shares"	means the Ordinary Shares in issue immediately following the Reorganisation but prior to the issue of the New Ordinary Shares;
"Euroclear"	means Euroclear UK & Ireland Limited, the operator (as defined in the CREST Regulations) of CREST;
"FATCA"	means the US Foreign Account Tax Compliance Act of 2010;
"FCA"	means UK Financial Conduct Authority;
"FCA Handbook"	means the FCA's Handbook of Rules and Guidance;
"FSMA"	means the Financial Services and Markets Act 2000, as amended;

"Fund Services"	means the fund services of the Group as described in paragraph 3 of Part 1 (*Information on the Group*) of this Prospectus;
"GFSC"	means the Guernsey Financial Services Commission;
"Global Service Centre"	means the Company's global service centre in South Africa;
"Group" or **"JTC"**	means: (a) prior to the Reorganisation, JTC Group Holdings and its subsidiaries; or (b) subsequent to the Reorganisation, the Company and its subsidiaries, and **Group Company** means any member of the (then current) Group;
"Group Risk Function"	means the risk function of the group as described in paragraph 11 of Part 1 (*Information on the Group*) of this Prospectus;
"HMRC"	means UK HM Revenues and Customs;
"Historical Period"	means the 42 month period prior to 31 December 2017 (being the last three periods for which financial statements of the Group have been prepared);
"IFRS"	means International Financial Reporting Standards, as adopted by the European Union;
"Institutional Client Services"	means the institutional client services provided by the Group as described in paragraph 1 of Part 1 (*Information on the Group*) of this Prospectus;
"ISIN"	means International Securities Identification Number;
"Jersey"	means the Bailiwick of Jersey;
"Jersey Companies Law"	means the Companies (Jersey) Law 1991 (as amended) and subordinate legislation thereunder;
"JFSC"	means the Jersey Financial Services Commission;
"JTC Group Holdings"	means JTC Group Holdings Limited which will become, following the Reorganisation, a 100 per cent. direct subsidiary of the Company and the intermediate holding company of the Group;
"JTC Kensington"	means Kensington Trust Group;
"Kensington"	means Kensington International Group Pte. Ltd;
"Listing Rules"	means the rules of the FCA relating to the admission to the Official List made in accordance with section 73A(2) of FSMA;
"Loan Notes"	means the current loan notes issued by JTC Group Holdings as described in paragraph 14.11 of Part 9 *(Additional Information)*;
"Lock-in Period"	means the period from Admission until the expiry of 24 months from Admission as described in paragraph 8 of Part 2 (*Details of the Offer*) of this Prospectus;
"London Stock Exchange"	means London Stock Exchange plc or its successor(s);

"Main Market"	means London Stock Exchange's main market;
"MAR"	means the EU Market Abuse Regulation (Regulation 596/2014);
"MiFID II"	means the Markets in Financial Investments Directive II (Directive 2014/65/EU);
"New Facility"	means the Group's new loan facility to be put in place with effect from Admission and as more particularly defined in paragraph 14.13 of Part 9 (*Additional Information*) of this document;
"New Ordinary Shares"	means the new Ordinary Shares to be issued by the Company under the Offer;
"Non-Executive Directors"	means each of Michael Liston, Dermot Mathias and Michael Gray;
"Nomination Committee"	means the nomination committee of the Board;
"Numis Securities"	means Numis Securities Limited
"Offer"	means the offer of the Offer Shares to certain institutional investors being made by way of this Prospectus;
"Offer Price"	means the price at which each Offer Share is to be sold or issued (as the case may be) under the Offer, being 290 pence;
"Offer Shares"	means (i) such of the Existing Ordinary Shares and (ii) the New Ordinary Shares which are to be sold or issued (as the case may be) under the Offer at the Offer Price as described in Part 2 (*Details of the Offer*);
"Official List"	means the Official List of the UK Listing Authority;
"Ordinary Shares"	means the ordinary shares of £0.01 each in the Company having the rights set out in the Articles;
"Organic gross profit"	means gross profit excluding the gross profit contributed by the clients which came to the Group directly as a result of an acquired business;
"Organic growth"	means growth measured as in period revenue from non acquired businesses;
"Organic revenue"	means total revenue deriving from clients that did not come to the Group directly as a result of an acquired business;
"Panel on Takeovers and Mergers"	means the UK Panel on Takeovers and Mergers;
"Plans" or **"Share Plans"**	means as such terms are defined in paragraph 5 of Part 9 (*Additional Information*);
"Private Client Services"	means the institutional client services provided by the Group as described in paragraph 1 of Part 1 (*Information on the Group*) of this Prospectus;
"Private Wealth Services"	means the private wealth services of the Group as described in paragraph 3 of Part 1 (*Information on the Group*) of this Prospectus;;
"Prospectus"	means this document;

"Prospectus Directive"	means the EU Prospectus Directive (2003/71/EC) (and any amendments to it including the 2010 PD Amending Directive, to the extent implemented by the Relevant Member State) and any relevant implementing measure in each Relevant Member State;
"Prospectus Directive Regulation"	means the rules of the Financial Services Authority for the implementation of Directive 2003/71/EC of the European Parliament and the Council of the European Union, as the context requires;
"Prospectus Rules"	means the rules of the FCA made for the purposes of Part VI of FSMA in relation to offers of securities to the public and the admission of securities to trading on a regulated market;
"PSP"	means the Group's performance share plan;
"Registrar"	means Computershare Investor Services (Jersey) Limited;
"Reorganisation"	means as such term is defined in paragraph 2 of Part 9 (*Additional Information*) of this document;
"Regulation S"	means Regulation S under the Securities Act;
"Relevant Member State"	means a Member State which has implemented the Prospectus Directive;
"Remuneration Committee"	means the remuneration committee of the Board;
"Restricted Interests"	means the restrictions on any interest in Shares as described in paragraph 8 of Part 2 (*Details of the Offer*) of this Prospectus;
"RFS"	means JTC's "Recommendation for Signing" approval process;
"Securities Act"	means the US Securities Act 1933, as amended;
"SEDOL"	means Stock Exchange Daily Official List;
"Selling Shareholders"	means those Shareholders who will be selling Existing Ordinary Shares under the Offer whose names are set out in paragraph 1 of Part 2 (*Details of the Offer*) of this document;
"Senior Independent Director"	means the "senior independent director", as referred to in the UK Corporate Governance Code;
"Senior Management"	means certain members of the Group's management team named as Senior Management in Part 3 (*Directors, Senior Management and Corporate Governance*);
"Share Exchange Agreement"	means the agreement relating to the Reorganisation agreement out in paragraphs 2 and 14 of Part 9 (*Additional Information*) of this document;
"Shareholder"	means the holders of Ordinary Shares from time to time;
"Sponsor and Placing Agreement"	means the placing agreement entered into between the Company, the Directors, the Selling Shareholders, Zeus Capital, Numis Securities and Stockdale Securities, details of which are set out in paragraph 10 of Part 9 (*Additional Information*);
"Stockdale Securities" or **"Sponsor"**	means Stockdale Securities Limited;

"UK Corporate Governance Code"	means the UK Corporate Governance Code published by the Financial Reporting Council in April 2016, as amended;
"UK Listing Authority" or **"UKLA"**	means the FCA in its capacity as the competent authority for the purpose of Part VI of FSMA;
"uncertificated" or **"in uncertificated form"**	means in relation to a share or other security, a share or other security title in uncertificated form to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred through CREST;
"Underlying EBITDA"	means EBITDA adjusted by historic share based payment expense and also for certain costs contained within the Group's operating profit which management believe to be exceptional in nature by virtue of their size or incidence or those having a distortive effect;
"Underlying EBITDA margin"	means Underlying EBITDA divided by total revenue, expressed as a percentage;
"United States" or **"US"**	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
"VAT"	means UK value added tax; and
"Zeus Capital"	means Zeus Capital Limited.

PART 11

GLOSSARY

"AIFM"	means alternative investment fund manager;
"AML" or **"Anti money laundering"**	means a set of procedures, laws and regulations designed to stop the practice of generating income through illegal actions;
"AuA"	means assets under administration;
"AuM"	means assets under management;
"FSB Codes"	means the Schedules to the Codes of Practice for Fund Services Business;
"FTEs"	means full time equivalent employees;
"GDP"	means gross domestic product, the monetary value of all the finished goods and services produced within a country's borders in a specific time period;
"HNWI"	means high net worth individual, typically someone with over $1 million in liquid assets;
"KYC"	means "know your client", typically in the context of due diligence reviews relating to the on-boarding new clients;
"SMEs"	means Small and Medium Enterprises;
"SWFs"	means Sovereign Wealth Funds;
"TCB Codes"	means Schedules to the Codes of Practice for and Trust Company Business;
"TSR"	means total shareholder return; and
"UHNWI"	means ultra high net worth individual, typically someone with over $30 million in assets.

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